

## 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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## Proposal by the SBSTA Chair

### Draft decision -/CMA.6

#### **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**

1. *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;

2. *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;

3. *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;

4. *Requests* the Supervisory Body to establish the necessary guidelines for operationalizing the process referred to in paragraph 3 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;

(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;

5. *Also requests* the Supervisory Body to develop a template for the statement referred to in paragraph 1 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;

## **II. Article 6, paragraph 4, mechanism registry**

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

7. *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;

8. *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.

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