

DRAFT TEXT

on

CMA 5 agenda item 14(a)

Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement and in decision 2/CMA.3

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Draft decision -/CMA.5

Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

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

Recalling decision 2/CMA.3 and its annex,

Also recalling decision 6/CMA.4 and its annexes,

I. Process for managing common nomenclatures

1. *Requests* the secretariat to establish common nomenclatures for all specific information attributes pertaining to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement, taking into account existing decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement and pursuant to decision 6/CMA.4, paragraph 17(j);
2. *Also requests* the secretariat, as the administrator of the centralized accounting and reporting platform, to develop an inclusive process for requesting the establishment of and changes to common nomenclatures, pursuant to decision 6/CMA.4, annex I, paragraphs 29–30;
3. *Invites* Parties to submit their views on and proposals for the process set out in paragraph 2 above, in accordance with decision 6/CMA.4, annex I, paragraph 29;
4. *Requests* the secretariat to develop an initial list of common nomenclatures and maintain these common nomenclatures in consultation with the voluntary forum of Article 6 registry system administrators and technical experts of participating Parties ;
5. *Notes* that the secretariat, as the administrator of the CARP, will assign a unique identifier using the naming convention “CA{NNNN}” to each cooperative approach sequentially in order of submission to the CARP of each initial report or updated initial report in respect of a new cooperative approach;
6. *Also notes* that the secretariat, as the administrator of the CARP, will assign the identifier “CA0001” to the mechanism established by Article 6, paragraph 4, of the Paris Agreement, in respect of authorized A6.4 ERs, or where participating Parties or Party requests the assignment of a different cooperative approach unique identifier;

II. Authorization

7. *Notes* that the participating Party arrangements for authorizing the use of internationally transferred mitigation outcomes referred to in decision 2/CMA.3, annex, paragraph 4(c), may involve a single process and/or result in a consolidated authorization that addresses all elements referred to in decision 2/CMA.3, annex, paragraph 18(g);
8. *Also notes* that the participating Party arrangements for authorizing the use of internationally transferred mitigation outcomes referred to in decision 2/CMA.3, annex, paragraph 4(c), may involve a sequential process and/or result in separate authorizations

that collectively address all elements referred to in decision 2/CMA.3, annex, paragraph 18(g);

9. *Clarifies* that internationally transferred mitigation outcomes can only be first transferred once they have been authorized in accordance with the arrangements described in paragraphs 7 and/or 8 above under an authorized cooperative approach;

10. *Encourages* participating Parties to include, at their discretion, the following elements in the authorization(s), as appropriate, of each cooperative approach, as per decision 2/CMA.3, annex, paragraph 18(g):

(a) Unique identifier of the cooperative approach, as obtained from the CARP, where available;

(b) Name and parameters of the cooperative approach;

(c) Participating Party or Parties;

(d) Registry or registries involved in tracking internationally transferred mitigation outcomes from the cooperative approach;

(e) Duration of the cooperative approach;

(f) Date of authorization;

(g) Duration of authorization;

(h) Definition of first transfer by the authorizing Party for the cooperative approach (in accordance with decision 2/CMA.3, annex, para. 2(b));

(i) The procedures and standards applied in the implementation of the cooperative approach;

(j) Metrics and units of measurement;

(k) Sectors;

(l) Vintages;

(m) Activity types;

(n) Contribution of resources for adaptation;

(o) Contribution to overall mitigation in global emissions;

(p) Arrangements for authorizing entities;

(i) Authorized entities;

(q) Other information relevant to the authorization and cooperative approach, pursuant to decision 2/CMA.3;

11. *Requests* the secretariat, as the administrator of the CARP, to develop and publish the relevant voluntary, standardized and user-friendly form(s) for the arrangements outlined in paragraphs 7 and/or 8 above, for a participating Party to use at its discretion to provide the information requested by decision 2/CMA.3, annex, paragraph 18;

12. *Decides* that any changes to an authorization of a cooperative approach should not apply to or affect internationally transferred mitigation outcomes that have already been first transferred, unless otherwise agreed and made publicly available by the participating Parties in a cooperative approach or by a participating Party under extreme circumstances;

13. *Requests* the secretariat, in consultation with registry system administrators through the voluntary forum of Article 6 registry system administrators and technical experts of participating Parties, to develop the standardized data structure for internationally transferred mitigation outcome authorizations, implement this structure in the international registry and include the specification of the data structure in the standards and recommended practices for recording of data and information related to

internationally transferred mitigation outcomes referred to in decision 6/CMA.4, paragraph 32, for use by registries that connect to the international registry;

III. Application of first transfer

14. *Decides* that the first transfer of an internationally transferred mitigation outcome authorized for use towards achievement of nationally determined contributions and/or for other international mitigation purposes shall be the earlier of the first transfer of the internationally transferred mitigation outcome as specified by the first transferring Party, pursuant to decision 2/CMA.3, annex, paragraph 2(a) and paragraph 2(b);

15. *Also decides* that the first transfer of an internationally transferred mitigation outcome authorized for use for other international mitigation purposes, as specified by the participating Party, pursuant to decision 2/CMA.3, annex, paragraph 2(b), shall be applied consistently by the Party for a given cooperative approach but may be applied at its discretion across other cooperative approaches in which it participates;

16. *Further decides* that where the participating Parties and stakeholders using cooperative approaches choose to voluntarily contribute resources for adaptation through contributions to the Adaptation Fund, pursuant to decision 2/CMA.3, annex, paragraph 37, that can be carried out by the transfer of internationally transferred mitigation outcomes to an account for the Adaptation Fund, such a contribution shall be a first transfer, except where the internationally transferred mitigation outcome has already been first transferred;

17. *Decides* that where participating Parties and stakeholders choose to cancel internationally transferred mitigation outcomes that are not counted towards any Party's nationally determined contribution or for other international mitigation purposes to deliver overall mitigation in global emissions, pursuant to decision 2/CMA.3, annex, paragraph 39, the cancellation shall be a first transfer, except where the internationally transferred mitigation outcome has already been first transferred;

IV. Agreed electronic format

18. *Takes note* of the progress of Parties in technical discussions on the agreed electronic format, as referred to in decision 2/CMA.3, annex, paragraph 20;

19. *Encourages* Parties to continue to test the draft version of the agreed electronic format as contained in decision 6/CMA.4, annex VII, with a view to the agreed electronic format being adopted by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session (November 2024);

V. Tables for submitting annual information as part of the regular information

20. *Takes note* of the progress of technical discussions among Parties on the tables for submitting annual information as part of the regular information, as referred to in decision 2/CMA.3, annex, paragraph 23(j);

VI. Sequencing and timing

21. *Requests* the secretariat to revise the manual for the accounting, reporting and review of cooperative approaches¹, referred to in decision 6/CMA.4, paragraph 22, in order to assist Parties, specifically developing country Parties, by easing the reporting

¹ <https://unfccc.int/documents/634354>

burden and to describe the sequencing and timing of reporting and review pursuant to decisions 2/CMA.3 and 6/CMA.4;

22. *Notes* that the submission of an initial report or updated initial report by a participating Party is a requirement for submitting, in an agreed electronic format, annual information on each cooperative approach;

23. *Decides* that for the annual information on internationally transferred mitigation outcomes for which the report of the review of that initial report or updated initial report has not yet been published the Article 6 database shall add the additional notation “initial report review pending” in the results of the consistency check;

24. *Also decides* that the report on the review of the initial report or updated initial report of a cooperative approach, as submitted by a participating Party, shall be published prior to that participating Party including in its agreed electronic format annual information on actions in respect of internationally transferred mitigation outcomes originating from that cooperative approach;

25. *Clarifies* that a first transfer, referred to in decision 2/CMA.3, annex, paragraph 2, in relation to an internationally transferred mitigation outcome may only be effected after the achievement of the mitigation outcome in line with decision 2/CMA.3, annex, paragraph 1(a);

VII. Process of identifying, notifying and correcting inconsistencies

26. *Recalls* that the Article 6 database shall identify inconsistencies and unavailability of annual information by performing consistency checks on the accuracy and completeness of the information in accordance with the relevant requirements of decision 2/CMA.3, annex, chapter IV.B (Annual information) and IV.C (Regular information);

27. *Clarifies* that inconsistencies in relation to the consistency check referred to in decision 2/CMA.3, annex, paragraph 33(a) can be corrected through the relevant participating Parties submitting revised agreed electronic formats, as required, and through performance of another consistency check;

28. *Decides* that, should inconsistencies in respect of internationally transferred mitigation outcomes be identified during the consistency check in the individual agreed electronic format of a participating Party or between the agreed electronic formats of Parties participating in the same cooperative approach, those internationally transferred mitigation outcomes will be marked in accordance with the consistency check procedure developed by the secretariat pursuant to decision 2/CMA.3, annex, paragraph 33(a);

29. *Notes* that the output of the consistency checks will publicly display whether any reported information in respect of internationally transferred mitigation outcomes is, *inter alia*:

(a) Consistent: Checks performed on the information in respect of internationally transferred mitigation outcomes match, and there is no inconsistency found;

(b) Inconsistent: Checks performed on the information in respect of internationally transferred mitigation outcomes show inconsistencies or mismatches of information have been found;

(c) Not available: Information required to perform the consistency check was not available;

VIII. Modalities for reviewing information that is confidential

30. *Recalls* the provisions for participating Parties to designate information provided to the Article 6 technical expert review team during the review as confidential and the provisions relating to the review of such information contained in decision 6/CMA.4, annex II, chapter VII;

31. *Requests* the secretariat to develop, publish and implement the necessary administrative procedures, including a specific code of conduct for Article 6 technical expert review teams, for treating information identified as confidential by participating Parties in their submissions pursuant to the information required to be reported under Article 6, paragraph 2, of the Paris Agreement and taking into account decision 18/CMA.1;

IX. Special circumstances of the least developed countries and small island developing States

32. *Decides* to consider the special circumstances of the least developed countries and small island developing States in the context of Article 6, paragraph 2, of the Paris Agreement without prejudice to decisions already adopted on the matter, at each of its sessions, including as part of the review of the guidance on cooperative approaches and the development of recommendations thereon² for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its tenth session (2028);

X. Additional functionalities and procedures for the international registry

33. *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, paragraph 4, mechanism registry to the international registry;

34. *Decides* that, in addition to enabling the ability to pull and view data and information³ 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 (being internationally transferred mitigation outcomes pursuant to decision 2/CMA.3, annex, paragraph 1(g)) from the Article 6, paragraph 4, mechanism registry accounts to accounts within the Party-specific sections of the international registry;

XI. Work programme

35. *Requests* the Subsidiary Body for Scientific and Technological Advice to continue its work on the draft version of the agreed electronic format as referred to in decision 2/CMA.3, annex, paragraph 20 with a view to recommending the agreed electronic format for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session;

36. *Also requests* the Subsidiary Body for Scientific and Technological Advice to continue its work on the tables for submitting annual information as part of the regular information, as referred to in decision 2/CMA.3, annex, paragraph 23(j), with a view to

² As per decision 2/CMA.3, paras. 14–15.

³ Pursuant to decision 3/CMA.3, annex, para. 63, and decision 6/CMA.4, annex I, para. 24.

recommending the tables for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session;

37. *Further requests* the Subsidiary Body for Scientific and Technological Advice to complete consideration of the need for additional guidance, if any, on the following remaining matters that were agreed for further work pursuant to decision 2/CMA.3, paragraph 3, with a view to making recommendations for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session:

(a) Elaboration of further guidance in relation to corresponding adjustments for multi-year and single-year nationally determined contributions, in a manner that ensures the avoidance of double counting, on:

(i) Methods for establishing an indicative trajectory, trajectories or budget and for averaging, including with respect to relevant indicators, and for calculating cumulative emissions by sources and removals by sinks;

(ii) Methods for demonstrating the representativeness of averaging for corresponding adjustments by quantifying how much the yearly transaction volume differs from the average for the period;

(b) Consideration of whether internationally transferred mitigation outcomes could include emission avoidance;

(c) The application of decision 2/CMA.3, annex, paragraph 2, on mitigation outcomes authorized by a participating Party for use towards achievement of a nationally determined contribution and for other international mitigation purposes in accordance with decision 2/CMA.3, annex, paragraph 1(d) and (f);

38. *Requests* the Subsidiary Body for Scientific and Technological Advice to consider the need for additional guidance, if any, on the application of decision 2/CMA.3, annex, paragraph 12, with a view to making recommendations for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its seventh session (November 2025);

39. *Invites* Parties and observers to submit by 15 March 2024 via the submission portal⁴ views on the matters referred to in paragraphs 35-38 above;

40. *Requests* the Subsidiary Body for Scientific and Technological Advice Chair to prepare an informal document containing possible options and recommendations on the matters referred to in paragraphs 35-37 above, including textual proposals, to facilitate deliberations on further guidance on cooperative approaches, drawing on the submissions referred to in paragraph 39 above, for consideration by the Subsidiary Body for Scientific and Technological Advice at its sixtieth session (June 2024);

XII. Other matters

41. *Expresses concern* about the current estimated USD 8.8 million shortfall in resources for work on mandated tasks relating to Article 6, paragraph 2, of the Paris Agreement;⁵

42. *Urgently requests* Parties to make voluntary contributions to the Trust Fund for Supplementary Activities in order to enable the full development, establishment and

⁴ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

⁴ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

⁵ See document FCCC/TP/2023/1.

operation of the functions and components of the infrastructure and technical expert reviews relating to Article 6, paragraph 2, of the Paris Agreement;⁶

43. *Requests* the Subsidiary Body for Implementation at its sixtieth session (June 2024) to consider options for the predictable and sufficient provision of resources for the full development, establishment and operation of the functions and components of the infrastructure and technical expert reviews relating to Article 6, paragraph 2, of the Paris Agreement, for the biennium 2026–2027, with a view to making a recommendation thereon for consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session;

44. *Also requests* the secretariat to further specify the resources required to enable the full development, establishment and operation of the functions and components of the infrastructure and technical expert reviews relating to Article 6, paragraph 2, of the Paris Agreement, for the biennium 2026–2027, for consideration by the Subsidiary Body for Implementation at its sixtieth session, for the predictable and sufficient provision of these resources;

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

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

⁶ The relevant budget estimates are set out in table 2 in document FCCC/TP/2023/1.