

DRAFT TEXT
on
CMA 6 agenda item 15(b)
Rules, modalities and procedures for the mechanism established by
Article 6, paragraph 4, of the Paris Agreement

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Draft decision -/CMA.6

**Further guidance on the mechanism established by Article 6,
paragraph 4, of the Paris Agreement**

The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

Recalling the mechanism established by Article 6, paragraph 4, of the Paris Agreement and the aims referred to therein,

Also recalling Article 6, paragraph 1, of the Paris Agreement,

Further recalling the eleventh preambular paragraph of the Paris Agreement, according to which, acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of Indigenous Peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity,

Recalling decision 3/CMA.3 and its annex and decision 7/CMA.4 and its annexes,

Also recalling that, pursuant to decision 2/CMA.3, annex, paragraph 1(g), Article 6, paragraph 4, emission reductions, when they are authorized for use towards achievement of nationally determined contributions and/or authorized for use for other international mitigation purposes, are internationally transferred mitigation outcomes and relevant guidance under Article 6, paragraph 2, of the Paris Agreement applies,

**I. Operation of the mechanism established by Article 6,
paragraph 4, of the Paris Agreement**

1. *Requests* the Supervisory Body and the Secretariat to ensure that adequate technical and scientific expertise is available to support their work on methodologies, removals, and related operational elements;
2. *Requests* the Supervisory Body to establish, or periodically convene, expert panels comprised of external experts with relevant scientific expertise, ensuring that such panels provide technical review and input on recommendations before it adopts them;
3. *Urges* the Supervisory Body and the Secretariat to expedite the establishment of the mechanism registry and its relevant procedures;
4. *Requests* the Supervisory Body to strive to ensure regulatory stability by avoiding frequent substantive revisions to its adopted standards, tools and procedures;
5. *Also requests* the Chair and vice-Chair of the Supervisory Body to present to the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement, at each of its meetings, the work conducted during the calendar year based on the mandates received;

II. Mechanism methodologies

6. *Noting* that the Supervisory Body has already developed its preliminary workplan for 2025, *encourages* the Supervisory Body to expedite its work on standards, tools and guidelines relating to baselines, downward adjustment, additionality, leakage, suppressed demand, jurisdictional crediting and further guidance on the issues related to activities involving removals such as post-crediting period monitoring, avoidable and unavoidable reversals, a reversal risk assessment, shared responsibilities in reversal remediation as well as other regulatory provisions as required in the rules, modalities and procedures for the mechanism;

7. *Requests* the Supervisory Body, *recalling* paragraph 5(b)(i) of Decision 3/CMA.3, to accelerate the revision of the baseline and monitoring methodologies in use for the clean development mechanism under Article 12 of the Kyoto Protocol with a view to applying them with revisions, as appropriate, pursuant to chapter V.B of the annex (Methodologies) for the activities under the mechanism;

8. *[Also requests* the Supervisory Body, while developing the tools and guidelines related to the baselines, as referred to in paragraphs 6 above, to prioritize the aggregation of the baseline as per paragraph 37 of annex to decision 3/CMA.3 and paragraph 67 of the “Standard: Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies”¹.];

III. Authorization of Article 6, paragraph 4, emission reductions

9. *Recalls* that, pursuant to decision 7/CMA.4, annex I, paragraph 38, the mechanism registry administrator shall, at the time of issuance of A6.4ERs, assign their authorization status in accordance with the statement by the host Party provided to the Supervisory Body, pursuant to decision 3/CMA.3, annex, paragraph 42, and *encourages* the host Party to provide to the Supervisory Body the statement of authorization of A6.4ERs as early as possible;

10. *Clarifies* that the host Party shall provide to the Supervisory Body, when it approves the Article 6, paragraph 4, activity, information on whether it:

(a) Authorizes the A6.4ERs issued for the activity in full or partially;

(b) Does not intend to authorize any A6.4ERs;

(c) Agrees that mitigation contribution A6.4ERs not specified as authorized for use towards achievement of NDCs and/or for other international mitigation purposes may be issued for the underlying activity and that it may authorize the A6.4ERs at a later stage but prior to any transaction of the mitigation contribution A6.4ERs in the mechanism registry or out of the mechanism registry;

11. *Decides* that the host Party may authorize, for use towards achievement of nationally determined contributions and/or for other international mitigation purposes, as defined in decision 2/CMA.3, annex, paragraph 1(d) and (f), mitigation contribution A6.4ERs already issued, by providing to the Supervisory Body a statement of authorization prior to any transactions in the mechanism registry or any transfers out of the mechanism registry and applying the requirements for corresponding adjustments with respect to the mitigation contribution A6.4ERs already forwarded for share of proceeds for adaptation pursuant to decision 7/CMA.4, annex I, paragraph 39, and cancelled to deliver overall mitigation in global emissions pursuant to decision 7/CMA.4, annex I, paragraph 40;

12. *Requests* the Supervisory Body to establish the necessary guidelines for operationalizing the process referred to in paragraph 11 above with a view to ensuring that:

(a) Respective mitigation contribution A6.4ERs are still held by the mitigation activity participants and have not been transacted in the mechanism registry or out of the mechanism registry;

¹ Supervisory Body document A6.4-SBM014-A05.

(b) Corresponding adjustments pursuant to decision 2/CMA.3, annex, chapter III (Corresponding adjustments), are applied by the host Party as if the authorization had been provided prior to issuance;

(c) Respective shares of proceeds received by the Adaptation Fund pursuant to decision 3/CMA.3, annex, chapter VII (Levy of share of proceeds for adaptation and administrative expenses), are comprised of authorized A6.4ERs rather than mitigation contribution A6.4ERs;

13. *Also requests* the Supervisory Body to develop a template for the statement referred to in paragraph 9 above that includes the relevant applicable elements contained in paragraph X of decision /CMA.6 in order to enable the identification of authorized A6.4ERs in the mechanism registry;

IV. Article 6, paragraph 4, mechanism registry

14. *Takes note* of chapter 11 A, paragraph X-X of decision /CMA.6;

15. *Decides* that participating Party registries, as referred to in decision 2/CMA.3, annex, paragraph 29, may voluntarily connect to the Article 6.4 mechanism registry, and the connection shall enable the transfer of authorized A6.4ERs, and provide the ability to pull and view data and information on holdings and the action history of authorized A6.4ERs;

16. *Requests* the secretariat to implement the mechanism registry in a manner that will make the registry available for use by all Parties that participate in the Article 6, paragraph 4 mechanism.

V. [Share of proceeds for adaptation

Option 1 {*exemption of LDCs (and SIDS)*}

17. *Decides* to exempt Article 6, paragraph 4, activities in the least developed countries [and small island developing States] from the share of proceeds for adaptation, while acknowledging that the least developed countries [and small island developing States] may choose not to make use of this exemption;

Option 2 {*levy directed to national adaptation activities*}

18. *Decides* that notwithstanding decision 3/CMA.3, annex, paragraph 66, and in recognition of the special circumstances of the least developed countries, a least developed country Party may elect to apply a levy on the share of proceeds to meet the costs of adaptation and to direct that levy to national adaptation activities;

19. *Also decides* that the levy referred to in paragraph 18 above shall be equivalent to 5 per cent of the A6.4ERs at issuance;

20. *Further decides* that any least developed country that elects to direct the share of proceeds to use it for national adaptation activities shall inform the Supervisory Body that it has elected to take such action, as specified in paragraph 18 above, who will instruct the mechanism registry administrator to put the required processes in place];

VI. [Transition of clean development mechanism activities

21. *Requests* the Supervisory Body to consider the additionality of project activities and programmes of activities registered under the clean development mechanism that are requesting transition to the Article 6.4 mechanism;

22. *Decides* that afforestation and reforestation project activities and programmes of activities registered under the clean development mechanism may transition to the mechanism established by Article 6, paragraph 4, of the Paris Agreement and be registered as Article 6, paragraph 4, activities subject to the following conditions being met:

(a) The request to transition the registered clean development mechanism afforestation and reforestation project activity or programme of activities being made to the secretariat and the clean development mechanism host Party, as defined by decision 3/CMP.1, by or on behalf of the project participants by no later than 31 December 2025;

(b) The clean development mechanism afforestation and reforestation project activity or programme of activities complies with the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement; the respective applicable requirements for activities involving removals under the mechanism contained in the “Standard: Requirements for activities involving removals under the Article 6.4 mechanism”;² and any future relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement];

VII. Management of financial resources

23. *Takes note* of the agreed business and resource allocation plan of the Supervisory Body for 2024–2025,³ which provides an estimated budget for its work and activities deemed essential for operationalizing the mechanism;

24. *Takes note* that the mechanism is running a deficit of 3.1 million USD in 2025, based on the above plan;

25. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;

26. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

² Supervisory Body document A6.4-SBM014-A06.

³ Supervisory Body document A6.4-SB007-A01.