

DRAFT TEXT

on

SBSTA 51 agenda item 12(a) Matters relating to Article 6 of the Paris Agreement: Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

Version 3 of 9 December 19:40 hrs

Draft CMA decision on guidance on 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 the Paris Agreement, in particular its preamble,

Also recalling Article 2 of the Paris Agreement and decision 1/CP.21,

Further recalling Article 6 of the Paris Agreement and decision 1/CP.21, paragraph 36,

1. *Adopts* guidance on cooperative approaches referred to in Article¹ 6, paragraph 2 (hereinafter referred to as the guidance) as contained in the annex;
2. *Requests* SBSTA to undertake the following work, on the basis of the guidance, to develop recommendations on implementation of the guidance on cooperative approaches referred to in Article 6, paragraph 2, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its third session (November 2020):
 - (a) Further elaboration of the special circumstances of the least developed countries and small island developing States including, in particular, a programme of work and support to assist least developed countries and small island **developing** States to meet the participation requirements, as set out in chapter II of the **annex** (Participation);
 - (b) [Elaboration of **further** guidance for non-greenhouse gas metrics determined by participating Parties, **pursuant to Chapter III of the annex (Corresponding Adjustments) [if required]** by no later than its third session];
 - (c) [Elaboration of **further** guidance on methods for conversion between metrics, **in relation to Chapter III. A, paragraph 7 of the annex (Corresponding Adjustments)** by no later than its third session;]
 - (d) Elaboration of guidance in relation to multi-year and single-year **NDCs in order to avoid double counting**, including in relation to other methods in addition to those set out in chapter III.B of the **annex** (Application of the corresponding adjustment);
 - (e) [**Elaboration** of how the application of corresponding adjustments to the total quantity of emission reductions achieved may be incorporated into the approach of applying corresponding adjustments to emissions and removals covered by the NDC, as referred to in the **annex**, chapter III (Corresponding adjustments)];
 - (f) [**Elaboration** of the share of proceeds for adaptation pursuant to chapter **VII** of the **annex** (Share of proceeds for adaptation);]
 - (g) [**Elaboration** of an overall mitigation in global emissions pursuant to chapter **VIII** of the guidance (Overall mitigation in global emissions)];
 - (h) **Elaboration** of the safeguards and limits referred to in chapter III.E of the **annex** (Limits to the transfer and use of ITMOs);
3. *Requests* the SBSTA to develop outlines for the information required pursuant to chapter IV of the guidance (Reporting), including the agreed electronic format referred to in chapter IV.B of the guidance (Annual information) for consideration and adoption by the CMA at its third session;

¹ “Article” refers to an Article of the Paris Agreement, unless otherwise specified.

4. *Also requests* the SBSTA to develop recommendations for modalities, procedures and guidelines for the review pursuant to chapter V of the annex (Review), in a manner that minimizes the burden on Parties and the secretariat, and including coordination, where feasible, of the Article 6 technical expert review with the technical expert review referred to in chapter VII of the annex to decision 18/CMA.1 for consideration and adoption by the CMA at its fourth session;
5. *Requests* the secretariat to prepare periodically a compilation and synthesis of the results of the Article 6 technical expert review, including identification of recurring themes and lessons learned, for consideration by the CMA, including in the context of its review of the guidance;
6. *Requests* the SBSTA, for the purposes of ensuring accuracy, transparency and efficiency in the data management and exchange, to elaborate modalities and procedures relating to [infrastructure, including registries,] the international registry, the Article 6 database, and the centralized accounting and reporting platform referred to in chapter VI of the annex (Recording and tracking) for consideration and adoption by the CMA at its third session;
7. [*Decides* that in the event of a conflict between the guidance and decision 18/CMA.1, paragraph 77(d), this guidance shall prevail] [*Decides that the guidance supersedes decision 18/CMA.1, paragraph 77 (d)*];
8. [*Decides that Parties voluntarily participating in cooperative approaches referred to in Article 6, paragraph 2, shall apply the provisions of decision 4/CMA.1, in relation to their first NDCs;*]
9. [*Affirming that the guidance will not infringe on the nationally determined nature of NDCs*];
10. *Decides* that it shall review the guidance at its ninth session (2026) and shall complete the review by no later than at its eleventh session (2028).
11. *Requests* the SBSTA to develop recommendations for the review referred to in paragraph 9 above, and *decides* that the work by the SBSTA shall include, but is not limited to:
 - (a) Participation responsibilities in chapter II (Participation);
 - (b) The implementation of chapter III. (Corresponding adjustments);
 - (c) The implementation of chapter IV (Reporting);
 - (d) The implementation of chapter V (Review).
12. [*Requests* the secretariat to support the forum on the impact of the implementation of response measures (referred to in paragraph 33 of decision 1/CP.21) in considering way to address negative social or economic impacts, especially on developing country Parties, resulting from activities under Article 6, paragraph 2, as requested by the forum;]
13. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;
14. *Requests* that the actions called for in this decision be undertaken subject to the availability of financial resources;
15. *Invites* Parties to make contributions to the Trust Fund for Supplementary Activities for operationalizing the guidance;

Annex

Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

I. Internationally transferred mitigation outcomes

1. Internationally transferred mitigation outcomes (hereinafter referred to as ITMOs) are:
 - (a) Real, verified, and additional;
 - (b) Reductions in [and/or avoidance of] emissions and enhancements of removals, including mitigation co-benefits resulting from adaptation actions and/or economic diversification plans, or the means to achieve them;
 - (c) Measured in metric tonnes of carbon dioxide equivalent (tCO₂ eq) in accordance with the methodologies and common metrics assessed by the IPCC and adopted by the CMA [and/or in other non-greenhouse gas metrics determined by participating Parties [that are consistent with the nationally determined contributions (NDCs) of the participating Parties]];]
 - (d) As appropriate, representative of a [net] flow between participating Parties [], trackable as units held in a registry] [with a unique serial number];
 - (e) From a cooperative approach referred to in Article² 6, paragraph 2, (hereinafter referred to as a cooperative approach) that involves the international transfer of mitigation outcomes authorized for use towards an NDC pursuant to Article 6, paragraph 3;
 - (f) [Generated in respect of or representing mitigation from 2021 onwards];
 - (g) [Mitigation outcomes authorized by a Party for use for international mitigation purposes other than achievement of its NDC [or other purposes] (hereinafter referred to as other international mitigation purposes)];
 - (h) [A6.4ERs from the mechanism established by Article 6, paragraph 4 when internationally transferred.]
2. A “first transfer” is the first international transfer of a mitigation outcome authorized by a Party for use towards an NDC [or authorized by a Party and used for other international mitigation purposes];

II. Participation

3. Each Party participating in a cooperative approach that involves the use of ITMOs (hereinafter referred as a participating Party) shall ensure that its participation in the cooperative approach and the authorization, transfer and use of ITMOs is consistent with this guidance and relevant decisions of the CMA.
4. Each participating Party shall ensure that:
 - (a) It is a Party to the Paris Agreement;
 - (b) It has prepared, communicated and is maintaining an NDC in accordance with Article 4, paragraphs 2 and 6, and decision 4/CMA.1;
 - (c) It has arrangements in place for authorizing the use of ITMOs towards NDCs pursuant to Article 6, paragraph 3[, and for other international mitigation purposes, as appropriate];
 - (d) It has arrangements in place, consistent with this guidance and relevant decisions of the CMA, for tracking ITMOs [and authorized mitigation outcomes used for other international mitigation purposes];

² “Article” refers to an Article of the Paris Agreement, unless otherwise specified.

- (e) It has provided the most recent national inventory report **required** in accordance with decision 18/CMA.1.
5. Each participating Party shall apply this guidance throughout its period of NDC implementation, including any update of the NDC, **[from the start of its participation] [by no later than authorization]**.
6. In relation to the least developed countries and small island developing States, pursuant to Article 4, paragraph 6, their special circumstances shall be recognized where this guidance relates to NDCs, and other aspects of their special circumstances may be recognized in further decisions of the CMA relating to this guidance.

III. Corresponding adjustments

A. ITMO metrics

7. [For ITMOs measured in a non-greenhouse gas metric determined by participating Parties, each participating Party shall apply corresponding adjustments by applying an addition to or subtraction from a starting point of a zero balance in a buffer-registry, with a resulting balance that reflects net transfers and acquisitions that is applied [to the NDC in accordance with consistent with **this guidance** and relevant decisions of the CMA].]
8. **For ITMOs measured in tCO₂ eq, each participating Party shall apply corresponding adjustments, consistent with paragraph 9 below and relevant decisions of the CMA.**

B. Application of corresponding adjustments

9. Each participating Party shall **make corresponding adjustments in a manner that ensures:** transparency, accuracy, completeness, **comparability and consistency;** **[that participation in cooperative approaches does not lead to an increase in emissions within or between consecutive NDC implementation periods];** that corresponding adjustments shall be representative and consistent with the participating Party's NDC implementation and **achievement. Each participating Party** shall apply one of the following methods consistently throughout the NDC implementation period:

(a) Where the Party has a single-year NDC:

- (i) **Providing** a multi-year emissions trajectory, trajectories **or budget** for the NDC implementation **period** that is consistent with **implementation and achievement of the** NDC, and **[annually]** applying corresponding adjustments for the total amount of ITMOs first transferred and used for each year in the NDC implementation period;

- (ii) **Calculating the average annual amount of ITMOs first transferred and used over the NDC implementation period, by taking the cumulative amount of ITMOs and dividing by the number of elapsed years in the NDC implementation period and annually applying indicative corresponding adjustments equal to this average amount for each year in the NDC implementation period and applying corresponding adjustments equal to this average amount in the NDC year;**

(b) Where the Party has a multi-year NDC:

- (i) Calculating a multi-year emissions trajectory or trajectories **or budget** for its NDC implementation period that is consistent with the NDC, and **[annually]** applying corresponding adjustments for the total amount of ITMOs first transferred and used in the NDC implementation period **[at the end of the NDC implementation period];**

10. Each participating Party with an NDC measured in tCO₂ eq shall **apply corresponding adjustments pursuant to paragraph 9 above, resulting in an emissions balance, reported pursuant to paragraph 29 for each year,** by applying **corresponding adjustments in** the following **manner** to the emissions and removals from the sectors and greenhouse gases covered by its NDC:

- (a) Adding the quantity of ITMOs authorized and first transferred, **pursuant to paragraph 9 above;**

- (b) Subtracting the quantity of ITMOs used pursuant to paragraph 9 above.
11. [Each participating Party with an NDC measured in non-greenhouse gas metrics determined by the participating Parties shall apply additions and subtractions from a starting point of a zero balance in a buffer-registry, with a resulting balance, consistent with this chapter III, this guidance and relevant further decisions of the CMA.]
12. [A participating Party may identify an alternative method to be applied and shall provide an explanation as to how that method satisfies the requirements of paragraphs 9 and 10 of this chapter III, and this guidance, in accordance with relevant future decisions of the CMA].
13. The application of any of the methods referred to in this section shall not require a participating Party to update its NDC.

C. Sectors and greenhouse gases

Option A

14. A Party that first transfers ITMOs from emission reductions and removals from sectors and greenhouse gases [categories and pools] covered by its NDC shall apply corresponding adjustments.

Option B

15. A Party that first transfers ITMOs from emission reductions and removals covered by its NDC shall apply corresponding adjustments.

{end of option B}

Option A

Option A1

16. A Party that first transfers ITMOs from emission reductions and removals from sectors and greenhouse gases that are not covered by its NDC [shall apply corresponding adjustments [from [X][2031]]][is not required to apply corresponding adjustments for such transfers [until [X][2031]]].

Option A2

17. A Party that first transfers ITMOs from emission reductions and removals that are not covered by its NDC [shall apply corresponding adjustments for such transfers [from [X][2031]]][is not required to apply corresponding adjustments for such transfers [until [X][2031]]].

{end of option A2}

18. [A host Party shall not be required to apply corresponding adjustments for first transfers of A6.4ERs from the mechanism established by Article 6, paragraph 4, where the units are achieved from emission reductions and removals [from sectors and greenhouse gases] not covered by its NDC.]

Option B

19. A participating Party shall not first transfer ITMOs from emission reductions and removals [from sectors and greenhouse gases] that are not covered by its NDC.

D. Other international mitigation purposes

Option A

20. Where a participating Party authorizes mitigation outcomes for other international mitigation purposes, it shall make a corresponding adjustment, consistent with this guidance and relevant decisions of the CMA, whether or not the mitigation outcomes have been internationally transferred.
21. [A host Party shall not be required to apply a corresponding adjustment for A6.4ERs [first transferred] for international mitigation purposes where they are from emissions and removals [from sectors and greenhouse gases] not covered by its NDC.]

Option B

22. A Party shall not use ITMOs for other international mitigation purposes.

E. [Limits to the transfer and use of ITMOs]

23. Each participating Party [shall][should] ensure [that the use of cooperative approaches does not lead to an increase in emissions within and between consecutive NDC implementation periods and shall ensure] transparency, accuracy consistency, completeness and comparability in tracking progress in implementation and achievement of its NDC by limiting the following, at a level determined by the CMA:
- (a) [The quantity of ITMOs first transferred over the period of its NDC implementation in relation to its emissions and removals covered by its NDC;]
 - (b) [The quantity of ITMOs used towards achievement of its NDC in relation to its emissions and removals covered by its NDC;]
 - (c) [The use of ITMOs generated from emission reductions or removals prior to the current period of its NDC implementation towards achievement of its current NDC;]
 - (d) [The first transfer and use of ITMOs towards achievement of its NDC is supplemental to domestic action such that domestic action constitutes a significant element of the effort made by each Party towards achievement of its NDC.]

IV. Reporting**A. Initial report**

24. Each participating Party shall submit an Article 6, paragraph 2 initial report (initial report) no later than the time of providing or receiving authorisation or initial first transfer of ITMOs [from a cooperative approach] and where practical, in conjunction with the next due biennial transparency report pursuant to decision 18/CMA.1 for the period of NDC implementation. The initial report shall contain comprehensive information to:
- (a) Demonstrate that the Party fulfils the participation responsibilities referred to in chapter II (Participation) above;
 - (b) Provide, where the Party has not yet submitted a biennial transparency report, the information referred to in paragraphs 64 [-66] of the annex to decision 18/CMA.1;
 - (c) Communicate the ITMO metrics and the method for corresponding adjustments for multi-year/single year NDCs that will be applied consistently throughout the period of NDC implementation;
 - (d) [Quantify the Party's mitigation information in its NDC in tCO₂ eq, including the sectors, sources, greenhouse gases and time periods covered by the NDC, the reference level of emissions and removals for the relevant year or period, and the target level for its NDC; or where this is not possible, provide the methodology for the quantification of the NDC in tCO₂ eq;]
 - (e) [Quantify the Party's NDC, or that portion of its NDC, in a non-greenhouse gas metric determined by each participating Party].
 - (f) [Provide, for each cooperative approach, a description of the approach, the expected mitigation and the Parties involved.]

B. Annual information

25. Each participating Party shall, on an annual basis and in an agreed electronic format, submit to the Article 6 database as referred to in chapter VI.B, (Article 6 database) annual information on ITMO authorization,

first transfer, transfer, acquisition, cancellation, use towards NDCs, [authorization for use towards other international mitigation purposes,] voluntary cancellation, [mandatory cancellation for overall mitigation in global emissions,][and transfer for the share of proceeds for adaptation,][for the year in which the mitigation was achieved] and specifying the cooperative approach [, other international mitigation purposes,][, Article 6, paragraph 4, activity][, first transferring Party, using Party and vintage, as applicable].

C. Regular information

26. Each participating Party shall include in its biennial transparency reports the following information in relation to its participation in cooperative approaches:
- (a) How it is fulfilling the participation responsibilities referred to in chapter II above (Participation);
 - (b) Updates to the information provided in its initial report, referred to in paragraph 24 above, and any previous biennial transparency reports;
 - (c) Information on its authorization(s) of the first transfer and use of ITMOs towards NDCs[, and/or of mitigation outcome(s) used for other international mitigation purposes,] including any changes to earlier authorizations, pursuant to Article 6, paragraph 3;
 - (d) [How corresponding adjustments undertaken in the latest reporting period, pursuant to chapter III (Corresponding adjustments) are representative of progress towards implementation and achievement of its NDC, particularly in respect of single- year NDCs;]
 - (e) How it has ensured that ITMOs acquired and used towards achievement of its NDC[, or those authorized mitigation outcome(s) created by the Party and used for other international mitigation purposes,] will not be further transferred, cancelled or otherwise used;
27. Each participating Party shall also include, in its biennial transparency reports submitted in accordance with decision 18/CMA.1, the following information on how each cooperative approach in which it participates:
- (a) Contributes to the mitigation of greenhouse gas emissions and the implementation of its NDC [and the long terms goals of the Paris Agreement];
 - (b) Ensures environmental integrity, including that there is no increase in global emissions, through robust, transparent governance and the quality of mitigation outcomes, including through stringent reference levels, baselines set in a conservative way and below ‘business-as-usual’ emission projections (including by taking into account all existing policies and addressing potential leakage) and minimizing the risk of non-permanence and ensuring the impact of any material reversals are addressed in full;
 - (c) Where a mitigation outcome is measured and transferred in tCO₂ eq, provides for the measurement of mitigation outcomes in accordance with the methodologies and common metrics assessed by the IPCC and adopted by the CMA;
 - (d) [Where a mitigation outcome is measured and transferred in a non-greenhouse gas metric determined by the participating Parties [the information required by relevant decisions of the CMA], provides for [consistency] of the metric with that of the NDCs of the participating Parties;]
 - (e) Provides for, as applicable, the measurement of mitigation co-benefits resulting from adaptation actions and/or economic diversification plans;
 - (f) Applies the limits pursuant to chapter III.E above (Limits to the transfer and use of ITMOs);
28. Each participating Party [shall][should] also include, in its biennial transparency reports submitted in accordance with decision 18/CMA.1, the following information on how each cooperative approach in which it participates:
- (a) [Does not result in environmental and social harm];
 - (b) Is consistent with the sustainable development objectives of the host Party, noting national prerogatives;

- (c) [Avoids unilateral measures and discriminatory practices;]
 - (d) [Avoids causing negative social or economic impacts on any Party.]
 - (e) [Efforts to ensure the authorization and first transfer of ITMOs avoids significant fluctuations in the prices, quantities and speculative transfers on the international market for ITMOs];
 - (f) [Managing the risks that may arise from the authorization and first transfer of ITMOs from sectors with a high degree of uncertainty];
 - (g) Minimizes the risk of non-permanence of mitigation over the current and subsequent NDC timeframes, and where reversals occur, ensures that the effects are addressed in full, for example being fully reflected in the relevant Party's corresponding adjustments;
 - (h) Ensures that the cooperative approach does not lead to an increase in emissions within and between successive NDC implementation periods.
 - (i) {Placeholder for elements of the Paris Agreement preamble}
29. Each participating Party shall include the following annual information report, consistent with chapter III.B above (Application of corresponding adjustments), in each biennial transparency report submitted pursuant to decision 18/CMA.1, and in the Article 6 database and shall include any updates to information submitted for previous years in the NDC implementation period:
- (a) Annual and cumulative emissions and removals [from the sectors and greenhouse gases] covered by its NDC;
 - (b) Annual and cumulative quantity of ITMOs first transferred;
 - (c) [Annual and cumulative quantity of mitigation outcomes authorized for use, for other international mitigation purposes;]
 - (d) Annual and cumulative quantity of ITMOs used towards its NDC;
 - (e) For the information in (b) to (d) above, the cooperative approach [or activity under the Article 6, paragraph 4 mechanism], sector, transferring Party, using Party and vintage of the ITMO);
 - (f) [Annual and cumulative quantity of mitigation outcomes authorized for use for other international mitigation purposes;]
 - (g) For tCO₂e metrics, an annual emissions balance, as applicable, consistent with Chapter III. B;
 - (h) [For non-greenhouse gas metrics determined by participating Parties, annual indicative adjustments, consistent with chapter III above (Corresponding adjustments) and further guidance to be adopted by the CMA;]
 - (i) [Annual and cumulative ITMOs transferred pursuant to chapter VII below (Share of proceeds for adaptation);]
 - (j) [Annual and cumulative ITMOs cancelled in accordance with chapter VIII below (Overall mitigation in global emissions);]
30. Each participating Party shall, in each biennial transparency report that contains information on the end year of the NDC implementation period, include in its assessment of whether it has achieved the target(s) for its NDC pursuant to decision 18/CMA.1, paragraph 70, the application of the necessary corresponding adjustments consistent with chapter III above (Corresponding adjustments).
31. Non-confidential information submitted by Parties pursuant to this chapter shall be made public on the centralized accounting and reporting platform.

V. Review

32. An Article 6 technical expert review consists of review of the consistency of the information submitted pursuant to chapter IV above (Reporting) with this guidance.

33. An Article 6 technical expert review team shall review the information submitted pursuant to chapter IV above (Reporting) in accordance with modalities, procedures and guidelines adopted by the CMA.
34. The Article 6 technical expert review team shall prepare a report on its review pursuant to paragraph 33 above that may include recommendations to the participating Party on how to improve consistency with this guidance and relevant decisions of the CMA, including on how to address inconsistencies in quantified information.
35. The Article 6 technical expert review team shall forward its reports for consideration by the technical expert review referred to in chapter VII of the annex to decision 18/CMA.1 in accordance with the modalities, procedures and guidelines referred to in paragraph 33 above.

VI. Recording and tracking

A. Tracking

36. Each participating Party shall have, or have access to, a registry for the purpose of tracking and shall ensure that such registry records, including unique identifiers, the following, as applicable: authorization, first transfer, transfer, acquisition, cancellation, use towards NDCs, [authorizations for use towards other international mitigation purposes,] voluntary cancellation, [mandatory cancellation for overall mitigation in global emissions,][and transfer for the share of proceeds for adaptation] and shall have accounts as necessary.
37. The secretariat shall implement an international registry for participating Parties that do not have a registry or have access to a registry. The international registry shall be able to perform the functions set out in paragraph 36 above.
38. The international registry shall be part of the centralized accounting and reporting platform referred to in chapter VI.C below (Centralized accounting and reporting platform).

B. Article 6 database

39. For transparency in relation to cooperative approaches and to support the review referred to in chapter V above (Review), the secretariat shall implement an Article 6 database as part of the centralized accounting and reporting platform referred to in chapter VI.C below (Centralized accounting and reporting platform) to record and compile the information submitted by Parties pursuant to chapter IV above (Reporting). The Article 6 database shall enable the following:
 - (a) Recording of corresponding adjustments and adjusted emissions balances for and information on ITMOs first transferred, transferred, acquired, held, cancelled [cancelled for the purposes of overall mitigation in global emissions] and/or used by participating Parties through unique identifiers that identify at the minimum, the originating Party, vintage or underlying reduction, activity type and sector;
 - (b) Prefilling agreed electronic format tables pursuant to chapter IV above (Reporting);
 - (c) Identifying inconsistencies to be notified to the participating Party.
40. The secretariat shall:
 - (a) Check the consistency of information reported by a participating Party pursuant to chapter IV (Reporting), sections A, B and C;
 - (b) Notify the participating Party of inconsistencies;
 - (c) Provide information relevant to the participating Party's cooperative approach(es) to the Article 6 technical expert review team in accordance with the modalities, procedures and guidelines referred to in paragraph 33 above.
41. Any amendments to the information recorded in the Article 6 database, including in response to any inconsistencies raised by the secretariat or as a result of recommendations arising from the Article 6

technical expert review pursuant to chapter V above (Review), may be submitted by the participating Party to be recorded in the Article 6 database.

C. Centralized accounting and reporting platform

42. For transparency in relation to cooperative approaches and to support the review referred to in chapter V above (Review), the secretariat shall implement a centralized accounting and reporting platform to publish information submitted by Parties pursuant to chapter IV above (Reporting).
43. The secretariat shall:
 - (a) Maintain public information on ITMOs;
 - (b) Maintain links to the publicly available information submitted by participating Parties on the cooperative approaches in which they participate;
 - (c) Provide an annual report to the CMA on the activities in relation to this chapter, including information on recorded ITMOs, corresponding adjustments and adjusted emissions balances.

VII. [Share of proceeds for adaptation

Option A

44. Use of cooperative approaches shall deliver a share of proceeds to be used to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation.
45. The share of proceeds shall be collected in respect of [cooperative approaches that are baseline and crediting approaches that are similar to mitigation activities under the mechanism established by Article 6 paragraph 4] [crediting approaches implemented by Parties] [all cooperative approaches] [all acquisition of ITMOs].
46. The share of proceeds shall be set and levied at [[2][5] per cent of the amount of ITMOs [[first transferred][, increasing by [Y] per cent at each subsequent transfer]][used towards achievement of an NDC]] [a rate consistent with the share of proceeds pursuant to Article 6, paragraph 6, for the mechanism established by Article 6, paragraph 4].
47. The share of proceeds shall be [collected by the first transferring Party at the time of first transfer of ITMOs and/or collected by a Party using ITMOs towards its NDC at the time of use] [transferred by the first transferring Party to the Adaptation Fund] [collected by the acquiring Party at each ITMO transfer and transferred to the Adaptation Fund].
48. [The share of proceeds shall not be collected on A6.4ERs that have already contributed a share of proceeds for adaptation.]

Option B

49. Use of cooperative approaches shall deliver a share of proceeds to be used to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation, through a monetary levy, to be set in monetary terms at a level to be determined by the CMA, in respect of ITMOs used towards an NDC [or ITMOs and authorized mitigation outcomes used for other international mitigation purposes].

Option C

50. The share of proceeds shall be set and levied at 5 per cent of the amount of ITMOs first transferred for baselines for baseline and credit approaches and 5 per cent of net flows for other approaches.

Option D

51. Parties are encouraged to deliver a voluntary contribution to adaptation finance in the context of Article 6, paragraph 2.

Option E

{No reference to share of proceeds for adaptation}

VIII. [Overall mitigation in global emissions]

Option A

52. Overall mitigation in global emissions shall be delivered in the context of Article 6, paragraph 2, on the basis of the following:
- (a) At first transfer of ITMOs, where they are units or at use where ITMOs are net flows, the Party shall transfer to the cancellation account for overall mitigation consistent with chapter VI above (Recording and tracking) [X/10/20/30] per cent of the ITMOs first transferred or used, as applicable;
 - (b) The first transferring Party, where ITMOs are units, shall apply a corresponding adjustment for the full amount of ITMOs created/issued/supplied for first transfer, including the amount for overall mitigation in global emissions;
 - (c) The using Party, where ITMOs are net flows, shall apply a corresponding adjustment for the amount of ITMOs used;
 - (d) The cancelled ITMOs shall not be used for any other purpose, including use by any Party towards achievement of its NDC or voluntary cancellation, and shall not be further transferred.
 - (e) Overall mitigation in global emissions shall not be applied on A6.4ERs that have already contributed an overall mitigation in global emissions in accordance with the rules, modalities and procedures adopted in decision X/CMA.2.

Option B

53. Overall mitigation in global emissions shall be delivered in the context of Article 6, paragraph 2, in a manner consistent with the achievement of overall mitigation in global emissions under the mechanism established by Article 6, paragraph 4.

Option C

54. Parties are encouraged to deliver an overall mitigation in global emissions in the context of Article 6, paragraph 2, through the voluntary cancellation or setting aside of ITMOs that are not used for any transfer or purpose, including use by any Party towards its NDC[or authorized mitigation outcomes used for other international mitigation purposes].

Option D

{No reference to an overall mitigation in global emissions}

IX. [Kyoto Protocol units]

Option A

55. Kyoto Protocol units, or **emissions** reductions underlying such units, **shall** not be used by any Party toward its NDC **[or for other purposes]**.

Option B

{No reference to Kyoto Protocol units}

X. [Addressing negative social and economic impacts under, Article 4, paragraph 15]

56. The secretariat shall support the forum on the impact of the implementation of response measures (referred to in paragraph 33 of decision 1/CP.21) in considering ways to address negative social and economic

impacts, especially those on developing countries, resulting from activities related to Article 6, paragraph 2, by, inter alia:

- (a) Identifying and assessing the negative social and economic impacts resulting from activities related to Article 6, paragraph 2, including the cumulative impact of these activities;
 - (b) Developing, implementing and regularly updating measures to address the negative social and economic impacts resulting from activities related to Article 6, paragraph 2, including the cumulative impact of these activities;
 - (c) Annual sharing of information with the forum on the impact of the implementation of response measures (referred to in paragraph 33 of Decision 1/CP.21) to support the above activities.]]
-