



United Nations  
Climate Change



GOVERNMENT OF INDIA  
MINISTRY OF POWER



Bureau of Energy Efficiency



RCC MENA and South Asia

Collaboration for Climate Action

# Paris Agreement Crediting Mechanism “PACM” Article 6.4 of Paris Agreement

## Master Class



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**21<sup>st</sup> March 2026**

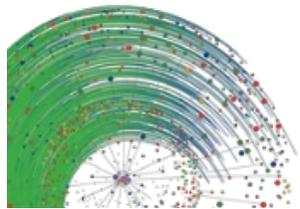
# AGENDA

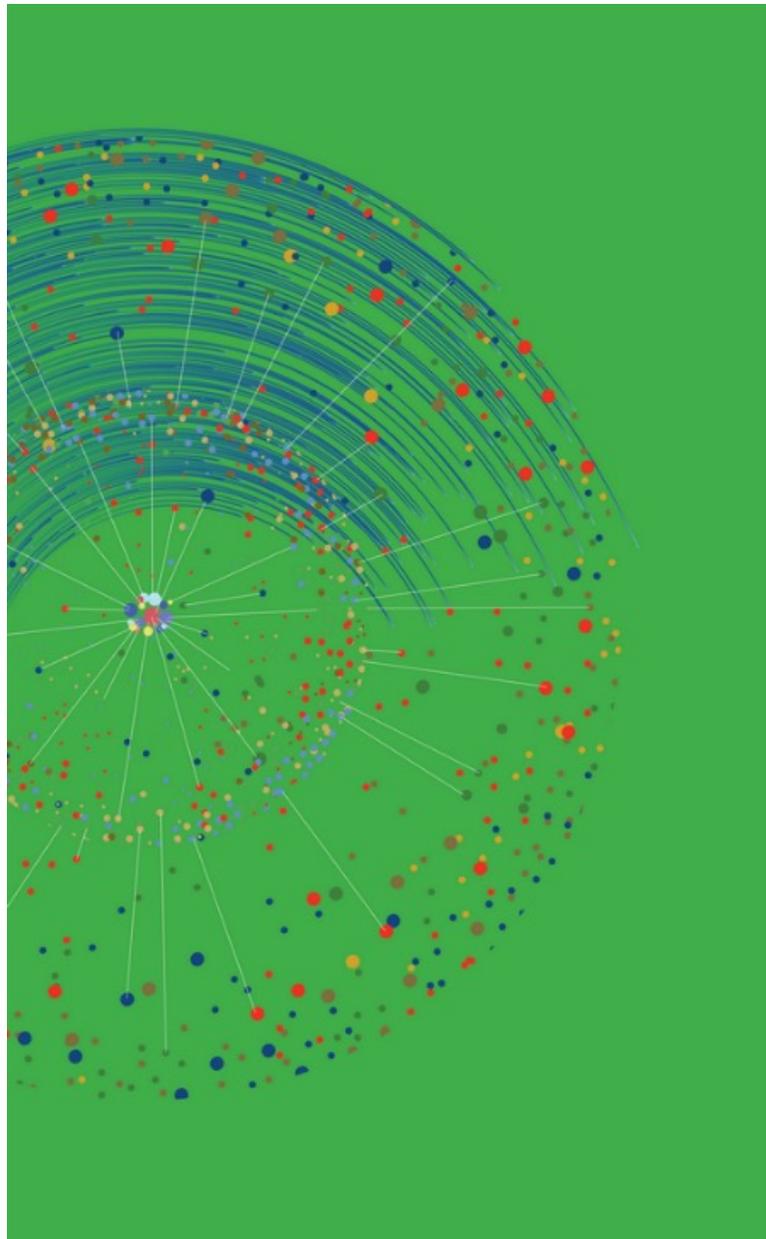
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## SESSIONS

### Opening Remarks

- 1. Understanding the PACM, Global Value Proposition (Virtual)**
- 2. Technical Aspects of PACM Implementation**
- 3. PACM Pipeline, walk through of PACM Technical Requirements:  
Forms, Methodologies and Key Differences vs CDM**
- 4. Key features and advantages of PACM (Moderated Panel  
Discussions)**
- 5. Conclusion & Way Forward**





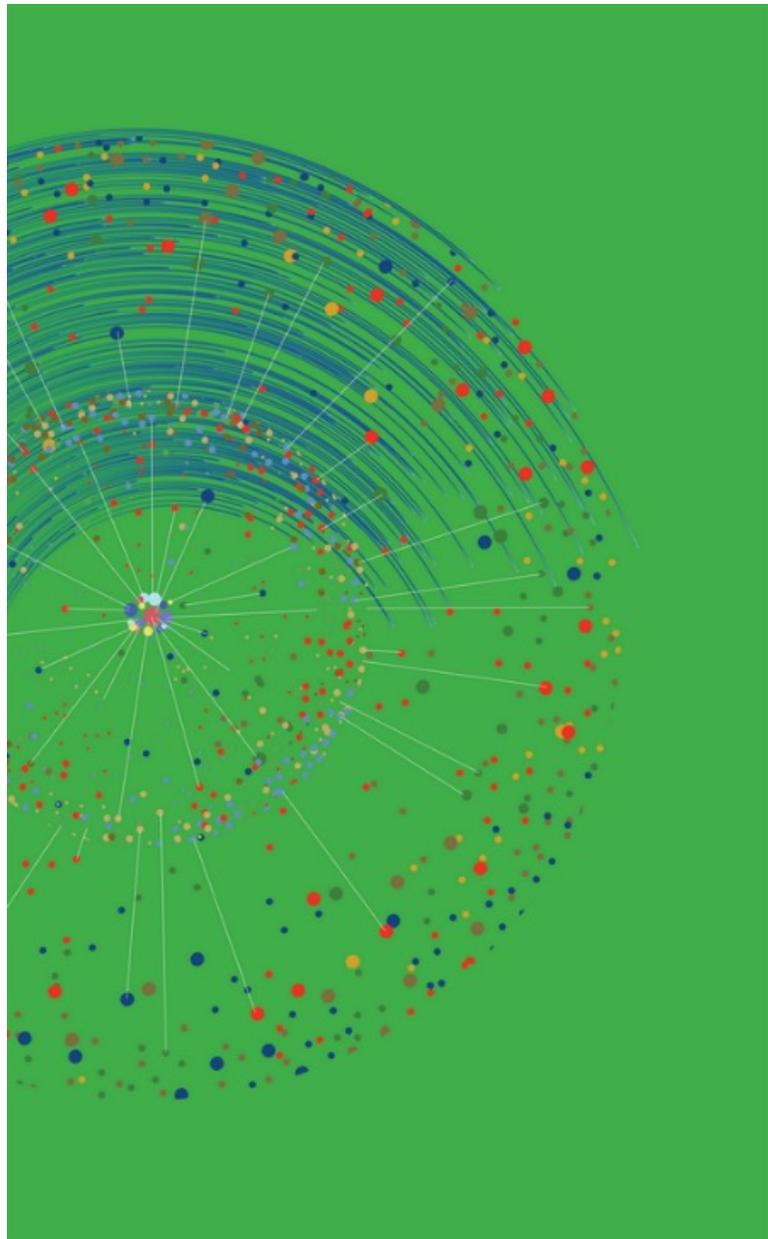
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# Opening Remarks

1. **Mr. Saurabh Diddi**, Director, Bureau of Energy Efficiency
  2. **Mr. Perumal Arumugam**, Manager, Mitigation Division, UNFCCC Secretariat (**Virtual**)
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## Session 1

# Understanding the PACM, Global Value Proposition

**Mr. Daniel Galvan Perez**

Program Officer, Mitigation Division, UNFCCC Secretariat (Virtual)

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# 5 Main Elements of the Paris Agreement

1

## Global Goals and Efforts

Long-term temperature goal  
(Art 2.1.a)

Global Peak and Carbon Neutrality  
(Art. 4.1)

Global Adaptation Goal  
(Art 7.1)

Mobilization of Climate Finance and alignment of financial flows  
(Art. 2.1.c and 9.3)

2

## National Efforts (Parties)

Mitigation (Art. 4)  
Nationally Determined Contributions (NDC)

Adaptation  
(Art. 7)

Loss and Damage  
(Art. 8)

Sinks and Reservoirs  
(Art.5)

Voluntary Cooperation  
(Art. 6)

3

## Means of Implementation

Support in Financing, Technology and Capacity Building  
(Art. 9, 10, 11)

Education, training, public awareness and participation and access to information  
(Art. 12)

4

## Transparency

Transparency: Reporting and Review  
(Art. 13)

Implementation and Compliance  
(Art 15.)

5

## Global Emissions Balance

Assessment of collective progress towards achieving the objectives of the Paris Agreement  
(Art. 14)

The First World Emissions Balance was presented in 2023 and every 5 years from now on .



# Article 6 of the Paris Agreement

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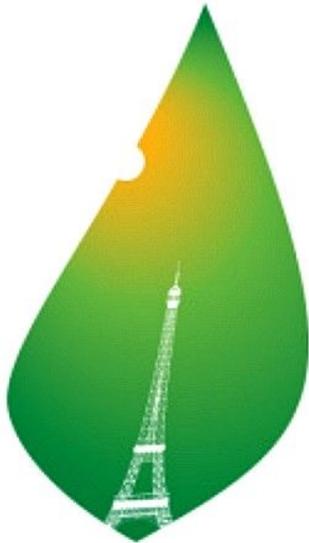
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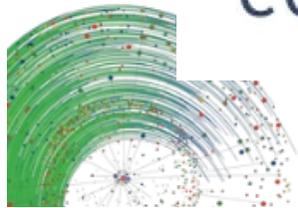
④

⑤



**Article 6 of the Paris Agreement** lays down **the foundation for cooperative approaches** among countries to achieve their Nationally Determined Contributions (NDCs) and increase the ambition of these targets, focused on sustainable development and poverty eradication.

**PARIS2015**  
UN CLIMATE CHANGE CONFERENCE  
**COP21·CMP11**



# Role of Article 6 of the Paris Agreement

## Article 6 of the Paris Agreement

- Tool to implement NDCs and LT-LEDs under voluntary cooperation between Parties

### NDC & LT-LEDs

**Article 6:** Voluntary cooperation to allow for higher ambition and to promote sustainable development and environmental integrity

#### Article 6.2

Cooperative approaches that involves transfers of mitigation outcomes from one country to another towards achieving NDC targets.

#### Article 6.4

A centralized crediting mechanism under the purview of the UNFCCC which issues units (A6.4ERs).

#### Article 6.8

Other types of cooperation that contribute to mitigation and adaptation goals, but do not involve transfer of units among cooperating parties.

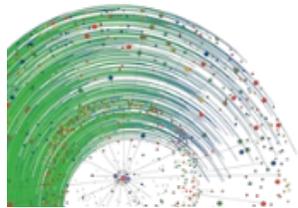


# Intention to use Article 6

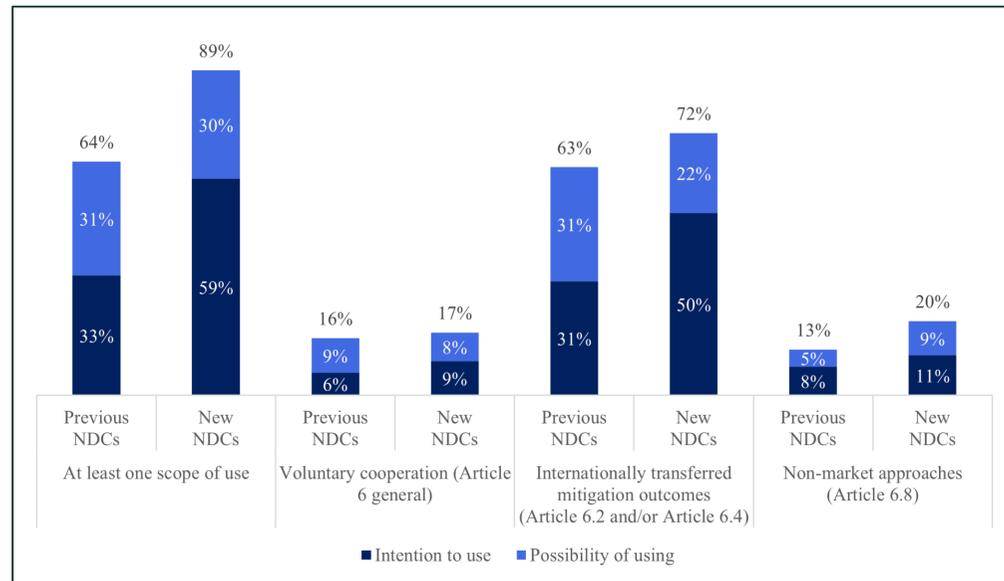
- ✓ NDCs 2.0 (2030 targets): Even if fully implemented, a **2.1–2.8°C temperature rise** is expected.
- ✓ Most countries (**72%**) **specifically reference use of ITMOs under Article 6.2 and 6.4**, while 20% indicate interest in non-market approaches under Article 6.8.
- ✓ Countries are transitioning from high-level intent to structured implementation – signalling a major global shift from **“planning” to “operationalization”** of cooperative carbon markets.

✓ NDC Synthesis Report by the UNFCCC Secretariat (2025)

**89%** of Parties to the Paris Agreement stated that they plan to or will possibly use at least one type of voluntary cooperation under Article 6 of the Paris Agreement.

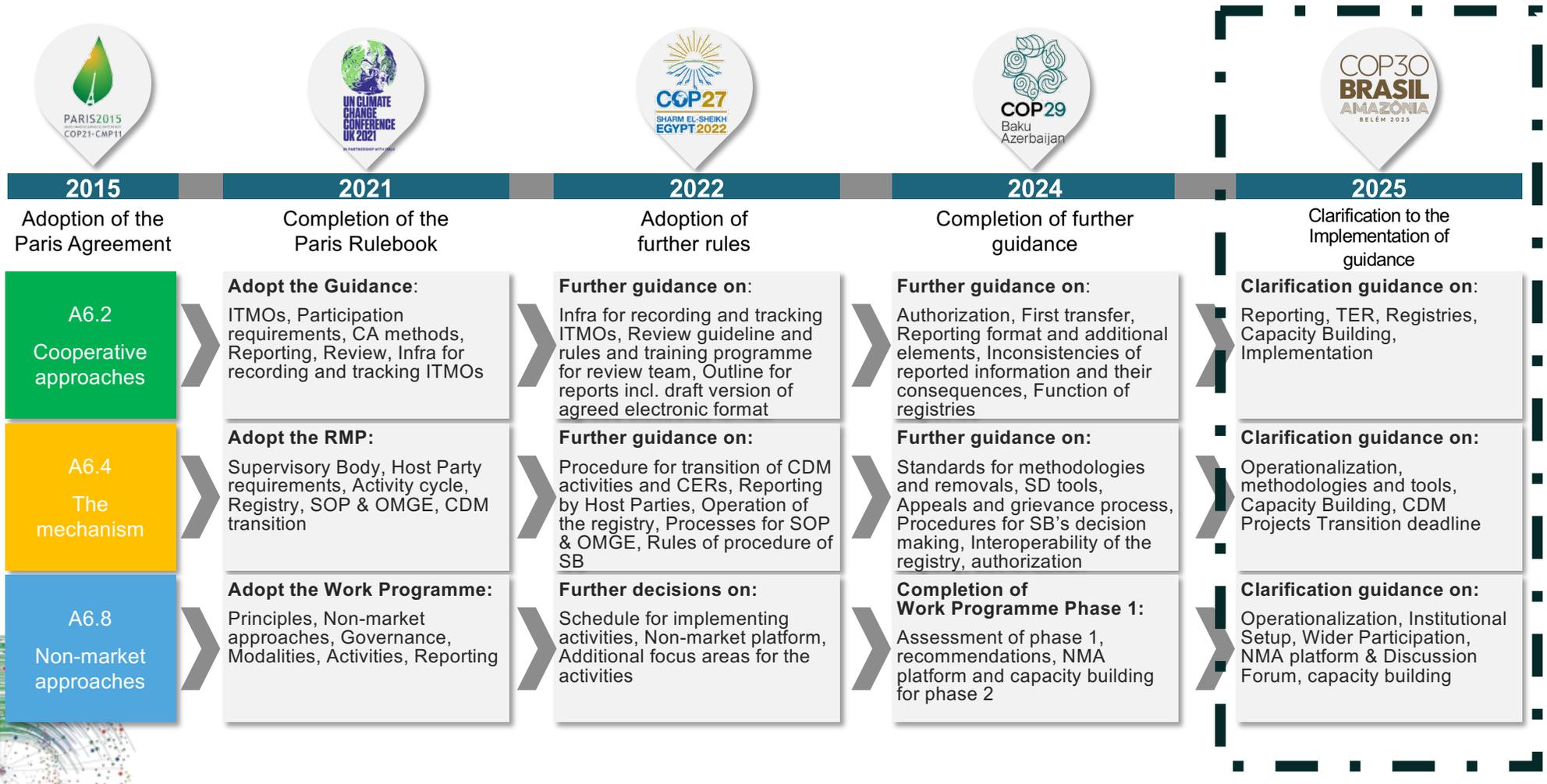


**Share of Parties indicating in NDCs the intention to use or possibility of using Article 6 of the Paris Agreement**



Source: 2025 NDC Synthesis Report

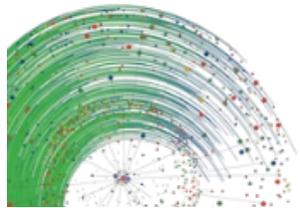
# Operationalization of Article 6



## Why does it all matter?

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- Article 6 is an important part of **the world’s “toolbox”** for addressing climate change.
- Article 6 is the only part of the Paris Agreement that **directly engages the business and private investment sector** in directly implementable activities which they can invest.
- There is **strong real-world potential for cooperative action**—shown by existing Article 6 projects, with the UN/CMA decisions understanding the overall impact of cooperative action on global mitigation is facilitated.
- **Centralized mechanism** helps ensuring broader accessibility of international carbon markets.



# Carbon Markets

## Voluntary market

- For compensating emissions as part of net-zero or climate neutral targets
- Motivation: self-determined targets
- Buyers: Private enterprises / individuals
- Units: Voluntary credits and Article 6 MCUs
- Self-regulated– codes of best practice are emerging

## Compliance market

- For achieving **NDCs domestically**
- Motivation: Compliance with **mandated pricing instrument** (carbon tax, ETS, etc.)
- Buyers: Compliance entities (corporates)
- Units: emission allowances and other offset credits
- Subject to domestic or sectoral regulations

## Article 6

- For achieving **NDCs cooperatively** or other int. mitigation purposes(CORSIA)
- Motivation = to increase NDC ambition and/or achieve NDCs more flexibly
- Buyers: Parties, Other compliance entities
- Units: Internationally Transferred Mitigation Outcomes (ITMOs)
- Subject to international oversight and rules

Article 6 can be used for both voluntary and compliance markets

# Paris Agreement Crediting Mechanism – An overview

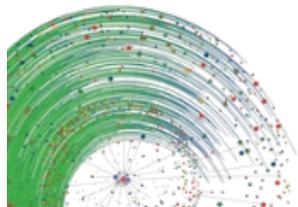
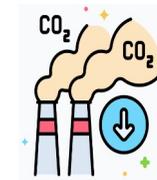
**The Paris Agreement Crediting Mechanism (PACM)** is the new centralized UNFCCC baseline-and-credits mechanism for public and private sector actors. The PACM aims to:

Incentivize and facilitate **participation in the mitigation of GHG by public and private entities** authorized by a Party

Promote the **mitigation** of GHG emissions while fostering **sustainable development**

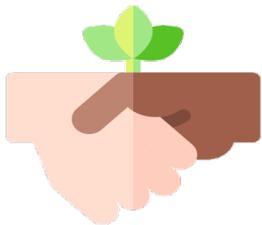
To deliver an **overall mitigation in global emissions**

Contribute to the **reduction of emission levels in the host Party**, which will benefit from mitigation activities resulting in emission reductions that can **also be used by another Party to fulfil its NDC**



# Understanding Cooperation under Article 6.4

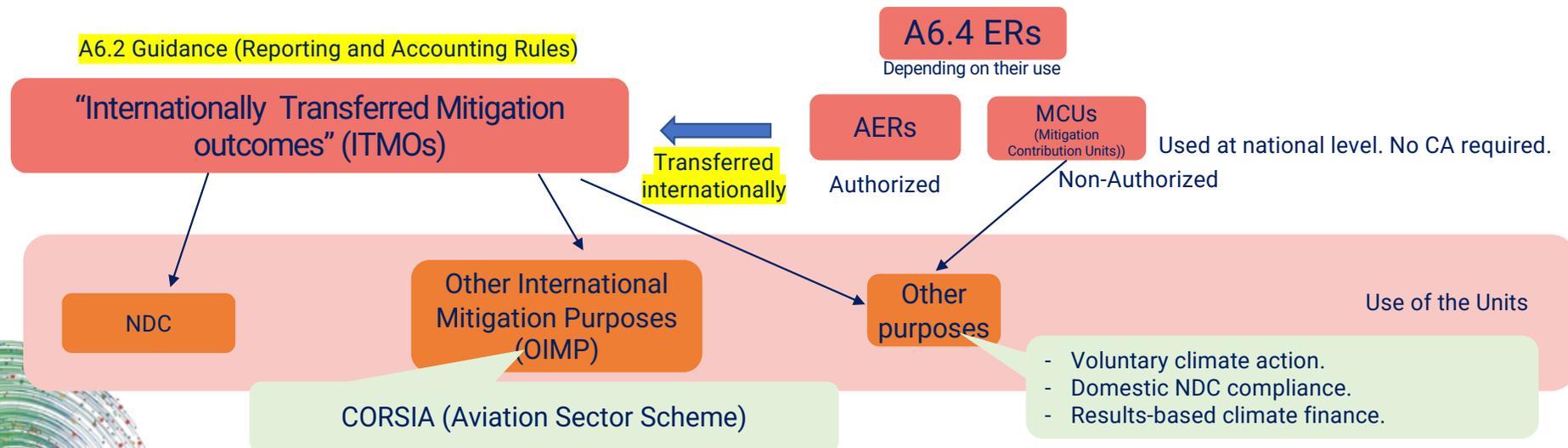
## The new Paris Agreement Crediting Mechanism



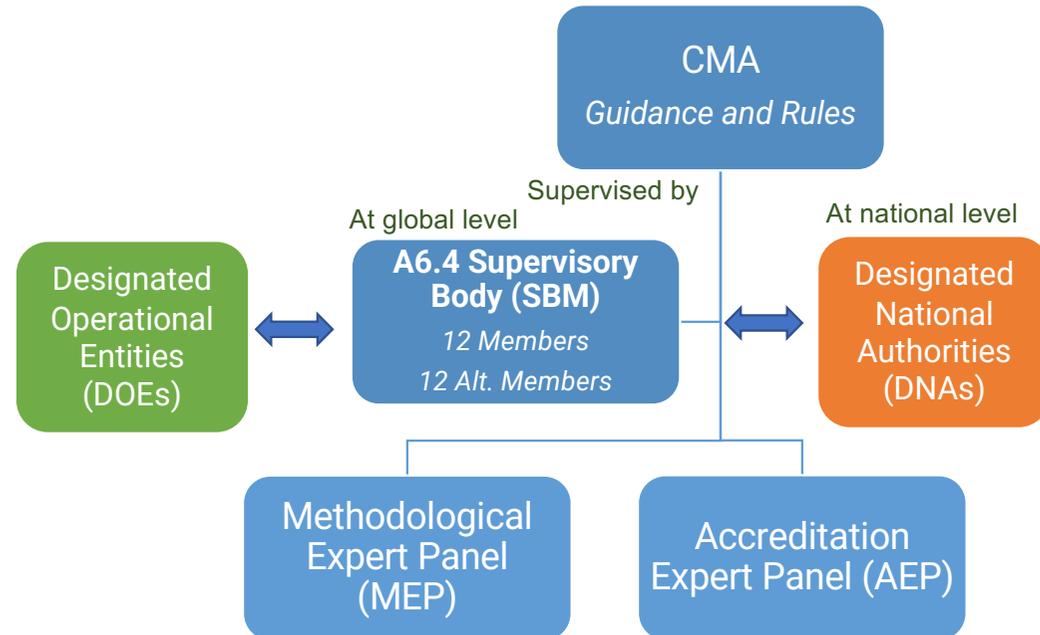
"Overseen by a body designated by the CMA and established within the Secretariat of the UN Climate Change."

The mitigation outcomes of proposed activities will be accredited under units known as Article 6.4 Emission Reductions (A6.4ERs)

A6.2 Guidance (Reporting and Accounting Rules)



# Governance Structure of the PACM



Source: Information extracted from <https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism>

Source: Image extracted from <https://evetamme.com/2023/05/21/challenges-for-carbon-removal-under-the-un-standard/>



# What is the Article 6.4 Supervisory Body's?



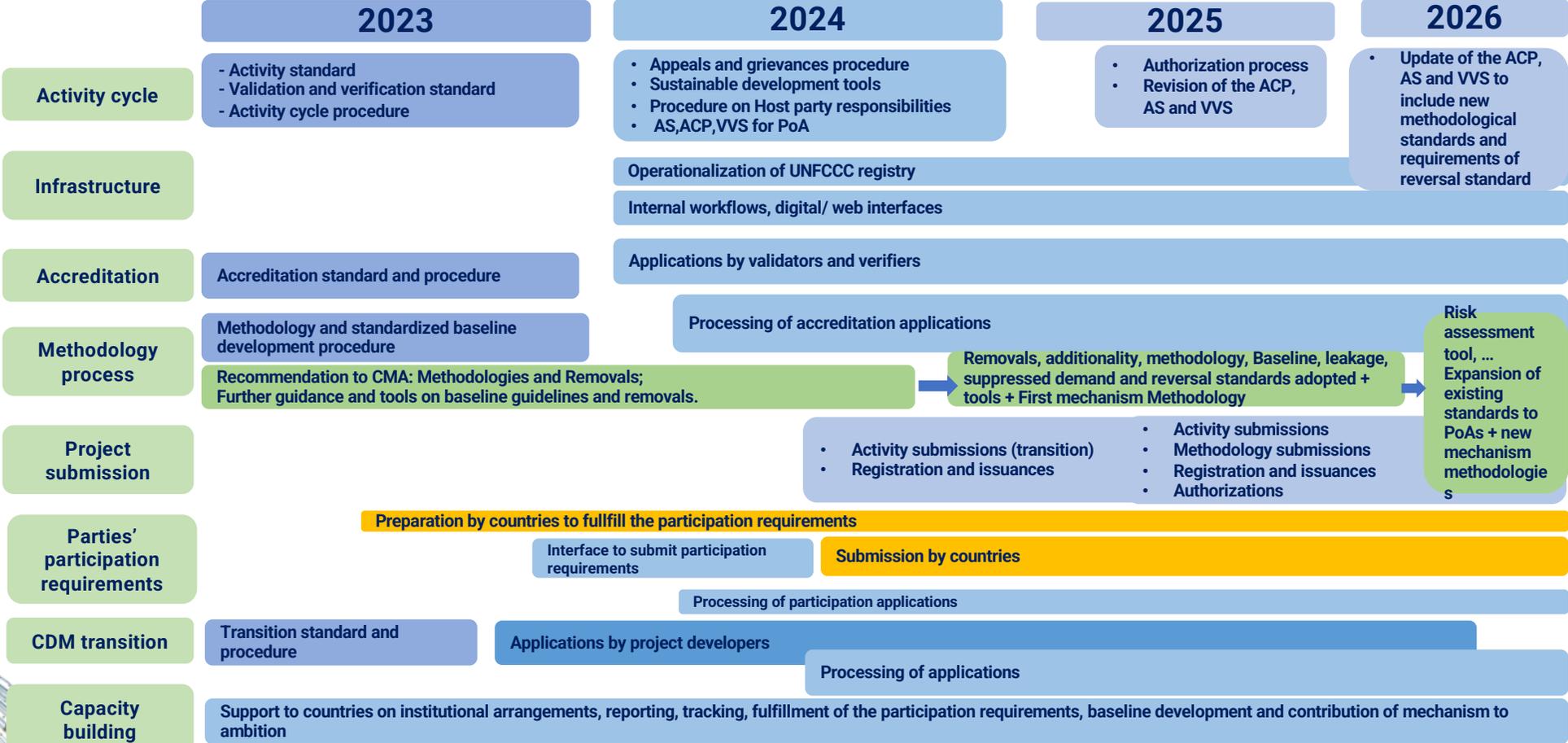
The Supervisory Body holds an event to engage with Parties and stakeholders at SB60. Image credit: UNFCCC

The Supervisory Body is tasked with developing and supervising the requirements and processes needed to operationalize the mechanism.

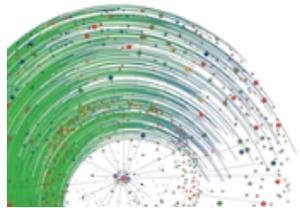
This includes:

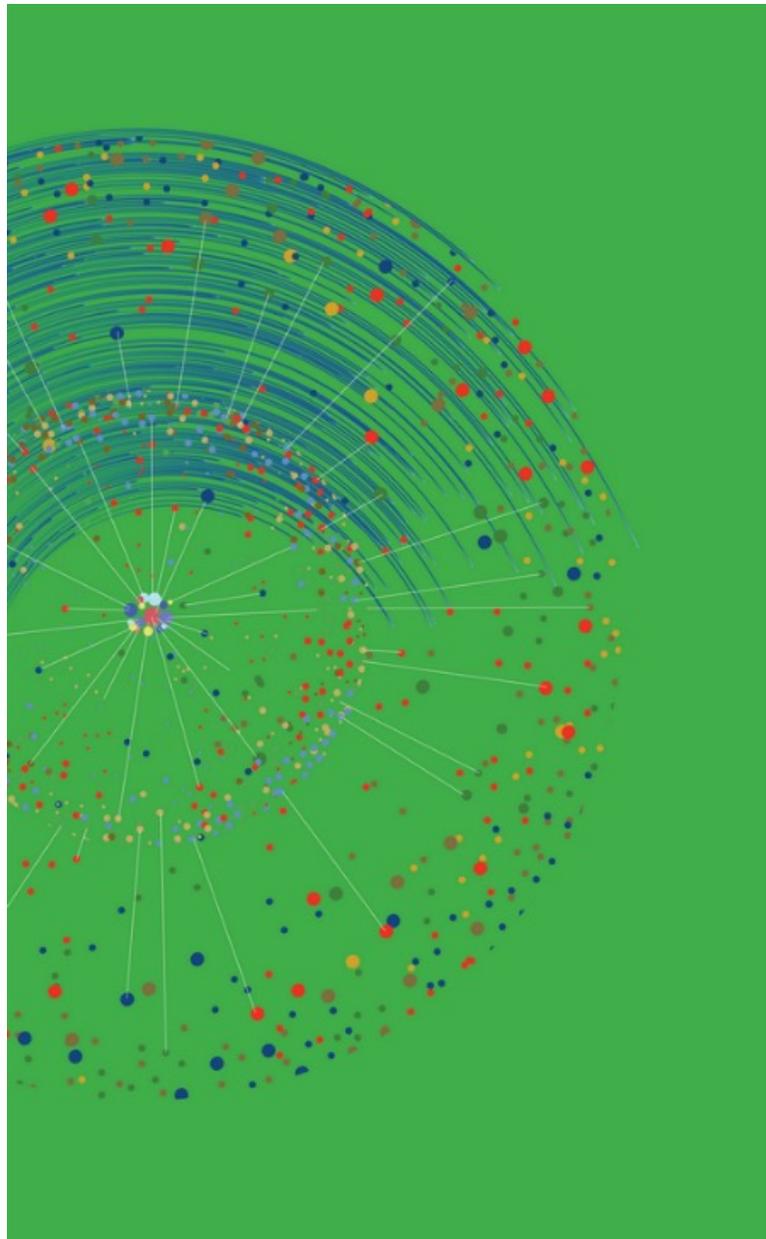
- Developing and/or approving methodologies;
- Registering activities & approving issuance of credits;
- Accrediting third-party validation & verification bodies
- Managing the Article 6.4 Registry.

# PACM Implementation – Where are we and What’s next?



# Q&A and Discussion





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## Session 2

# Technical Aspects of PACM Implementation

**Mr. Umamaheswaran Krishnan**

Article 6 & Carbon Pricing Regional Expert  
UNFCCC Regional Collaboration Center for MENA and  
South Asia

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# Paris Agreement Crediting Mechanism – An overview

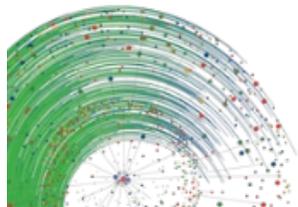
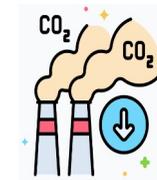
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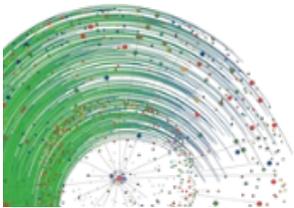
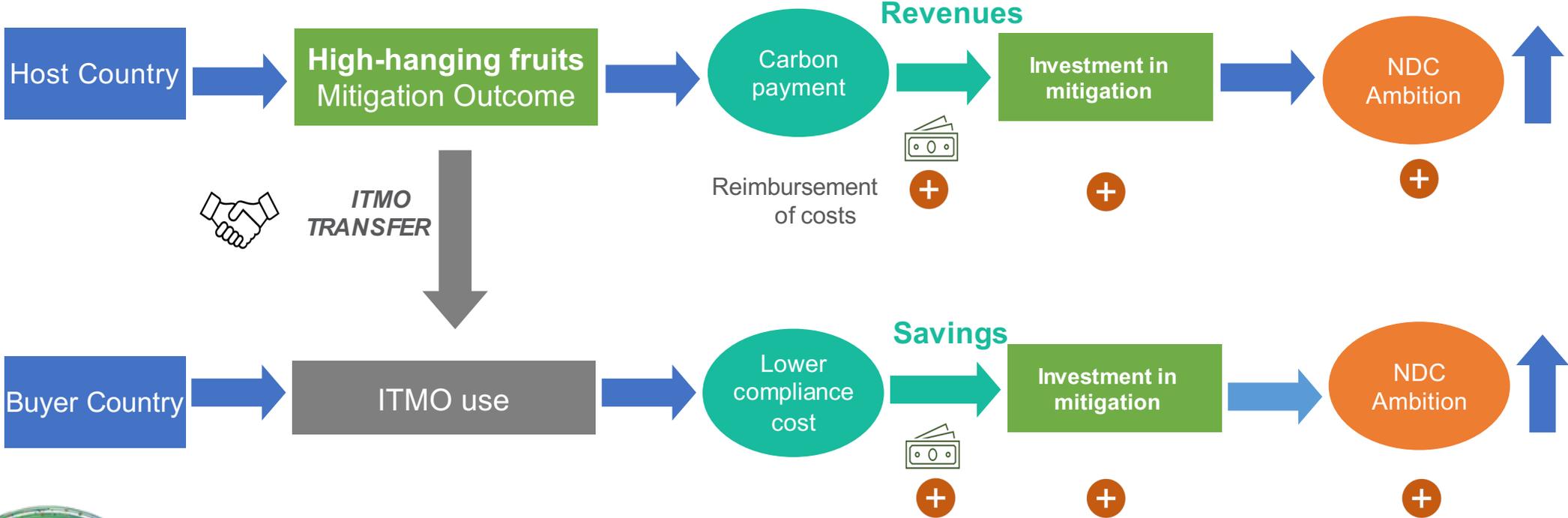
Promote the **mitigation** of GHG emissions while fostering **sustainable development**

To deliver an **overall mitigation in global emissions**

Contribute to the **reduction of emission levels in the host Party**, which will benefit from mitigation activities resulting in emission reductions that can **also be used by another Party to fulfil its NDC**



# Raising ambition through Article 6



## Article 6.4 PRINCIPLES

Registered activities, can be hosted by ANY Party and the range of activities is broader, issued Article 6.4 emission reductions (A6.4ERs), come in two types:

- **Authorized emission reductions** (AERs):

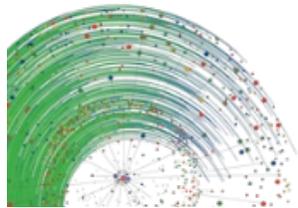
- A6.4ERs that have received an authorization under paragraph 42 of the Rules, m procedures of the mechanism **(AER)**
- These **are ITMOs** and will require **corresponding adjustment**

Authorized - Compliance

- **Mitigation contribution units** **(MCUs)**: (Netzero Approach of Corporates)

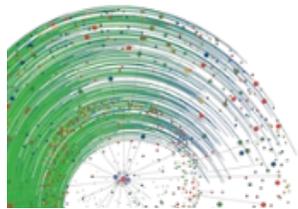
- These **are NOT ITMOs** the mitigation achieved assists the host Party to achieve its NDC or development goals
- Can be used for, **inter alia**, **results-based climate finance domestic carbon pricing schemes** price-based measures, for the purpose of contributing to the reduction of emission level Party

Non-Authorized - VCM



## Article 6.4 Units – A6.4ERs

A6.4ERs Authorized – ITMOs - AERs	6.4 Mitigation Contribution Units (MCUs) (Non-Authorized)
<ul style="list-style-type: none"><li>▪ Requires corresponding adjustments</li><li>▪ May be used towards achievement of NDCs</li><li>▪ Uses in other markets, e.g., voluntary carbon markets</li><li>▪ Uses for other international mitigation purposes (e.g., CORSIA)</li></ul>	<ul style="list-style-type: none"><li>▪ Do not require a corresponding adjustment</li><li>▪ May be used, “inter alia, for results-based climate finance, domestic mitigation pricing schemes, or domestic price-based measures, for the purpose of contributing to the reduction of emission levels in the Host party”.</li><li>▪ uses in other markets, e.g., voluntary carbon markets or domestic markets.</li></ul>



Compliance  
Purposes

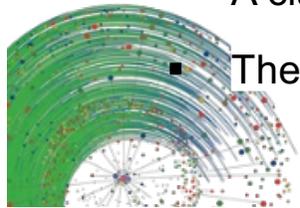


Voluntary  
Purposes

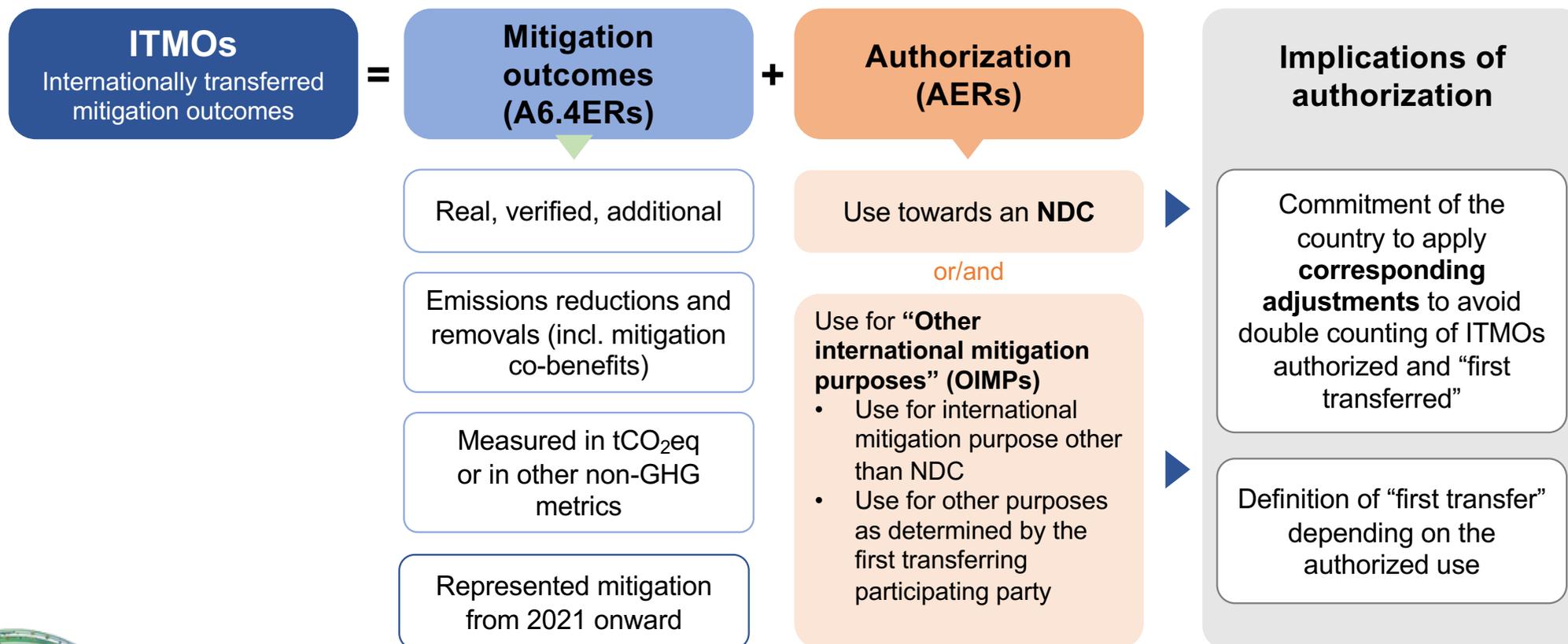
## MCUs for Host Countries & Corporates (PACM in VCM)

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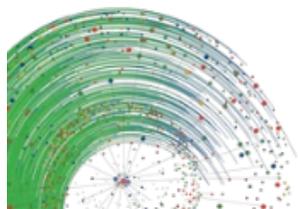
- MCUs can be used for various purposes, **including voluntary corporate action**, for the purpose of contributing to the reduction of emission levels in the host Party.
  - e.g. **voluntary climate action**, results-based climate finance, domestic mitigation pricing schemes, or domestic price-based measures.
- MCUs paves the way for corporate to **make a climate contribution** and **unlock financial and technical support for the Global South**.
  - MCUs are generated from registered mitigation activities hosted by any Party, **enabling the transfer of essential climate technology and funding**.
  - The mitigation achieved assists the host Party **in achieving its NDC and sustainable development goals** by curbing its GHG emissions.
- Corporates by **purchasing and cancelling MCUs** can make
  - A claim of contributing to technology transfer, investment, and bending the global emissions curve; and
  - The estimated 'internal carbon prices' tangible, while delivering on the needed climate finance.



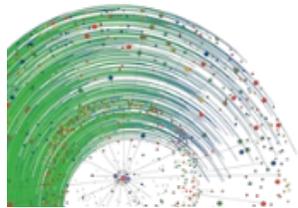
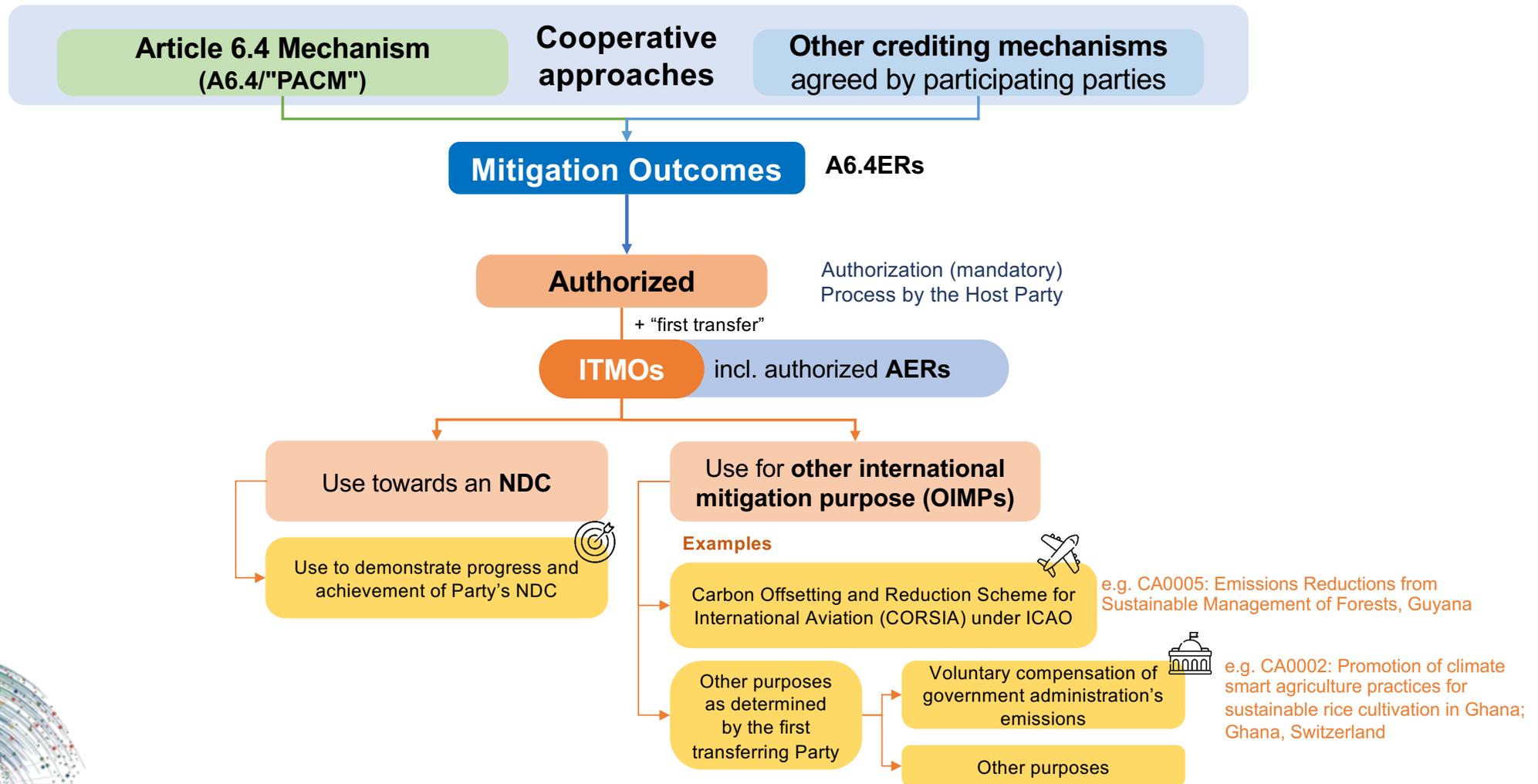
# What is an ITMO?



Ref: Decision 2/CMA.3,  
annex, para. 1



# Uses of authorized A6.4ERs



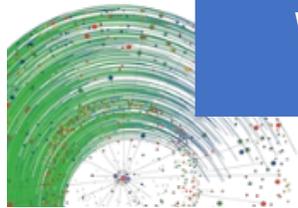
# Concept of corresponding adjustment

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Each participating Party shall apply corresponding adjustments in a manner that:

- Ensures **transparency, accuracy, completeness, comparability and consistency (TACCC)**;
- Participation in cooperative approaches **does not lead to a net increase in emissions** across participating parties within and between NDC implementation periods;
- Corresponding adjustments shall be **representative and consistent** with the participating Party's NDC implementation and achievement.

<b>WHY?</b>	To avoid double counting (Use towards NDC and OIMPs)
<b>HOW?</b>	Article 6.2 guidance provides description on how to apply CAs, including applicable CA methods for each NDC target type
<b>WHEN?</b>	CAs are reported as part of the regular information (every 2 years)
<b>WHERE?</b>	CAs are shown in the structured summary as part of the BTR



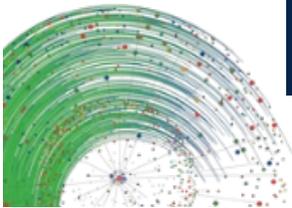
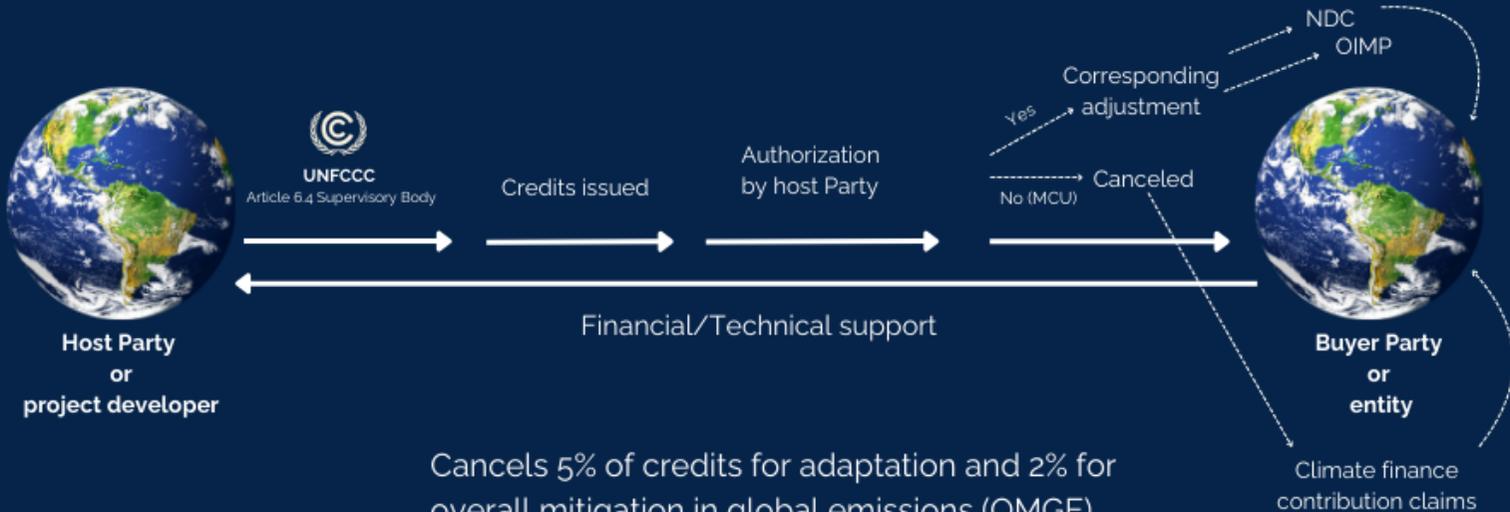
# PACM Activity Cycle



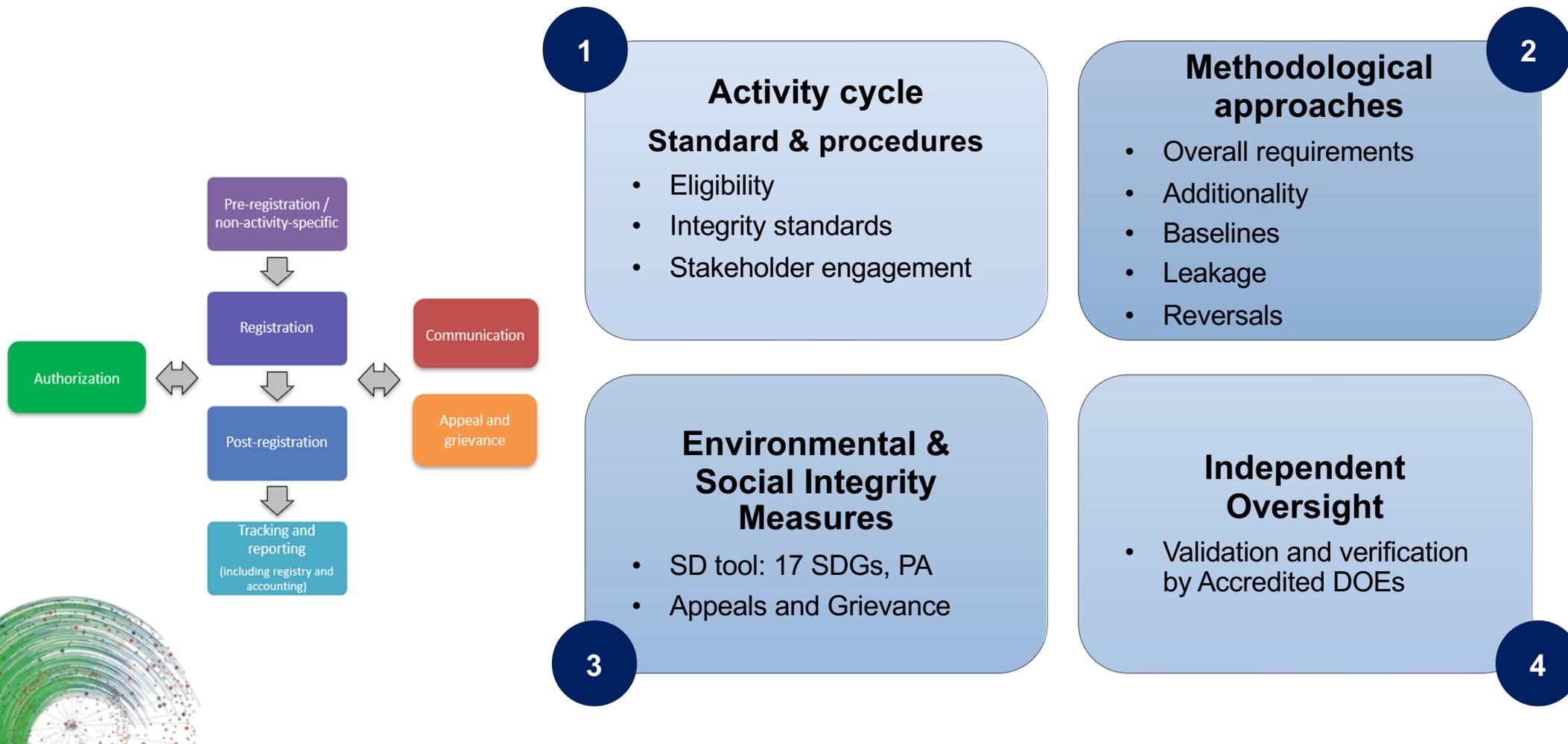
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## ARTICLE 6.4

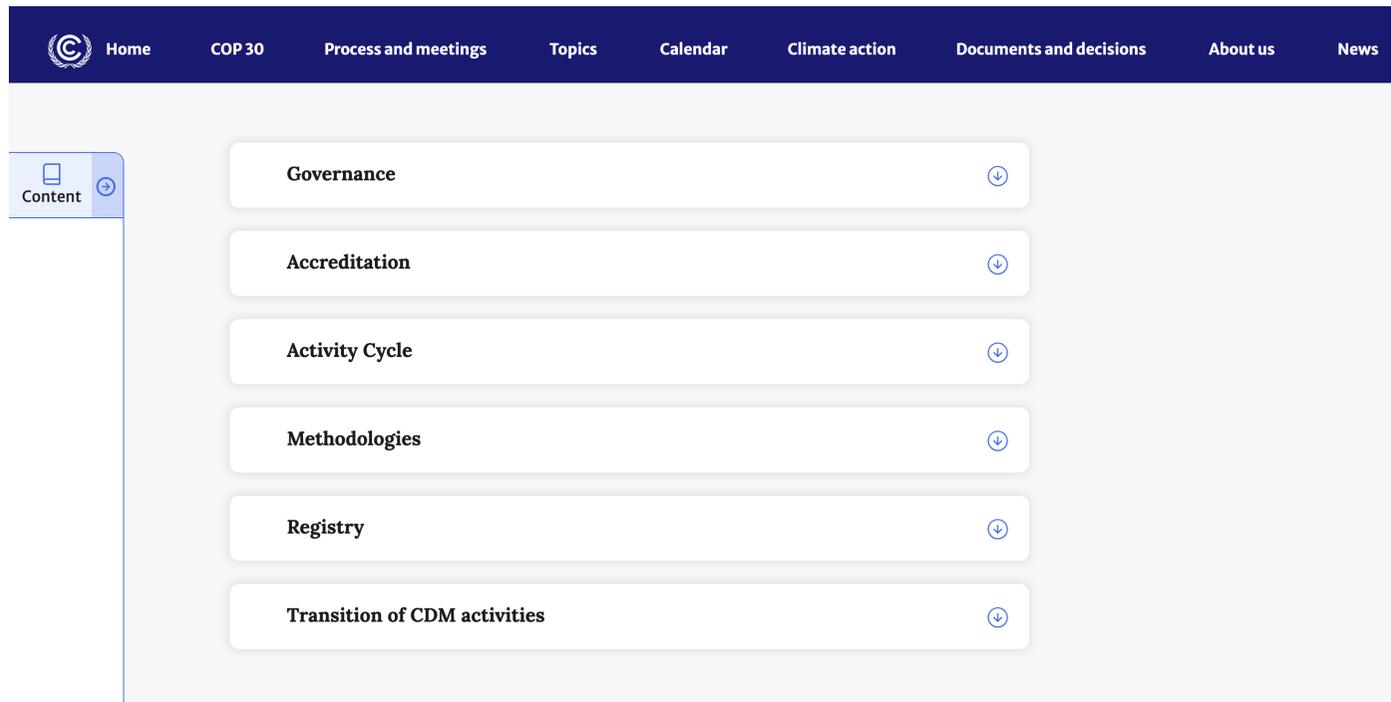
**Host Party** generates credits by reducing greenhouse gas emissions through the Paris Agreement Crediting Mechanism and transfers them to buyer Party and other buyers.



# Elements Ensuring Integrity of Article 6.4 Activities



# PACM - Rules and Regulations

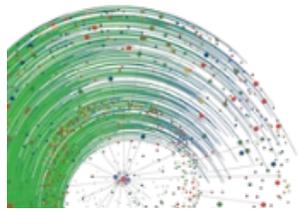


The screenshot shows the top navigation bar of the PACM website. The navigation bar is dark blue with white text. The main navigation items are: Home, COP 30, Process and meetings, Topics, Calendar, Climate action, Documents and decisions, About us, and News. Below the navigation bar, there is a 'Content' sidebar on the left with a right-pointing arrow. The main content area features a vertical list of six white buttons with rounded corners, each containing a topic name and a small blue downward-pointing arrow icon on the right side. The topics listed are: Governance, Accreditation, Activity Cycle, Methodologies, Registry, and Transition of CDM activities.

- Home
- COP 30
- Process and meetings
- Topics
- Calendar
- Climate action
- Documents and decisions
- About us
- News

Content →

- Governance
- Accreditation
- Activity Cycle
- Methodologies
- Registry
- Transition of CDM activities



# PACM - Rules and Regulations

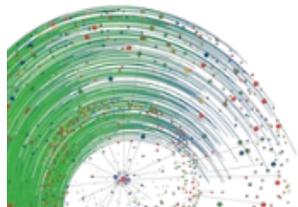
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## A. STANDARDS

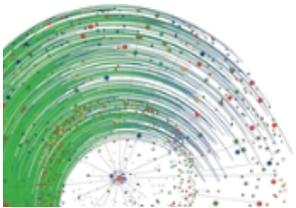
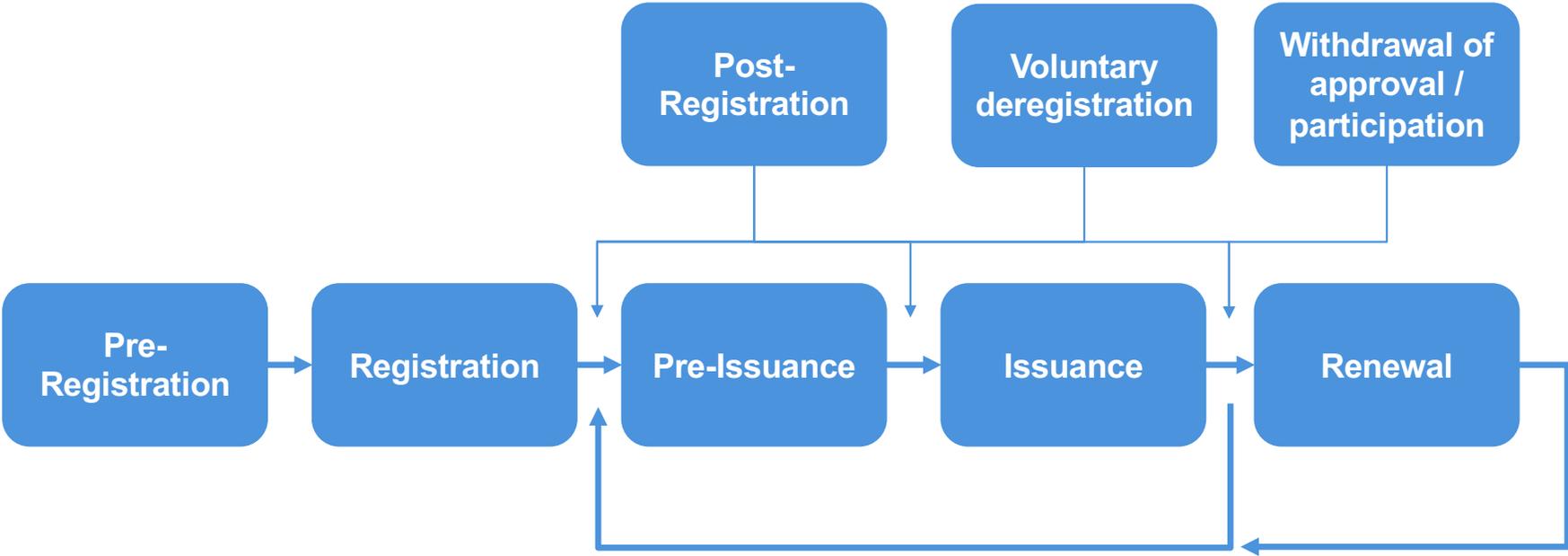
1. [Transition of CDM activities to the Article 6.4 mechanism](#): Sets out required activity design and other attributes of CDM projects, PoAs and CPAs for the transition to the Article 6.4 mechanism. **(Ver 5.1)**
2. [Article 6.4 activity standard for projects](#) **(Ver 3.0)** and [Article 6.4 activity standard for PoAs](#) **(Ver 3.0)**: Sets out requirements relating to the design, implementation and other attributes of A6.4 projects
3. [Article 6.4 validation and verification standard for projects](#) **(Ver 3.0)** and [Article 6.4 validation and verification standard for PoAs](#) **(Ver 3.0)**: Provides DOEs the minimum requirements for validation, post-registration and renewal of the crediting period of an A6.4 project, and the verification of GHG emission reductions or net GHG removals.

## B. PROCEDURES

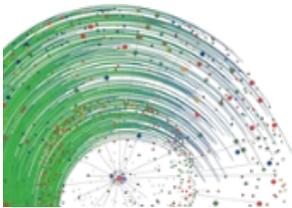
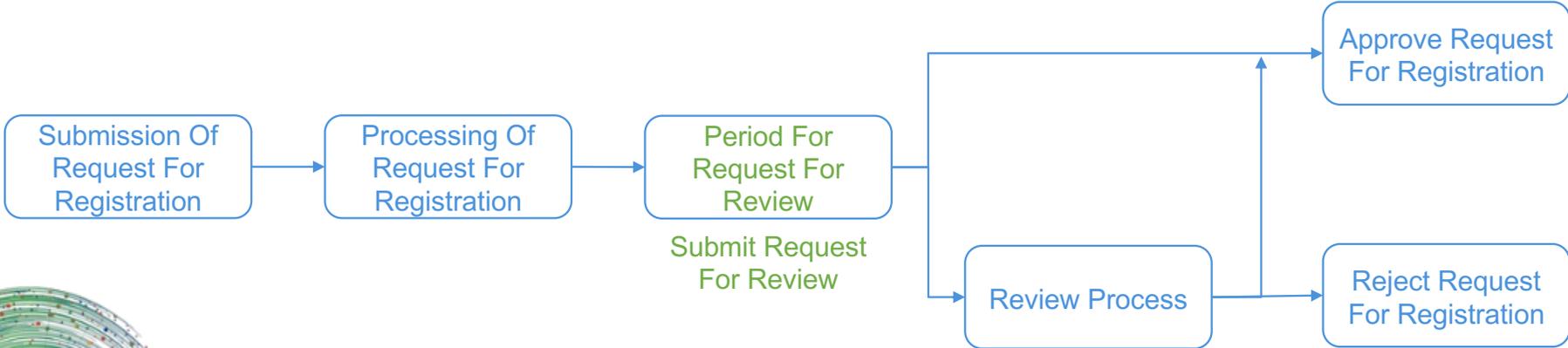
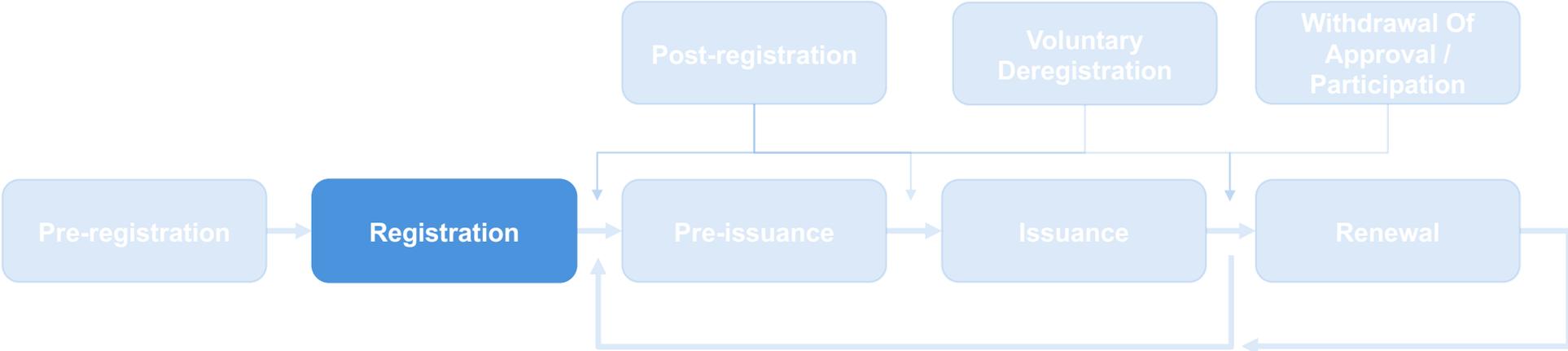
1. [Transition of CDM activities to the Article 6.4 mechanism](#): Sets out procedural steps for CDM projects, PoAs and CPAs to transition to the Article 6.4 mechanism. **(Ver 7.0)**
2. [Article 6.4 activity cycle procedure for projects](#) **(Ver 3.0)** and [Article 6.4 activity cycle procedure for PoAs](#) **(Ver 3.0)**: Describes the administrative steps to follow for the pre-registration, registration, post-registration change and renewal of the crediting period, and pre-issuance and issuance of GHG emission reductions or net GHG removals.
3. [Appeals and grievance procedure](#) **(Ver 1.0)**: Describes the administrative steps to follow to file an appeal against a decision of the Supervisory Body, submit a grievance against an A6.4 project and to process appeals and grievances.



# PACM Activity Cycle - Procedure for Projects



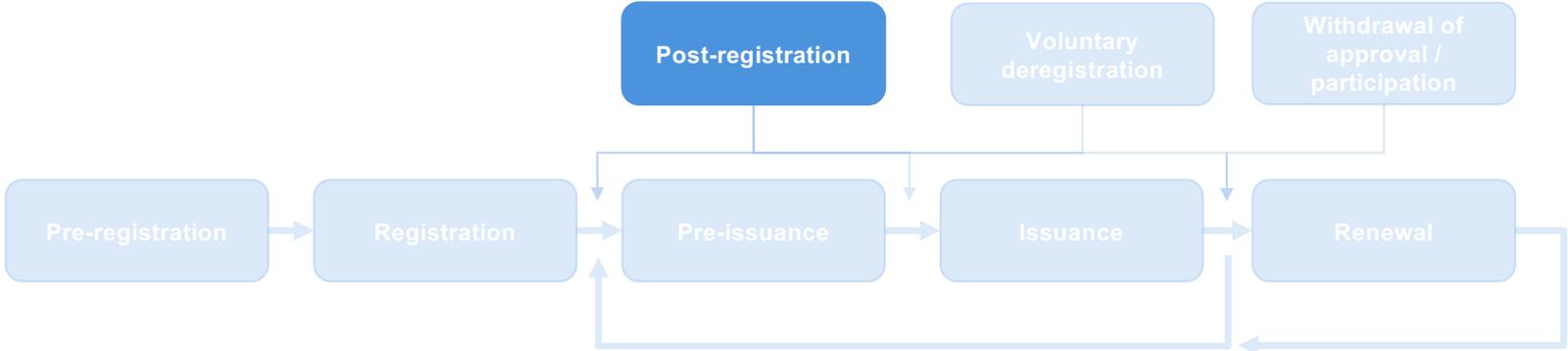
# PACM Activity Cycle Procedure for Projects: Registration



# PACM Activity Cycle Procedure for Projects: Pre Registration



# PACM Activity Cycle Procedure for Projects: Post Registration



**Continuous engagement with stakeholders**

Submission of comments

**Changes to registered project**

Revise the PDD

- Changes to the start date;
- Adding components;
- Extending/adding technologies;
- Increase the capacity.

Host Party approval

Submission of request for PRC

Processing of request for PRC

Period for request for review

Submit request for review

Approve request for PRC

Review process

Reject request for PRC

**Changes to the MoC**

Notify issues regarding the MoC

Submit issues regarding MoC

Insolvency and/or disputes

Engaged by the secretariat

Inclusion of activity participants

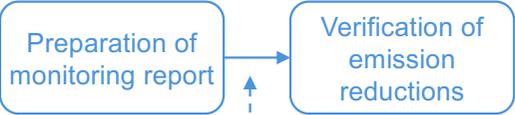
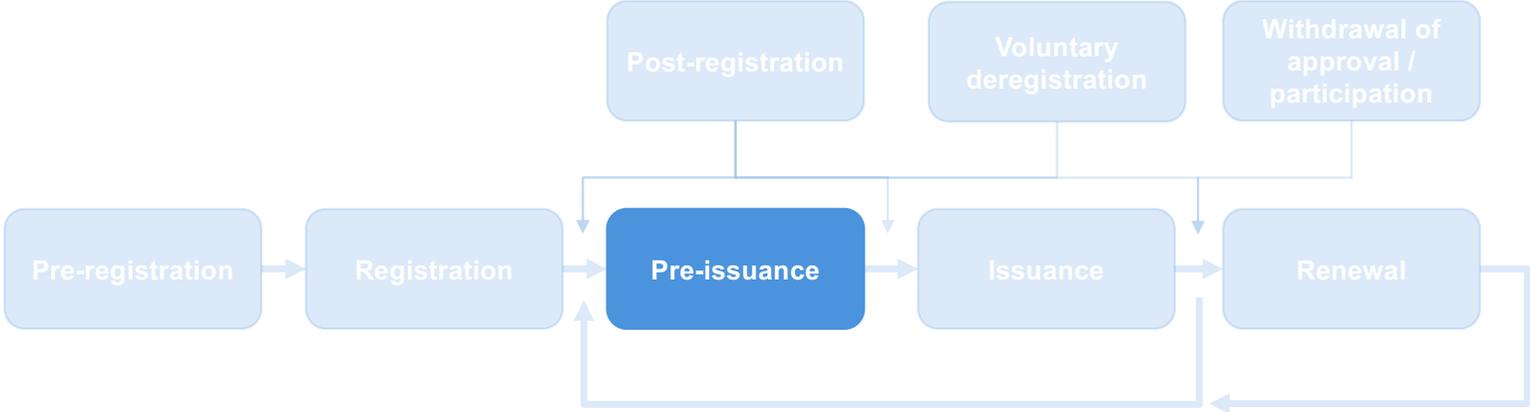
Provide authorization for new activity participants

Change of entity name or legal status

Provide authorization for changes to the name or legal status

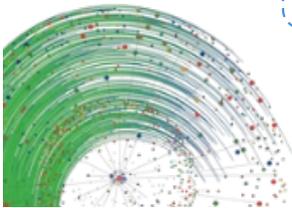


# PACM Activity Cycle Procedure for Projects: Pre Issuance

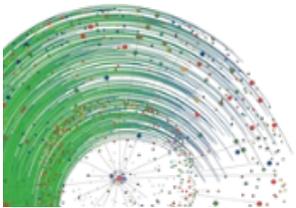
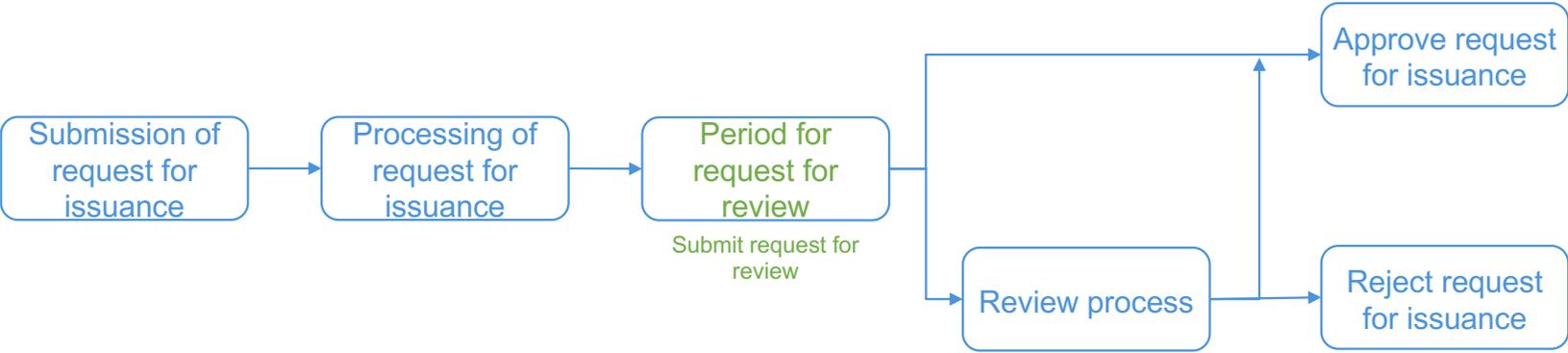
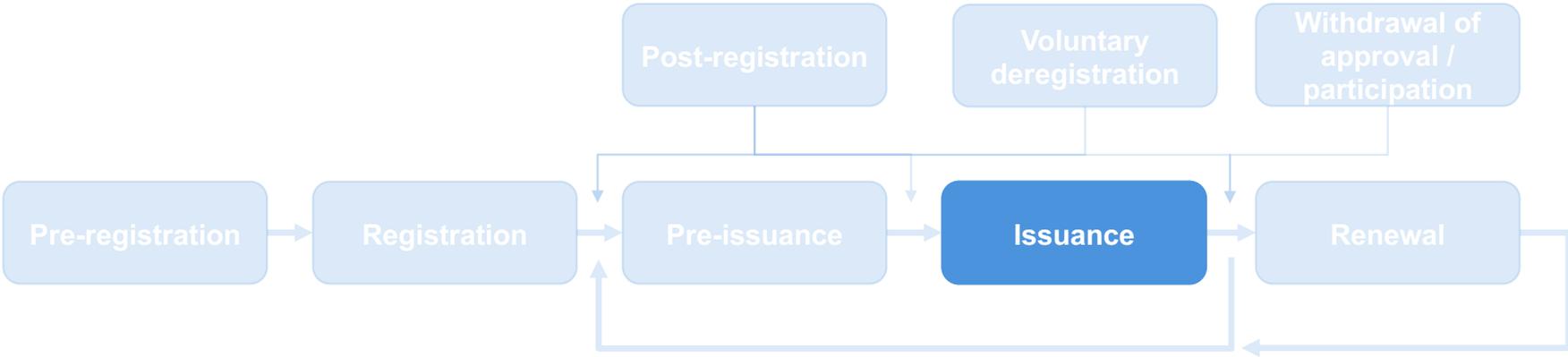


Host Party approval

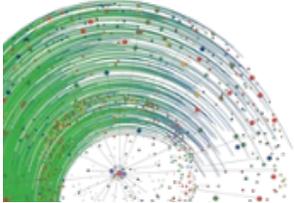
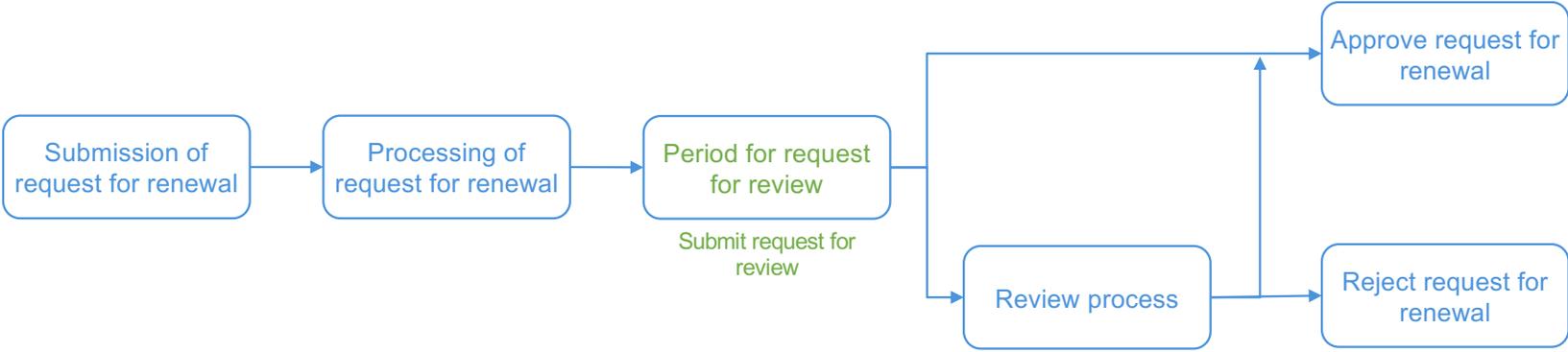
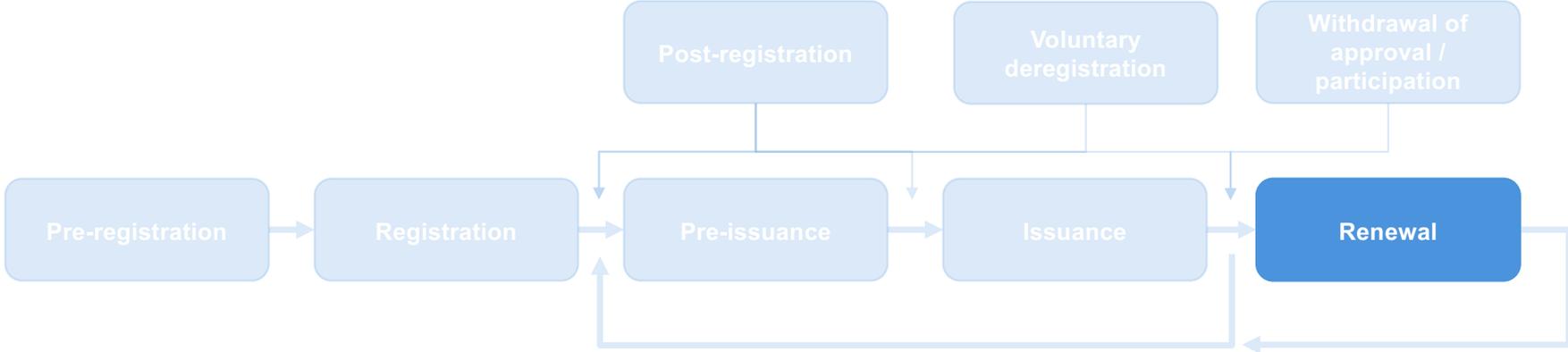
If post-registration changes are submitted in the issuance track



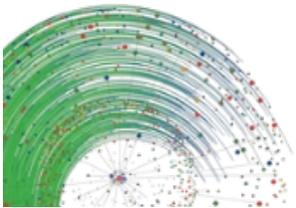
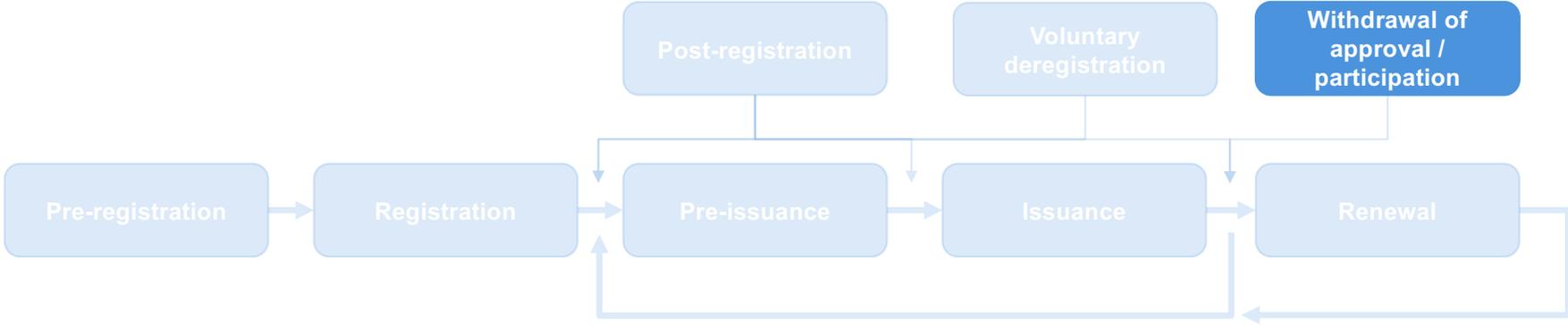
# PACM Activity Cycle Procedure for Projects: Issuance



# PACM Activity Cycle Procedure for Projects: Renewal Crediting Period



# PACM Activity Cycle Procedure for Projects: Withdrawal of Approval / Participation

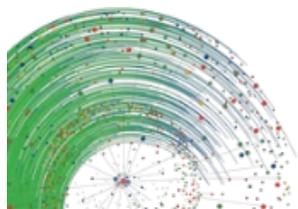


# PACM Activity Cycle Procedure for Projects: Withdrawal of Approval / Participation

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The host Party of a proposed or registered A6.4 project may, through its DNA, submit a notification to the secretariat to withdraw the approval of the project or the authorization of any of the activity participants any time through a dedicated interface on the UNFCCC website, providing the following information:

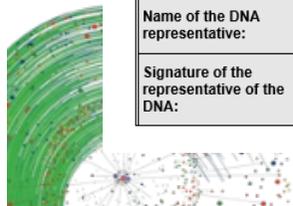
- The project title and its unique UNFCCC reference number;
- The type of withdrawal (withdrawal of approval of project or withdrawal of authorization of activity participants);
- The names of activity participants to whom the withdrawal of authorization applies (applicable if the withdrawal only relates to the authorization of activity participants);
- The effective date of the withdrawal, which shall be at least 60 days after the date of the notification of the withdrawal unless the host Party specifies an earlier date with justification;
- The reason(s) for the withdrawal.



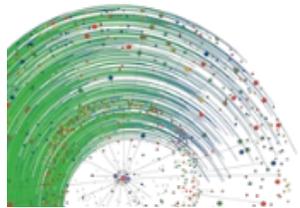
# PACM Activity Cycle Procedure for Projects: Withdrawal Approval of Activity

A6.4-FORM-AC-045

 <b>NOTIFICATION OF WITHDRAWAL OF APPROVAL FORM FOR ARTICLE 6.4 PROJECTS</b> <b>(Version 01.0)</b>	
SECTION 1. DETAILS OF THE PROJECT	
Project title:	>> <i>Provide the project title.</i>
Project UNFCCC reference number:	>> <i>Provide the UNFCCC reference number of the project.</i>
SECTION 2. DETAILS OF THE HOST PARTY AND DESIGNATED NATIONAL AUTHORITY (DNA)	
Name of the host Party:	Choose a Party.
Name of the DNA:	>> <i>Provide the name of the DNA.</i>
Address of the DNA:	>> <i>Provide the address of the DNA.</i>
E-mail of the DNA:	>> <i>Provide the e-mail address of the DNA.</i>
Telephone of the DNA:	>> <i>Provide the telephone number of the DNA.</i>
SECTION 3: DETAILS OF THE WITHDRAWAL OF APPROVAL BY HOST PARTY	
Effective date of withdrawal of approval of project: <i>(Select one option)</i>	Enter a date.
	<input type="checkbox"/> Select to confirm that the effective date of withdrawal is <b>at least 60 days</b> after the date of notification of the withdrawal.  <input type="checkbox"/> Select to confirm that the effective date of withdrawal is <b>earlier than 60 days</b> after the date of notification of the withdrawal.  >> <i>Provide justifications if the effective date of withdrawal is prior to the date of notification of the withdrawal.</i>
Reasons for the withdrawal:	>> <i>Provide the reasons for the withdrawal.</i>
SIGNATURE	
Date:	Enter a date.
Name of the DNA representative:	>>
Signature of the representative of the DNA:	



# Transitioning of CDM Activities & Winding Down



# Background (COP Guidance)

Decision 3/CMA.3, annex  
(RMPs), chapter XI.A



- ❑ Contains provisions that allow transition of CDM activities to the Art. 6.4 Mechanism with conditions:
  - Transition request submission by 31 December 2023.
  - Host Party approval submission by 31 December 2025.
  - Compliance with the RMPs.

Decision 7/CMA.4



- ❑ Elaborated key conditions and processes (elaboration of RMPs)
  - Crediting period or PoA period.
  - Activity design.
  - Transition process.

Decision 5/CMA.6



- ❑ Allowed transition of A/R CDM activities to the Art. 6.4 Mechanism with conditions:
  - **Transition request submission by 31 December 2025.**
  - Host Party approval submission by 31 December 2025.
  - Compliance with the RMPs.

Decision -/CMA.7



- ❑ Host Party approval submission by **30 June 2026.**



## Current Status

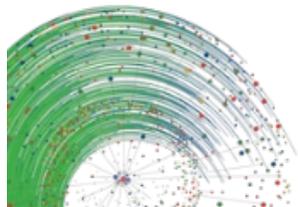
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- 3,494 activities were eligible to transition to Article 6.4 mechanism

	A/R	Non-A/R	TOTAL
PA	66	3,263	3,329
PoA	1	164	165
<b>TOTAL</b>	<b>67</b>	<b>3,427</b>	<b>3,494</b>

- 1,507 activities have notified the intention to transition to Article 6.4 mechanism

	A/R	Non-A/R	TOTAL
PA	10	1,379	1,389
PoA	1	118	119
<b>TOTAL</b>	<b>11</b>	<b>1,497</b>	<b>1,508</b>

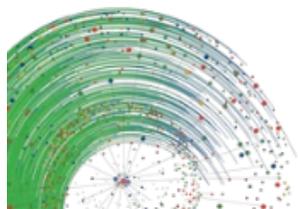


## Current Status CDM to PACM

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135 activities have been approved by host Parties to transition

	Approved by host Parties (Pending additional documentation from activity participant)	Substantiative Check completed	Assessment in Progress	Registered
<b>Projects</b>	106	0	6	12
<b>PoA</b>	29	1	2	9
<b>TOTAL</b>	<b>135</b>	<b>1</b>	<b>8</b>	<b>21</b>



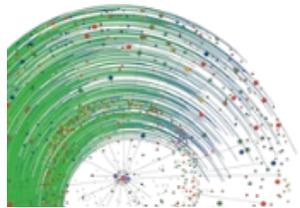
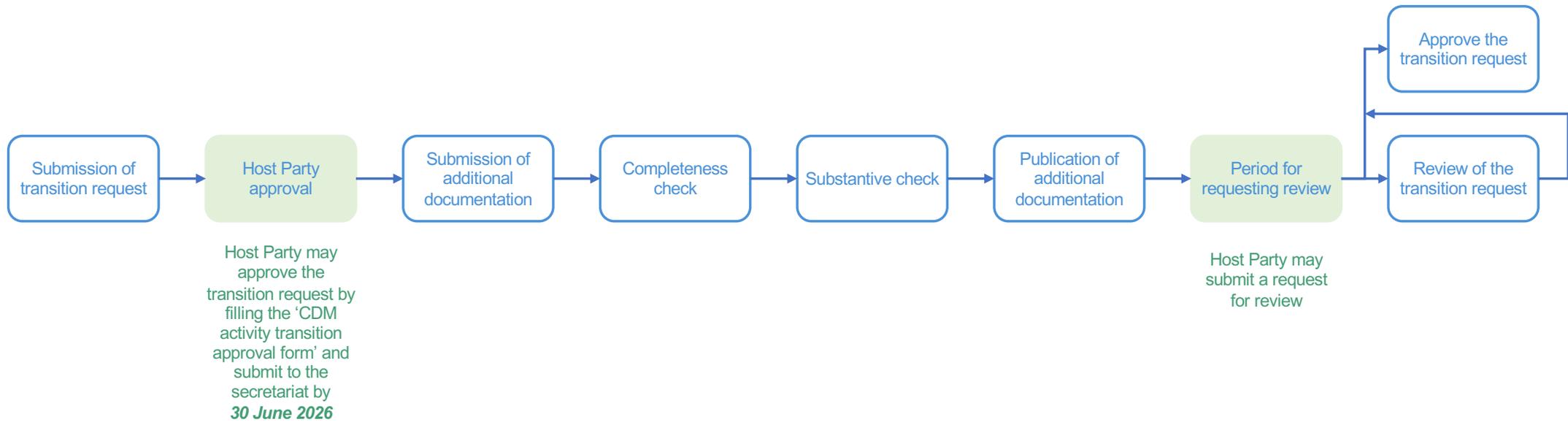
# Transition Process

Transition Steps	Timeline
Submit transition request	31 December 2023 (ER) 31 December 2025 (A/R)
Global Stakeholder Consultation	28 Days
Submission of Host Party Approval	By <b>30 June 2026</b>
Submission of Additional Documentation	If continuing to apply the CDM Meth: <b>Until 31 December 2026</b> If applying A6.4 Meth: within <b>1 year of HP approval or new meth becoming available whichever is later</b>
Processing of Transition Request	Collect transition fee, Completeness Check (7 days), Substantive Check (21 days), <b>Summary Note with recommendation</b> (14 days)
Request for Review of Transition Request by HP or SBM member	May be requested within 28 days of the completed substantive check
Finalizing transition request	<b>Approve, Approve with Modification</b> (7 days for proponent to respond), <b>Reject</b>



# Transition Process

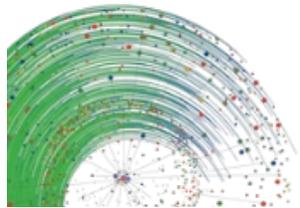
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# Transition Requirements on Crediting Period

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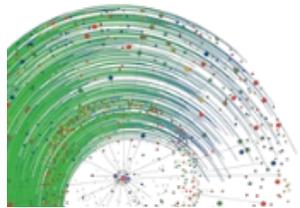
- CDM project activities with a renewable crediting period, the current crediting period shall end at the earliest of:
  - When the current crediting period under CDM would have ended;
  - On 31 December 2025
  - On a date determined by host Parties.
  
- CDM project activity or CPA with a fixed crediting period, the current crediting period shall end at the earliest of:
  - When the current crediting period under CDM would have ended;
  - On a date determined by host Parties.



## Transition Requirements - Use of Current CDM Methodologies

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- May continue to use currently applied CDM meth until renewal or 31 Dec 2025 (whichever is earlier)
- May voluntarily (or requested by the host party if incompatible with its meth approach) replace the meth or as requested
- Additionality demonstration is deemed fulfilled if CDM meth is applied
- Global Warming Potential – apply values from the IPCC 5AR.
- For a PoA that continues applying CDM meths, no new CPAs may be included until renewal of PoA under Art. 6.4.



# CDM Activity Transition to PACM Approval Form

A6.4-FORM-AC-003

 <b>CDM transition to Article 6.4 mechanism approval form<sup>1</sup></b> (Version 03.1)	
<b>Type of transition request</b> <i>(Tick box(es))</i>	<input type="checkbox"/> Transition of CDM activity <input type="checkbox"/> Finalization of provisional request for registration <sup>2</sup>
<b>Type of activity</b> <i>(Tick box(es))</i>	<input type="checkbox"/> Project activity <input type="checkbox"/> Programme of activities (PoA) <input type="checkbox"/> Including component project activities (CPAs) <sup>3</sup>
<b>Title and UNFCCC reference number of activity</b>	<input type="text"/>
<b>Confirmation of receipt of transition request</b> <i>(Tick box to confirm)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Confirmation on activity type</b> <i>(Tick box to confirm)</i>	<input type="checkbox"/> The type of activity in the transition request is among the activity types that the host Party intends to approve as Article 6.4 mechanism activities <sup>4</sup>
<b>Exemption from the waiver for share of proceeds for adaptation for LDCs and SIDS<sup>5</sup></b>	Is the Project or PoA hosted in a LDC or SIDS: <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> The host Party chooses not to exempt the CDM project activities or PoAs and CPAs therein requesting transition from the share of proceeds for adaptation
<b>Approving host Party</b>	<input type="text"/>

<sup>1</sup> This form is to be filled, signed and submitted by the representative of the designated national authority for the Article 6.4 mechanism as notified to the UNFCCC secretariat by no later than 31 December 2025. The secretariat may convert this form into an electronic interface for the submission of the host Party approval, in which case, the signature will be replaced with electronically secure means.

<sup>2</sup> Provisional requests for renewal will not be finalized under the transition process. Therefore, this form is not relevant.

<sup>3</sup> CPAs already included in a CDM PoA may transition to the Article 6.4 mechanism only in conjunction with, or subsequent to, the transition of the PoA. Therefore, this box must be ticked if the host Party also approves the transition of the CPAs to the Article 6.4 mechanism.

<sup>4</sup> In accordance with paragraph 26(e) of the annex to decision 3/CMA.3, the host Party shall indicate publicly to the Supervisory Body the types of Article 6.4 mechanism activity that it would consider approving and how such types of activity and any associated emission reductions would contribute to the achievement of its nationally determined contribution, if applicable, its long-term low greenhouse gas emission development strategy, if it has submitted one, and the long-term goals of the Paris Agreement. Paragraph 6 of annex I to decision 7/CMA.4 further elaborated that CDM project activities, PoAs and the CPAs therein, and activities in provisional requests that may transition to the Article 6.4 mechanism shall be among the activity types indicated by the host Party.

<sup>5</sup> This provision is only applicable to LDCs and SIDS and is to be checked if the LDC/SIDS hosting the CDM project activities or PoAs and CPAs therein chooses not to exempt the CDM project activities or PoAs and CPAs therein requesting transition from the share of proceeds for adaptation.

Version 03.1

Page 1 of 2

A6.4-FORM-AC-003

I hereby approve the transition of the CDM activity to, or finalization of the provisional request under, the Article 6.4 mechanism, subject to approval by the Supervisory Body	Date (DDMM/YYYY): <input type="text"/>
	Name of designated national authority organization: <input type="text"/>
	Name of representative of designated national authority: <input type="text"/>
	Signature: <input type="text"/>

## Document information

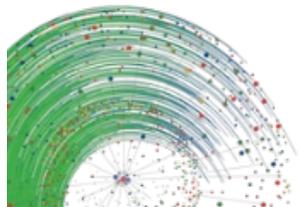
Version	Date	Description
03.1	30 July 2025	Editorial correction on type of transition request, as per the transition procedure.
03.0	21 May 2025	Revision to simplify the confirmation of receipt of transition request.
02.0	28 February 2025	Revision to include exemption from the waiver for share of proceeds of adaptation for LDCs and SIDS and new deadline for submission of A/R transition request.
01.0	23 February 2024	Initial publication of form template.

Decision Class: Regulatory  
 Document Type: Form  
 Business Function: A6.4 activity cycle  
 Keywords: A6.4 mechanism, A6.4 projects, host party, project implementation

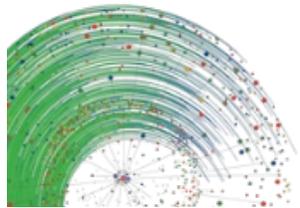
Version 02.0

Page 2 of 2

<https://unfccc.int/sites/default/files/resource/A6.4-FORM-AC-012.docx>



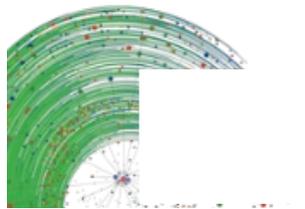
# **Additional documentation for transition Form for addendum**



## Addendum: Purpose

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- The addendum, found as Appendix 3 in the Procedure, serves as a supplement to the CDM design document when requesting a transition to the Article 6.4 mechanism under the Paris Agreement.
- It is designed to document the **environmental, social, and sustainable development-related benefits**, as well as the non-permanence risks, of a CDM activity seeking transition.
- It also documents compliance with the registered Project Design Document and with the requirements for removals activities.
- The addendum is used to fulfill procedural requirements within a set timeline after host Party approval.



# Addendum to design document for CDM activity transition request

A6.4-FORM-AC-012



## ADDENDUM TO DESIGN DOCUMENT FOR CDM ACTIVITY TRANSITION REQUEST<sup>1</sup> (Version 03.0)

<b>Title and UNFCCC reference number of activity</b>	
<b>Environmental and social impacts<sup>2</sup></b>	<p>Provide a summary of the environmental and social impacts and sustainable development benefits of the transitioning clean development mechanism (CDM) activity, and attach to this form a report prepared in accordance with the "Standard: Transition of CDM activities to the Article 6.4 mechanism" (hereinafter referred to as "transition standard"):</p> <ol style="list-style-type: none"> <li>Environmental impacts &gt;&gt;</li> <li>Social impacts &gt;&gt;</li> <li>Sustainable development benefits &gt;&gt;</li> </ol>
<b>Non-permanence risk</b>	<p><input type="checkbox"/> <b>The transitioning activity uses fossil fuel for co-firing or as a backup fuel</b></p> <p>If this box is ticked, describe the monitoring plan to account for emissions from the use of fossil fuel in accordance with the transition standard. &gt;&gt;</p> <p><input type="checkbox"/> <b>The transitioning activity applies one or more of the CDM methodologies listed as having a risk of negative emission reductions in paragraph 32 of the transition standard</b></p> <p>If this box is ticked, describe (i) the outcome of the assessment to determine whether there was any accrual of net negative emission reductions in the past; and (ii) the monitoring plan to take into account such negative emission reductions in emission reductions occurring from 2021 in accordance with the transition standard. &gt;&gt;</p>

<sup>1</sup> This form is to be filled in, signed and submitted by the person authorized for scope (c) by the project participants of the clean development mechanism (CDM) project activity or programme of activities, as indicated in the modalities of communication submitted in accordance with the "CDM project cycle procedure for project activities" or "CDM project cycle procedure for programmes of activities" to the secretariat within 180 days of the publication of the host Party approval of the transition in accordance with the "Procedure: Transition of CDM activities to the Article 6.4 mechanism" available at: <https://unfccc.int/sites/default/files/resource/A6.4-PROC-AC-001.pdf>. The secretariat may convert this form into an electronic interface for the submission of this document, in which case the signature will be replaced with electronically secure means.

<sup>2</sup> If the SD tool is applicable at the time of submission of the additional documentation, the PPs shall submit the compulsory forms as attachment to this addendum.

A6.4-FORM-AC-012

<p><input type="checkbox"/> <b>The transitioning activity applies one or more of the CDM methodologies listed as having a risk of non-permanence in paragraph 34 of the transition standard</b></p> <p><input type="checkbox"/> <i>The fraction of non-renewable biomass (fNRB) value will be re-evaluated based on the latest available data and information as per the requirements of the transition standard and applied at first issuance.</i></p> <p><input type="checkbox"/> <i>The discount factor for addressing leakage will be re-evaluated based on the on latest available data and information as per the requirements of the transition standard and applied at first issuance.</i></p> <p><input type="checkbox"/> <b>The transitioning activity is none of the above</b></p> <p><input type="checkbox"/> <b>No post-registration change (PRC) occurred since 2021:</b></p> <p>I hereby confirm that the transitioning CDM activity has been implemented and monitored in accordance with the registered project design document (PDD), or programme of activities design document (PoA-DD) and component project activity design documents (CPA-DDs), as displayed on the project</p> <p><input type="checkbox"/> <b>A PRC occurred since 2021:</b></p> <p>I hereby confirm that I will seek approval of the PRC to the transitioning CDM activity under the mechanism established by Article 6, paragraph 4, of the Paris Agreement (Article 6.4 mechanism) after its transition to the Article 6.4 mechanism, noting that the PRC may not be approved by the Supervisory Body for the Article 6.4 mechanism. This may impact the crediting of Article 6, paragraph 4, emission reductions for the activity occurring after the PRC.</p> <p><input type="checkbox"/> <b>Identification of risk of reversals:</b></p> <p>(Include the identification and justification of the risks of reversals that may be attributed to the CDM A/R project activity or CDM A/R PoA and CPAs herein, aligned with the provisions of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body)</p> <p><input type="checkbox"/> <b>Reversal risk assessment:</b></p> <p>Provide a reversal risk assessment in accordance with the relevant requirements of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body)</p> <p><input type="checkbox"/> <b>Reversal risk mitigation plan:</b></p> <p>If a risk of non-permanence is identified, develop and implement a risk mitigation plan to address any risks identified through the reversal risk assessment, following the relevant provisions of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body)</p> <p><input type="checkbox"/> <b>Remediation of reversals:</b></p>	<p><b>Compliance with the registered design document, including the application of the currently applied CDM methodology</b></p> <p><i>Tick the applicable box</i></p> <p><b>Compliance with provisions of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" (Only applicable to A/R CDM project activities and A/R CDM A/R programmes of activities and component project activities therein)</b></p>
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A6.4-FORM-AC-012

<p><input type="checkbox"/> <b>Post-crediting period monitoring plan:</b></p> <p>(Describe the monitoring to be conducted after the end of the last active crediting period of the A/R CDM A/R project activity and CDM A/R PoA and CPAs therein, to assess whether any reversals have occurred, in accordance with the requirements of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body)</p>	<p>(Describe the measures to be implemented to remediate reversals, including proactively mitigating reversal risks and avoiding reversals as per the requirements of the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism" and other applied methodological regulatory documents approved by the Supervisory Body)</p>
<p><b>I confirm that the information provided in this form is correct</b></p>	<p>Date (DD/MM/YYYY):</p> <p>Names of the entity and the representative of the project participants<sup>3</sup>:</p> <p>Signature:</p>

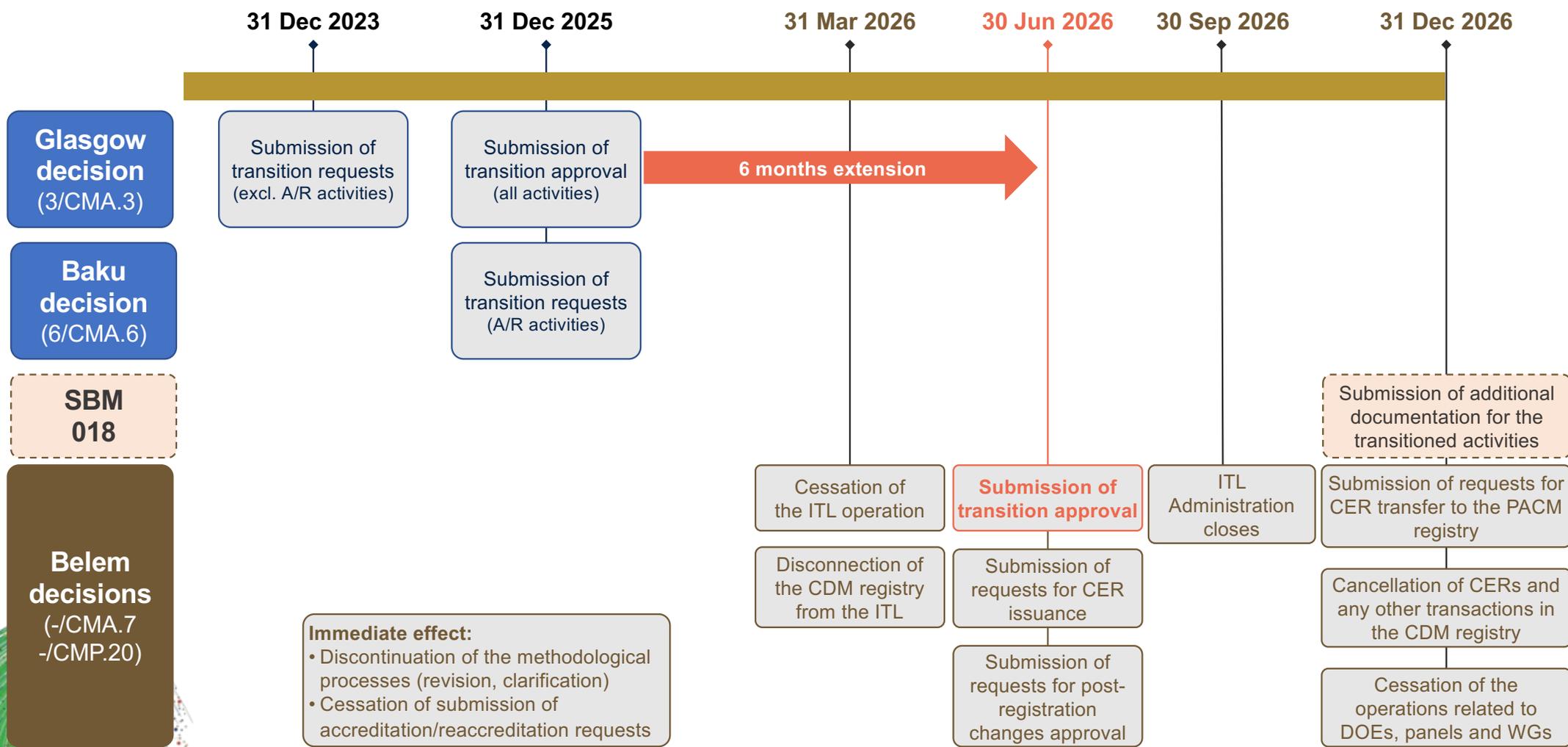
### Document information

Version	Date	Description
03.0	21 May 2025	Revision to include updated requirements for activities following CDM methodologies that have a risk of non-permanence of emission reductions.
02.0	26 February 2025	Revision to include additional requirements for A/R CDM project activities and programmes of activities.
01.0	19 August 2024	Initial publication of form template.

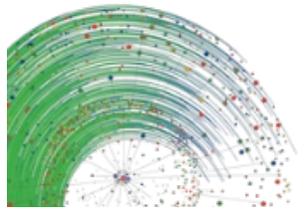
Decision Class: Regulatory  
Document Type: Form  
Business Function: A6.4 activity cycle  
Keywords: A6.4 mechanism, A6.4 projects, project design document, transition of CDM activities to A6.4 mechanism

<sup>3</sup> Please write the name of the focal point entity designated by the project participants of the CDM project activity or PoA for scope (c) and the name of its representative as communicated to the secretariat in the modalities of communication in accordance with the relevant provisions in the "CDM project cycle procedure for project activities" or the "CDM project cycle procedure for programmes of activities", respectively available at: <https://cdm.unfccc.int/Reference/Procedures/index.html>

# Transition and Winding down of the CDM



# Eligibility Criteria



# Eligibility Criteria – HPPR India

A6.4-FORM-GOV-001



## HOST PARTY PARTICIPATION REQUIREMENTS FOR ARTICLE 6.4 MECHANISM (Version 01.0)

### SECTION 1: GENERAL INFORMATION

Country:	India
Institution name:	Ministry of Environment, Forest & Climate Change, Government of India (MoEFCC)
Institution address:	Indira Paryavaran Bhawan, Jor Bagh, New Delhi – 110003
Representative of the institution:	Ms. Nameeta Prasad, Joint Secretary
E-mail address of the representative:	Nameeta.prasad@gov.in
Phone number of the representative:	(+91) 11 20819324

### ADDITIONAL REPRESENTATIVE (OPTIONAL)

Additional representative of the institution:	Mr. Tarun Kumar Pithode Director, MoEFCC, Government of India
E-mail address of the additional representative:	tarun.pithode@mp.gov.in
Phone number of the additional representative:	(+91) 11 20819249

### SECTION 2: PARTICIPATION RESPONSIBILITIES

Is your country a Party to the Paris Agreement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has your country prepared, communicated, and is it maintaining a Nationally Determined Contribution (NDC) in accordance with Article 4, paragraph 2 of the Paris Agreement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has your country designated a Designated National Authority (DNA) for the Article 6.4 mechanism and communicated that designation to the UNFCCC secretariat?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

A6.4-FORM-GOV-001

India is developing a Authorization and Approval criteria document derived from the Rules, Modalities and Procedures developed for Article 6.4 mechanism to align with the Indian context. As per the document, the Article 6.4 mechanism will consider project and programme-based mitigation/removal activities, and it may also allow for implementation of sector-specific measures. These activities would need to meet the following criteria:

- The activity satisfies the basic requirement of additionality - reduces/removes GHG emissions
- The activity contributes to sustainable development of the country
- The activity contributes to the implementation of the host Party NDCs

Project from the below listed Climate Change Mitigation Activities will be prioritized for implementation in India under Article 6.4 mechanism. The activities in the identified areas will potentially facilitate the adoption/ transfer of technologies that would enable the achievement of India's net zero targets.

Note: The list of identified activities will be permitted for first 03 years.

#### I. GHG Mitigation Activities:

1. Renewable energy with storage (only stored component)
2. Solar thermal power plant
3. Off-shore wind
4. Green Hydrogen
5. Compressed bio-gas
6. Emerging mobility solutions like fuel cells
7. High end technology for energy efficiency
8. Sustainable Aviation Fuel
9. Best available technologies for process improvement in hard to abate sectors
10. Tidal energy, Ocean Thermal Energy, Ocean Salt Gradient Energy, Ocean Wave Energy and Ocean Current Energy
11. High Voltage Direct Current Transmission in conjunction with the renewal energy projects
12. Clean cooking using renewable energy at scale (Government or Public-Private Partnership project only)

#### II. Alternate Materials:

13. Green Ammonia

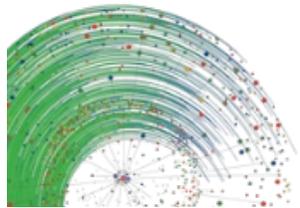
#### III. Removal Activities:

14. Carbon Capture, Utilization and Storage

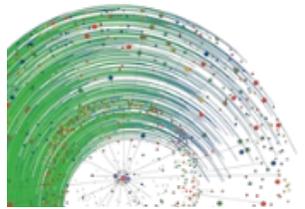
India is committed to address climate change under Article 6.4 of the Paris Agreement by implementing projects which fall under the finalised list of activities mentioned above. These activities include various GHG mitigation and removal efforts and are closely aligned with India's Nationally Determined Contributions (NDCs) and Long-Term Low-Carbon Development

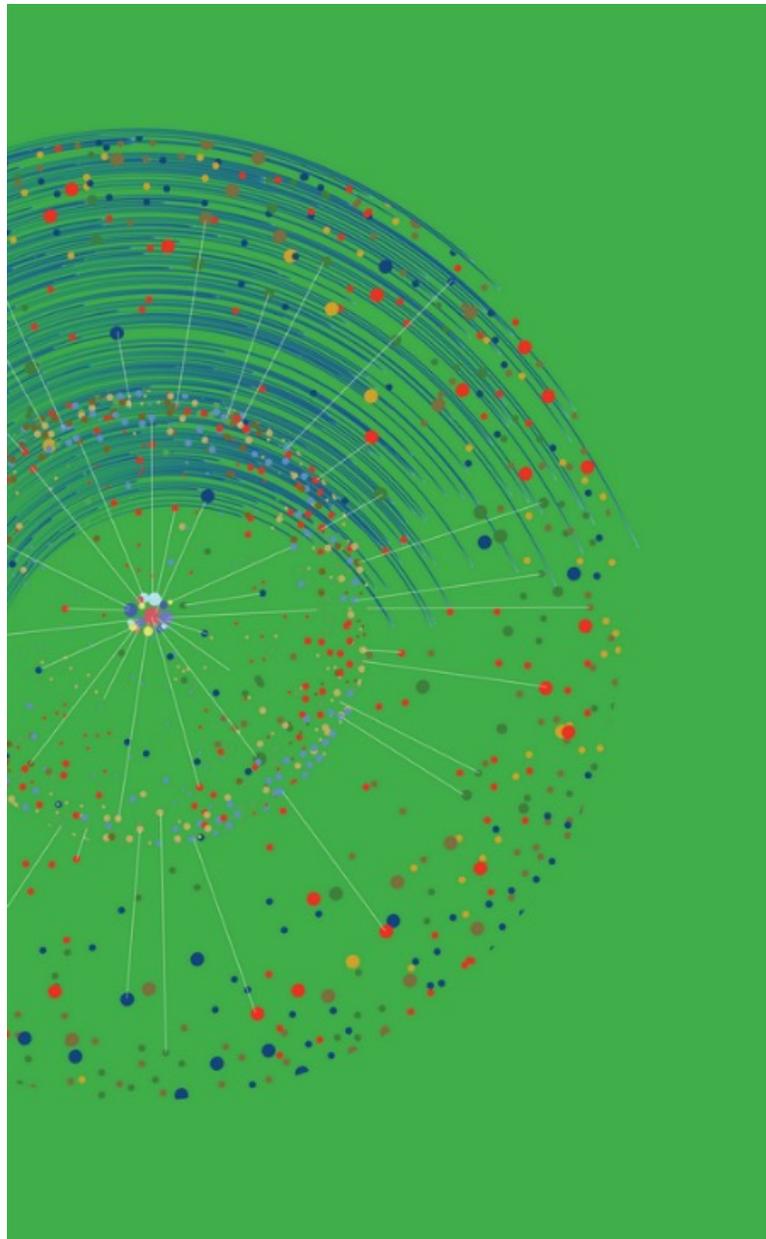


# Q&A and Discussion



# Lunch





United Nations  
Climate Change



GOVERNMENT OF INDIA  
MINISTRY OF POWER



RCC MENA and South Asia  
Collaboration for Climate Action

## Session 3

# PACM Pipeline, walk through of Technical Requirements : Forms, Methodologies & Key Differences vs CDM

1. **Mr. Abhishek Kaushik**, Senior Advisor, UNEP CCC
  2. **Mr. Umamaheswaran Krishnan**, Article 6 & Carbon Pricing Regional Expert, UNFCCC Regional Collaboration Center for MENA and South Asia
-

# PACM Forms

Activity Cycle - Projects			
Title	Current version	Symbol number	Previous versions
<i>Design Document</i>			
Project design document (PDD) form	ver. 01.0 (Word) ver. 01.0 (PDF)	A6.4-FORM-AC-020	-
<i>Pre-issuance</i>			
Monitoring report form	ver. 01.0 (Word) ver. 01.0 (PDF)	A6.4-FORM-AC-021	-
<i>Validation and Verification Report</i>			
Validation report form	ver. 01.0 (Word) ver. 01.0 (PDF)	A6.4-FORM-AC-022	-
Verification and certification report form	ver. 01.0 (Word) ver. 01.0 (PDF)	A6.4-FORM-AC-023	-
Validation report form for renewal of crediting period	ver. 01.0 (Word) ver. 01.0 (PDF)	A6.4-FORM-AC-024	-
Validation report for post-registration changes for A6.4 projects under the prior approval track	ver. 01.0 (Word) ver. 01.0 (PDF)	A6.4-FORM-AC-025	-
Activity Cycle Process			



**137 Forms**

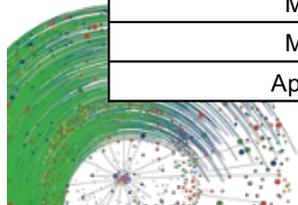
1. Governance
2. Accreditation – DOE Focus
3. Activity Cycle - Projects
4. Activity Cycle - Programmes of Activities
5. Activity Cycle - Component Projects, Sustainable Development Tool
6. Methodology
7. Registry
8. Transition of CDM Activities



# Forms – Mitigation Activity Development

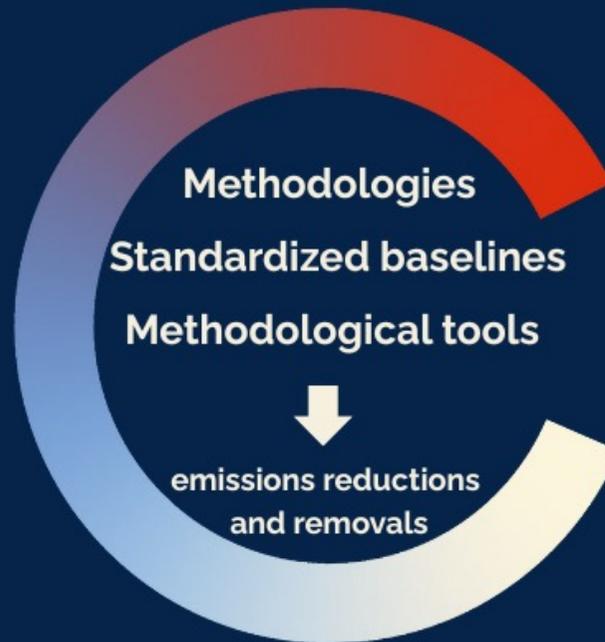
PDD

Stage	Form Name	Purpose	Who submits
Prior consideration	Prior Consideration Notification	Notify intention to develop activity before start date	Project participant
Mitigation Activity Design	Project Design Document (PDD)	Main project document	Project participant
Mitigation Activity Design	Programme of Activity Design Document (PoA-DD)	PoA submission	Project participant
Mitigation Activity Design	Component Project Design Document (CP-DD)	Component under PoA	Project participant
Mitigation Activity Design	A6.4 sustainable development impact form	SD impacts	Project participant
Mitigation Activity Design	A6.4 environmental and social safeguards risk assessment form	Risk assessment	Project participant
Mitigation Activity Design	A6.4 environmental and social management plan form	management plan	Project participant
Validation / Registration	Request for Registration	Request to register activity	DOE / Project
Registration review	Request for Review	Request review of registration	Party / SB
Monitoring	Monitoring Report	Report emission reductions	Project participant
Validation report form	Verification Report	Verify ERs	DOE
Verification and Certification report form	Certification	Confirm ERs	DOE
Issuance	Request for Issuance	Issue A6.4ERs	DOE / Project
Issuance review	Request review of issuance	Review issuance	Party / SB
Authorization	Authorization / Approval	Party approval / CA	Host Party
Authorization	Corresponding Adjustment info	ITMO / use info	Party
CDM transition	CDM Transition Request	Transition CDM project	Project participant
CDM transition review	Review of Transition Request	Review transition	Party / SB
Methodology	New methodology	Submit methodology	Project / entity
Methodology	Revise methodology	Update methodology	Methodology developer
Appeal / review	SB review request	Appeal / review	Party / participant



A6.4 mechanism

# METHODOLOGIES



## In this Section

- The methodology development and submission process
- Key regulatory provisions related to methodologies
- Do's and don'ts



# Methodological standards and tools

## Decision 3/CMA.3 (RMP)

Application of the requirements of Chapter V.B (**Methodologies**) for the development and assessment of Article 6.4 mechanism methodologies

Methodology: Flaring or use of LFG (AMM-001)

Leakage

Tool: Common practice analysis

Non-permanence and reversals

Tool: Investment analysis

Setting the Baseline

Tool: Emissions from solid waste disposal sites

Suppressed demand

Development & Assessment Of Article 6.4 Mechanism Methodologies

Tool: project emissions from flaring

Tool: mass flow from GHG in gaseous stream

Additionality

Tool: Technical lifetime

Requirements for activities involving removals

Tool: EF electricity system

Requirements for activities involving **removals** under the Article 6.4 mechanism

CDM 'ACM0002' methodology to

Lock-in risk tool

fNRB tool

**Awaiting SBM Approval**

← Glasgow (2021)

← Baku (2024) decision 5/CMA.6 (took note)

Sampling guideline

Sampling standard

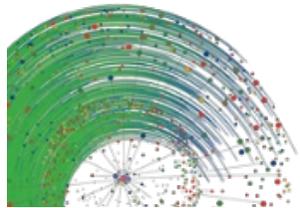
Reversal risk tool

Baseline efficiency tool

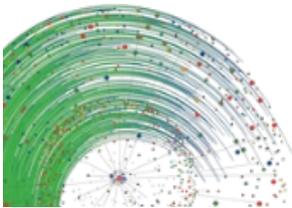
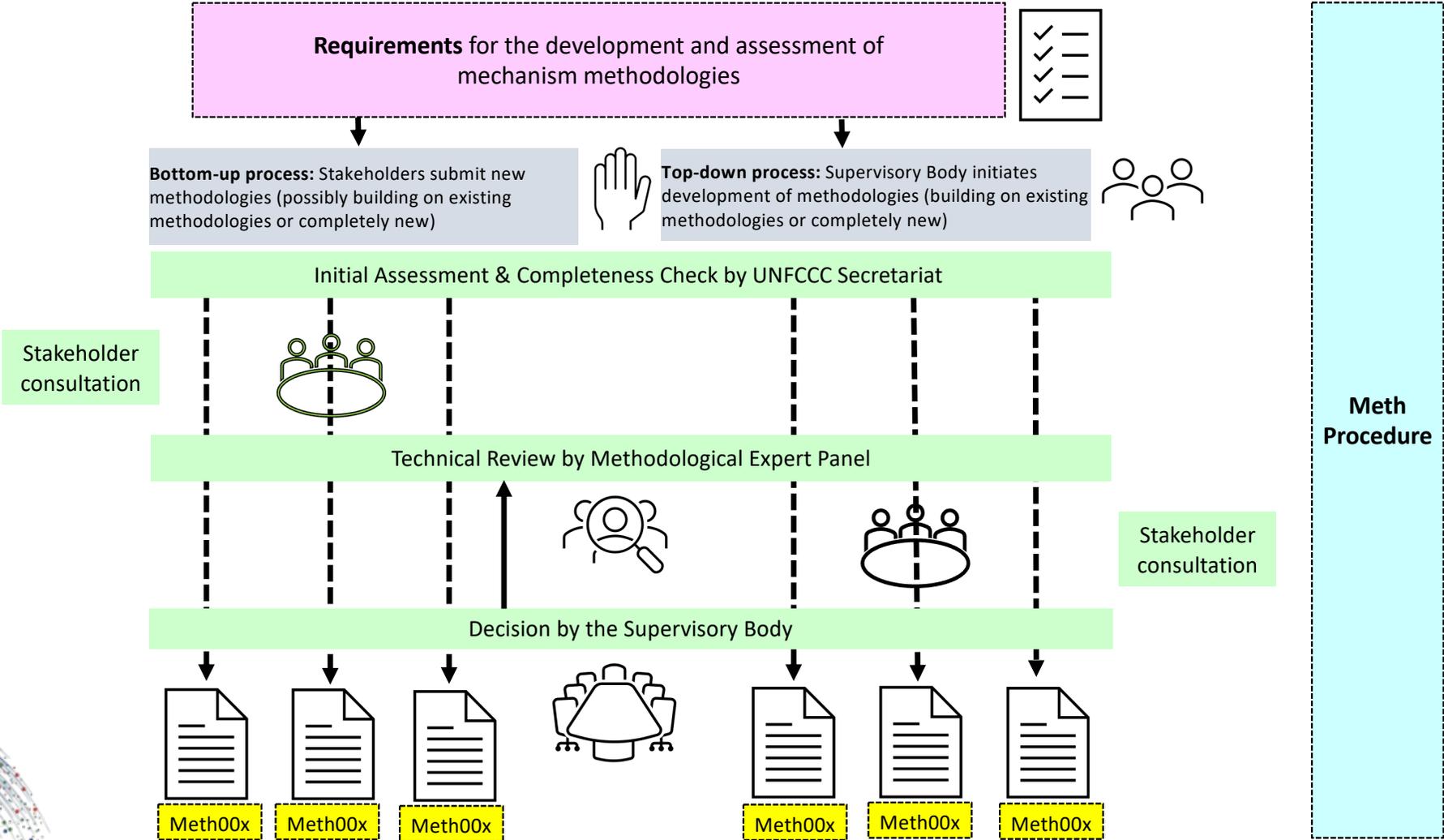
Cookstove methodology

**Work in progress**

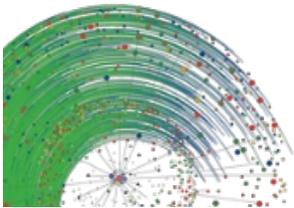
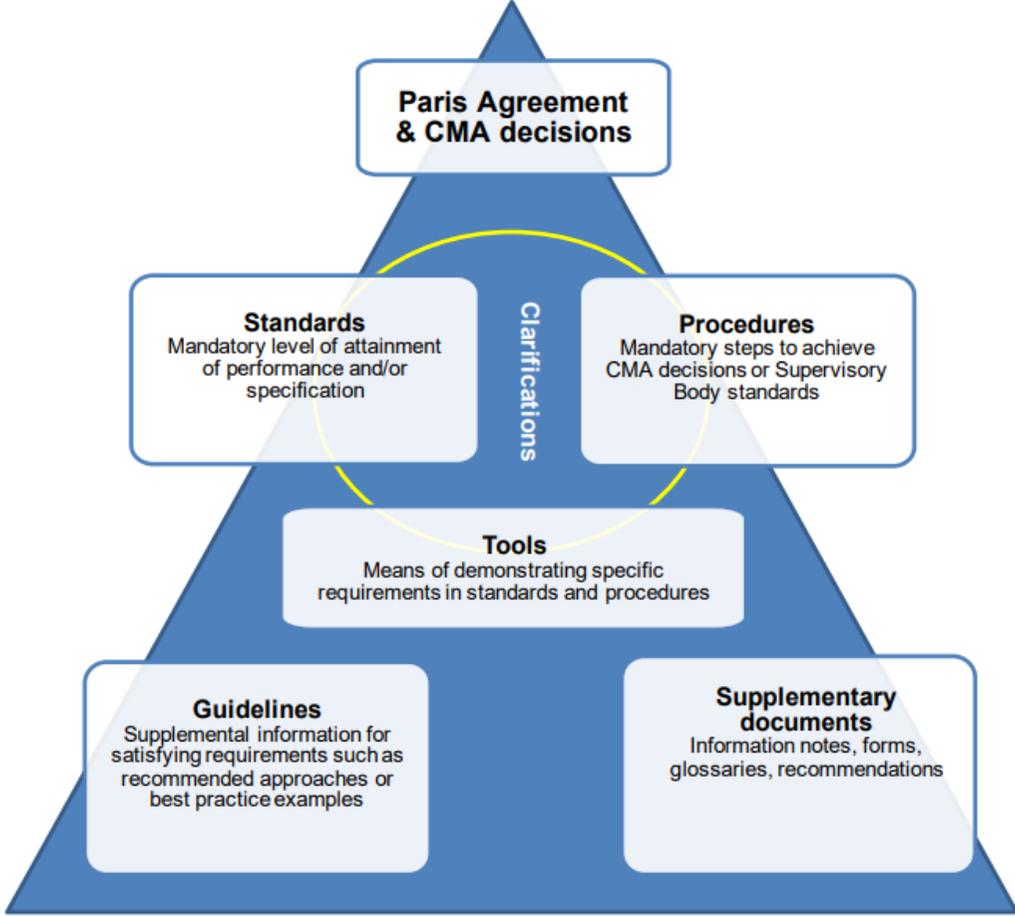
**Approved**



# Overview of Meth Requirements and Meth Procedure



# Standards and the hierarchy of documents

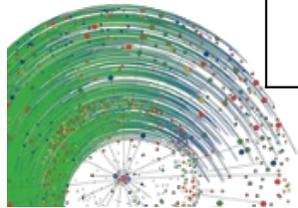


## Status-quo of Bottom-up Methodologies Submissions

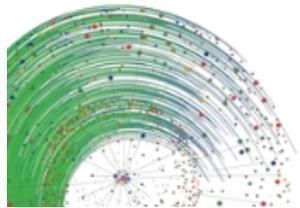
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- Total: **36** bottom-up methodology submissions as of 13 March 2026
- Proposed mechanism methodologies which have passed the initial assessment: **7**

Ref. number	Title
A6.4-PMM007	<u>Recovery and plasma-based destruction of residual HFCs remaining in ISO tank containers</u>
A6.4-PMM006	<u>Fertilizer production with renewables-based ammonia</u>
A6.4-PMM005	<u>Savanna Fire Management (SFM)</u>
A6.4-PMM004	<u>Comprehensive Lowered Emission Assessment and Reporting (CLEAR) Methodology for Cooking Energy Transitions</u>
A6.4-PMM003	<u>Pumped Hydro Storage and Supply of Electricity to the Grid</u>
A6.4-PMM002	<u>N2O abatement from nitric acid production</u>
A6.4-PMM001	<u>Production of Ammonia through electrolysis of water, air separation and synthesis of hydrogen and nitrogen</u>



# Methodology Submission Process



# Development of Methodologies & Tools

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## Top-down process

- Development of a methodology by the UNFCCC secretariat
- Consideration of the methodology by the MEP and then the SBM

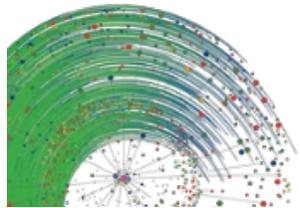
➔ Generally, priority according to the latest MEP workplan

## Bottom-up process

- Development of a methodology by an external stakeholder
- Consideration of the methodology by the secretariat (CC and IA), MEP and then the SBM

➔ Reflects priority those of the stakeholder

- Can be on the basis of an existing CDM methodology (or from other sources)
- **Risk of duplication/overlap cannot be excluded !**
- Need to align with the A6.4 regulatory framework



# The bottom-up methodology submission process

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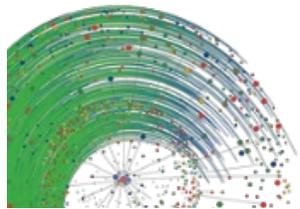
**Procedure** : Development, revision and clarification of methodologies and methodological tools (A6.4-PROC-METH-001)

**Who can submit** : Any stakeholder

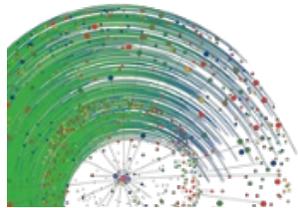
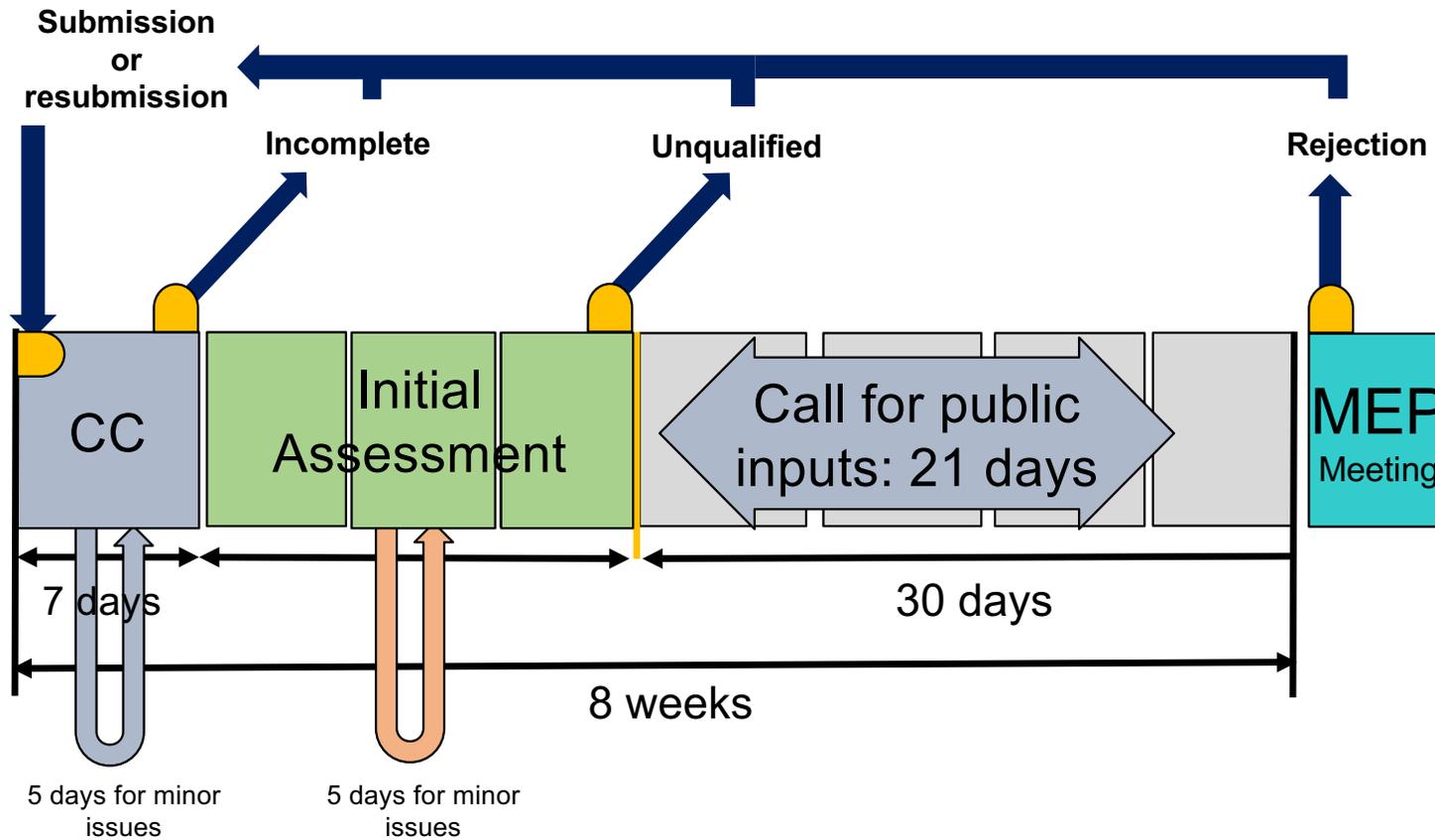
**When to submit** : Anytime (but 8 weeks ahead of the next MEP meeting for MEP consideration)

**What to submit** : 3 documents

1. Form: New baseline and monitoring methodology or methodological tool proposal (A6.4-FORM-METH-001)
2. Proposed new methodology or methodological tool (A6.4-FORM-METH-002)
3. Draft PDD or PoA-DD with relevant sections completed (A6.4-FORM-AC-020 or A6.4-FORM-AC-041)



# The methodology submission process: steps



## Next? A Proposed Mechanism Methodology will be considered by..

---

### 1. Consideration by the **MEP**

- Recommendation to the SBM to
  - (a) Approve
  - (b) Reject



### 2. Consideration by the **SBM**

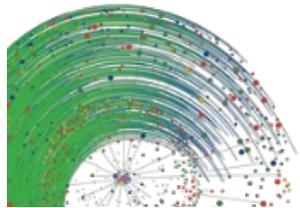
- (a) Approve → publication within 7 days
- (b) Reject
- (c) Back to MEP

*Note: **Public comments** can still be provided on the methodology or tool as part of the call for public input on the SBM annotated agenda*

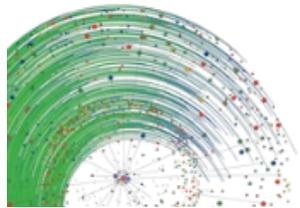


At any step

**(Completeness Check,  
Initial Assessment, MEP  
or SBM consideration)  
Additional information  
may be requested**



# **Key Regulatory Provisions related to PACM Methodologies**



# The baseline standard

**Full name** : “Setting the baseline in mechanism methodologies”  
**Ref** : A6.4-STAN-METH-004

## Baseline approaches

Selection of only one approach per component.  
Justification of choice needed.

### 33 (i) Best Available Technology (BAT)

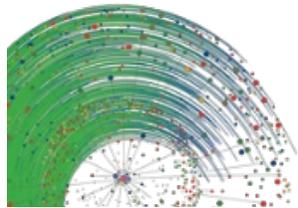
→ Needs to follow the procedure of para. 46

### 33 (ii) Ambitious benchmark

→ Needs to follow the procedure of para. 52(a) to (i)  
→ At least: weighted average of 20% best performers  
✱ Requires extensive data

### 33 (iii) Historical emission adjusted downwards

Can be based on:  
(i) site specific data  
(ii) Control group  
(iii) Model  
(iv) Default factor



# The baseline standard

**Step 1.** Select one of the baseline approaches from paragraph 36 of the RMPs and justify the choice (Section 5)

**Step 2.** Apply the selected approach (Section 6), prior to implementation of a downward adjustment, including:

- Determination of the baseline scenario
- Quantification of the unadjusted baseline emissions and/or removals

**Step 3.** Apply the downward adjustment, unless exemptions apply (Section 7), including

- Quantification of the downward adjustment
- Quantification of the resulting downward adjusted baseline emissions and/or removals

**Step 4.** Identify a conservative BAU baseline (Section 8), including

- Determination of the BAU scenario
- Quantification of the BAU emissions and/or removals

**Step 5.** Compare the downward adjusted baseline from Step 3 and the conservative BAU baseline from Step 4 (Section 9)

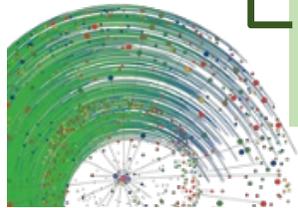
- Is the downward adjusted baseline < conservative BAU baseline?

NO

Apply a further adjustment to ensure that the downward adjusted baseline is lower than the conservative BAU baseline

YES

Select the downward adjusted baseline as the crediting baseline



## The baseline standard

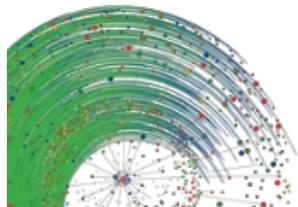
**Full name** : “Setting the baseline in mechanism methodologies”  
**Ref** : A6.4-STAN-METH-004

The downward adjustments: 2 components:

- An initial adjustment (for RMP 36(iii)) → Section 7.1 of BL standard
  - Standard approach (para. 64(a)) or
  - Own approach as per para. 64(b) – with sufficient justification
- An adjustment over time (for RMP 36(i), (ii) & (iii)) → Section 7.2 of BL standard (min. 1% per year)

Baseline approach		36(i) BAT	36(ii) ambitious benchmark	36(iii) existing actual or historical emissions
Downwards adjustment	Initial adjustment	No	No	Yes
	Adjustment over time	Yes	Yes	Yes

*(unless an exemption\* applies)*

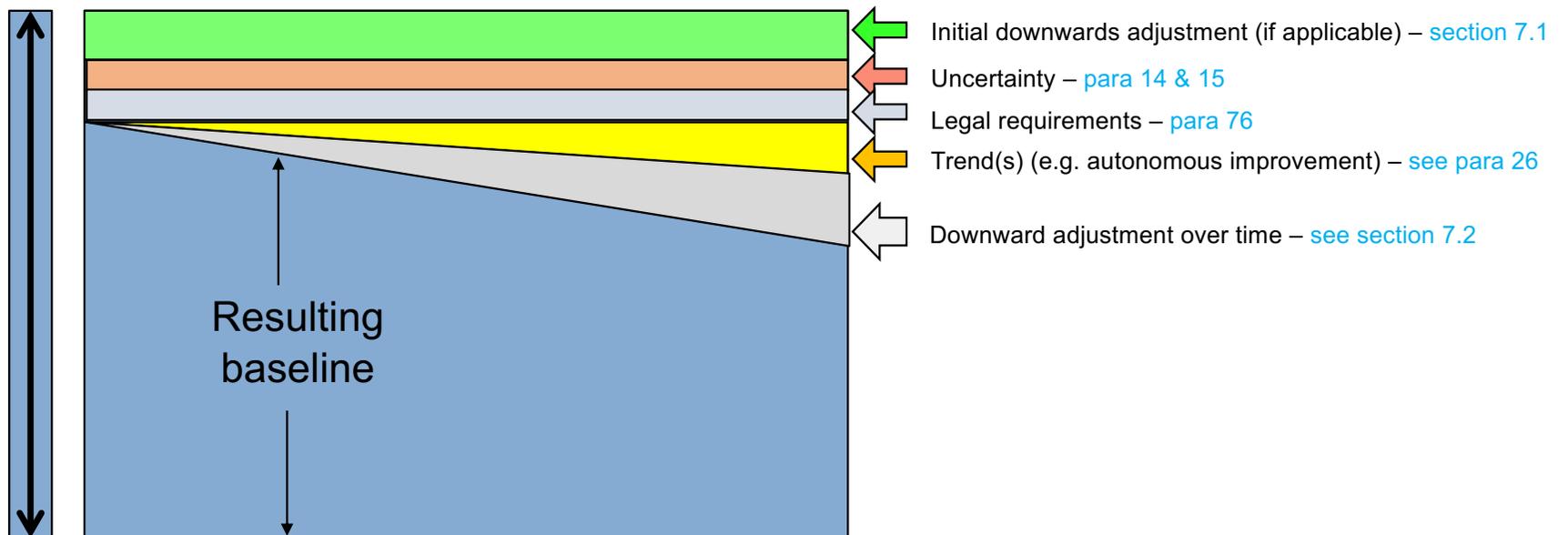


# The baseline standard

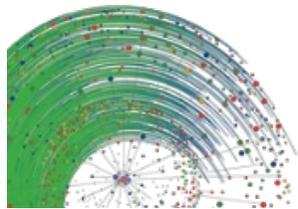
**Full name** : “Setting the baseline in mechanism methodologies”

**Ref** : A6.4-STAN-METH-004

Elements to take into account in the baseline:



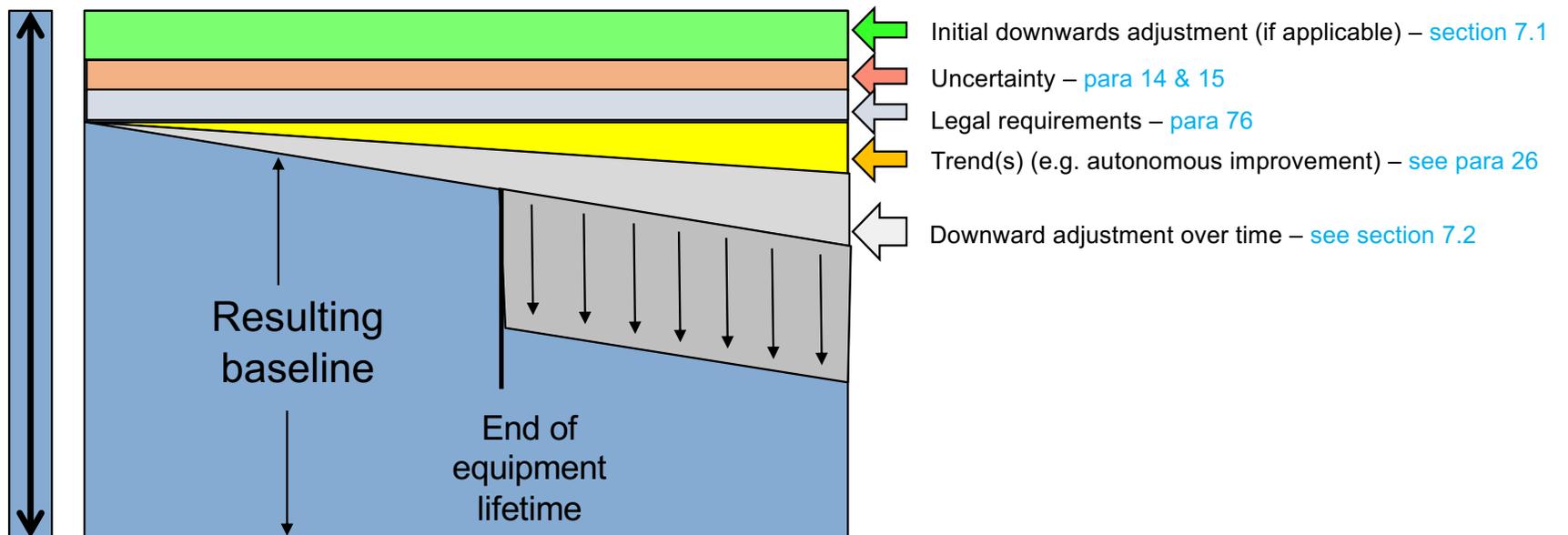
Historical  
emissions



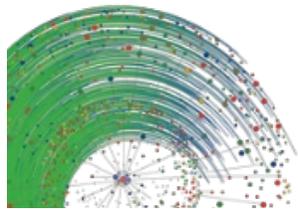
# The baseline standard

**Full name** : “Setting the baseline in mechanism methodologies”  
**Ref** : A6.4-STAN-METH-004

Elements to take into account in the baseline:



Historical  
emissions



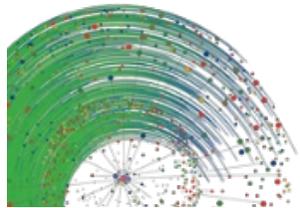
## The baseline standard

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**Full name** : “Setting the baseline in mechanism methodologies”  
**Ref** : A6.4-STAN-METH-004

Principles from **Appendix I** to the baseline standard

- Definition of activity boundary
- Calculation of emission reductions vs. removals: need to distinguish
- Conservativeness and uncertainty
- Attributability: no A6.4 for exogenous factors (not resulting from the activity)
- Perverse incentives: e.g. if A6.4 incentive increases the production level
- Rebound effect: to be taken into account (but consideration of suppressed demand possible – see applicable standard)



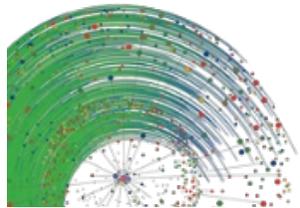
## The baseline standard

---

**Full name** : “Setting the baseline in mechanism methodologies”  
**Ref** : A6.4-STAN-METH-004

Principles from **Appendix I** to the baseline standard

- Avoidance of double counting
  - With other carbon crediting mechanisms
  - With mandatory domestic mitigation schemes (e.g. domestic ETS)
  - With other environmental markets (e.g. green hydrogen scheme)
- Aggregation of information
- Validity for A6.4 methodologies



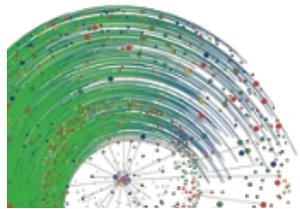
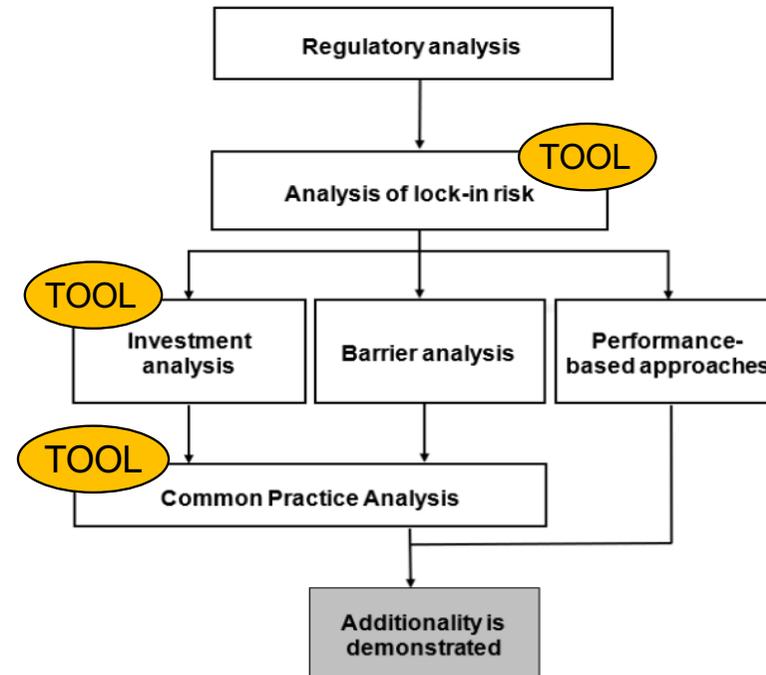
# The additionality standard

**Full name** : “Demonstration of additionality in mechanism methodologies”  
**Ref** : A6.4-STAN-METH-003

## Key principles: →

## Complemented by:

- Tool: investment analysis
- Tool: lock-in analysis
  - Awaiting SBM
- Tool: common practice analysis



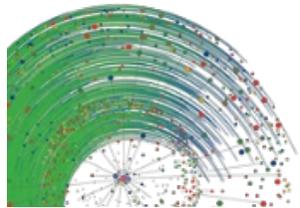
## The additionality standard

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**Full name** : “Demonstration of additionality in mechanism methodologies”  
**Ref** : A6.4-STAN-METH-005

### Regulatory analysis

- ✓ Mitigation resulting from an A6.4 activity would not occur as a result of any law or regulation, unless the law or regulation refers to or formally integrates the mechanism as an instrument for implementation.
  - ✓ Includes: support schemes; laws and regulations which would require directly or indirectly the activity (requiring certain performance levels; preventing alternatives)
- ✓ Would generally need to be re-assessed at least every renewal of crediting period



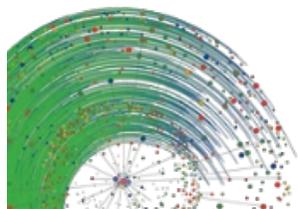
## The additionality standard

**Full name** : “Demonstration of additionality in mechanism methodologies”  
**Ref** : A6.4-STAN-METH-005

**Investment analysis:** (see corresponding tool) – 3 options

Simple cost analysis	Benchmark analysis	Investment comparison analysis
A6. activity does not generate cost savings or revenues (other than A6.4 ERs)	Without A6.4ERs, activity is not viable	Without A6.4ERs, activity is not the most financially viable scenario
	Incentives from the mechanism enable the implementation of the activity	

- Details contained in the tool
- Methodology may specify how to use the tool
- Methodology can adapt the tool



# The leakage standard

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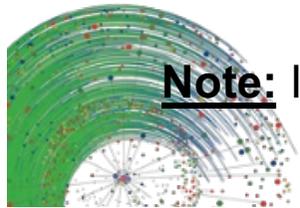
**Full name** : “Addressing leakage in mechanism methodologies”  
**Ref** : A6.4-STAN-METH-005

## Key principles:

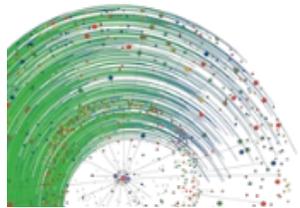
- Positive leakage (desirable) vs. negative leakage (detrimental)
- Process for leakages: (1) avoid, (2) reduce, and (3) account for
- Sum of all leakages: if positive, considered=0; if negative, have to account for (thus subtracted from emission reductions).

**Type of leakages:** (i) Baseline equipment transfer; (ii) Competition for resource use (e.g. residual biomass); (iii) Diversion of existing production processes (e.g. afforestation displacing cattle farming);  
(iv) Environmental leakage (flooding from dam)

**Note:** International leakages matter!



# Recommendations to Methodology Developers



# What makes a high-quality methodology submission?

---

## Complete

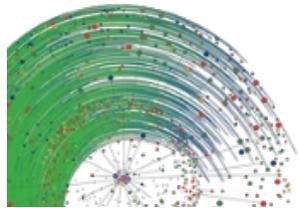
- No missing documents
- All relevant sections completed/addressed

## Quality of formatting

- Follows the formatting instruction (core meth text in black – explanatory noted in grey)
- No alteration of the original formatting
- Equations are in the right format and numbered

## Clear, concise and user-friendly

- No unnecessary text or steps and use concise language
- Easy to understand and apply
- Steps to be applied/followed are clear
- Consistency



# What makes a high-quality methodology submission?

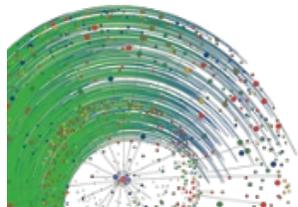
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## Aligns with the A6.4 regulatory framework

- In line the A6.4 standards (baseline, additionality, leakages, etc.)
- Provisions of the leakage standard are applied
- If risk of reversal exists: follows the reversal standard
- Use of approved (or proposed) tools

## Transparent and accurate and/or conservative assumptions

- Assumptions are logical / justified through best science
- Sources for assumptions / values transparently documented and traceable
- Values and procedures strike the necessary balance between accuracy and conservativeness



# DO's and DON'TS

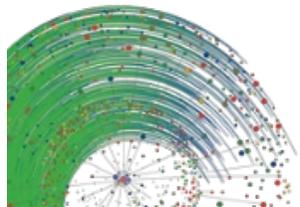
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## DO

- 👍 Provide adequate justification (in grey) for key choices in the methodology
  - Indicates well what is (black font) and what is (grey font) not the core methodology for users
  - Clear documentation / justification of choices which will facilitate public consultation
  - Grey text will be deleted upon approval

## DO NOT

- 👎 Copy/paste entire methodologies from other standards
  - These are unlikely to align with the A6.4 regulations
- 👎 Submit without having checked key methodology regulations (baseline, additionality, leakage standards, etc.)
  - Low likelihood of regulatory alignment – rejection is likely
- 👎 Alter the formatting / diverge from formatting
  - Low readability for the reviewer; delay in processing
- 👎 Put forward assumptions without transparent / robust / traceable justification/evidence
  - Readers /reviewers and participants to the public consultation cannot be expected to read a full list of references to identify the place where the assumption / source is located
  - Low readability for the reviewer; delay in processing



# Common pitfalls / mistakes

---

## 👎 Use of all 3 baseline types (benchmark, BAT, historical...)

- One baseline (per component)

## 👎 Inappropriate use of barrier analysis

- Barrier analysis can only be used in specific cases or with proper justification (section 6.4 of additionality standard)

## 👎 Setting of “BAT” or “Ambitious benchmark

- Step-wise procedure from the baseline standard shall be followed

## 👎 Applicability conditions are not clear and appropriate

- Only allow intended activity types
- Specify at what time the conditions shall be assessed and reassessed

## 👎 Baseline or additionality based on non-enforcement of rules and regulations

- Does not align with the regulatory framework for the A6.4 mechanism (para. 76 of the baseline standard)

## 👎 Insufficient consideration of potential double counting

- Extensive guidance on the avoidance of double counting is found in Appendix 1 / section 8 of the baseline standard
- Provisions go beyond just double counting with other crediting mechanisms

## 👎 Inadequate application of downward(s) adjustment(s)

- For baselines based on historical emissions: two types of downward adjustments
  - Initial downward adjustment as per section 7.1 of the baseline standard
  - Downward adjustment in subsequent years as per section 7.2 of the baseline standard (min. 1%/year)



# FAQ

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## Can I submit a methodology from the CDM or another carbon standard?

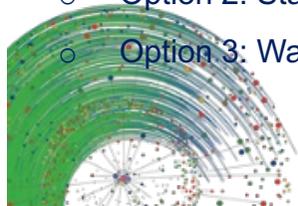
- Any new bottom-up submission would have to comply with the relevant procedures, forms and be submitted aligning with the 6.4 requirements.
- It will be reviewed as per the procedures and assessed accordingly.
- Relevant amendments are foreseen to align such methodologies with the A6.4 regulatory framework.

## How can I contact the UNFCCC methodology team or removal team?

- Email to: [A6.4mechanism-meth@unfccc.int](mailto:A6.4mechanism-meth@unfccc.int)

## How should I proceed if my proposed new methodology relies on tools which are not approved (e.g. CDM tools; tools from other carbon standards)

- Option 1: Submit your tool along with the methodology
- Option 2: Standalone submission of a new methodological tool
- Option 3: Wait for the tool to be developed top-down



## Can I resubmit a methodology which was rejected (at any stage)

- Yes... after updating based on the issues raised (which will be re-assessed)

## How will my methodology be assessed at the initial assessment (IA) stage?

- Evaluation criteria can be transparently found at: <https://unfccc.int/sites/default/files/resource/A6.4-FORM-METH-003.pdf> (New baseline and monitoring methodology or methodological tool initial assessment form)

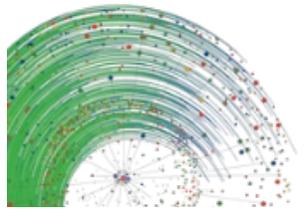
## Is it ensured that my methodology will be considered at the next MEP meeting

- The MEP shall “make every effort to initiate the consideration of proposals submitted on time”; however, this will be based on the available slots in that particular meeting. .

## What happens if another methodology (approved or proposed) covers exactly the same scope of activities?

- Likely outcome is a “consolidated methodology”

# CDM vs PACM



# Similarities and differences compared to the CDM

## CDM

Annex I Parties had legally binding emission reduction targets.

Developing countries participated in the international carbon market as hosts for CDM projects.

**Limited role of developing countries**  
(restricted to issuing Approval Letters).

The approval of CDM activities involved confirming that participation was voluntary and contributed to the sustainable development of the host country.

Centralized process led by the CDM Executive Board (Applicable CDM Methodologies and established accreditation period rules).

## PACM (A6.4)

All parties must have NDCs

All Parties can participate **as sellers or buyers** of Mitigation Outcomes. Parties must specify which types of projects they would approve.

More significant role for developing countries.  
(for example, **participation roles and responsibilities, activity design, and functional responsibilities**).

Parties are expected to report on how **mitigation actions contribute to the NDC** of the host and partner countries, as well as to sustainable development.

Parties can specify the crediting period (shorter), methodological approaches (more rigorous).

Grievance Mechanism; Sustainable Development Tool, Appeal Mechanism

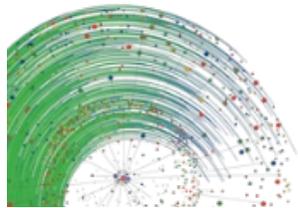


# Similarities and differences compared to the CDM

CDM

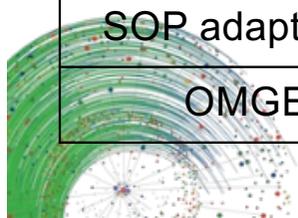
PACM (A6.4)

Scope number	Sectoral scope
1	Energy industries (renewable- / non-renewable sources)
2	Energy distribution
3	Energy demand
4	Manufacturing industries
5	Chemical industry
6	Construction
7	Transport
8	Mining/mineral production
9	Metal production
10	Fugitive emissions from fuels (solid, oil and gas)
11	Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride
12	Solvent use
13	Waste handling and disposal
14	Afforestation and reforestation
15	Agriculture
16	Carbon capture and storage of CO <sub>2</sub> in geological formation
17	Other activities involving removals



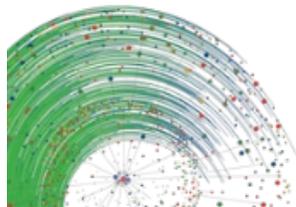
## Similarities and differences compared to the CDM

	Article 6.4 mechanism	CDM
Registration fee	>50 kt/year: \$10,000 ≤ 50 kt/year: \$5,000 ≤ 15 kt/year: \$1,500	CDM registration fee = 1 year of issuance fee
	Registration fee is not an advance to SOP	Registration fee is advance to SOP
	Waived for SIDS and LDC	Registration fee waived for LDCs and countries with less than 10 projects
Renewal fee	Same as registration fee	None
PRC fee	\$1,500 per request	None
Issuance fee	\$0.15/A6.4ER Waived for LDCs and SIDS	\$0.10/CER up to 15,000 CER/year \$0.20/CER for above 15,000 CER/year Waived for LDCs
SOP adaptation	5% of A6.4ERs	2% of CERs
OMGE	2% of A6.4ERs	None



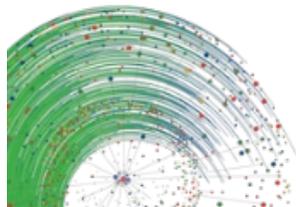
## Similarities and differences compared to the CDM

	<b>Article 6.4 mechanism</b>	<b>CDM</b>
Crediting period	Maximum 10 years fixed or 3 x 5 (15 for removals) years maximum Can be specified by host Party	10 years fixed or 3x7 years
Activity types	Projects, Programmes, large scale approaches...	Projects and Programmes
Infrastructure	A6.4 registry	CDM registry
Public input	Possible at any time of the project	Only during foreseen time for public consultation
Grievance mechanism	Yes	None
Stakeholder Consultation	Lifetime of the project crediting period	Before the Validation process



## Similarities and differences compared to the CDM

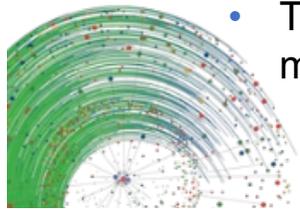
	Article 6.4 mechanism		CDM
DNA	Required		Required
Role of DNA	Approves activities Authorizes participants Must specify activity type the Host Party is willing to approve Authorizes A6.4AEs		Approves activities Authorizes participants
Units produced	Authorized A6.4ER or	Mitigation Contribution Units (MCUs)	CERs
Corresponding adjustments	Yes	No	No
Addressing reversals	Yes		Issuance only of tCERs or ICERs for A/R projects



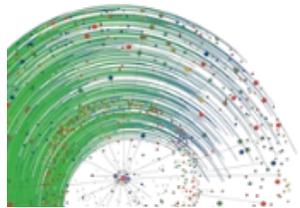
# Appeals and Grievances - Procedure

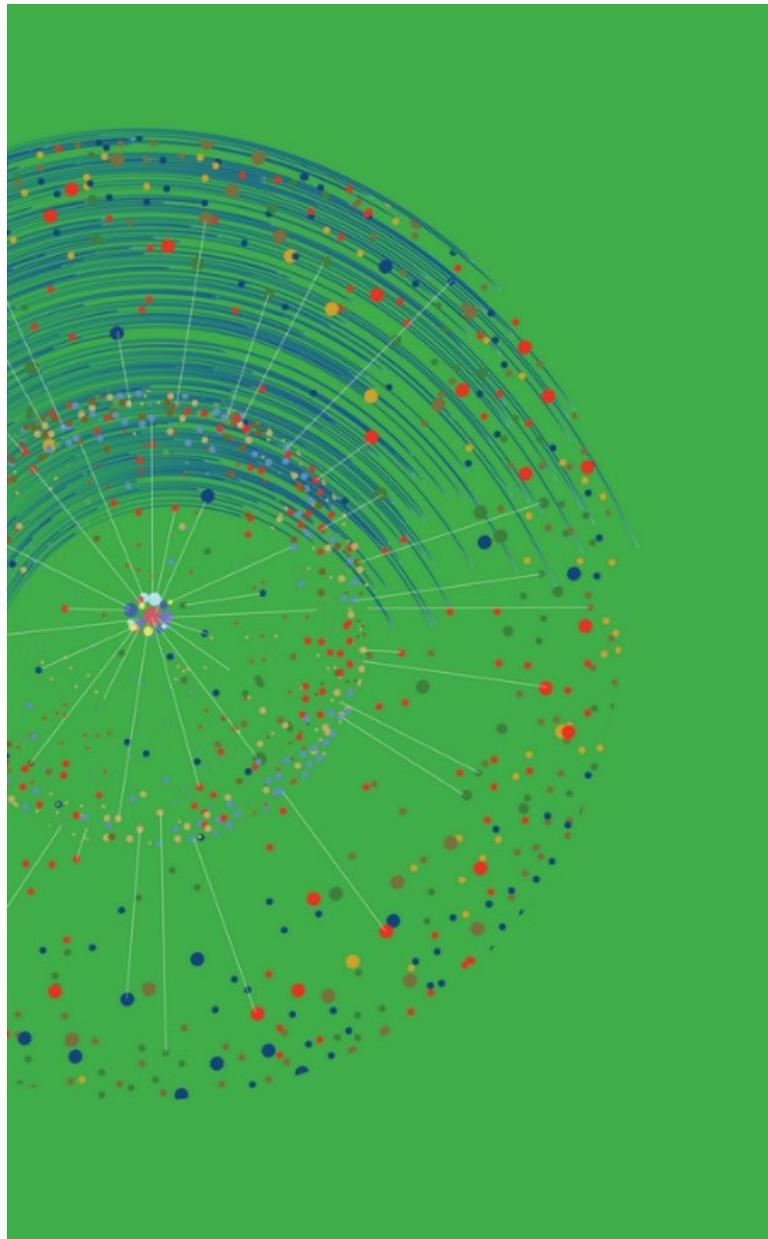
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- Parties, along with other eligible stakeholders and affected communities, organizations and individuals (in accordance with the Procedure: Appeal and grievance processes under the Article 6.4 mechanism) may file an appeal on appealable decisions of the SBM.
  
- Appeals may be made based on eligible grounds (e.g. the SBM exceeded its authority or mandate) on decisions of the SBM:
  - Approval or rejection of a request for registration of a proposed A6.4 activity or inclusion of a proposed component project (CP) in a registered A6.4 PoA;
  - Approval or rejection of a request for approval of a post-registration change to a registered A6.4 activity, or approval or rejection of a notification of post-registration change to a CP in a registered A6.4 PoA;
  - Approval or rejection of a request for issuance of Article 6, paragraph 4, emission reductions (A6.4ERs) for a registered A6.4 activity
  - Approval or rejection of a request for renewal of the crediting period or PoA period of a registered A6.4 activity, or approval or rejection of a notification of renewal of the crediting period of a CP included in a registered A6.4 PoA;
  - The DNA of the host Party may further appeal against the application of Party specific elements of methodological products that are applicable to that host Party.



# Q&A and Discussion





**United Nations**  
Climate Change

GOVERNMENT OF INDIA  
MINISTRY OF POWER



## Session 4

# Benefits of PACM

## Presentation & Moderated Panel Discussions

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## Benefits of participation in PACM (Article 6.4)

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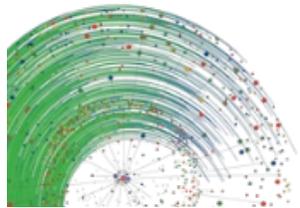
- **Multilateral governance and International oversight** under UNFCCC
- **One and only centralized Global carbon market mechanism established under Paris Agreement.**
- **Best positioned to tackle double counting under UNFCCC** – Integrated reporting and tracking mechanism
- **Two track National Approval process & Enhanced host party role** - Nationally Approved and Authorized.
- **Tracking** - mechanism registry operated by Article 6.
- **Multi prone Quality and Quantity assessment** – [independent third party DOEs, UNFCCC secretariat, 6.4 SBM]
- **Global Geographical coverage by any scheme (Accessibility)** – Scale, Type and Region Agnostic, **Multilaterally Approved standards - Global benchmark for baseline and crediting mechanism standards.**
- Strong provisions regarding **Sustainable development and continuous stakeholder inputs (covering all stakeholder types).**



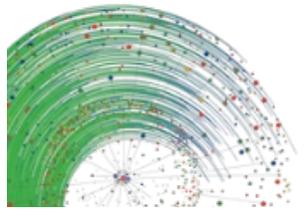
## Benefits of participation in PACM (Article 6.4)

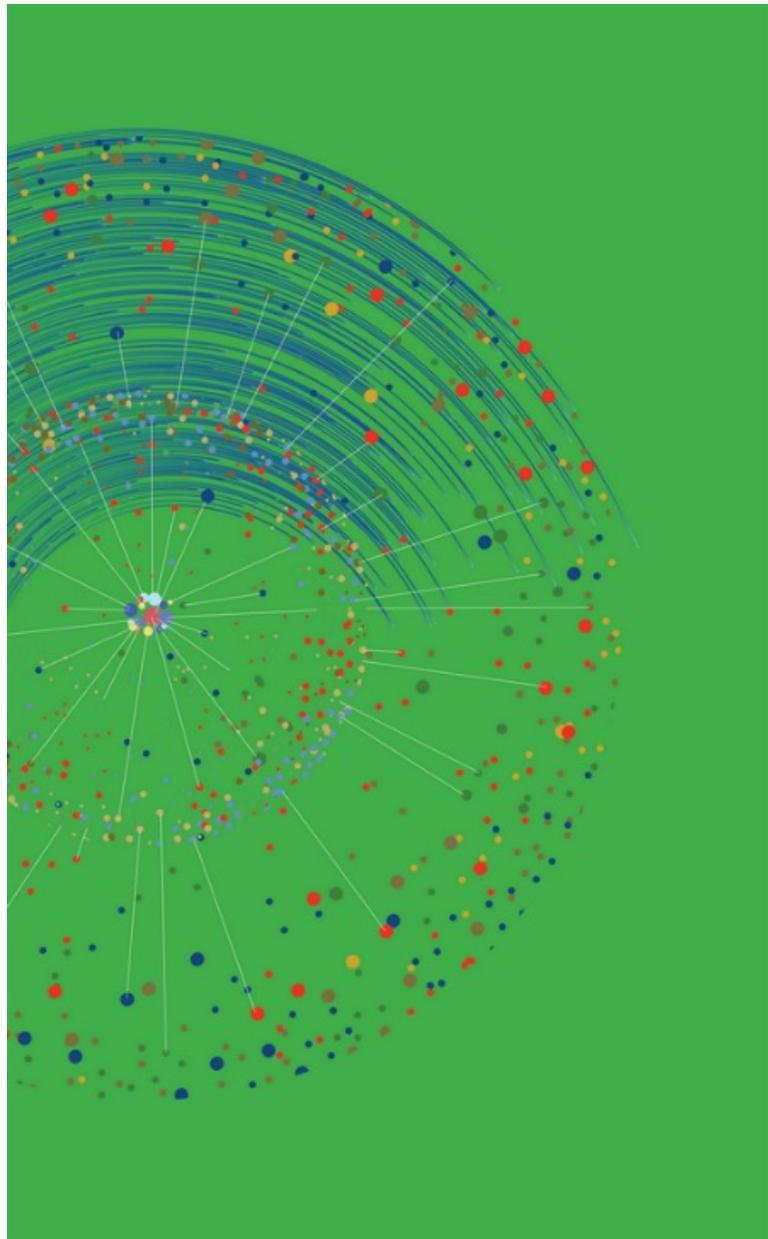
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- **Robust Appeals and Grievance mechanism.**
- **Environmental and Social safeguards**
- **Equitable sharing of benefits between two participating parties**
- **One and only mechanism contribute to Adaptation through three means** to build resilience to the inevitable impacts of climate change for developing countries.
- **One and only mechanism contribute to Overall mitigation of Global emissions( OMGE).**
- **Use for both compliance and non-compliance purposes** (NDC, MRV of climate finance, green bonds etc).
- **Fulfillment of reporting obligation under Paris Agreement** pre-fill all the information needed to report AEFs to the A6DB.



# Q&A and Discussion





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Bureau of Energy Efficiency



RCC MENA and South Asia  
Collaboration for Climate Action

## Session 5

# Conclusion & Way Forward



# Immediate next steps for all stakeholders

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## Government

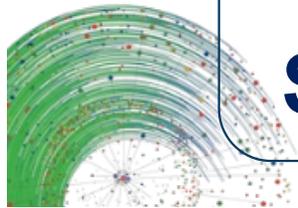
- Establish National Frameworks
- Engage the Private Sector
- Monitor Global Trends
- Strengthen Institutional Readiness
- Operationalize Article 6 Mechanisms

## Private Sector

- Develop High-Quality Carbon Projects
- Engage in Carbon Markets
- Build Partnerships
- Risk Management

## Other Non-party Stakeholders

- Financial Sector Innovative Products
- NGO/ IGO, etc, Advocacy and Policy Alignment
- Capacity Building



# Immediate next steps for Governments

## Identify Eligible Mitigation Activities

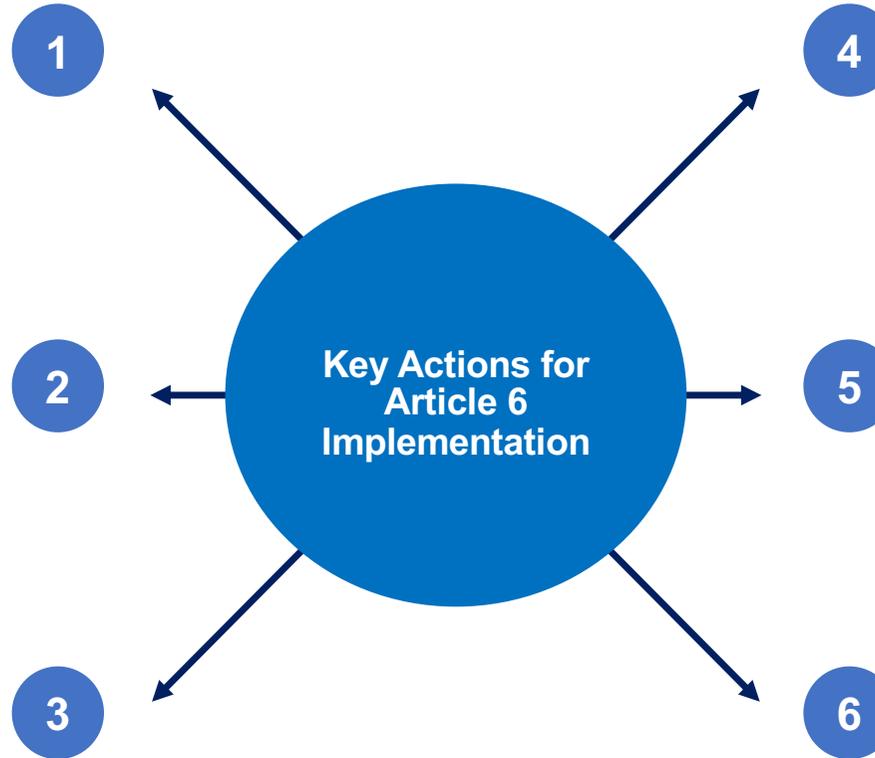
Select qualifying activities for cooperative approaches (e.g., carbon markets, ITMOs)

## Build Capacity

Develop tailored capacity-building programs to avoid duplication and ensure effective technical assistance

## Establish a Dedicated Office

office to oversee Article 6 implementation and stakeholder engagement



## Submit Participation Forms

Complete required forms for participation in cooperative mechanisms like PACM

## Engage the Private Sector

Collaborate with the private sector to implement on-the-ground mitigation activities

## Develop Non-Market Approaches (Article 6.8)

Focus on non-market climate action like capacity-building and NDC support.





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Collaboration for Climate Action

**Paris Agreement  
Crediting Mechanism**  
Newsletter

10 November 2025

*In this issue*

- Published: Annual Report of the Article 6.4 Supervisory Body to the CMA
- Reminder: COP26 Supervisory Body Event
- Wider Article 6 Events at COP26

**Published: Annual Report of the Article 6.4  
Supervisory Body to the CMA**



## Article 6 Capacity Building.

**ARTICLE 6  
CAPACITY BUILDING**

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Climate Change

Credit: UNFCCC/ Photo: studioroman

