

DRAFT TEXT

on

SBSTA 59 agenda item 13(a)

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

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Draft decision -/CMA.5

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

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

Recalling decision 2/CMA.3 and its annex,

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

I. Scope and definition of a cooperative approach

Option 1: {guidance on the scope and definition of a cooperative approach}

1. *Decides* that a cooperative approach, as referred to in Article 6, paragraph 2, of the Paris Agreement¹, is a set of mutually agreed standards and procedures that govern:

(a) The voluntary participation of Parties in a cooperative approach in respect of a mutually agreed scope of activities and the international transfer of mitigation outcomes between the participating Parties that is consistent with the relevant CMA decisions relating to Article 6, paragraph 2;

(b) The relationship of the cooperative approach with any underlying mechanism(s), standard(s) or approach(es);

Option 1alt: {guidance on the scope and definition of a cooperative approach}

2. *Decides* that a cooperative approach, as referred to in Article 6, paragraph 2, of the Paris Agreement, is:

(a) The voluntary participation of a Party and/or Parties in a cooperative approach in respect of a mutually agreed scope of activities and the international transfer of mitigation outcomes between the participating Parties that is consistent with the relevant CMA decisions relating to Article 6, paragraph 2;

(b) The relationship of the cooperative approach with any underlying mechanism(s) or framework(s) established under decisions of the CMA;

Option 2: {guidance on the definition, scope and modalities of a cooperative approach}

3. *Recalls* Article 6, paragraph 2, which states that Parties shall, when engaging on a voluntary basis in cooperative approaches that involve the use of internationally transferred mitigation outcomes (ITMOs) towards nationally determined contributions, promote sustainable development and ensure environmental integrity and transparency, including in governance, and shall apply robust accounting to ensure, inter alia, the avoidance of double counting, consistently with guidance adopted by the CMA;

4. *Decides* that a cooperative approach, as referred to in Article 6, paragraph 2, is a [framework] [agreement] that governs the transfer and use of ITMOs, is consistent with the

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

relevant CMA decisions relating to Article 6, paragraph 2, and comprises the following elements at a minimum:

- (a) Participants, including at least one first transferring Party;
- (b) The modality of the cooperative approach.

5. *Also decides* that the participating Parties of a cooperative approach shall be identified as either:

- (a) Parties that voluntarily decide to cooperate in the implementation of their NDCs through the transfer and use of ITMOs;
- (b) A first transferring Party/entity or Parties/entities that decide(s) to voluntarily cooperate in respect of other international mitigation purposes or other purposes through the transfer and use of ITMOs;

6. *Further decides* that the modalities of voluntary cooperation in a cooperative approaches, shall be classified as one of the following:

- (a) Project-based cooperation;
- (b) Specific and/or sectoral cooperation;
- (c) Subnational and/or national cooperation;
- (d) Connection between emissions trading systems;
- (e) [other modalities, subject to precise definition;]

7. *Notes* that specific guidance may be developed for each modality in order to address specific authorization, accounting, tracking, reporting and review processes;

8. *Also notes* that other modalities of voluntary cooperation for cooperative approaches, as referred to in Article 6, paragraph 2, of the Paris Agreement, may arise and further guidance may be required to address specific procedural aspects related to authorization, accounting, tracking, reporting and review processes;

{*End of option 2*}

Option 3: {*No guidance on the scope and definition of a cooperative approach*}

{*No text required*}

II. Process for managing common nomenclatures

9. *Notes* that the secretariat, as the administrator of the centralized accounting and reporting platform (CARP), is responsible for managing common nomenclatures pursuant to decision 6/CMA.4, annex I, paragraph 28;

10. *Requests* the secretariat to establish common nomenclatures for all specific information attributes pertaining to cooperative approaches for which there is an international standard or established practice under the UNFCCC process, taking into account existing decisions of the CMA;

11. *Also requests* the secretariat to establish common nomenclatures for the following specific information attributes pertaining to the agreed electronic format:

- (a) Cooperative approaches;
- (b) Sectors;
- (c) [Activity types;]
- (d) [Mitigation types;]
- (e) Metrics (GHG and non-GHG);
- (f) Units of measurement;
- (g) [Authorized and using entities;]

(h) Unique identifier of the ITMO;

12. *Notes* that the secretariat will assign a unique identifier to each cooperative approach sequentially in order of submission to the CARP using the naming convention “CA{NNNN}”;

13. *Also notes* that the secretariat will assign the identifier “CA0001” to the mechanism established by Article 6, paragraph 4, of the Paris Agreement;

14. *Requests* the secretariat to establish an initial list of sectors in accordance with the *IPCC Guidelines for National Greenhouse Gas Inventories* for all cooperative approaches;

Option 1: {guidance on common nomenclatures for activity types}

15. *Also requests* the secretariat to establish an initial list of activity types for all cooperative approaches based on:

(a) **Option A:** Those defined as categories in the *IPCC Guidelines for National Greenhouse Gas Inventories* and adopted by the CMA;

(b) **Option B:** Those defined as methodologies under the [mechanism established by Article 6, paragraph 4, of the Paris Agreement][the clean development mechanism];

(c) **Option C:** Those defined as categories in the *IPCC Guidelines for National Greenhouse Gas Inventories* and adopted by the CMA, with the possibility for Parties participating in a cooperative approach to include a second definition based on the specific needs and requirements of the cooperative approach, previous inclusion of the activity type in the CARP through the process referred to in paragraph 20 below;

Option 2: {No guidance on common nomenclatures for activity types}

{No text required}

16. **Option 3:** *Requests* the SBSTA to undertake further work on the common nomenclatures of the activity types with a view to making a recommendation to the CMA at its sixth session (November 2024) and *also requests* the secretariat to establish an initial list of mitigation types, including the specific categories of emission reductions, removals[, permanent removals][avoidance];

17. *Decides* that participating Parties may request the inclusion of new sectors, activity types and mitigation types, as needed, following the process referred to in paragraph 20 below;

Option 1: {Process for assigning an ID to authorized and using entities}

18. *Decides* that authorized and using entities will obtain a unique identifier after having been registered in the CARP during the registration process. The participating Party registering an entity shall specify, at a minimum:

(a) The country in which the entity’s headquarters are located;

(b) The official name of the entity;

(c) The government-issued identifier of the entity;

Option 2: {No process for assigning an ID to authorized and using entities}

{No text required}

Option 1: {Adding agreed informative fields to the unique ITMO ID}

19. *Decides* to include the following additional information in the unique identifier for the ITMO, for information purposes only, using user-friendly codes identified as part of the common nomenclatures:

(a) Whether or not the mitigation outcome is subject to a reversal risk;

(b) {Further elaboration for other possible informative fields is required};

Option 2: {No additional fields added to the unique ITMO ID}

{No text required}

20. *Requests* the secretariat, as the administrator of the CARP, to implement the following process for requesting the establishment of and changes to common nomenclatures, pursuant to decision 6/CMA.4, annex I, paragraph 29:

(a) At the request of a Party participating in a cooperative approach, on behalf of all Parties participating in the cooperative approach, regarding the establishment of a new common nomenclature or the extension of a common nomenclature, the secretariat shall:

Option 1: *{Establishing a process for new common nomenclature or the extension of a common nomenclature}*

(i) Ensure that the proposed new common nomenclature or the extension of a common nomenclature is compatible, and not inconsistent, with any common nomenclature that has already been established in the CARP;

(ii) Subsequently establish the proposed new common nomenclature or the extension of common nomenclature in the CARP provided it is found to be compatible, and not inconsistent, with any existing common nomenclature, ensuring its availability for future reference and use by all participating Parties;

Option 2: *{Establish a process of the identification of duplicated common nomenclatures}*

(i) Ensure that the proposed new common nomenclature or the extension of a common nomenclature is not a duplication of an existing common nomenclature or an extension of a common nomenclature;

(ii) Subsequently establish the proposed new common nomenclature or extend the existing common nomenclature in the CARP, provided that it is determined to not be a duplication;

{end of Option 2}

(b) The secretariat may initiate the process for requesting the establishment of a new common nomenclature or the extension of a common nomenclature if needed;

21. *Invites* participating Parties to submit the details of a cooperative approach for registration in the CARP as soon as practicable following the establishment of the cooperative approach, at the latest prior to the submission of the first initial report by a participating Party in that cooperative approach, with a view to ensuring consistency in the submission of initial reports and the assignment of the unique identifier of the cooperative approach;

III. Authorization

Option 1 *{Different types of authorizations}*

A. Authorization of cooperative approaches

1. Timing of the authorization of cooperative approaches

22. *Recalls* that authorization of a cooperative approach should be reported by participating Parties in the initial reports and the updated initial reports for new approaches; and in the BTRs for updates to existing approaches;

23. **Option 1:** *Decides* that authorization of a cooperative approach needs to be granted before participating Parties submit the initial or updated initial report in which the information on that cooperative approach is provided;

24. **Option 2:** *Decides* that participating Parties shall provide the authorization of a cooperative approach prior to or in conjunction with the authorization of specific ITMOs;

25. **Option 3:** *{No text provided on timing of authorizations of cooperative approaches}*

2. Content of the authorization of cooperative approaches

26. *Acknowledges* that determination of the architecture of NDCs and LT-LEDS in line with the Paris Agreement and provision of support for cooperation to increase mitigation action is a national prerogative and that the process and content of authorization shall be fit for purpose and flexible so as to accommodate various modes of cooperation under Article 6 of the Paris Agreement;

Option 1 {Standardized mandatory cooperative approach authorization form}

27. *Decides* that a participating Party in a cooperative approach shall submit the copy of authorization in a standardized form, which is to contain, at a minimum, the following details:

- (a) Unique identifier of the cooperative approach, as obtained from the CARP, where available;
- (b) Name and parameters of the cooperative approach;
- (c) Participating Parties;
- (d) Registries involved in tracking ITMOs from the cooperative approach;
- (e) Activity types;
- (f) Metrics;
- (g) Units of measurement;
- (h) Types of authorization that may be given;
- (i) Sectors;
- (j) Account types used in tracking ITMOs according to the respective common nomenclature;
- (k) Actions or transaction types;
- (l) [Contribution of resources for adaptation];
- (m) [Contribution to deliver overall mitigation in global emissions];
- (n) Date of authorization;
- (o) Duration of authorization;
- (p) Whether the authorization can be changed (or revoked) and, if so, under which conditions;
- (q) Authorizing Party², including details of the Party authority providing the authorization;
- (r) Arrangements for authorizing entities, as applicable;
- (s) Authorized entities, as applicable;
- (t) Definition of first transfer by the authorizing Party for the cooperative approach (in accordance with decision 2/CMA.3, annex, para. 2(b));
- (u) Description of the cooperative approach, to include:
 - (i) Its duration;
 - (ii) Whether the cooperative approach entails the linking of cap-and-trade schemes, baseline crediting approaches or other types of cooperative approach;
 - (iii) How the approach contributes to implementation of the NDC and the LT-LEDS (if any) and to the achievement of the long-term goals of the Paris Agreement;
 - (iv) How the cooperative approach minimizes the risk of non-permanence and ensures that reversals are addressed in full;

² An authorizing Party is the Party for which the mitigation outcome is achieved and that is providing authorization of use.

- (v) How the cooperative approach addresses reversal risks in full, if it involves mitigation outcomes that are subject to reversal risks;
- (vi) Methodologies and baselines, including their alignment with methodologies under the Article 6, paragraph 4, mechanism;
- (vii) The procedures and standards applied in the implementation of the cooperative approach;
- (viii) The greenhouse gases;

28. *Requests* the secretariat, as the administrator of the CARP, to develop and publish a standardized and user-friendly cooperative approach authorization form for a participating Party to submit the information referred to in paragraph 27 above;

Option 2: {Standardized voluntary cooperative approach authorization form}

{same content as Option 1 above, but substitute “may submit the copy of authorization in a standardized form and could contain, inter alia” in the chapeau}

Option 3: {Cooperative approach authorization through domestic legal instruments}

29. *Decides* that a participating Party in a cooperative approach shall submit a copy of authorization, according to domestic legal instruments, containing the following details:

- (b) Name and parameters of the cooperative approach;
- (c) Participating Parties;
- (d) Registries involved in tracking ITMOs from the cooperative approach;
- (e) Any other information, to be included at the discretion of the Party;

Option 4: {No standardized cooperative approach authorization form}

30. *Decides* that a participating Party may use a format of its choosing for the copy of the authorization of the cooperative approach that it provides to the secretariat as part of its initial report, pursuant to decision 2/CMA.3, annex, paragraph 18(g);

3. Revisions to cooperative approach authorizations

31. **Option 1:** *Decides* that any changes to (or revocation of) an authorization of a cooperative approach should not apply to or affect ITMOs that have already been transferred to another Party or to an authorized entity;

Option 2: *{No text on Revisions or changes of authorizations of cooperative approaches}*

B. Authorization of internationally transferred mitigation outcomes

32. *Recalls* that the approach to authorizing ITMOs should be reported in the initial report, the ITMOs subsequently authorized should be reported in the AEF and a summary of information on authorized ITMOs should be reported in the BTR;

33. *Clarifies* that ITMOs shall only be transferred among Parties participating in the cooperative approach and that ITMOs can only be used for the purposes provided for in their authorization;

34. *Decides* that a copy of the [letter of] authorization of ITMOs, as well as any revision thereto[or revocation thereof], shall be entered into the registry of the authorizing Party and delivered to all registries that track ITMOs under the same cooperative approach and that the delivery shall be organized in a way that the delivery is completed no later than the authorization, [or]a revision[or revocation] thereof, becomes applicable for any subsequent action involving the ITMO;

1. Timing of the authorization of internationally transferred mitigation outcomes

35. *Clarifies* that the first transferring Party³ effects the authorization of ITMOs through the recording of the authorization in respect of those ITMOs in its registry and that any such authorization shall be reported in the agreed electronic format;

36. *Also clarifies* that the action of authorization in respect of ITMOs may be recorded in the first transferring Party's registry:

- (a) **Option 1:** At any time;
- (b) **Option 2:** Prior to the achievement of the mitigation outcomes being authorized;
- (c) **Option 3:** After the achievement of the mitigation outcomes being authorized;
- (d) **Option 4:** Prior to or at the time of use by the first transferring Party or the recording of the first transfer in the registry of the first transferring Party;
- (e) **Option 5:** After the participating Party has provided its assessment of the achievement of its NDC in accordance with decision 18/CMA.1, annex, paragraph 70;
- (f) **Option 6:** Prior to the use or their transfer to another Party or to an authorized entity;

{end of options for the moment of authorization, options are combinable to the extent they don't contradict each other}

37. *Further clarifies* that the recording of the action of authorization of ITMOs in the registry of the first transferring Party must occur prior to the recording of any other action in respect of those ITMOs in the AEF;

2. Content of the authorization of internationally transferred mitigation outcomes

Option 1: *{Guidance on the content of the authorization of ITMOs}*

38. **Option A:** *Decides* that only mitigation outcomes achieved and subsequently uniquely identified may be authorized;

39. **Option B:** *Decides* that Parties may specify a set of conditions under which achieved and future mitigation outcomes can be authorized once uniquely identified, that the authorization describing the conditions may take the form of a uniquely identified document recorded in the registry of the authorizing Party, and that the applicability of a specific authorization to specific ITMOs being generated in the registry shall be specified for each ITMO, as well as that all such ITMOs shall refer to one authorization identifier;

{end of option B}

40. *Decides* that the authorization of ITMOs shall have a unique identifier comprising, at a minimum, the elements listed in decision 6/CMA.4, annex I, paragraph 5, and the list of authorized uses of the ITMOs;

41. **Option A:** *Decides* that the minimum information needed for the authorization of an ITMO is:

- (a) Authorizing Party, including details of the Party authority providing the authorization;
- (b) Mitigation activity;
- (c) Date of authorization;
- (d) The information that needs to be tracked by registries and included in the Article 6 database, namely:
 - (i) Sectors in which the mitigation outcomes are generated;

³ The first transferring Party/authorizing Party is the Host Party for which the mitigation outcome is achieved.

- (ii) Purpose of the authorization, namely:
 - a. Use towards NDCs;
 - b. Use towards OIMP;
 - c. Use towards NDCs and/or OIMP;
- (iii) Global warming potential applied, as applicable;
- (iv) Amount of ITMOs authorized;
- (v) Whether or not the ITMOs are subject to reversal risks;
- (vi) The conditions under which ITMO authorization was provided;
- (vii) Whether the ITMO authorization could be changed [(or revoked)] prior to the transfer of the ITMOs to another Party or to an authorized entity, if certain conditions are not fulfilled;
- (viii) A reference to the serial numbers of the underlying units in the case of baseline crediting approaches and the use of underlying unit registries;
- (ix) A reference to the approval of the Article 6, paragraph 4, mitigation activity in the case of Article 6, paragraph 4, emission reductions;

42. **Option B:** *Requests* the secretariat, in cooperation with RSAs through the voluntary forum of Article 6 registry system administrators and technical experts of participating Parties (the forum), to develop the standardized data structure for ITMO authorizations, implement this structure in the international registry and include the specification of the data structure in the standards and recommended practices for recording of data and information related to internationally transferred mitigation outcomes referred to in decision 6/CMA.4, paragraph 32, for use by registries that connect to the international registry;

43. **Option 2:** *{No text on the content of the authorization of ITMOs}*

3. Revisions to the authorization of internationally transferred mitigation outcomes

44. **Option 1:** *Decides* that the authorizing Party may revise its authorization of ITMOs when at least one of the following conditions is met:

- (a) The ITMOs remain within the holding of the authorizing Party;
- (b) The ITMOs have not been first transferred, cancelled or used for any purpose;

45. *Clarifies* that participating Parties in a cooperative approach may agree on further limitations under which the authorization of ITMOs from this cooperative approach may be revised;

46. **Option 2:** *Decides* that the first transferring Party may revise the authorization of ITMOs at any time in accordance with the arrangements agreed for a cooperative approach by participating Parties;

{end of option 2}

47. *Decides* that any revision to the authorization of ITMOs shall be made by the first transferring Party through a new version of the authorization for a particular ITMO in its registry and that all versions of the authorization shall be reported in the agreed electronic format in which the authorization is reported to the Article 6 database;

48. *Decides* that Parties should not change the authorized use [(or revoke the authorization)] of ITMOs that have already been transferred to another Party or to an authorized entity;

4. Revocation of the authorization of internationally transferred mitigation outcomes

Option 1 *{Revocation of authorizations of ITMOs}*

49. **Option A:** *Decides* that the first transferring Party may revoke the authorization of ITMOs that continue to be held by it if the following conditions are met:

(a) The ITMOs have not been first transferred;

(b) The ITMOs have not been used or cancelled by the first transferring Party for any purpose;

50. *Decides* that any revocation of the authorization of ITMOs shall be effected in the registry of the first transferring Party and reported in a separate action account in its agreed electronic format for the calendar year in which the authorization was revoked and that the mitigation outcomes for which the authorization was revoked will no longer be included in the holdings of that Party;

51. **Option B:** *Decides* that the first transferring Party may revoke the authorization of ITMOs at any time[, except in cases in which the ITMOs have already been reported as used towards the achievement of an NDC or cancelled for any purpose];

52. *Also decides* that a participating Party, following receipt of the notice of revocation from the first transferring Party in its registry according to the process specified in paragraph 32 above, shall report the revocation in a separate action account in its agreed electronic format for the calendar year in which the notice of revocation was received;

Option 2 {Not possibility of revocation of authorizations of ITMOs}

53. [*Clarifies*][*Decides*] that once an ITMO has been authorized, its authorization cannot be revoked.

Option 3: {No text on revocation of authorizations}

{*Note: if option agreed, all text on revocation in decision will be removed*}

C. Authorization of entities

54. *Recalls* that the approach to authorizing entities (for example, whether entities will be authorized and, if so, the type of entities that will be authorized) should be reported in the initial report, the entities authorized in respect of each block of ITMOs should be reported in the AEF and a summary of this information should be reported in the BTR;

55. *Also recalls* that ITMOs shall be used only by entities that are authorized;

56. *Further recalls* that an entity needs at least to be authorized by the Party in whose registry the entity will hold, transfer or use the ITMOs;

1. Timing of the authorization of entities

57. **Option 1:** *Decides* that the authorization of the entities of a cooperative approach should be granted before the participating Party submits the initial or updated initial report in which the information on that cooperative approach is provided;

58. **Option 2:** *Decides* that Parties shall authorize entities prior to any transfer of ITMOs to those entities;

{Options 1 and 2 may be combined}

59. **Option 3:** *{No text provided on timing of authorizations of entities}*

2. Content of the authorization of entities

60. **Option 1:** *Clarifies* that the authorization of entities is a general authorization based on the requirements and standards of participation;

61. **Option 2:** *Clarifies* that the following information needs to be provided for each entity authorized:

3. Revisions to the authorization of entities

62. *Decides* that revisions to, or revocations of, the authorization of an entity should not affect ITMOs already transferred;

4. Management and publication of authorized entities

63. **Option 1:** *Decides* that a participating Party shall regularly update the list of authorized entities and provide it to the secretariat [through a dedicated section in the CARP] [for its publication];

64. **Option 2:** *Decides* that a participating Party shall make publicly available a list of authorized entities;

{End of options for provision of the list of entities}

65. *Clarifies* that a participating Party may add entities to or remove entities from the list of authorized entities in the same manner as described in paragraph [5464] above;

66. *Decides* that the authorization of entities shall be in the context of a cooperative approach;

{end of Option 1}

Option 2 {All authorizations in one process}

67. *Notes* that authorization can be done for all elements covered in decision 2/CMA.3 through a single process dependant on various national arrangements;

IV. Application of first transfer

Option 1: {Text in paragraphs 68 and 69}

68. *Recalls* that ITMOs are authorized for use towards NDCs pursuant to Article 6, paragraphs 2–3, of the Paris Agreement but may additionally be authorized for other international mitigation purposes pursuant to decision 2/CMA.3, annex, paragraph 1(f);

69. *Decides* that, to avoid double counting pursuant to decision 1/CP.21, paragraph 36, an ITMO must have been first transferred prior to being used towards achievement of an NDC or used for other international mitigation purposes, or at the same time as use where use or cancellation is the definition of first transfer for other international mitigation purposes pursuant to decision 2/CMA.3, annex, paragraph 2(b);

Option 2: {No text in paragraphs 68 and 69}

{No text required}

70. **Option 1:** *Clarifies* that the first transfer of an ITMO shall be the earlier point in time between the first international transfer of the mitigation outcome pursuant to decision 2/CMA.3, annex, paragraph 2(a), and the first transfer of an ITMO as specified by the first transferring Party pursuant to decision 2/CMA.3, annex, paragraph 2(b);

71. *Clarifies* that the first international transfer of a mitigation outcome is effected through the recording of the action of first transfer by the first transferring Party in its agreed electronic format and the action of acquisition by another participating Party in its agreed electronic format;

72. *Also clarifies* that a first transfer pursuant to decision 2/CMA.3, annex, paragraph 2(b), applies to an ITMO that has not been internationally transferred;

{End of Option 1}

73. **Option 2:** *Decides/Takes note* that the definitions of first transfer in decision 2/CMA.3, annex, paragraph 2, may be applied at the discretion of the participating Parties in a cooperative approach, and that such Parties shall include the information on the relevant trigger for the first transfer in the copy of the authorization of the cooperative approach, submitted with the initial report or updated initial report;

74. *Also decides* that definitions of first transfer shall be applied:

(a) **Option A:** consistently by all participating Parties in that cooperative approach;

(b) **Option B:** consistently by a participating Party for all cooperative approaches in which it participates;

(c) **Option C:** consistently by a participating Party within a cooperative approach but at its discretion between cooperative approaches in which it participates;

(d) **Option D:** *{no text on consistency of first transfer definition by a participating Party}*

75. *Further decides* that, if an ITMO is only authorized for OIMP, the definition of first transfer selected by the first transferring Party pursuant to decision 2/CMA.3, annex, paragraph 2(b), is cancellation or use, and if the ITMO has been internationally transferred to another Party, that Party shall notify the first transferring Party when the ITMO has been cancelled or used towards OIMP;

{End of Option 2}

Option 3: *{Both option 1 and option 2 as a complete process}*

Option 1: *{Definition of first transfer for Adaptation Fund}*

76. **Option A:** *Decides* that the transfer of an ITMO from a participating Party to the Adaptation Fund shall be a first transfer, except where that ITMO has already been first transferred through a previous action;

77. **Option B:** *Decides* that participating Parties may specify the first transfer related to national adaptation actions or to the Adaptation Fund, at the discretion of the participating Parties;

Option 2: *{No definition of first transfer for Adaptation Fund}*

78. *Decides* that, if an ITMO is revoked for any reason, and if the definition of first transfer selected by the first transferring Party pursuant to decision 2/CMA.3, annex, paragraph 2(b), is that the ITMO has been accordingly accounted for in the participating Party registry, that participating Party shall notify other participating Parties that the ITMO has been cancelled;

V. Agreed electronic format *{see annex I for tables}*

Option 1: *{Adopts the AEF}*

79. *Adopts* the tables contained in annex II as the AEF referred to in decision 2/CMA.3, annex, paragraph 20;

{Note: actions and sub-action listed below might also be included as an appendix to the AEF once agreed.}

80. **Option A:** *Agrees* that the following actions and sub-actions shall be reported in the AEF:

- (a) Acquisition:
 - (i) Acquisition: Acquisition from another Party.
 - (ii) Acquisition from the Adaptation Fund: Acquisition from the Adaptation Fund;
- (b) Authorization:
 - (i) Authorization: Assignment of authorization to a mitigation outcome pursuant to decision 2/CMA.3, annex, paragraph 1(d) and (f);
 - (ii) Change to authorization: Change to the authorization of an ITMO;
 - (iii) [Revocation of authorization: Revocation of authorization of the ITMO;]
- (c) Transfer:
 - (i) Transfer to another Party: Transfer to another Party;

- (ii) **Option A1:** Voluntary transfer to the Adaptation Fund: Voluntary transfer of ITMOs to an account of the Adaptation Fund pursuant to decision 2/CMA.3, annex, paragraph 37;
- (iii) **Option A2:** Voluntary contribution for adaptation: Voluntary contribution of resources for adaptation pursuant to decision 2/CMA.3, annex, paragraph 37;
{end of option A2}
- (d) Use:
 - (i) Use towards NDC: Use of an ITMO towards NDC targets pursuant to decision 2/CMA.3, annex, paragraph 7;
 - (ii) Retirement for use towards NDC (Article 6.4): Retirement of A6.4ERs for use towards NDC targets in accordance with decision 7/CMA.4, annex I, paragraph 44;
 - (iii) Use towards other purposes: Use of ITMOs towards other purposes as per decision 2/CMA.3, annex, paragraph 1(f);
 - (iv) Use towards IMP: Use of ITMOs for international mitigation purposes as per decision 2/CMA.3, annex, paragraph 1(f);
- (e) Cancellation:
 - (i) Cancellation towards other purposes: Cancellation of ITMOs authorized for other purposes as per decision 2/CMA.3, annex, paragraph 1(f);
 - (ii) Voluntary cancellation to deliver OMGE: Voluntary cancellation of ITMOs to deliver OMGE pursuant to decision 2/CMA.3, annex, paragraph 39;
 - (iii) Administrative cancellation: Cancellation of ITMOs needed for administrative reasons;
 - (iv) Other cancellation purposes: Cancellation of ITMOs for purposes not included in the preceding sub-actions in paragraph 49(e)(i–iii) above;
- (f) First transfer:
 - (i) First transfer to another Party: First transfer to another Party as per decision 2/CMA.3, annex, paragraph 2(a);
 - (ii) First transfer for OIMP / issuance: Issuance that is a first transfer of ITMOs authorized for OIMP as per decision 2/CMA.3, annex, paragraph 2(b);
 - (iii) First transfer for OIMP / authorization: Authorization for OIMP that is a first transfer of ITMOs as per decision 2/CMA.3, annex, paragraph 2(b);
 - (iv) First transfer for OIMP / use towards IMP: Use of ITMOs for international mitigation purposes authorized for OIMP that is a first transfer as per decision 2/CMA.3, annex, paragraph 2(b);
 - (v) First transfer for OIMP / use towards other purposes: Use of ITMOs for other purposes authorized for OIMP that is a first transfer as per decision 2/CMA.3, annex, paragraph 2(b);
 - (vi) First transfer for OIMP / cancellation towards other purposes: Cancellation of ITMOs for other purposes authorized for OIMP that is a first transfer as per decision 2/CMA.3, annex, paragraph 2(b);
 - (vii) Mandatory transfer to the Adaptation Fund (Article 6.4): Mandatory transfer of authorized A6.4ERs to the Adaptation Fund pursuant to decision 3/CMA.2, paragraph 58, and decision 7/CMA.4, annex I, paragraph 39;
 - (viii) **Option A1:** Voluntary transfer to the Adaptation Fund: Voluntary transfer of ITMOs to an account of the Adaptation Fund pursuant to decision 2/CMA.3, annex, paragraph 37 (only applicable to ITMOs that have not yet been transferred from the first transferring Party to another Party);
 - (ix) **Option A2:** Voluntary contribution for adaptation: Voluntary contribution of resources for adaptation pursuant to decision 2/CMA.3, annex, paragraph 37 (only

applicable to ITMOs that have not yet been transferred from the first transferring Party to another Party);

{end of option A2}

(x) Mandatory cancellation to deliver OMGE (Article 6.4): Mandatory cancellation of authorized A6.4ERs to deliver OMGE pursuant to decision 3/CMA.3, annex, paragraphs 59 and 69, and decision 2/CMA.3, annex, paragraph 40;

(xi) Voluntary cancellation to deliver OMGE: Voluntary cancellation of ITMOs to deliver OMGE pursuant to decision 2/CMA.3, annex, paragraph 40 (applicable to ITMOs that have not yet been first transferred);

81. **Option B:** *{No text on actions and sub-actions to be reported in the AEF}*

{Amendments on the AEF}

82. **Option A:** *Requests* the secretariat, as the administrator of the Article 6 database, to continuously review the AEF, in consultation with RSAs through the voluntary forum of Article 6 registry system administrators and technical experts of participating Parties, and recommend amendments, as required, on the basis of experience and lessons learned for consideration and adoption by the CMA;

83. **Option B:** *Decides* to commence the agreed electronic format amendment as part of the review of the guidance on cooperative approaches referred to in Article 6, paragraph 2, at CMA 10 (2028) and to complete the review by no later than at CMA 12 (2030);

Option C: *{No text on the amendments on the AEF}*

{Adopt AEF for GHG metric ITMOs first and develop reporting of non-GHG after the work programme has been conducted}

84. **Option A:** *Decides* to adopt the version of the agreed electronic format contained in annex II for ITMOs in GHG metrics only;

85. **Option B:** *Decides* that the version of the agreed electronic format adopted will be applicable to ITMOs in both GHG and non-GHG metrics;

Option A: *{Annex to the AEF for SOP and OMGE reporting}*

86. *Decides* that participating Parties [may][shall] submit, in a table as an annex to their annual information report, information on their first transfer to the Adaptation Fund for cancellation towards OMGE, pursuant to decision 3/CMA.3, annex, paragraphs 58, 59 and 69, as well as information on any additional voluntary contributions to the Adaptation Fund pursuant to decision 2/CMA.3, annex, chapter VII, and that the table [Shall][Should] identify which cooperative approach contributes to SOP and OMGE;

Option B: *{No annex to the AEF for SOP and OMGE reporting}*

{No text required}

Option 2: *{Not adopt the AEF}*

87. *Takes note* of the two versions of the agreed electronic format provided in the technical paper, which has no formal status, on matters relating to the guidance on cooperative approaches referred to in Article 6, paragraph 2⁴, and *recognizes* the need for capacity-building and additional testing by Parties before a revised version of the agreed electronic format can be formally adopted;

VI. Tables for submitting annual information as part of the regular information *{see annex II for tables}*

88. **Option 1:** *Adopts* the tables contained in annex III for reporting the information set out in decision 2/CMA.3, annex, paragraph 23(j);

⁴ https://unfccc.int/sites/default/files/resource/Art6.2_TP_SB59_0.pdf.

89. *Encourages* participating Parties to provide the information set out in decision 2/CMA.3, annex, paragraph 23(j), for each cooperative approach in which they participate using the tables contained in annex III as appendixes to annex 4 to the biennial transparency report in accordance with the outline contained in annex VI to decision 6/CMA.4;

{End of option 1}

90. **Option 2:** *Decides* that participating Parties shall include the information set out in decision 2/CMA.3, annex, paragraph 23(j), in annex 4 to the biennial transparency report in accordance with the outline contained in annex VI to decision 6/CMA.4, in a format to be determined by the participating Party;

{End of option 2}

VII. Sequencing and timing

Option 1: {Clarification of the sequence of actions to be taken by participating Parties}

91. *Notes* the following sequence of actions to be taken by a participating Party:

(a) One of the participating Parties requests an ID for the new cooperative approach through the CARP;

(b) All participating Parties provide a copy of their authorization of the cooperative approach to the secretariat for publication in the CARP;

(c) All participating Parties submit their initial report to the secretariat;

(d) The initial reports are reviewed through the Article 6 technical expert review;

(e) All inconsistencies are addressed and resolved by the submitting participating Party;

(f) ITMOs may be authorized by first transferring Parties under the cooperative approach, which can be termed as the first action type in the ITMO life-cycle;

(g) Authorized ITMOs may be subject to other action types, such as transfer to other participating Parties or use or cancellation towards OIMP;

(h) Authorized actions are reflected in the respective registries where the ITMOs are held by the participating Parties;

(i) The participating Parties report information in the AEF using pre-filled information from the ITMO registries;

Option 2: {No clarification of the sequence of actions to be taken by participating Parties}

{No text required}

92. *Notes* that the submission of an initial report or updated initial report by a participating Party is a prerequisite for including, in its agreed electronic format, information on actions in respect of ITMOs from that cooperative approach;

93. *Also notes* that, if a participating Party includes in its agreed electronic format information on actions in respect of ITMOs originating from a cooperative approach for which it has not submitted an initial report or updated initial report, the secretariat shall not perform a consistency check in respect of those actions and shall mark them as invalid with the additional notation “no initial report” in its consistency check report;

94. **Option 1:** *Decides* that the report on the review of the initial report or updated initial report of a cooperative approach, as submitted by the participating Party, shall be published prior to that participating Party including in its agreed electronic format information on actions in respect of ITMOs originating from that cooperative approach;

95. *Also decides* that the secretariat shall apply the same consistency check procedures as referred to in paragraph 93 above in the event that a participating Party has included information on actions in its agreed electronic format from a cooperative approach for which the report on the review of the initial report or updated initial report has not been published;

96. **Option 1alt:** *Decides* that the review of the initial report and of any updated initial report shall be successfully finalised (i.e. consistency is achieved) prior to the authorization of specific ITMOs;

{End of Option 1}

97. **Option 2:** *Decides* that a participating Party shall include information in its agreed electronic format on actions in respect of ITMOs originating from a cooperative approach for which it has submitted an initial report or updated initial report, and that the secretariat shall:

(a) **Option A:** Not perform a consistency check in respect of those actions and shall mark them as “invalid” in its consistency check report, with the additional notation “initial report review pending” in its consistency check report;

(b) **Option B:** Perform a consistency check in respect of those actions, but, for those actions in respect of ITMOs originating from a cooperative approach for which the report of the review of that initial report or updated initial report has not yet been published, it shall add the additional notation “initial report review pending” in its consistency check report;

{End of Option 2}

Option 3: *Decides* that the sequencing and timing of reporting and review shall be in line with the guidance on cooperative approaches referred to in Article 6, paragraph 2, provided in decision 2/CMA.3 and decision 6/CMA.4;

VIII. Process of identifying, notifying and correcting inconsistencies in data

98. **Option 1:** *{Text on types of inconsistencies}*

99. *Decides* that inconsistencies in the annual information identified through the Article 6 database consistency check procedure that have an impact on the emissions balance shall be marked as material;

Option 2: *{No text on types of inconsistencies}*

{No text required}

100. *Notes* that the process of correcting inconsistencies in data on ITMOs identified within the AEF of a participating Party or between the AEFs of Parties participating in the same cooperative approach is achieved through the relevant participating Parties submitting revised agreed electronic formats, as required, until consistency is achieved and verified through performance of another consistency check;

101. *Clarifies* that, if a consistency check on an ITMO requires data from another participating Party that has yet to report annual information containing actions undertaken on that ITMO, the result of this check will be marked as “null” and this status will remain until all necessary information from all participating Parties involved with that ITMO has been provided;

Option 1 *{Guidance on use of ITMOs identified as inconsistent}*

102. **Option A:** *Decides* that, should any material inconsistencies [or “null”] in respect of ITMOs be identified in the individual agreed electronic format of a participating Party or between the agreed electronic formats of Parties participating in the same cooperative approach, those ITMOs shall not be used towards NDC achievement or other international mitigation purposes until corrected[and shall not be subject to any further transaction until the inconsistencies are resolved];

103. **Option B:** *Decides* that, should any material inconsistencies in respect of ITMOs be identified during the consistency check in the individual agreed electronic format of a participating Party or between the agreed electronic formats of Parties participating in the same cooperative approach, those ITMOs may still be used towards NDC achievement or

other international mitigation purposes, despite being marked as inconsistent in the output of the consistency check procedure;

Option 2: {No guidance on use of ITMOs identified as inconsistent}

{No text required}

{Options 1 and 2 below relate to the granularity of the publication of consistency check information}

104. **Option 1:** *Decides* that any inconsistency in respect of ITMOs identified by the Article 6 database will be displayed in the CARP when information regarding that ITMO is presented, including information submitted by participating Parties pursuant decision 2/CMA.3, chapter IV, as per decision 2/CMA.3, annex paragraph 36(a);

105. **Option 2:** *Decides* that inconsistencies identified by the Article 6 database will be made public solely in the inconsistencies report published in the CARP in accordance with decision 2/CMA.3, annex, paragraph 33(d);

IX. Inconsistencies identified in Article 6 technical expert reviews

Option 1 {Further guidance for the conduct of Article 6 technical expert reviews}

106. *Recalls* that, pursuant to decision 6/CMA.4, annex I, paragraph 72(f), the CARP provides the Article 6 technical expert review teams with information submitted by Parties, including the results of the consistency checks referred to in decision 2/CMA.3, annex, paragraph 33(a);

107. *Also recalls* that, pursuant to decision 6/CMA.4, annex II, paragraph 11, the Article 6 technical expert review teams shall review information submitted by Parties relating to participating in cooperative approaches for consistency with all decisions relating to Article 6, paragraph 2, of the Paris Agreement;

108. *Requests* the Article 6 technical expert review teams to take note of the requirements for the application of the results of the consistency checks for the use of ITMOs in paragraph [0][103] above;

109. *Recalls* that, pursuant to decision 6/CMA.4, annex II, paragraph 26, the Article 6 technical expert reviews teams shall adhere to the guidelines for the Article 6 technical expert review contained in annex II to decision 6/CMA.4 and the annex to decision 2/CMA.3 and any future relevant decisions of the CMA;

110. *Also recalls* decision 6/CMA.4, annex II, paragraph 10(a–c), according to which the Article 6 technical expert review teams shall not make political judgments or review the adequacy or appropriateness of a Party’s NDC or cooperative approaches in which the Party is participating, including associated descriptions, activities thereunder and authorization thereof or ITMOs therefrom towards use(s);

111. *Further recalls* decision 2/CMA.3, paragraph 13, in which the secretariat was requested to publish annually a compilation and synthesis of the results of the Article 6 technical expert review, and decision 6/CMA.4, paragraph 13, in which the secretariat was requested to include in that compilation and synthesis any cases of persistent inconsistencies and/or non-responsiveness by a participating Party, as contained in the recommendations arising from the Article 6 technical expert review, including responses, if any, to such recommendations that may be provided by the participating Party concerned;

112. *Recalls* decision 6/CMA.4, paragraph 14, in which the Committee referred to in Article 15, paragraph 2, of the Paris Agreement was invited to liaise with the Article 6 lead reviewers referred to in annex II, chapter XI.C, of that decision, as needed, when cases of significant and persistent inconsistencies are identified and addressed by the Committee in accordance with decision 20/CMA.1, annex, paragraph 22(b);

{Options A to C below relate to the when an inconsistency is considered persistent}

113. *Encourages* the Committee referred to in Article 15, paragraph 2, of the Paris Agreement to consider the invitation referred to in paragraph 112 above should an

inconsistency referred to in paragraph 108 above remain unresolved at the time of completion of the:

(a) **Option A:** initial review of the Article 6 technical expert review team in which the inconsistency is identified;

(b) **Option B:** subsequent review following the initial review of the Article 6 technical expert review team in which the inconsistency is identified;

(c) **Option C:** the second subsequent review following the initial review of the Article 6 technical expert review team in which the inconsistency is identified;

Option 2 {*No further guidance for the conduct of Article 6 technical expert reviews*}

{*No text required*}

X. Modalities for reviewing information that is confidential

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

115. **Option 1:** *Decides* that the provisions of decision 12/CP.9 shall apply mutatis mutandis to the treatment of confidential information, as identified by participating Parties, in technical expert reviews conducted under Article 6, paragraph 2, of the Paris Agreement and in accordance with related decisions;

116. *Requests* the secretariat to develop, publish and implement the necessary administrative procedures for treating information identified as confidential by participating Parties in their submissions pursuant to the information required to be reported under Article 6, paragraph 2, of the Paris Agreement and in accordance with related decisions;

{*End of Option 1*}

117. **Option 2:** *Requests* the [Subsidiary Body for Implementation][Subsidiary Body for Scientific and Technological Advice] to develop recommendations, for consideration and adoption at CMA 6 (November 2024), on the treatment of information identified as confidential by Parties in their submissions under Article 6, paragraph 2, of the Paris Agreement and in accordance with related decisions, including with a view to:

(a) Defining which information should be considered confidential and which public so as to avoid risks;

(b) Developing a specific code of conduct for the treatment of confidential information under the Paris Agreement, which could include a requirement for Parties to justify confidentiality on the basis of national laws and regulations, procedures for storing confidential information, rules for access and use of confidential information by the technical expert review teams, and training for technical experts;

(c) Developing a process for dealing with cases in which the basis of confidentiality is not clear or is questionable, or has not been provided, including with regard to the Article 6 technical expert review team concluding whether appropriate justification was provided;

(d) Determining how to address and report on situations in which the Article 6 technical expert review teams identify inconsistencies in information marked as confidential and whether those inconsistencies should be made public;

{*End of Option 2*}

118. **Option 3:** No text required

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

119. **Option 1:** *Decides*, in recognition of the special circumstances of the least developed countries and small island developing States, that such Parties may submit the information required by decision 2/CMA.3, annex, chapter IV, at their discretion;

120. **Option 2:** *Requests* the secretariat to increase its provision of capacity-building support to the least developed countries and small island developing States relating to Article 6 of the Paris Agreement, while taking into account their special circumstances;

121. **Option 3:** *Decides* to consider the special circumstances of the least developed countries and small island developing States in the context of Article 6, paragraph 2, without prejudice to decisions already adopted on the matter, at each of its sessions, including as part of the review of the guidance on cooperative approaches and the development of recommendations thereon⁵ for consideration at CMA 10 (2028) referred to in paragraphs 14–15 of decision 2/CMA.3;

XII. Application of methods for converting non-greenhouse gas metrics into tonnes of carbon dioxide

122. *Recalls* decision 2/CMA.3, annex, paragraph 22(d), regarding the information to be reported by participating Parties transferring ITMOs in non-GHG metrics, determined by the participating Parties, and consistent with the indicators of the participating Parties;

123. **Option 1:** *Decides* that participating Parties transferring ITMOs in non-GHG metrics, consistent with the indicators of the participating Parties, may decide to convert ITMOs in non-GHG metrics into tonnes of carbon dioxide equivalent at the level of the cooperative approach, using the relevant IPCC emission factors as used for that Party's national greenhouse gas inventory, as applicable;

124. *Also decides* that participating Parties transferring ITMOs in non-GHG metrics, consistent with the indicators of the participating Parties, shall report the conversion approach applied in the initial report for the cooperative approach;

125. *Takes note* that participating Parties transferring ITMOs in non-GHG metrics, consistent with the indicators of the participating Parties, shall report the method for converting the non-GHG metric into t CO₂ eq in chapter VI.D of the outline of annex 4 (Information in relation to the Party's participation in cooperative approaches, as applicable) to the biennial transparency report;⁶

{End of Option 1}

126. **Option 2:** *Requests* the SBSTA to consider the need for any additional guidance on the conversion of ITMOs in non-GHG metrics into tonnes of carbon dioxide equivalent [with a view to making a recommendation on this matter for consideration at CMA 6 (November 2024)][as part of the review of the guidance referred to in paragraphs 14–15 of decision 2/CMA.3];

127. **Option 3:** *Requests* the SBSTA to develop specific guidance on the conversion of ITMOs in non-GHG metrics into tonnes of carbon dioxide equivalent (t CO₂ eq) at the request of a participating Party reporting in a non-GHG metric;

128. **Option 4:** No text required;

⁵ Decision 2/CMA.3, paras. 14–15.

⁶ Contained in annex VI to decision 6/CMA.4.

XIII. Additional functionalities and procedures for the international registry

A. Article 6, paragraph 4, emission reductions in the international registry [and participating Party registries]

Option 1: {A6.4ERs may be transferred between registries}

129. *Recalls* decision 6/CMA.4, annex I, paragraphs 9, 10 and 23, regarding the interoperability of participating Party registries and the connection of the Article 6, paragraph 4, mechanism registry to the international registry;

130. *Decides* that, in addition to enabling the ability to pull and view data and information⁷ on holdings and the action history of authorized A6.4ERs, the connection between the international registry and the Article 6.4 mechanism registry shall enable the transfer of authorized A6.4ERs from the Article 6.4 mechanism registry accounts to accounts within the Party-specific sections of the international registry;

Option 2: {A6.4ERs may not be transferred between registries}

{no text required}

{Note: Option 2 confirms pulling and viewing only}

B. Provision of services to cooperative approaches

131. *Reiterates* that ensuring transparency shall be the core requirement in establishing accounting rules and interoperability arrangements between registries and *notes* that, pursuant to decision 6/CMA.4, annex I, paragraph 10, any arrangements for interoperability between registries should be implemented in such a way that neither Party to an inter-registry transfer could later repudiate the existence, type, time or content of the transfer;

132. *Recalls* that the serial numbers of ITMOs assigned pursuant to decision 6/CMA.4, annex I, paragraph 5, shall remain unchanged throughout the life cycle of the ITMO, including if the ITMO is transferred between Party-specific sections in the international registry or between registries;

133. *Clarifies* that the requirement in paragraph 132 above applies where accounting amounts are used in tracking ITMOs, applies to both the accounting amounts and the underlying units;

Option 1: {offer the service of pre-authorization accounts}

134. *Requests* the secretariat, as the administrator of the international registry, to provide pre-authorization accounts as a service to Parties upon request;

Option 2: {no pre-authorization accounting service}

{no text required}

{end of option 2}

135. *Requests* the secretariat as the administrator of the international registry in cooperation with RSAs through the forum, to prioritize the development of functionalities covering the common use cases for registries;

⁷ Pursuant to decision 3/CMA.3, annex, para. 63, and decision 6/CMA.4, annex I, para. 24.

XIV. Accounts in the international registry and the role of the international registry administrator

A. Accounts in the international registry

136. **Option 1:** *Decides* that only accounts operated by the participating Party registry administrator may be created by the participating Party registry administrator within the relevant Party-specific section of the international registry;

137. **Option 2:** *Decides* that participating Party registry administrators may establish sub-accounts within the relevant Party-specific section of the international registry for use by entities authorized to hold and transact ITMOs;

{end of options for the possibility of accounts for entities}

{paras 138-139 apply in the case of option 2}

138. *Clarifies* that entities that have been so authorized by a Party may hold accounts in the registry of that Party and that revocation of authorization by one Party shall not affect authorization of the same entity by another Party to the same cooperative approach in whose registry the entity may continue to hold an account;

139. *Requests* the secretariat to develop, in cooperation with RSAs through the forum, guidance on addressing the administrative implications of revoking the authorization of entities in the international registry and the Article 6.4 mechanism registry for consideration and adoption by the CMA;

140. *Clarifies* that Parties may develop national procedures for addressing the consequences of revoking the authorization of entities in the participating Party registries;

Option 1: {pre-authorization accounting service}

141. *Decides* that the participating Party registry administrator may establish pre-authorization accounts within the relevant Party-specific section of the international registry for the purpose of tracking mitigation outcomes and assign such mitigation outcomes with a unique identifier prior to authorizing the mitigation outcomes for any specific use under one of the cooperative approaches in which the relevant Party is participating, and that mitigation outcomes with a unique identifier in pre-authorization accounts may not be transferred or used in any way prior to being authorized;

Option 2: {no text / no pre-authorization accounting service}

{no text required}

{end of options on pre-authorization account service}

142. *Decides* that the types of account that may be established by participating Party registry administrators within the relevant Party-specific section of the international registry [may be determined by participating Party registry administrator and] shall include:

- (a) Party holding account(s);
- (b) [Authorized entity holding account(s);]
- (c) Account for use towards NDCs;
- (d) Account for use towards [OIMP][international mitigation purposes and other purposes];
- (e) Voluntary cancellation account;
- (f) Account for voluntary cancellation for OMGE;
- (g) [Administrative cancellation account;]
- (h) [Administrative corrective action account;]
- (i) [Pre-authorization account;]

- (j) [Authorization revocation account;] *{relates paragraph 32/34 above}*
- (k) Proxy account;
- (l) Pending account;

Option 1: {account for the Adaptation Fund}

143. *Also decides* that the secretariat, as the administrator of the international registry, shall establish and maintain accounts in the international registry in which the Adaptation Fund can receive and transact any ITMOs transferred to it as a contribution of a share of proceeds for adaptation under a cooperative approach;

Option 2: {no account for the Adaptation Fund}

{no text required}

Option 1: {account for OMGE}

144. *Also decides* that the secretariat, as the administrator of the international registry, shall establish and maintain accounts in the international registry in which OMGE can receive and transact any ITMOs transferred to it as a contribution of a share of proceeds for adaptation under a cooperative approach;

Option 2: {no account for OMGE}

{no text required}

B. Role[s] of the international registry administrator [and the administrators of Party-specific sections in the international registry]

145. *Clarifies* that the secretariat, as the administrator of the international registry, shall perform, pursuant to decision 6/CMA.4, annex I, paragraphs 17, 19 and 20, the following functions:

- (a) Developing, setting up and operating the registry;
- (b) Administering the life cycle of Party-specific sections of the international registry;
- (c) Establishing and overseeing arrangements pertaining to access to the international registry and interoperability with secretariat systems, such as the CARP, and other registries;
- (d) Administering centrally held accounts, such as the administrative cancellation and corrective action accounts;
- (e) Administering the arrangements for data security and safety, monitoring the international registry and taking action in response to attempted fraudulent or illegal activities detected in the registry;
- (f) Identifying users within Party-specific sections of the international registry;
- (g) In cooperation with administrators of Party-specific sections of the international registry, facilitating troubleshooting and recovery in cases where corrective action is required;
- (h) Producing reports for Parties and any required public reporting;
- (i) Representing the international registry in the forum;

146. *Also clarifies* that the administrators of Party-specific sections of the international registry shall be appointed by Parties intending to use the international registry to perform the following functions:

- (a) In cooperation with the international registry administrator, setting up and maintaining settings for the Party-specific section, in particular accounting settings and settings related to the handling of personally identifiable information in accordance with national legislation;

- (b) Opening and maintaining Party accounts;
- (c) Entering authorization data for ITMOs and entities[, including data pertaining to changes to and revocation of authorization], as appropriate;
- (d) Identifying users, unless this is delegated to the international registry administrator;

147. *Requests* the secretariat, in cooperation with RSAs through the forum, to develop and implement a procedure for identifying entities permitted to access the international registry or a connected participating Party registry, with the procedure to provide sufficient assurances that:

- (a) An entity has a legal personality and is duly registered by the national Government or is an intergovernmental organization;
- (b) An entity is fully empowered to conduct business, including holding and operating registry accounts;
- (c) All users controlling the entity's accounts have been identified, with all government identifications checked and periodically verified to minimize the risk of impersonation of the entity by unauthorized individuals;

148. *Requests* the secretariat, as the administrator of the international registry, in consultation with RSAs through the forum, to establish and implement in a timely manner interoperability arrangements for ensuring the consistency of ITMO transactions both within the international registry and between the international registry and connected participating Party registries;

XV. Submission of information by Parties using the international registry

Option 1: {Guidance for the submission of information by Parties using the international registry}

149. *Recalls* decision 6/CMA.4, annex I, paragraph 20, according to which the international registry shall enable the automatic pre-filling of the agreed electronic format for Parties participating in cooperative approaches, and therefore *notes* that such Parties performing actions relating to ITMOs in an international registry shall be provided with a pre-filled agreed electronic format for submission to the Article 6 database referred to in the annex to decision 2/CMA.3;

150. *Notes* that Parties participating in cooperative approaches that wish to perform actions relating to ITMOs in a participating Party registry connected to the international registry may be provided with a pre-filled agreed electronic format from the international registry for submission to the Article 6 database;

151. *Also notes* that Parties participating in cooperative approaches that wish to perform actions relating to ITMOs in both the international registry [or a participating Party registry connected to the international registry] and a registry not connected to the international registry shall receive a partially pre-filled agreed electronic format specifying the actions performed in the international registry [or an participating Party registry connected to the international registry] and shall be responsible for recording all actions relating to ITMOs that are performed in a registry not connected to the international registry in the agreed electronic format;

152. *Further notes* that Parties participating in cooperative approaches that wish to perform actions relating to ITMOs in a registry not connected to the international registry shall be responsible for recording those actions in full in their self-generated and -completed agreed electronic format;

Option 2: {No guidance for the submission of information by Parties using the international registry}

{No text required}

XVI. Funding secretariat activities relating to Article 6, paragraph 2, of the Paris Agreement

153. *Takes note* of the urgent need for funding for activities relating to implementation by the secretariat of its mandated tasks relating to Article 6, paragraph 2, of the Paris Agreement and the current shortfall in available funding;⁸

154. *Urgently requests* Parties to make voluntary contributions towards the planning, analysis and development of the components of the infrastructure under Article 6, paragraph 2, of the Paris Agreement;⁹

155. *Agrees*, as an interim measure, that participating Parties shall *{further elaboration required}*

{Note: Options listed below may or may not be mutually exclusive and may be combined}

Option 1: {operational activities funded from core funds}

156. *Notes* that activities related to Article 6, paragraph 2, of the Paris Agreement are recurring or long-term activities¹⁰ and should be funded from the core budget of the UNFCCC in the biennium 2026–2027;

Option 2: {operational activities funded from supplementary sources}

157. *Takes note* of the ongoing resource requirements for the annual operation of the components of the infrastructure under Article 6, paragraph 2, of the Paris Agreement for the biennium 2024–2025;¹¹

158. *Strongly encourages* Parties to make voluntary contributions towards the ongoing implementation by the secretariat of its mandated tasks relating to Article 6, paragraph 2, of the Paris Agreement;

159. *Decides* to use a grant from the Trust Fund for Supplementary Activities to fund activities related to the annual operation of the components of the infrastructure under Article 6, paragraph 2;

160. *Takes note* that the implementation by the secretariat of its mandated tasks relating to Article 6, paragraph 2, of the Paris Agreement is subject to the availability of adequate financial resources;

Option 3: {operational activities funded from annual fees levied on participating Parties}

{Note: Option applies to all Parties}

161. *Takes note* of the resource requirements for the annual operation of the components of the infrastructure under Article 6, paragraph 2, of the Paris Agreement for the biennium 2024–2025;¹²

162. *Requests* the secretariat to specify the resource requirements for the annual operation of the components of the infrastructure under Article 6, paragraph 2, of the Paris Agreement for the biennium 2026–2027 for consideration at SBI 60;

163. *Also requests* the SBI to develop an indicative scale of contributions for Parties for the biennium 2026–2027 to fund the annual operation of the components of the infrastructure under Article 6, paragraph 2, of the Paris Agreement for consideration at SBI 60 with a view to it recommending a draft decision thereon for consideration and adoption at CMA 7 (November 2025);

164. *Further requests* the SBI to consider the need for an approach that allows Parties not participating in any activities relating to Article 6, paragraph 2, of the Paris Agreement to opt out of the payment of annual contributions [for the biennium] [for the NDC implementation period], including a provision for Parties deciding to opt in at a later stage;

⁸ See document FCCC/TP/2023/1.

⁹ The relevant budget estimates are set out in table 2 of document FCCC/TP/2023/1.

¹⁰ Recurring or long-term activities are defined in document FCCC/SBI/2019/4, para. 36(b).

¹¹ The relevant budget estimates are set out in table 3 of document FCCC/TP/2023/1.

¹² The relevant budget estimates are set out in table 3 of document FCCC/TP/2023/1.

165. *Recognizes* that, in order to ensure sufficient and stable funding for activities relating to Article 6, paragraph 2, of the Paris Agreement in the biennium 2024–2025, an interim measure is necessary to meet the resource requirements referred to in paragraph 157 above;

166. *Agrees*, as an interim measure, to apply the scale of contributions¹³ for [2024] [2025] for the annual operation of the components of the infrastructure related to Article 6, paragraph 2, of the Paris Agreement;

167. *Authorizes* the secretariat to deny or suspend its implementation of any mandated activities in relation to Article 6, paragraph 2, of the Paris Agreement for a Party that has not paid the relevant annual contributions, although not earlier than four months after the beginning of the relevant calendar year and subject to at least two reminders having been given to and, prior to the final reminder, a consultation having taken place with the Party;

Option 4: {operational activities funded from usage-based fees}

168. *Decides* that the implementation by the secretariat of mandated activities relating to Article 6, paragraph 2, of the Paris Agreement shall be self-financing and funded through the collection of usage-based fees to be paid by participating Parties in advance of the requested usage;

169. *Requests* the secretariat to prepare a technical paper containing options pertaining to the collection of usage-based fees from participating Parties for consideration at SBI 60 (June 2024);

170. *Also requests* the SBI to develop and recommend a scale of usage-based fees to be paid by participating Parties for consideration and adoption at CMA 6 (November 2024);

171. *Authorizes* the secretariat to deny or suspend its implementation of any mandated activities in relation to Article 6, paragraph 2, of the Paris Agreement for a Party that has not paid the relevant usage-based fees;

Option 5: {recommendations on funding modalities to be discussed under the SBI agenda item on Administrative, financial and institutional matters}

172. *Requests* the SBI to develop recommendations on funding modalities for the annual operation of the components of the infrastructure under Article 6, paragraph 2, of the Paris Agreement for consideration and adoption at CMA 6 (November 2024).

XVII. Work programme

173. *Requests* the SBSTA to consider the need for additional guidance, if any, on the following matters with a view to making recommendations for consideration at CMA 6 (November 2024):

- (a) Application of decision 2/CMA.3, annex, paragraph 12;
- (b) Application of decision 2/CMA.3, annex, paragraph 18(h)(iii);
- (c) Categorization of the risk of reversal designation, including categorizing the risk of reversal using climate-relevant timelines;

174. *Also requests* the SBSTA to complete consideration of the need for additional guidance, if any, on the following matters with a view to making recommendations for consideration at CMA 6 (November 2024):

- (a) Elaboration of further guidance in relation to corresponding adjustments for multi-year and single-year nationally determined contributions, in a manner that ensures the avoidance of double counting, on:
 - (i) Methods for establishing an indicative trajectory, trajectories or budget and for averaging, including with respect to relevant indicators, and for calculating cumulative emissions by sources and removals by sinks;

¹³ As set out in the annex to document FCCC/SBI/2023/L.11/Add.1.

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

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

175. *Invites* Parties and observers to submit by 15 March 2024 via the submission portal¹⁴ views on the matters referred to in paragraphs 173 and 174 above;

176. *Requests* the SBSTA Chair to prepare an informal document containing possible options and recommendations on the matters referred to in paragraphs 173 and 174 above, including textual proposals, to facilitate deliberations on further guidance on cooperative approaches, drawing on the submissions referred to in paragraph 174 above, for consideration at SBSTA 60 (June 2024);

177. *Requests* the secretariat to undertake capacity-building to support participating Parties in converting ITMOs in non-GHG metrics into tonnes of carbon dioxide equivalent;

178. *Requests* the SBSTA to continue work on the AEF to accommodate ITMOs in non-GHG metrics for consideration at SBSTA 60 (June 2024) with a view to making recommendations for consideration at CMA 6 (November 2024).

XVIII. Other matters

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

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

¹⁴ <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

Annex I

Tables for submitting the agreed electronic format referred to in decision 2/CMA.3, annex, chapter IV.B (Annual information)

A. Table 1: Submission

Table 1: Submission

<i>Party^a</i>	Party
<i>Version^b</i>	X.Y
<i>Reported year^c</i>	Year
<i>Date of submission</i>	dd/mm/yyyy
<i>Status^d</i>	(Not) reviewed
<i>Validity</i>	(Not) consistent
<i>First year of the NDC implementation period</i>	Year
<i>Last year of the NDC implementation period</i>	Year
<i>Article 6 TER report^e</i>	Hyperlink

^a Reporting Party as per common nomenclatures.

^b Version submitted.

^c The annual period from 1 January to 31 December during which actions occurred.

^d "Reviewed" if the information in the submission was considered in an Article 6 report as per decision 6/CMA.4, annex II, para. 2(c). In all other cases, "Not reviewed" is used. This field is automatically completed by the CARP.

^e Hyperlink to the Article 6 TER report in which the information in the submission has been considered as per decision 6/CMA.4, annex II, para. 2(d). This field is automatically completed by the CARP.

B. Table 2: Elements of authorization

Table 2: Elements of the authorization

<i>Authorization</i>				
<i>Authorization ID^a</i>	<i>Date of authorization^b</i>	<i>Cooperative approach^c</i>	<i>Version of the authorization</i>	<i>First transferring participating Party^d</i>

(Table continues)

<i>Authorization details</i>											
<i>Metric</i>	<i>Unit/[GWP]^e</i>	<i>Authorized quantity (ITMO unit)</i>	<i>Sector(s)^f</i>	<i>Activity type(s)^g</i>	<i>Purposes for authorization</i>	<i>OIMP authorized by the Party</i>	<i>Authorized Parties/entities for use</i>	<i>Authorized use time frame^h</i>	<i>Authorized terms and conditionsⁱ</i>	<i>Authorization documentation^j</i>	<i>First transfer definition for OIMP^k</i>
GHG					NDC						Authorization
Non-GHG					NDC and OP						Issuance
					NDC and IMP						Use or cancellation
					OIMP						
					IMP						
					OP						
					All						

^a Authorization ID as assigned by the first transferring participating Party.

^b Date on which the authorization was issued.

^c ID of the cooperative approach as per common nomenclatures.

^d Participating Party in which the mitigation outcome was generated as per common nomenclatures.

^e GWP for metrics in t CO₂ eq, or unit of measurement in which the ITMOs were generated as per common nomenclatures in the case of non-GHG metrics.

^f Sector(s) in which the mitigation outcome occurred as per common nomenclatures.

^g Description of the mitigation activity type(s) as per common nomenclatures.

^h This field is optional. It may be completed to specify the validity of the authorization, if applicable.

ⁱ This field is optional. It may be completed to specify the description of the authorized terms and conditions.

^j This field is optional. It may be completed to include a hyperlink to the documentation relevant for this authorization.

^k First transfer definition as per decision 2/CMA.3, annex, para. 2(b).

C. Table 3: Actions

Table 3: Actions

Action type		Unique identifiers						Metric and quantity			
		Cooperative approach ^b	Tracking registry ID ^c	Authorization ID ^d	ITMO unique identifier ^e	Underlying units		Quantity [(ITMO unit)]	[Unit/GWP ^h]	[Quantity (t CO ₂ eq)]	[Conversion factor (reporting Party) ⁱ]
Underlying unit unique identifier ^f	Underlying registry ID ^g										
Action type ^a	Action subtype										
GHG											
Non-GHG											

(Table continues)

ITMO details		Actions									
		Transfer / Acquisition					Use or cancellation				
First transferring participating Party ^j	Mitigation type	Vintage ^k	Action ID ^l	Action date ^m	Transferring participating Party ⁿ	Acquiring participating Party ^o	Purpose for which the ITMO has been used towards OIMP ^p	Using/cancelling participating Party ^q	ID of using/cancelling authorized entity or entities ^r	Calendar year towards which the ITMOs are used towards NDC ^s	[Result of the consistency checks ^t]
Removals											

^a Action type as per decision 2/CMA.3, annex, para. 20(a).

^b ID of the cooperative approach as per common nomenclatures.

^c Unique identifier of the registry in which the reported action has been tracked as per common nomenclatures.

^d Authorization ID as assigned by the first transferring participating Party.

^e ID of the ITMO as per decision 6/CMA.4, annex I, para. 5(a).

^f Underlying unit ID for ITMOs recorded on the basis of cooperative approach units tracked in a registry.

^g ID of the underlying registry as per common nomenclatures.

^h GWP for metrics in t CO₂ eq, or unit of measurement in which the ITMOs were generated as per common nomenclatures in the case of non-GHG metrics.

ⁱ Method or factor for converting non-GHG units in the reporting Party's mitigation scenario as per decision 2/CMA.3, annex, para. 22(d).

^j Participating Party in which the mitigation outcome was generated as per common nomenclatures.

^k Year in which the mitigation outcome occurred.

^l Unique identifier of the action.

^m Date on which the action was executed in the tracking registry.

ⁿ Transferring participating Party as per common nomenclatures, to be completed when the action type is acquisition.

^o Participating Party acquiring the ITMOs as per common nomenclatures, to be completed when the action subtype is transfer to another Party or first transfer to another Party.

^p This field is optional. It may be completed to specify the purpose for which the ITMO has been used when the action subtype is use towards other purposes, use towards IMP, cancellation towards other purposes, other cancellation purposes, first transfer for OIMP / use towards IMP, first transfer for OIMP / use towards other purposes, or first transfer for OIMP / cancellation towards other purposes.

^q Using or cancelling participating Party as per common nomenclatures, to be completed when the action subtype is use towards other purposes, cancellation towards other purposes, voluntary cancellation to deliver OMGE, first transfer for OIMP / use towards other purposes, or first transfer for OIMP / cancellation towards other purposes.

^r ID of using or cancelling authorized entity or entities as per common nomenclatures, to be completed when the action subtype is use towards IMP, use towards other purposes, cancellation towards other purposes, first transfer for OIMP / use towards IMP, voluntary cancellation to deliver OMGE, first transfer for OIMP / use towards other purposes, or first transfer for OIMP / cancellation towards other purposes.

^s The calendar year towards which the ITMOs are used, to be completed when the action subtype is use towards NDC or retirement for use towards NDC (Article 6.4).

^t Shows the result of the consistency check on the reported action as per decision 2/CMA.3, annex, para. 33(a). This field is automatically completed by the CARP.

D. Table 4: Holdings

Table 4: Holdings

Unique identifier				Metric and quantity				ITMO details			
Cooperative approach ^a	ITMO unique identifier ^b	Underlying units		Metric	[Unit/GWP ^c]	Quantity [(ITMO's unit)]	[Quantity (t CO ₂ eq)]	[Conversion factor (reporting Party) ^f]	First transferring participating Party ^g	Vintage ^h	First transfer status ⁱ
		Underlying unit unique identifier ^c	Underlying registry ID ^d								
				GHG							
				non-GHG							

^a ID of the cooperative approach as per common nomenclatures.

^b ID of the ITMO as per decision 6/CMA.4, annex I, para. 5(a).

^c Underlying unit ID for ITMOs recorded on the basis of cooperative approach units tracked in a registry.

^d ID of the underlying registry as per common nomenclatures.

^e GWP for metrics in t CO₂ eq, or unit of measurement in which the ITMOs were generated as per common nomenclatures in the case of non-GHG metrics.

^f Method or factor for converting non-GHG units in the reporting Party's mitigation scenario as per decision 2/CMA.3, annex, para. 22(d).

^g Participating Party in which the mitigation outcome was generated as per common nomenclatures.

^h Year in which the mitigation outcome occurred.

ⁱ This field indicates whether the mitigation outcome was first transferred through a previous action.

Annex II

Tables for submitting regular information as per decision 2/CMA.3, annex, chapter IV.C (Regular information), paragraph 23(j), as part of annex IV to the biennial transparency report

A. Table 1: Submission

Table 1: Submission

<i>Party^a</i>	Party
<i>Version^b</i>	X.Y
<i>Reported years^c</i>	Year 1, Year 2
<i>Date of submission</i>	dd/mm/yyyy
<i>Status^d</i>	(Not) reviewed
<i>First year of the NDC implementation period</i>	Year
<i>Last year of the NDC implementation period</i>	Year
<i>Article 6 TER report^e</i>	Hyperlink

^a Reporting Party as per common nomenclatures.

^b Version submitted.

^c The two-year BTR period in which the reported actions occurred.

^d “Reviewed” if the information in the submission was considered in an Article 6 report as per decision 6/CMA.4, annex II, para. 2(c). In all other cases, “Not reviewed” is used. This field is automatically completed by the CARP.

^e Hyperlink to the Article 6 TER report in which the information in the submission has been considered as per decision 6/CMA.4, annex II, para. 2(d). This field is automatically completed by the CARP.

B. Table 2: Paragraph 23(j) in relation to paragraph 23(c) “Annual quantity of ITMOs first transferred”

Reported year ^a	Cooperative approach ^b	Sector(s) ^c	Effected first transfer ^d	Vintage ^e	Metric	Unit ^f	Annual quantity of ITMOs first transferred (ITMO unit)	Annual quantity of ITMOs first transferred (t CO ₂ eq)
GHG								
Non-GHG								

^a The year within the two-year BTR period to which the annual quantity of ITMOs first transferred relates.

^b ID of the cooperative approach as per common nomenclatures.

^c Sector(s) in which the mitigation outcome occurred as per common nomenclatures.

^d Type of first transfer effected. For types of first transfer as per para. 2(a) of decision 2/CMA.3, use “First international transfer”, and for types of first transfer as per para. 2(b), use “authorization”, “issuance” or “use or cancellation”.

^e The calendar year in which the underlying mitigation occurred.

^f The unit of measurement in which the ITMOs were generated as per common nomenclatures.

C. Table 3: Paragraph 23(j) in relation to paragraph 23(d) “Annual quantity of mitigation outcomes authorized for use for other international mitigation purposes and entities authorized to use such mitigation outcomes, as appropriate”

Reported year ^a	Cooperative approach ^b	Sector(s) ^c	OIMP ^d	Authorized participating Parties or authorized entities ^e	Vintage ^f	Metric	Unit ^g	Annual quantity of mitigation outcomes authorized for use for other international mitigation purposes (ITMO unit)	Annual quantity of mitigation outcomes authorized for use for other international mitigation purposes (t CO ₂ eq)
GHG									
non-									
GHG									

^a The year within the two-year BTR period to which the annual quantity of ITMOs first transferred relates.

^b ID of the cooperative approach as per common nomenclatures.

^c Sector(s) in which the mitigation outcome occurred as per common nomenclatures.

^d Specific OIMP towards which the ITMOs can be or were used for.

^e Authorized participating Parties and authorized entities that used or will use the mitigation outcome for OIMP as per common nomenclatures.

^f The calendar year in which the underlying mitigation occurred.

^g The unit of measurement in which the ITMOs were generated as per common nomenclatures.

D. Table 4: Paragraph 23 (j) in relation to paragraph 23 (e) “Annual quantity of ITMOs used towards achievement of NDC”

<i>Reported year^a</i>	<i>Cooperative approach^b</i>	<i>Sector(s)^c</i>	<i>First transferring participating Party^d</i>	<i>Vintage^e</i>	<i>Metric</i>	<i>Unit^f</i>	<i>Annual quantity of ITMOs used towards achievement of NDC (ITMO unit)</i>	<i>Annual quantity of ITMOs used towards achievement of NDC (t CO₂ eq)</i>
					GHG			
					non-GHG			

^a The year within the two-year BTR period to which the annual quantity of ITMOs first transferred relates.

^b ID of the cooperative approach as per common nomenclatures.

^c Sector(s) in which the mitigation outcome occurred as per common nomenclatures.

^d Country of the participating Party where the mitigation outcome was generated as per common nomenclatures.

^e The calendar year in which the underlying mitigation occurred.

^f The unit of measurement in which the ITMOs were generated as per common nomenclatures.