

DRAFT TEXT

on

SBSTA 61 agenda item 13(b)

Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and referred to in decision 3/CMA.3

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Elements for a draft decision on further guidance on the rules, modalities and procedures for 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 for the mechanism referred to in the same paragraph,

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 decisions 3/CMA.3 and 7/CMA.4, including their annexes,

Also recalling that, pursuant to decision 2/CMA.3, annex, paragraph 1(g), A6.4ERs, 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, therefore, relevant guidance under Article 6, paragraph 2, of the Paris Agreement applies,

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

A. Timing of authorization

Option 1: *{Reference to authorization as per decision 7/CMA.4, annex I, paragraph 38, with stipulation of timing of the authorization no later than at issuance}*

1. *Recalls* that pursuant to decision 7/CMA.4, annex, 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, and *encourages* the host Party to provide to the Supervisory Body the statement of the authorization of A6.4ERs [as early as possible], but no later than at issuance;

Option 2: *{Flexibility for timing of authorization}*

2. *Clarifies* that the authorization shall be provided by the host Party to the Supervisory Body pursuant to decision 2/CMA.3, annex, paragraph 2, and that the authorization of mitigation contribution A6.4ERs may be provided [at any time], [but not later than first transfer];

B. Statement of authorization

Option 1: *{Issuance of mitigation contribution A6.4ERs, when statement of authorization is not provided.}*

3. *Clarifies* that, if [the host Party has decided not to provide a statement of authorization to the Supervisory Body] [no statement of authorization has been provided by the host Party to the Supervisory Body] at the time of issuance of A6.4ERs, the mechanism registry administrator shall assign their status as mitigation contribution A6.4ERs [provided that the host Party has approved the activity];

Option 2: *{Retaining the 5% of SOP for adaptation and 2% for OMGE until issued MCU A6.4ERs are transferred or first transferred or until the end of compliance period in which they are issued}*

4. *Decides* that notwithstanding decision 3/CMA.3, annex, paragraphs 58 and 59 if no authorization has been provided by the host Party to the Supervisory Body at the time of issuance of A6.4ERs, the mechanism registry administrator shall assign their status as mitigation contribution A6.4ERs and shall retain 5% for share of proceeds for adaptation pursuant to decision 7/CMA.4, annex I, paragraph 39 and 2% for delivering overall mitigation in global emissions pursuant to decision 7/CMA.4, annex I, paragraph 40 in the pending account of the mechanism registry [until issued mitigation contribution A6.4ERs are transferred or first transferred] or [until the end of the compliance period in which the mitigation contribution A6.4ERs are issued];

5. *Decides* that the retained 5 % for SOP for adaptation can be forwarded to account held by the Adaptation Fund in the mechanism registry and the 2% retained for delivering overall mitigation in global emissions can be first transferred to the account for cancellation only if the Party's decision to authorize A6.4ERs post issuance applies to entire issuance instruction to the mechanism registry administrator;

Option 3: *{Alternative option for no statement of authorization with reference to 7/CMA.4, annex IV, paragraph 38}*

6. *Clarifies* that the host Party shall provide a statement, referred to in decision 3/CMA.3, annex V, paragraph 42, to the Supervisory Body to specify whether it authorizes 6.4ERs for Nationally Determined Contributions and/or Other International Mitigation Purposes, or does not authorize the 6.4ERs, to enable the mechanism registry administrator to undertake the procedure in 7/CMA.4, annex IV, paragraph 38;

Option 4: *{No text required}*

C. Changes of authorization

Option 1: *{No changes allowed}*

7. *Decides* that there shall be no change to the authorization status of A6.4 ERs once issued;

Option 2: *{Changes possible prior to the first transfer}*

8. *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 [and pursuant to decision 18/CMA.1], 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:

(a) [All mitigation contribution A6.4ERs already issued];

(b) [7% of all mitigation contribution A6.4ERs issued to include 5% forwarded for share of proceeds for adaptation pursuant to decision 7/CMA.4, annex I, paragraph 39 and the 2% cancelled to deliver overall mitigation in global emissions pursuant to decision 7/CMA.4, annex I, paragraph 40];

(c) [7% of mitigation contribution A6.4ERs which are issued with respect to specific activities identified by the host Party that may potentially be authorized post issuance];

(d) [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];

Option 3: *{Changes to be consistent with 6.2}*

9. [*Decides*] [*Recalls*] that any changes to the statement of authorization referred to in paragraph 1 above shall be consistent with paragraph X of decision -/CMA.6 with respect to authorized A6.4ERs;

Option 4: *{SBSTA to defer consideration to review}*

10. *Requests* the Subsidiary Body for Scientific and Technological Advice to continue considering the potential scope of changes to the statement of authorization referred to in paragraph 1 above, including of internationally transferred mitigation outcomes towards use(s), as well as the process for managing them which avoids double counting, as part of the review of the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement to be initiated by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its tenth session (2028);¹

Option 5: *{Changes possible at any time}*

11. *Decides* that the first transferring Party may revise and revoke the authorization of A6.4ERs at any time;

Option 6: *{No text required}*

D. Process of change

Option 1: Applicable in conjunction with Option 2 in section C: *{Guidance to the Supervisory Body to operationalize authorization}*

12. *Requests* the Supervisory Body to establish the necessary guidelines for operationalizing paragraph 8 above [and report back on this matter to] [for adoption by] the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its seventh session (November 2025) with a view to ensuring that:

(a) The 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;

(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) The 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;

Option 2: *{No text required}*

E. Content of authorization statement

Option 1: *{Cross-reference to the A6.2 text on elements for authorization for consistency}*

13. *Clarifies* that the statement of authorization referred to in paragraph 1 above [should] [shall] include relevant [elements] [information] contained in paragraph X of decision -/CMA.6 in order to enable the identification of authorized A6.4ERs in the mechanism registry;

¹ Decision 3/CMA.3, paras. 10–11.

Option 2: *{Voluntary format and content of the statement on authorization including information pursuant to decision 2/CMA.3, annex, Paragraph 18(g)}*

14. *Recognizes* that the authorization of A6.4ERs is a national [prerogative] [responsibility] and should be host Party driven process, which may be undertaken by host Parties as one consolidated process by submitting an authorization statement [in a format of their choosing] which should include information on authorization pursuant to decision 2/CMA.3, annex, paragraph 18(g);

Option 3: *{No text required}*

II. Article 6, paragraph 4, mechanism registry

Option 1: *{transfers between registries}*

Option 1A

15. *Recalls* decision 6/CMA.4, annex I, paragraphs 9, 10 and 23, regarding the interoperability of participating Party registries and the connection of the Article 6.4 mechanism registry to the international registry;

16. *Decides* that, [in addition to enabling the ability to pull and view data and information² on holdings and the action history of authorized A6.4ERs,] the Article 6.4 mechanism registry shall, consistent with the interoperability arrangements applicable to all registries as described in decision 6/CMA.4, annex I, chapter I.B (Interoperability), and other relevant future decisions of the CMA, enable the transfer of [authorized] A6.4ERs to [the international registry and to] participating Party registries that request connection [to the Article 6.4 mechanism registry] and demonstrate that their registry performs the necessary functions for the transparent [acquisition,] holding, transfer, retirement and/or cancellation of A6.4ERs and maintains robust protocols for data transfer and security consistent with decision 7/CMA.4, annex I, paragraph 27;

Option 1B

17. *Recalls* decision 6/CMA.4, annex I, paragraph 23, which states that the mechanism registry shall be connected to the international registry referred to in decision 2/CMA.3, annex, paragraph 30, and that the connection shall, at a minimum, enable the functions referred to in decision 6/CMA.4, annex I, paragraphs 9–10;

18. *Clarifies* that the Article 6.4 mechanism registry connection to the international registry shall enable the ability to pull and view data and information on holdings and the action history of authorized A6.4ERs and on the transfer of authorized A6.4ERs (internationally transferred mitigation outcomes) to the international registry, consistent with the interoperability arrangements applicable to all registries as described in decision 6/CMA.4, annex I, chapter I.B (Interoperability), and other relevant future decisions of the CMA;

19. *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, consistent with decision 6/CMA.4, annex I, chapter I.B (Interoperability), paragraphs 9–10, and the ability to pull and view data and information on holdings and the action history of authorized A6.4ERs;

Option 2 *{extension of the international registry that functions as part of the Article 6, paragraph 4, mechanism registry}*

Option 2A:

20. *Decides* that, in addition to enabling the ability to pull and view data and information on holdings and the action history of authorized A6.4ERs, the mechanism registry shall enable the transfer of:

(a) A6.4ERs from the Article 6.4 mechanism registry accounts to a stand-alone Party-administered registry that requests this connection and demonstrates that the registry

² Pursuant to decision 3/CMA.3, annex, para. 63, and decision 7/CMA.4, annex I, para. 49.

performs the necessary functionalities for the transparent creation and/or acquisition and holding, and transfer and retirement and/or cancellation of A6.4ERs;

(b) Authorized A6.4ERs from the Article 6.4 mechanism registry accounts to a Party-specific extension of the international registry that functions as part of the Article 6.4 mechanism registry, which shall support the acquisition, holding, transfer, and cancellation or retirement of authorized 6.4 ERs for Parties that request such services;

Option 2B:

21. *Decides* that, in addition to enabling the ability to pull and view data and information on holdings and the action history of authorized Article 6, paragraph 4, emission reductions, the connection between the international registry and the Article 6, paragraph 4, mechanism registry shall enable the transfer of authorized Article 6, paragraph 4, emission reductions from Article 6, paragraph 4, mechanism registry accounts to a Party-specific extension of the international registry that functions as part of the Article 6, paragraph 4. mechanism registry, which shall support the acquisition, holding, transfer and cancellation or retirement of authorized Article 6, paragraph 4, emission reductions for Parties that request such services and in accordance with the operations and procedures of the Article 6, paragraph 4, mechanism registry, including for Party authorization of account access;

Option 3: {no transfers}

22. *Decides* that the international registry will enable the ability to pull and view and no transfer of 6.4ERs to the international registry or to national registries;

Option 4: {No text required}

23. *Requests* the secretariat to implement the mechanism registry in a manner that will make the registry available for the use by all Parties who are willing to participate in the Article 6 paragraph 4 mechanism;

III. [Share of proceeds for adaptation]

{text moved to CMA.6 agenda item 15(b) on Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and referred to in decision 3/CMA.3}

IV. [Transition of clean development mechanism afforestation and reforestation activities]

{text moved to CMA.6 agenda item 15(b) on Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and referred to in decision 3/CMA.3}

V. [Baseline methodologies]

{text moved to CMA.6 agenda item 15(b) on Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and referred to in decision 3/CMA.3}

VI. [Other matters]

{text moved to CMA.6 agenda item 15(b) on Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and referred to in decision 3/CMA.3}.