

**DRAFT TEXT**

**on**

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

**Version 2 of 7 December 18:00 hrs**

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**Draft CMA decision on guidance on cooperative approaches referred to in  
Article 6, paragraph 2, of the Paris Agreement**

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

*Recalling the Paris Agreement, in particular its preamble,*

*Recalling Article 2 of the Paris Agreement and decision 1/CP.21,*

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

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

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<sup>1</sup> "Article" refers to an Article of the Paris Agreement, unless otherwise specified.

- minimizes the burden on Parties and the secretariat, and including coordination, where feasible, of the Article 6 technical expert review with the technical expert review referred to in chapter VII of the annex to decision 18/CMA.1 for consideration and adoption by the CMA at its fourth session;
5. *Requests* the secretariat to prepare periodically a compilation and synthesis of the results of the Article 6 technical expert review, including identification of recurring themes and lessons learned, for consideration by the CMA, including in the context of its review of the guidance;
  6. *Requests* the SBSTA, for the purposes of ensuring accuracy, transparency and efficiency in the data management and exchange, to elaborate requirements relating to infrastructure, including registries, the international registry, the Article 6 database, and the centralized accounting and reporting platform referred to in chapter VI of the annex (Recording and tracking) for consideration and adoption by the CMA at its third session;
  7. [*Decides* that in the event of a conflict between the guidance and decision 18/CMA.1, paragraph 77(d) this guidance shall prevail;]
  8. *Decides* that it shall review the guidance at its [XX] session (2026) and shall complete the review by no later than at its [XX] session (2028).
  9. *Requests* the SBSTA to develop recommendations for the review referred to in paragraph 9 above, and *decides* that the work by the SBSTA shall include, but is not limited to:
    - (a) The implementation of chapter III.B (Application of corresponding adjustment);
    - (b) {Placeholder};
  10. [*Requests* the secretariat to support the forum on the impact of the implementation of response measures (referred to in paragraph 33 of decision 1/CP.21) in considering way to address negative social or economic impacts, especially on developing country Parties, resulting from activities under Article 6, paragraph 2, as requested by the forum;]
  11. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;
  12. *Requests* that the actions called for in this decision be undertaken subject to the availability of financial resources;
  13. *Invites* Parties to make contributions to the Trust Fund for Supplementary Activities for operationalizing the guidance;

## Annex

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

#### **I. Internationally transferred mitigation outcomes**

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

#### **II. Participation**

4. Each Party participating in a cooperative approach that involves the use of ITMOs towards NDCs (hereinafter referred to as a participating Party) shall ensure that its participation in the cooperative approach and the creation, transfer and use of ITMOs towards NDCs is consistent with this guidance and relevant decisions of the CMA.
5. Each participating Party shall ensure that:
  - (a) It is a Party to the Paris Agreement;
  - (b) It has prepared, communicated and is maintaining an NDC in accordance with Article 4, paragraphs 2 and 6, and decision 4/CMA.1;
  - (c) It has arrangements in place for authorizing the use of ITMOs towards NDCs pursuant to Article 6, paragraph 3[, and for other international mitigation purposes, as appropriate];
  - (d) It has arrangements in place, consistent with this guidance and relevant decisions of the CMA, for tracking ITMOs [and authorized mitigation outcomes used for other international mitigation purposes];
  - (e) It has provided the most recently required national inventory report in accordance with decision 18/CMA.1.
6. Each participating Party shall apply this guidance throughout its period of NDC implementation, including any update of the NDC, from the start of its participation.

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

### III. Corresponding adjustments

#### A. ITMO metrics

7. [For ITMOs measured in a non-greenhouse gas metric determined by participating Parties, each participating Party shall apply corresponding adjustments by applying an addition to or subtraction from a starting point of a zero balance in a buffer-registry, with a resulting balance that reflects net transfers and acquisitions that is applied [to the NDC in accordance with decision 4/CMA.1, decision 18/CMA.1 and consistent with paragraph 11 below and relevant decisions of the CMA].]
8. For ITMOs measured in tCO<sub>2</sub> eq, each participating Party shall apply corresponding adjustments, consistent with paragraph 9 below and relevant decisions of the CMA.

#### B. Application of corresponding adjustments

9. Each participating Party shall ensure transparency, accuracy, completeness, consistency and comparability; that the use of cooperative approaches does not lead to an increase in emissions within or between consecutive NDC implementation periods; and that corresponding adjustments shall be consistent with and representative of the participating Party's NDC implementation and tracking progress and shall apply one of the following methods consistently throughout the NDC implementation period:
  - (a) Calculating an indicative multi-year emissions trajectory or trajectories or budget for the period for NDC implementation that is consistent with the NDC, and applying a corresponding adjustment for the total amount of ITMOs authorized and first transferred and used for each year in the NDC implementation period;
  - (b) Calculating the average annual amount of ITMOs authorized and first transferred and used over the period of the NDC implementation, and applying a corresponding adjustment equal to this average amount for the NDC year, and an indicative amount during the NDC implementation period;
  - (c) Applying a corresponding adjustment at the end of the NDC period for the total amount of ITMOs authorized and first transferred and used over the period of the NDC implementation.
10. [Each participating Party with an NDC measured in tCO<sub>2</sub> eq shall calculate the emission balance for each year of its biennial transparency report, reported consistently with paragraph 28 below, by applying the following to the emissions and removals from the sectors and greenhouse gases covered by its NDC:
  - (a) Adding the quantity of ITMOs authorized and first transferred, consistent with chapter III.C below (Sectors and greenhouse gases) [in the year in which the mitigation was achieved];
  - (b) [Adding the quantity of ITMOs authorized and first transferred by the Party for use for other international mitigation purposes, consistently with paragraph (a) above;]
  - (c) Subtracting the quantity of ITMOs authorized by the Party and first transferred for use towards its NDC.]
11. [Each participating Party with an NDC measured in non-greenhouse gas metrics determined by the participating Parties shall apply additions and subtractions consistent with this guidance and relevant decisions of the CMA.]
12. Each participating Party shall apply the corresponding adjustments required by this guidance annually for each year in each biennial transparency report or, at the latest, in the biennial transparency report that contains information on the end year of the NDC implementation period pursuant to decision 18/CMA.1.
13. A participating Party may identify an alternative method to be applied and shall provide an explanation as to how that method satisfies the above requirements, in accordance with relevant decisions of the CMA.
14. The application of any of the methods referred to in this chapter shall not require a participating Party to update its NDC.

## **C. Sectors and greenhouse gases**

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

### **Option A**

17. A Party that first transfers ITMOs from emission reductions and removals [from sectors and greenhouse gases] that are not covered by its NDC [shall apply corresponding adjustments [from [X][2031]]][is not required to apply corresponding adjustments [until [X][2031]]].
18. [A host Party shall not be required to apply corresponding adjustments for first transfers of A6.4ERs from the mechanism established by Article 6, paragraph 4, where the units are achieved from emission reductions and removals [from sectors and greenhouse gases] not covered by its NDC.]

### **Option B**

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

## **D. Other international mitigation purposes**

### **Option A**

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

### **Option B**

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

## **E. [Limits to the transfer and use of ITMOs**

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

## **F. Special circumstances of the least developed countries and small island developing States**

24. In relation to the least developed countries and small island developing States, pursuant to Article 4, paragraph 6, their special circumstances shall be recognized where this guidance relates to NDCs, and other aspects of their special circumstances may be recognized in further decisions of the CMA relating to this guidance.

## **IV. Reporting**

### **A. Initial report**

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

### **B. Annual information**

26. Each participating Party shall, on an annual basis and in an agreed electronic format, submit annual information on ITMO creation, first transfer, transfer, acquisition, cancellation, use towards NDCs, [use towards other international mitigation purposes,] voluntary cancellation, [mandatory cancellation for overall mitigation in global emissions,][and transfer for the share of proceeds for adaptation,] to the Article 6 database pursuant to chapter V.B below (Article 6 database).

### **C. Regular information**

27. Each participating Party shall include in its biennial transparency reports the following information in relation to its participation in cooperative approaches:
- (a) How it is fulfilling the participation responsibilities referred to in chapter II above (Participation);
  - (b) Updates to the information provided in its initial report, referred to in paragraph 25 above, and any previous biennial transparency reports;
  - (c) Information on its authorization(s) of the first transfer and use of ITMOs towards NDCs[, and/or of mitigation outcome(s) used for other international mitigation purposes,] including any changes to earlier authorizations, pursuant to Article 6, paragraph 3;

- (d) How it has ensured that ITMOs acquired and used towards achievement of its NDC[, or those authorized mitigation outcome(s) created by the Party and used for other international mitigation purposes,] will not be further transferred, cancelled or otherwise used.
28. Each participating Party shall also include, in its biennial transparency reports submitted in accordance with decision 18/CMA.1, the following information on how each cooperative approach in which it participates:
- (a) Supports the mitigation of greenhouse gas emissions and the implementation of its NDC;
  - (b) Ensures environmental integrity, such that there is no increase in global emissions, through robust, transparent governance and the quality of mitigation outcomes, including through stringent reference levels, baselines set in a conservative way and below ‘business-as-usual’ emission projections (including by taking into account all existing policies and addressing potential leakage) and ensuring the compensation of any material reversals;
  - (c) Where a mitigation outcome is measured and transferred in tCO<sub>2</sub> eq, provides for the measurement of mitigation outcomes in accordance with the methodologies and common metrics pursuant to decision 18/CMA.1;
  - (d) [Where a mitigation outcome is measured and transferred in a non-greenhouse gas metric determined by the participating Parties, provides for [consistency] of the metric with that of the NDCs of the participating Parties;]
  - (e) Provides for, as applicable, the measurement of mitigation co-benefits resulting from adaptation actions and/or economic diversification plans;
  - (f) Applies the limits pursuant to chapter III.E above (Limits to the transfer and use of ITMOs);
29. Each participating Party should also include, in its biennial transparency reports submitted in accordance with decision 18/CMA.1, the following information on how each cooperative approach in which it participates:
- (a) Does not result in environmental and social harm;
  - (b) Is consistent with the sustainable development objectives of the host Party, noting national prerogatives;
  - (c) [Avoids unilateral measures and discriminatory practices;]
  - (d) [Avoids causing negative social or economic impacts on any Party.]
  - (e) Efforts to ensure the creation and first transfer of ITMOs avoids significant fluctuations in the prices, quantities and speculative transfers on the international market for ITMOs;
  - (f) Managing the risks that may arise from the creation and first transfer of ITMOs from sectors with a high degree of uncertainty;
  - (g) Minimizes the risk of non-permanence of mitigation over multiple NDC timeframes, and where reversals occur, ensures that the effects are offset by being fully reflected in the relevant Party’s corresponding adjustments;
  - (h) Ensures that the use of Article 6 does not lead to an increase in emissions within and between NDC implementation periods.
  - (i) *{Placeholder for elements of the Paris Agreement preamble}*
30. Each participating Party shall include the following quantitative information in each biennial transparency report, consistent with chapter III.B above (Application of corresponding adjustments), submitted pursuant to decision 18/CMA.1 for each year covered by the report, and shall include any updates to previous years information in the NDC implementation period:
- (a) For tCO<sub>2</sub> eq metrics, annual and cumulative emissions and removals [from the sectors and greenhouse gases] covered by its NDC;
  - (b) Annual and cumulative quantity of mitigation outcomes first transferred;

- (c) Annual and cumulative quantity of ITMOs indicatively used towards its NDC;
  - (d) [Annual and cumulative quantity of authorized mitigation outcomes used for other international mitigation purposes;]
  - (e) For tCO<sub>2</sub> eq metrics, annual indicative emission balances, as applicable, by adding the quantity of mitigation outcomes first transferred, subtracting the quantity of ITMOs indicatively used towards its NDC [and adding the quantity of mitigation outcomes used towards other international mitigation purposes] to the emissions and removals [from the sectors and greenhouse gases] covered by its NDC;
  - (f) [For non-greenhouse gas metrics determined by participating Parties, annual indicative adjustments, consistent with chapter III above (Responsibilities) and further guidance to be adopted by the CMA;]
  - (g) [Annual and cumulative ITMOs transferred pursuant to chapter VII below (Share of proceeds for adaptation);]
  - (h) [Annual and cumulative ITMOs cancelled in accordance with chapter VIII below (Overall mitigation in global emissions);]
31. Each participating Party shall, in each biennial transparency report that contains information on the end year of the NDC implementation period, include in its assessment of whether it has achieved the target(s) for its NDC pursuant to decision 18/CMA.1, paragraph 70, the application of the necessary corresponding adjustments consistent with chapter III above (Corresponding adjustments).
  32. Non-confidential information submitted by Parties pursuant to this chapter shall be made public on the centralized accounting and reporting platform.

## **V. Review**

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

## **VI. Recording and tracking**

### **A. Tracking**

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



## **B. Article 6 database**

40. For transparency in relation to cooperative approaches and to support the review referred to in chapter V above (Review), the secretariat shall implement an Article 6 database as part of the centralized accounting and reporting platform referred to in chapter VI.C below (Centralized accounting and reporting platform) to record and compile the information submitted by Parties pursuant to chapter IV above (Reporting). The Article 6 database shall enable the following:
- (a) Recording of ITMOs first transferred, transferred, acquired, held, cancelled and/or used by participating Parties through unique identifiers that identify at the minimum the originating Party, vintage or underlying reduction, activity type and sector;
  - (b) Prefilling agreed electronic format tables pursuant to chapter IV above (Reporting);
  - (c) Identifying inconsistencies to be notified to the participating Party.
41. The secretariat shall:
- (a) Check the consistency of ITMOs reported by a participating Party with requirements for authorization, corresponding adjustments and avoiding double counting;
  - (b) Notify the participating Party of inconsistencies;
  - (c) Provide the information relevant to the participating Party's cooperative approach(es) to the Article 6 technical expert review team in accordance with the modalities, procedures and guidelines referred to in paragraph 34 above.
42. Any amendments to the information recorded in the Article 6 database, including in response to any inconsistencies raised by the secretariat or as a result of recommendations arising from the Article 6 technical expert review pursuant to chapter V above (Review), may be submitted by the participating Party to be recorded in the Article 6 database.

## **C. Centralized accounting and reporting platform**

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

## **VII. [Share of proceeds for adaptation**

### **Option A**

45. Use of cooperative approaches shall deliver a share of proceeds to be used to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation.
46. The share of proceeds shall be collected in respect of [cooperative approaches that are baseline and crediting approaches that are similar to mitigation activities under the mechanism established by Article 6 paragraph 4] [crediting approaches implemented by Parties] [all cooperative approaches] [all acquisition of ITMOs].
47. The share of proceeds shall be set and levied at [[2][5] per cent of the amount of ITMOs [[first transferred][, increasing by [Y] per cent at each subsequent transfer]][used towards achievement of an NDC]] [a rate

consistent with the share of proceeds pursuant to Article 6, paragraph 6, for the mechanism established by Article 6, paragraph 4].

48. The share of proceeds shall be [collected by the first transferring Party at the time of first transfer of ITMOs and/or collected by a Party using ITMOs towards its NDC at the time of use] [transferred by the first transferring Party to the Adaptation Fund] [collected by the acquiring Party at each ITMO transfer and transferred to the Adaptation Fund].
49. [The share of proceeds shall not be collected on A6.4ERs that have already contributed a share of proceeds for adaptation.]

#### **Option B**

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

#### **Option C**

51. Parties are encouraged to deliver a share of proceeds in the context of Article 6, paragraph 2, and shall be set and levied at [[2][5] per cent of the amount of ITMOs first transferred.

#### **Option D**

*{No reference to share of proceeds for adaptation }*

## **VIII. [Overall mitigation in global emissions**

#### **Option A**

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

#### **Option B**

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

#### **Option C**

54. Parties are encouraged to deliver an overall mitigation in global emissions in the context of Article 6, paragraph 2, through the voluntary cancellation or setting aside of ITMOs that are not used for any transfer

or purpose, including use by any Party towards its NDC[ or authorized mitigation outcomes used for other international mitigation purposes].

**Option D**

{*No reference to an overall mitigation in global emissions*}

**IX. [Kyoto Protocol units**

**Option A**

55. Kyoto Protocol units, or reductions underlying such units, may not be used by any Party toward its NDC.

**Option B**

{*No reference to Kyoto Protocol units*}

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

56. The secretariat shall support the forum on the impact of the implementation of response measures (referred to in paragraph 33 of decision 1/CP.21) in considering ways to address negative social and economic impacts, especially those on developing countries, resulting from activities related to Article 6, paragraph 2, by, *inter alia*:

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