

DRAFT TEXT

on

CMA 5 agenda item 14(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.5

**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. General

1. *Welcomes* the annual report for 2023 of the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and its addendum;¹
2. *Recognizes* the work undertaken by the Supervisory Body in 2023 to address the mandates from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

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

3. *Welcomes* the designation of national authorities for the mechanism by 67 Parties as at 12 December 2023;
4. *Reminds* Parties wishing to participate in the mechanism to designate a national authority for the mechanism and communicate that designation to the secretariat;
5. *Requests* the Supervisory Body to establish a Designated National Authorities Forum to facilitate the exchange of information and experience among designated national

¹ FCCC/PA/CMA/2023/15 and Add.1.

authorities and the identification of common challenges at the regional and subregional level in operationalizing the mechanism;

6. *Appreciates* the valuable inputs provided by a diverse range of stakeholders to the work of the Supervisory Body throughout the year;

7. *Requests* the Supervisory Body, in pursuing inclusivity, to continue to remain open to stakeholder engagement and inputs, including by proactively reaching out to a broad range of stakeholders, including Indigenous Peoples and local communities, technical experts, the private sector, and scientific and academic communities, while respecting national prerogatives;

8. *Notes with appreciation* the progress made by the Supervisory Body in developing the standards and procedures for operationalizing the mechanism;

9. *Invites* Parties and admitted observer organizations to submit via the submission portal², by 05 February 2024, their views on the sustainable development tool, the appeals and grievance procedure, and tools and guidelines on baselines, additionality, leakage and a reversal risk assessment;

10. *Urges* the Supervisory Body to prioritize its work on the sustainable development tool, the appeals and grievance procedure, and tools and guidelines relating to baselines, additionality, leakage and a reversal risk assessment as well as other regulatory provisions as required in the rules, modalities and procedures for the mechanism as a matter of urgency, taking into account the submissions of Parties and observers on these matters referred to in paragraph 9 above;

11. *Requests* the Supervisory Body to develop procedures and templates for host Parties to provide information in relation to their participation in the mechanism, including information on their fulfilment of participation requirements and their choices of how they participate in the mechanism, consistent with the rules, modalities and procedures for the mechanism;

12. *Recalling* decision 7/CMA.4, annex II, paragraph 70, *stresses* the importance of establishing relevant dedicated expert groups, including drawing on appropriate scientific expertise;

13. *Requests* the Supervisory Body to ensure close collaboration among the established expert groups referred to in paragraph 12 above, with the aim of ensuring consistency in their work;

14. *Also requests* the Supervisory Body to publish data related to the mechanism, including its activities and other information such as total global mitigation achieved, investment reported by activity participants, and potential co-benefits achieved;

III. Elaboration of the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement

15. *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 activities under the mechanism (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 30 June 2024;

(b) The clean development mechanism afforestation and reforestation project activity or programme activities complies with the respective applicable requirements for activities involving removals under the mechanism established by Article 6, Paragraph 4, of the Paris Agreement, as contained in annex II, and any further relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

(c) CDM afforestation and reforestation project activities and programme of activities that are approved by the designated national authorities prior to the original deadline for transition requests may complete the registration process under the clean development mechanism, and, as applicable, requests the transition as per the provisions of sub-paragraphs (a) and (b) above;

16. *Also decides* to exempt Article 6, paragraph 4, activities in the least developed countries from the share of proceeds for adaptation, while acknowledging that the least developed countries may choose not to make use of this exemption;

17. *Notes* the requirements for the development and assessment of methodologies for the mechanism established by Article 6, paragraph 4, of the Paris Agreement, referred to in chapter V.B (Methodologies) of the rules, modalities and procedures, contained in annex I, and the requirements for activities involving removals under the mechanism established by Article 6, paragraph 4, of the Paris Agreement, as contained in annex II;

18. *Requests* the Supervisory Body to apply these requirements contained in annex I and II, while noting that the Supervisory Body will continue the further work as referred to in the respective annexes;

19. *Also requests* the Supervisory Body to elaborate and develop, on the basis of the requirements contained in Annexes I and II, clarifications ensuring that terminology applied is consistent and that guidance and definitions are clear, and make necessary amendments, and report on its progress to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

20. *Further requests* the Supervisory Body in its work on removals involving forests take into account relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, as appropriate, including seeking inputs from relevant sectoral experts;

21. *Requests* the Supervisory Body, in the context of its consideration of removals, to be always guided by the best available science;

22. *Also requests* the Subsidiary Body for Scientific and Technological Advice to continue its consideration of whether Article 6, paragraph 4, activities could include emission avoidance and conservation enhancement activities, as part of the review of the rules, modalities and procedures for the mechanism to be conducted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its tenth session (2028);³

23. *Decides* that, in addition to enabling the ability to pull and view data and information⁴ on holdings and the action history of authorized A6.4ERs, the Article 6.4 mechanism registry shall enable the transfer of authorized A6.4ERs from the Article 6.4 mechanism registry accounts to participating Party registries that request this connection and demonstrate that the registry performs the necessary functionalities for the transparent creation and/or acquisition and holding, and transfer and retirement and/or cancellation of A6.4ERs and maintains robust protocols for data transfer and security consistent with guidance contained in paragraph 27, annex I, 7/CMA.4;

24. *Also decides* that that the host Party shall provide to the Supervisory Body a statement on the authorization of A6.4ERs latest before their first transfer;

³ Decision 3/CMA.3, para. 10 and 11.

25. *Clarifies* that if no statement has been provided at the time of the issuance, the mechanism administrator shall issue A6.4ERs and assign the status mitigation contribution A6.4ERs;
26. *Further clarifies* that the statement referred to in paragraph 24 above should include relevant information on the authorization in accordance with paragraph X of decision - /CMA.5⁵ in order to enable the identification of authorized A6.4ERs in the mechanism registry;
27. *Decides* that a host party could provide to the Supervisory Body a statement of authorization for mitigation contribution A6.4ERs already issued, for use towards NDC, and for OIMP, prior to any transaction, and apply the requirements of corresponding adjustments for SOP and OMGE and *requests* the Supervisory Body to ensure that changes to issued units are correspondingly adjusted, in line with the decision 2/CMA.3.
28. *Also decides* that, in exceptional circumstances, changes to the statement of authorization referred to in paragraph 24 above may be made and such changes shall not apply to or affect authorized A6.4ERs that have been already first transferred;
29. *Requests* the Subsidiary Body for Scientific and Technological Advice to develop recommendations on further responsibilities of the Supervisory Body and of Parties that host Article 6, paragraph 4, activities in order for such host Parties to elaborate on and apply national arrangements for the mechanism under the approval and supervision of the Supervisory Body, as part of the review of the rules, modalities and procedures, for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its tenth session as part of its review of the rules, modalities and procedures for the mechanism at that session (2028);

IV. Management of financial resources

30. *Takes note* of the agreed business and resource allocation plan of the Supervisory Body for 2024–2025,⁶ which provides an estimated budget for its work and activities deemed essential for operationalizing the mechanism;
31. *Requests* the Supervisory Body to reinforce its support structure and allocate dedicated resources to the expert groups referred to in paragraph 12 above;
32. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;
33. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

⁵ Draft decision entitled “Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement” proposed under agenda item 13(a) of the Subsidiary Body for Scientific and Technological Advice at its fifty-ninth session.

⁶ Supervisory Body document A6.4-SB007-A01.

Annex I

Requirements for the development and assessment of methodologies for the mechanism established by Article 6, paragraph 4, of the Paris Agreement

{Text to be added from annex I to the addendum to the annual report of the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.}

Annex II

Requirements for activities involving removals under the mechanism established by Article 6, paragraph 4, of the Paris Agreement

{Text to be added from annex II to the addendum to the annual report of the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement.}