

PRESIDENT's TEXTUAL PROPOSAL
Ministerial consultations on cooperative implementation under Article 6 of the Paris Agreement
(Art 6.2, Art 6.4 and Art 6.8)

Version 1 of 12 December 10:00 hrs

Draft CMA decision containing 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 aims of the mechanism established by Article 6, paragraph 4, of the Paris Agreement (hereinafter referred to as the mechanism) referred to in paragraph 4(a–d) of that Article,¹

Recognizing that the mechanism is to be operationalized in the context of the Paris Agreement, in particular its preamble and its Articles 2 and 3, Article 4, paragraphs 3, 4 and 15, Article 6, paragraphs 5 and 6, and Articles 13 and 15,

1. *Establishes* the body that will supervise the mechanism established by Article 6, paragraph 4 (hereinafter referred to as the mechanism) with its membership and [initial] rules of procedure as set out in the annex;
2. *Designates* the body referred to in paragraph 1 above as the supervisory body of the mechanism and names it the [Supervisory Body][XXXX];
3. *Welcomes* the election of the first members of the [Supervisory Body][XXXX];
4. *Requests* the secretariat to organize the first and subsequent meetings of the [Supervisory Body][XXXX];
5. *Also requests* the [Supervisory Body][XXXX] to meet at least once during 2019 in order to develop recommendations on [the further elaboration of its rules of procedure] for consideration by the Subsidiary Body for Scientific and Technological Advice (SBSTA) at its fiftieth session (June 2019) and/or its fifty-first session (November 2019);
6. *Adopts* the [initial] provisions of the rules, modalities and procedures for the mechanism, as contained in the annex;
7. *Requests* the SBSTA to undertake further work to develop the [remaining] provisions of the rules, modalities and procedures for the mechanism on the basis of the following elements, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its second session (November 2019) as an integral part of the rules, modalities and procedures for the mechanism:
 - (a) Further provisions for the rules of procedure of the [Supervisory Body][XXXX] that may be required in addition to those set out in section III.B (Supervisory Body – Rules of procedure) of the annex, taking into account the recommendations from the [Supervisory Body][XXXX] as referred to in paragraph 5 above;
 - (b) Further provisions on the special circumstances of the least developed countries and small island developing States that may be required in addition to those set out in section IV (Participation responsibilities) of the annex, including, inter alia with regard to baseline setting the additionality of activities under Article 6, paragraph (hereinafter referred to as Article 6, paragraph 4 activities), hosted by such Parties;
 - (c) Further responsibilities of the [Supervisory Body][XXXX] and the host Parties that may be required for the mechanism to also operate with a more host Party-led/decentralized model;
 - (d) Provisions for the implementation of the share of proceeds for administrative expenses as set out in sections V.E (Registration) and V.H (Issuance)
 - (e) Provisions for the implementation of the grievance process and right to appeal as set out in section V.K.1 (Grievance process and right to appeal) of the annex;
 - (f) [Provisions for the implementation of the processes to ensure the protection of human rights as set out in section V.K.2 (Protection of human rights) of the annex;]
 - (g) Potential provisions that may be required on limits to the issuance, transfer, acquire and/or use of A6.4ERs, including measures to:

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

- (i) Avoid significant fluctuations in prices, quantities and speculative transfers of A6.4ERs in the international market;
- (ii) Address A6.4ERs issued for emission reductions achieved in sectors where there is a high degree of uncertainty in emission estimates;
- (iii) Restrict secondary transfers of A6.4ERs;
- (iv) Restrict the quantity of A6.4ERs for transfer;
- (v) Ensure that the use of A6.4ERs towards NDCs is supplemental to domestic action;
- (vi) Restrict the use of A6.4ERs towards NDCs by their vintage;
- (vii) Restrict the carry-over of A6.4ERs to the subsequent period of NDC implementation;

Option A

- (h) Further provisions on the transition of activities from the Kyoto Protocol to Article 6, paragraph 4, that may be required in addition to those set out in section XI (Transition from the Kyoto Protocol to Article 6, paragraph 4) of the annex, including on:
 - (i) Having the same requirements for joint implementation and clean development mechanism activities as for Article 6, paragraph 4, activities;
 - (ii) Conditions that may be necessary for the transition of activities, in addition to those set out in section XI.A (Activities under the Kyoto Protocol) of the annex and/or in paragraph 7(h)(i) above;
 - (iii) Necessary steps for the implementation of such transition;
- (i) Further provisions on the transition of units issued under the Kyoto Protocol that may be required in addition to those set out in section XI.B (Transition of joint implementation emission reduction units) and section XI.C (Transition of clean development mechanism certified emission reductions) of the annex;
- (j) Potential provisions on the transition from the Kyoto Protocol to Article 6, paragraph 4, that may be required pursuant to section XI (Transition from the Kyoto Protocol to Article 6, paragraph 4) of the annex;

Option B

{no text required, as no transition} {end of option B}

8. *Also requests* the SBSTA to develop recommendations on the implementation of the [initial] provisions of the rules, modalities and procedures for the mechanism in relation to the following, for a draft decision for consideration and adoption by the CMA at its second session:

- (a) The Article 6, paragraph 4, activity cycle, as set out in section V (Article 6, paragraph 4, activity cycle) of the annex;
- (b) Baseline approaches for Article 6, paragraph 4, activities as set out in section V.B (Methodologies) of the annex;
- (c) Demonstration of additionality, as set out in section V.B (Methodologies) of the annex;
- (d) The mechanism registry, as set out in section V.H (Issuance) of the annex;
- (e) Voluntary cancellation, as set out in section V.J (Voluntary cancellation) of the annex;
- (f) The share of proceeds for adaptation, as set out in section VI (Levy of share of proceeds for adaptation) of the annex;
- (g) Delivery of overall mitigation in global emissions, as set out in section VII (Delivering overall mitigation in global emissions) of the annex;
- (h) Addressing negative social and economic impacts under Article 4, paragraph 15, as set out in section XII (Addressing negative social and economic impacts under Article 4, paragraph 15) of the annex;

9. *Further requests* the secretariat to undertake preparatory technical work, including preparing technical papers and conducting financial and technical feasibility studies as required, for consideration by the SBSTA at its fiftieth session implementation of the rules, modalities and procedures for the mechanism, in particular with regard to the elements listed in paragraph 8 above;

10. *Invites* Parties to make voluntary contributions for operationalizing the mechanism;

11. *Takes note of* the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision and requests that the actions called for in this decision be undertaken subject to the availability of financial resources;

12. *Decides* to review these rules, modalities and procedures for the mechanism periodically, and for the first time by no later than CMA X (end of 2025), on the basis of recommendations from X.

Annex

Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement

I. Definitions

1. For the purpose of these rules, modalities and procedures:
 - (a) An “**Article 6, paragraph 4, activity**” is an activity that meets the requirements of Article 6, paragraphs 4–6,¹ these rules, modalities and procedures and any further relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA);
 - (b) An “**Article 6, paragraph 4, emission reduction**” (hereinafter referred to as an A6.4ER) is issued in respect of mitigation achieved [on or after 1 January [2020][2021]] pursuant to Article 6, paragraphs 4–6 and these rules, modalities and procedures. It is measured in carbon dioxide equivalent (CO₂ eq) and equal to 1 t CO₂ eq calculated in accordance with the methodologies and common metrics assessed by the Intergovernmental Panel on Climate Change and adopted by the CMA and in other metrics that are adopted by the CMA pursuant to these rules, modalities and procedures;
 - (c) [“**Overall mitigation in global emissions**” is achieved when, through the operation of Article 6, a fixed percentage of emission reductions, duly recorded, are not used by any Party or entity to achieve its nationally determined contribution (NDC) or for purposes other than towards NDC.]

II. Role of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

2. The CMA has authority over the mechanism established by Article 6, paragraph 4, of the Paris Agreement (hereinafter referred to as the mechanism) and may take further decisions in relation to these rules, modalities and procedures and the mechanism.
3. The CMA shall provide guidance to the Supervisory Body by taking decisions on:
 - (a) The rules of procedure of the Supervisory Body;
 - (b) Recommendations made by the Supervisory Body relating to these rules, modalities and procedures;
 - (c) Matters relating to the operation of the mechanism, as appropriate.

III. Supervisory Body

4. The Supervisory Body shall supervise the mechanism pursuant to Article 6, paragraph 4, under the authority and guidance of the CMA, and be accountable to the CMA.

A. Membership

5. The Supervisory Body shall comprise *X* members from Parties to the Paris Agreement, ensuring broad and equitable geographical representation and striving to ensure gender-balanced representation, as follows:
 - (a) [Two][Four] members from each of the five United Nations regional groups;
 - (b) One member from the least developed countries;
 - (c) One member from small island developing States.

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

6. The CMA shall elect, on the basis of nominations by the relevant United Nations regional groups and other constituency groups, members of the Supervisory Body.

B. Rules of procedure

7. Members shall serve in their individual personal capacity.
8. Members shall possess relevant scientific, technical, socioeconomic or legal expertise.
9. Members shall serve for a term of two years.
10. The CMA shall elect half of the first members for a term of three years and the other half for a term of two years. At the expiry of the term of such members and thereafter, the CMA shall elect half of the members for a term of two years. The members shall remain in the office until their successors are elected.
11. The term of service of a member shall start at the first meeting of the Supervisory Body in the calendar year following his/her election and shall end immediately before the first meeting of the Supervisory Body in the calendar year in which the term ends.
12. The maximum number of terms of any individual shall be two terms, whether consecutive or not.
13. If a member resigns or is otherwise unable to continue as a member, the Supervisory Body may decide, bearing in mind the proximity to the next meeting of the CMA, to appoint a replacement member from the same constituency to serve the remainder of the term on the basis of a nomination from the Party representing the relevant constituency, in which case, the appointment shall count as one term.
14. Members may be suspended or their membership terminated by the CMA if:
 - (a) They fail to disclose a conflict of interest;
 - (b) They fail to attend two consecutive meetings without proper justification.
15. Costs for members will be covered by the share of proceeds for administrative expenses.
16. Members shall avoid actual, potential and perceived conflicts of interest and shall:
 - (a) Declare any actual, potential or perceived conflict of interest at the start of a meeting;
 - (b) Recuse themselves from any discussion in relation to which they have an actual, potential or perceived conflict of interest;
 - (c) Refrain from behaviour that may be incompatible with the requirements of independence and impartiality.
17. Members shall ensure confidentiality, in line with best practice for confidentiality.
18. At least [two-thirds] of the members shall constitute a quorum.
19. A quorum of members is required for meetings of, and making decisions by, the Supervisory Body.
20. Members shall attend meetings.
21. Each year, the Supervisory Body shall elect a Chair and a Vice-Chair from among its members. The Chair and the Vice-Chair shall remain in the office until their successors are elected.
22. Meetings of the Supervisory Body shall be open to the public, unless closed for reasons of confidentiality.
23. Documents for meetings of the Supervisory Body shall be made publicly available unless they are confidential.
24. The Supervisory Body shall ensure transparency of decision-making and shall make publicly available its decision-making framework, and maintain a publicly accessible list of its decisions, including standards, procedures and related documents.
25. Decisions of the Supervisory Body shall be taken by consensus whenever possible. If all efforts at reaching consensus have been exhausted, decisions shall be put to vote and adopted by a majority of two-thirds of the members present and voting.
26. The Supervisory Body shall adopt reports on its meetings and make the reports publicly available.

C. Governance and functions

27. The Supervisory Body shall, in accordance with further relevant decisions of the CMA:
- (a) Establish the requirements and processes necessary to operationalize the mechanism relating to, inter alia:
 - (i) The accreditation of operational entities;
 - (ii) The registration of activities as Article 6, paragraph 4 activities and the issuance of A6.4ERs;
 - (iii) The development of methodologies and standardized baselines for Article 6, paragraph 4 activities;
 - (iv) The development of the registry for the mechanism (hereinafter referred to as the mechanism registry);
 - (b) Operate the mechanism by, inter alia:
 - (i) Designating operational entities that meet the relevant requirements for accreditation and managing their performance;
 - (ii) Taking appropriate measures to promote the regional availability of designated operational entities in all regions;
 - (iii) Registering activities as Article 6, paragraph 4, activities if they meet the relevant requirements for registration;
 - (iv) Approving the issuance of A6.4ERs for registered Article 6, paragraph 4 activities if the relevant requirements for issuance have been met;
 - (v) Maintaining the mechanism registry;
 - (c) Support the implementation of the mechanism by, inter alia:
 - (i) Developing and maintaining a public registry of information related to proposed and registered Article 6, paragraph 4, activities, subject to confidentiality;
 - (ii) Promoting public awareness of the mechanism;
 - (iii) Facilitating the dialogue with host Parties of Article 6, paragraph 4 activities.

D. Role of the secretariat

28. Pursuant to Article 17 and in accordance with further relevant decisions of the CMA, the secretariat shall serve the Supervisory Body.

IV. Participation responsibilities

29. Each Party hosting Article 6, paragraph 4, activities shall, in addition to its responsibilities in the Article 6, paragraph 4, activity cycle referred to in section V below, ensure that:
- (a) It is a Party to the Paris Agreement;
 - (b) It has prepared, has communicated and is maintaining an NDC in accordance with Article 4, paragraphs 2 and 6 and relevant decisions of the CMA;
 - (c) It has designated a national authority for the mechanism and has communicated that designation to the secretariat;
 - (d) [It provides information on all Article 6, paragraph 4, activities hosted by it, and all A6.4ERs that it has transferred internationally or used towards its NDC;]
 - (e) [It indicates the contribution of the mechanism to its NDC.]
30. [Parties participating in the mechanism should avoid unilateral measures that constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.]
31. 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 these rules, modalities and procedures relate to NDCs, and

other aspects of their special circumstances may be recognized in further decisions of the CMA relating to these rules, modalities and procedures.

V. Article 6, paragraph 4, activity cycle

A. Activity design

32. The public or private entities participating in an activity (hereinafter referred to as activity participants) who wish to register the activity as an Article 6, paragraph 4, activity shall design the activity so that it will meet the following requirements and any other relevant requirements defined by the CMA or the Supervisory Body:
- (a) With regard to the types of mitigation, the activity shall achieve emission reductions, [emission removals,] [emission avoidance] [the full spectrum of mitigation outcomes, including mitigation co-benefits of adaptation actions and/or economic diversification plans] (hereinafter collectively referred to as emission reductions) [and shall not include actions referred to in Article 5];
 - (b) With regard to the activity types, the activity shall be a project, programme of activities, or other type approved by the Supervisory Body;
 - (c) The activity shall be an activity that achieves emission reductions in the sectors and greenhouse gases (GHGs) covered [and not covered] by the NDC of the host Party;
 - (d) With regard to general requirements, the activity shall:
 - (i) Deliver real, measurable and long-term benefits related to climate change in accordance with decision 1/CP.21, paragraph 37(b);
 - (ii) Avoid negative environmental impacts;
 - (iii) Not lead to an increase in global emissions;
 - (iv) [Be consistent with, and not pose a threat to, human rights;]
 - (e) The activity shall undergo a local and, where appropriate, sub-national stakeholder consultation;
 - (f) The activity shall apply a crediting period for the issuance of A6.4ERs, that is [appropriate to the activity in the host Party and approved by the Supervisory Body][a maximum of *X* years, renewable a maximum *Y* times [or a maximum of *Z* years with no option of renewal]].
33. The activity shall apply a methodology approved by the Supervisory Body following its technical assessment, that is developed in accordance with section V.B below (hereinafter referred to as a mechanism methodology) in order to:
- (a) Set a baseline for the calculation of emission reductions to be achieved by the activity;
 - (b) Demonstrate the additionality of the activity;
 - (c) Ensure accurate monitoring of emission reductions.

B. Methodologies

34. Mechanism methodologies may be developed by the activity participants, the host Party, stakeholders or the Supervisory Body.
35. Each mechanism methodology shall be transparent, conservative regarding the choice of approach, assumptions, parameters, data sources, key factors, and take into account uncertainty.

Option A

36. [Each mechanism methodology shall apply an approach selected in accordance with the sub-paragraphs below to setting a baseline for calculating emission reductions, taking into account relevant national, regional or local circumstances, and providing justification for the choice:
- (a) A benchmark approach based on best available emission performance of similar activities in similar circumstances;

- (b) Where the approach referred to in paragraph 36(a) above is not considered to be appropriate, [in consultation with the host Party,] a best available approach, taking into account:
 - (i) Technologies that represent an economically and environmentally attractive course of action;
 - (ii) Barriers to investment;
 - (iii) The average emissions of similar project activities undertaken in the previous five years in similar social, economic, environmental and technological circumstances;
 - (iv) A contribution to the reduction of the emission levels of the host Party;]
- (c) Business-as-usual emissions, where none of the approaches referred to in paragraph 36(a) and (b) above is appropriate or available;
- (d) Historic emissions, where none of the approaches referred to in paragraph 36(a)–(c) above is appropriate or available.]

Option B

- 37. [Each mechanism methodology shall apply one of the following approaches to setting a baseline for calculating emission reductions, taking into account relevant national, regional or local circumstances, and providing justification for the choice:
 - (a) A best available approach, taking into account:
 - (i) Technologies that represent an economically and environmentally attractive course of action;
 - (ii) Barriers to investment;
 - (iii) The average emissions of similar project activities undertaken in the previous five years in similar social, economic, environmental and technological circumstances;
 - (iv) A contribution to the reduction of the emission levels of the host Party;
 - (b) Business-as-usual emissions;
 - (c) Historic emissions.]

{end of Option B}
- 38. Standardized baselines may be developed by the Supervisory Body at the request of the host Party. Standardized baselines shall be established at the highest level of aggregation, including at a national level.
- 39. Each mechanism methodology shall specify the approach to demonstrating the additionality of the activity. The activity is additional where:
 - (a) [Emission reductions achieved by the activity are additional to any that would otherwise occur in the absence of [the activity][the mechanism][, taking into account all relevant national policies, including legislation][, as approved by the host Party][, where the activity type is included on a positive list adopted by the Supervisory Body];]
 - (b) [Emission reductions achieved by the activity go beyond what would be achieved through the delivery of the NDC of the host Party.]

C. Authorization by Party

- 40. The host Party shall provide to the Supervisory Body, authorization of the activity for requesting registration to be an Article 6, paragraph 4, activity, which shall also include:
 - (a) The confirmation that the activity fosters sustainable development in the host Party based on its national prerogative consideration;
 - (b) An explanation as to how the activity relates to its NDC.
- 41. A participating Party shall provide to the Supervisory Body the authorization of the participation of the activity participants in the activity.

D. Validation

42. A designated operational entity shall independently evaluate the activity against the requirements set out in these rules, modalities and procedures, further relevant decisions of the CMA and relevant requirements developed by the Supervisory Body (hereinafter referred to as validation).

E. Registration

43. If the designated operational entity concludes that the outcome of the validation is positive, it shall submit to the Supervisory Body a request for registration with the validation outcome in accordance with the relevant requirements developed by the Supervisory Body.
44. The activity participants shall pay a share of proceeds to cover administrative expenses for registering the activity when submitting a request for registration, at the level determined by the CMA.
45. If the Supervisory Body decides that the validation and its outcome meet the relevant requirements developed by the Supervisory Body, it shall register the activity as an Article 6, paragraph 4, activity.

F. Monitoring

46. The activity participants shall monitor emission reductions achieved by the activity in accordance with the relevant requirements developed by the Supervisory Body.

G. Verification and certification

47. A designated operational entity shall independently review and determine the implementation of, and the emission reductions achieved by, the Article 6, paragraph 4, activity during the monitoring period (hereinafter referred to as verification) against the requirements set out in these rules, modalities and procedures, further relevant decisions of the CMA and relevant requirements developed by the Supervisory Body, and provide written assurance of the verified emission reductions (hereinafter referred to as certification).

H. Issuance

48. For the issuance of A6.4ERs, the designated operational entity shall submit to the Supervisory Body a request for issuance with the verification outcome and certification in accordance with the relevant requirements developed by the Supervisory Body.
49. The activity participants shall pay a share of proceeds to cover the administrative expenses for issuing A6.4ERs when submitting a request for issuance of A6.4ERs at the level determined by the CMA.
50. The Supervisory Body shall approve the issuance of A6.4ERs if it decides that the verification and certification meet the relevant requirements developed by the Supervisory Body.
51. The mechanism registry administrator shall, in accordance with the relevant requirements developed by the Supervisory Body, issue the A6.4ERs into the mechanism registry.
52. The mechanism registry shall contain at least a pending account, holding account, retirement account, cancellation account [cancellation account for overall mitigation in global emissions], share of proceeds account and a holding account for each Party requesting an account.
53. The secretariat shall serve as the mechanism registry administrator and shall maintain the mechanism registry under the authority of the Supervisory Body.

I. [Forwarding][transfer] from the mechanism registry

54. The mechanism registry administrator shall [forward][transfer] X per cent of the issued A6.4ERs to an account held by the Adaptation Fund for assisting developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation in accordance with section VI below.

55. [The mechanism registry administrator shall, in respect of overall mitigation in global emissions, cancel [X/10/20/30] per cent of the issued A6.4ERs to a cancellation account for delivering overall mitigation in global emissions in accordance with section VII below.]
56. The mechanism registry administrator shall, for the remaining issued A6.4ERs, [forward][transfer] the specified amount of A6.4ERs in accordance with the instructions of the activity participants, and the relevant requirements developed by the Supervisory Body.

J. Voluntary cancellation

57. Activity participants may request the mechanism registry administrator to cancel the specified amount of A6.4ERs in accordance with their instructions.

K. Other processes associated with Article 6, paragraph 4, activities

1. Grievance process and right to appeal

58. Stakeholders, participants in Article 6, paragraph 4, activities and participating Parties may appeal decisions of the Supervisory Body or request that a grievance be addressed by the Supervisory Body.

2. [Protection of human rights]

59. Stakeholders, participants in Article 6, paragraph 4, activities and participating Parties may inform the Supervisory Body of alleged violations of human rights resulting from an Article 6, paragraph 4, activity.]

VI. Levy of share of proceeds for adaptation

60. The share of proceeds from an Article 6, paragraph 4 activity that is levied to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation shall be delivered to [the Adaptation Fund][the relevant mechanism registry account].
61. The share of proceeds for adaptation shall be set and levied at [X/5] per cent at [issuance][forwarding][first transfer][, increasing by Y per cent at each subsequent transfer].

VII. Delivering overall mitigation in global emissions

62. The mechanism shall aim to deliver an overall mitigation in global emissions in accordance with this section.
63. [Overall mitigation in global emissions shall be delivered as follows:
- (a) After emission reductions are verified and certified, the host Party [shall][should] make a corresponding adjustment under the guidance for cooperative approaches referred to in Article 6, paragraph 2 for the full amount of issued A6.4ERs to be first transferred;
 - (b) At issuance/first transfer of A6.4ERs, the registry shall transfer [X/10/20/30] per cent of total amount of A6.4ERs to the cancellation account for overall mitigation in accordance with section V.I above;
 - (c) The cancelled A6.4ERs shall not be used for any transfer or purpose, including by any Party towards its NDC or for voluntary cancellation;
 - (d) The host Party shall use the remaining A6.4ERs in its account either towards its own NDC or transfer them to another Party's registry or to another Party's account in the mechanism registry.]
64. [Overall mitigation in global emissions shall be delivered as follows:
- (a) After emission reductions have been verified and certified, the host Party [shall][should] make a corresponding adjustment as set out in the guidance for cooperative approaches referred to in Article 6, paragraph 2 for the full amount of issued A6.4ERs to be first transferred;
 - (b) The acquiring/using Party shall discount by [X/10/20/30] per cent the acquired A6.4ERs at acquisition/use towards its NDC;

- (c) The discounted volume of A6.4ERs shall be transferred to the cancellation account for the overall mitigation of global emissions by the acquiring/using Party;
 - (d) The volume of discounted A6.4ERs shall not be used by any Party towards its NDC or for voluntary cancellation;
 - (e) The host Party shall use the remaining A6.4ERs in its account towards its own NDC or transfer them to another Party's registry or another Party's account in the mechanism registry.]
65. [Use of the mechanism itself ensures overall mitigation in global emissions.]
66. [Overall mitigation in global emissions shall be delivered through any one or combination of the following means:
- (a) Meeting the requirements for Article 6, paragraph 4 activities referred to in section V above, including on baseline approaches, crediting period and additionality;
 - (b) Voluntary cancellation of A6.4ERs by Parties and stakeholders, including non-State actors;
 - (c) Voluntary measures selected by participating Parties.]
67. [Overall mitigation in global emissions shall be delivered through any one or combination of the following means:
- (a) Applying conservative baselines, or baselines that are below business-as-usual, to the calculation of emission reductions for Article 6, paragraph 4 activities;
 - (b) Applying conservative default emission factors to the calculation of emissions from Article 6, paragraph 4 activities.]

VIII. Avoiding the use of emission reductions by more than one Party

68. Avoiding the use of emission reductions resulting from the mechanism by more than one Party towards its NDC, in accordance with Article 6, paragraph 5, shall be ensured in accordance with this section.

Option A

69. [Pursuant to Article 6, paragraph 5, a Party hosting Article 6, paragraph 4, activities shall make a corresponding adjustment consistent with the guidance for cooperative approaches referred to in Article 6, paragraph 2 of the Paris Agreement for all emission reductions[, if those emission reductions are transferred internationally][from [X date]].]

Option B

70. [Pursuant to Article 6, paragraph 5, a Party hosting Article 6, paragraph 4, activities shall make a corresponding adjustment consistent with the guidance for cooperative approaches referred to in Article 6, paragraph 2, only to emission reductions that are included in the sectors and greenhouse gases covered by its NDC[, if those emission reductions are transferred internationally] [from [X date]].]

Option C

71. [A Party hosting Article 6, paragraph 4, activities shall not be required to make a corresponding adjustment consistent with the guidance for cooperative approaches referred to in Article 6, paragraph 2 for the first transfer of A6.4ERs from the mechanism registry. Pursuant to Article 6, paragraph 5, a Party transferring after the first transfer or acquiring emission reductions from the mechanism shall make a corresponding adjustment consistent with the guidance for cooperative approaches referred to in Article 6, paragraph 2.]

IX. Uses for purposes other than towards nationally determined contributions

72. [To avoid double use of emissions reductions achieved by Article 6, paragraph 4, activities, host Parties shall make an adjustment for emission reductions used for purposes other than towards NDCs, consistent with the guidance for cooperative approaches referred to in Article 6, paragraph 2[, if the A6.4ERs were issued for emission reductions that are achieved in the sectors and GHGs covered by their NDCs].]

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

73. The Supervisory Body and the secretariat shall collaborate with the forum on the impact of the implementation of response measures (referred to in paragraph 33 of decision 1/CP.21) to address any negative social and economic impacts, especially on developing country Parties, resulting from Article 6, paragraph 4, activities by, inter alia:
- (a) Assessing and identifying negative social and economic impacts of Article 6, paragraph 4, activities, including the cumulative impact of the activities;
 - (b) Developing, implementing and regularly updating measures to address any negative social and economic impacts of Article 6, paragraph 4, activities, including the cumulative impact of the activities;
 - (c) Regularly sharing relevant information with the forum on the impact of the implementation of response measures in order to support the above activities.

XI. [Transition from the Kyoto Protocol to Article 6, paragraph 4

A. Transition of activities under the Kyoto Protocol

Option A

74. [[Projects and programmes of activities registered under joint implementation under Article 6 of the Kyoto Protocol][Project activities and programmes of activities registered under the clean development mechanism under Article 12 of the Kyoto Protocol] may be registered as Article 6, paragraph 4, activities.]

Option B

75. [[Projects and programmes of activities registered under joint implementation under Article 6 of the Kyoto Protocol][Project activities and programmes of activities registered under the clean development mechanism under Article 12 of the Kyoto Protocol] may be registered as Article 6, paragraph 4, activities subject to the authorization for such registration by the relevant host Party.]

Option C

76. [Project activities and programmes of activities registered under the clean development mechanism under Article 12 of the Kyoto Protocol may be registered. Such registration shall undergo an expedited registration process.]

Option D

77. [No activities registered under joint implementation under Article 6 of the Kyoto Protocol may be registered as Article 6, paragraph 4, activities.]
78. [No activities under the clean development mechanism under Article 12 of the Kyoto Protocol may be registered as Article 6, paragraph 4, activities.]

B. Transition of joint implementation emission reduction units

79. [Emission reduction units that are issued for emission reductions that were achieved [prior to][after] 1 January [2020][2021] may be used by a Party towards its NDC;]
80. [Emission reduction units may not be used by a Party towards its NDC.]
81. [A6.4ERs may be issued for activities registered under joint implementation under Article 6 of the Kyoto Protocol.]

C. Transition of clean development mechanism certified emission reductions

82. [Certified emission reductions that are issued for emission reductions that were achieved [prior to][after] 1 January [2020][2021] may be used by a Party towards its NDC.]
83. [Certified emission reductions may not be used by a Party towards its NDC.]

84. [A6.4ERs may be issued for activities registered under the clean development mechanism under Article 12 of the Kyoto Protocol.]
85. [Certified emission reductions that have not been cancelled or retired under the Kyoto Protocol may be transferred to the mechanism registry.]

D. Transition of methodologies

86. [Baseline and monitoring methodologies under Article 6 of the Kyoto Protocol shall be valid for Article 6, paragraph 4 activities.]
87. [Baseline and monitoring methodologies under the clean development mechanism under Article 12 of the Kyoto Protocol shall be valid for Article 6, paragraph 4 activities.]

E. Transition of accreditation standards

88. [The accreditation standards and procedures of the clean development mechanism under Article 12 of the Kyoto Protocol should serve as the basis for the standards and procedures for accreditation under the mechanism.]]
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