

## DRAFT TEXT

on

### SBSTA 59 agenda item 13(b)

Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and referred to in decision 3/CMA.3

Version 2/12/2023 22:30

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## **Recommendation to the CMA for inclusion in the draft CMA decision on guidance on the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement**

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

*Recalling the mechanism established by Article 6, paragraph 4, of the Paris Agreement and the aims referred to therein,*

*Also recalling decision 3/CMA.3 and its annex, containing the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement,*

*Further recalling decision 7/CMA.4 and its annex I, which elaborates the processes defined in the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement,*

### **I. Emission avoidance and conservation enhancement activities**

**Option 1** *{Emission avoidance and conservation enhancement activities are eligible and are to be operationalized by the Supervisory Body}*

1. *Decides* that Article 6, paragraph 4, activities could include emission avoidance and conservation enhancement activities in addition to emission reduction and removal activities;
2. *Requests* the Supervisory Body for the mechanism established by Article 6, paragraph 4, to develop specific requirements and processes for emission avoidance and conservation enhancement activities that are consistent with the rules, modalities and procedures for the mechanism<sup>1</sup> and other relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

**Option 2** *{Emission avoidance and conservation enhancement activities may already be covered by emission reduction or removal activities}*

3. **Option 2.1:** *Decides* that there is no need for further guidance on emission avoidance and conservation enhancement, noting that these mitigation activities may be recognized as emission reduction or removal activities provided that they meet the requirements of the mechanism established by Article 6, paragraph 4 and that they apply an applicable methodology approved by the Supervisory Body;
4. **Option 2.2:** *Clarifies* that emission avoidance and conservation enhancement activities are covered by emission reduction or removal activities noting that these activity types may be implemented in line with the methodology and removal requirements under the mechanism established by Article 6, paragraph 4, other related rules and guidance developed by the Supervisory Body;

**Option 3** *{Emission avoidance and conservation enhancement activities are not eligible}*

5. *Decides* that emission avoidance and conservation enhancement activities do not qualify as eligible activities under the mechanism established by Article 6, paragraph 4;

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<sup>1</sup> Decision 3/CMA.3, annex.

**Option 4 {Separate emission avoidance from conservation enhancement activities}**

6. *Clarifies* that conservation enhancement activities are already covered by removal activities under the mechanism established by Article 6, paragraph 4;

**Option 4.1:**

7. *Decides* that Article 6, paragraph 4, activities could include emission avoidance activities in addition to emission reduction and removal activities;

8. *Requests* the Supervisory Body for the mechanism established by Article 6, paragraph 4, to develop specific requirements and processes for emission avoidance activities that are consistent with the rules, modalities and procedures for the mechanism and other relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

*{End of option 4.1}*

**Option 4.2:**

9. *Decides* that emissions avoidance activities are not eligible under the mechanism established by Article 6, paragraph 4;

**Option 5 {Continuation of consideration of the matter at a future session}**

10. *Requests* the Subsidiary Body for Scientific and Technological Advice to consider, and to develop, on the basis of the rules, modalities and procedures for the Article 6, paragraph 4, mechanism, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

**Option 5.1:** at its sixth session (November 2024), recommendations on the consideration of whether Article 6, paragraph 4, activities could include emission avoidance and conservation enhancement activities);

**Option 5.2:** at its tenth session (2028), as part of the recommendations for the review of the rules, modalities and procedures referred to in paragraphs 10–11 of decision 3/CMA.3, recommendations on the consideration of whether Article 6, paragraph 4, activities could include emission avoidance and conservation enhancement activities;

## **II. Article 6, paragraph 4, mechanism registry**

**Option 1 {Transfer of authorized A6.4ERs}**

11. *Decides* that, in addition to the ability to pull and view data and information<sup>2</sup> on holdings and the action history of authorized A6.4ERs, the connection between the international registry<sup>3</sup> and the Article 6, paragraph 4, mechanism registry shall enable the transfer of authorized A6.4ERs from the mechanism registry to accounts within the Party-specific sections of the international registry;

12. *Also decides* that connections may be established between the mechanism registry and participating Party registries for the same purposes as for establishing a connection of the mechanism registry with the international registry as referred to in paragraph 11 above, and that Parties that wish to connect a registry to the mechanism registry shall ensure that the registry implements interoperability arrangements and initializes connectivity according to a secure interoperability protocol to be developed by the secretariat in collaboration with the Article 6 registry system administrators forum;

**Option 2: {Acknowledgment of connection between participating Party registries and the mechanism registry and need for interoperability on that basis}**

13. *Decides* that a connection may be established between the mechanism registry and participating Party registries, and that Parties that wish to connect a registry to the mechanism registry shall ensure that the registry implements interoperability arrangements and initialize

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<sup>2</sup> Pursuant to decision 3/CMA.3, annex, para. 63, and decision 6/CMA.4, annex I, para. 24.

<sup>3</sup> As referred to in decision 2/CMA.3, annex, para. 30.

connectivity according to a secure interoperability protocol to be developed by the secretariat in collaboration with the Article 6 registry system administrators forum;

**Option 3 {Specific measures to address limitations from the transfer of A6.4ERs}**

14. *Decides* that the connection between the international registry<sup>4</sup> and the Article 6, paragraph 4, mechanism registry shall have specific measures in place to address limitations that could happen from the transfer of authorized A6.4ERs from the mechanism registry to accounts within the Party-specific sections of the international registry.

**Option 4 {No transfer of authorized A6.4ERs}**

{no text required}

### III. Authorization of Article 6, paragraph 4, emission reductions

15. *Decides* that, pursuant to paragraph 42 of the rules, modalities and procedures for the Article 6, paragraph 4, mechanism, the host Party of an Article 6, paragraph 4, activity shall provide to the Supervisory Body for the mechanism a statement on the authorization of A6.4ERs that may be issued for the activity:

- a) **Option 1:** When it provides to the Supervisory Body an approval of the activity in accordance with paragraph 40 of the same rules, modalities and procedures;
- b) **Option 2:** At registration of the activity;
- c) **Option 3:** Before the submission of the first request for issuance of the A6.4ERs.

16. *Decides* that the host Party shall state one of the following in the statement referred to in paragraph 15 above:

- (a) It authorizes A6.4ERs for use towards achievement of nationally determined contributions;
- (b) It authorizes A6.4ERs for use towards other international mitigation purposes as defined in decision 2/CMA.3;
- (c) It authorizes A6.4ERs for use towards either of the purposes referred to in subparagraphs (a)(b) above;
- (d) It does not authorize A6.4ERs for use towards either of the purposes referred to in subparagraphs (a)(b) above;

17. *Also decides* that, if the host Party authorizes A6.4ERs for use towards achievement of nationally determined contributions and/or for other international mitigation purposes in accordance with paragraph 16(a), 16(b) or 16(c) above, it [may][shall] provide in the statement relevant information on the authorization, including, but not limited to:

- (a) The maximum amount of A6.4ERs that the host Party authorizes for each purpose, as applicable;
- (b) The monitoring period applicable to the authorization and the possibility of extending the period of authorization, as applicable;
- (c) The alignment with long-term low-emission development strategies;
- (d) The durability of mitigation regarding any ex-post crediting period impacts;
- (e) The name of the activity from which the A6.4ERs originate;
- (f) The name(s) of the activity participants;
- (g) The vintages of A6.4ERs;
- (h) The name of the authorizing entity of the host Party;

<sup>4</sup> As referred to in decision 2/CMA.3, annex, para. 30.

18. *Further decides* that if the host Party authorizes A6.4ERs for other international mitigation purposes in accordance with paragraph 16(b) or 16(c) above, it shall specify in the statement how it defines “first transfer” consistently with paragraph 2(b) of the annex to decision 2/CMA.3;

19. *Decides* that the host Party of an Article 6, paragraph 4, activity may choose to delay the provision of any or all of the information referred to in paragraph 16-18 above [and 21 below] and by indicating in the statement the timing of the provision of a revised statement containing the information, which shall be any time after the approval of the activity in accordance with paragraph 40 of the rules, modalities and procedures for the Article 6, paragraph 4, mechanism but prior to the submission of the first request for issuance of A6.4ERs for the activity;

20. *Also decides* that the first request for issuance of A6.4ERs for an Article 6, paragraph 4, activity may be submitted to the secretariat only after the host Party has provided such a statement containing all of the information referred to in paragraphs 16-18 above [and 21 below];

**Option 1:** *{Revision of the statement of authorization}*

21. *Decides* that the host Party shall provide conditions or circumstances for, and timing of, possible revision of the statement, and the implications thereof when submitting the statement referred to in paragraph 15 above;

22. *Also decides* that the host Party may revise the statement only under the conditions or circumstances referred to in paragraph 21 above, which shall apply;

**Option 1.1:** only to the future requests for issuance;

**Option 1.2:** to the future requests for issuance and may also apply to the A6.4ERs already issued but not first transferred;

**Option 1.3:** to the future requests for issuance and may also apply to the A6.4ERs already issued and first transferred;

**Option 2:** *{No revision of the statement of authorization}*

*{No text required}*

## IV. Other matters

**Option 1** *{National arrangements – for consideration at CMA 6}*

23. *Reiterates* the request<sup>5</sup> to the Subsidiary Body for Scientific and Technological Advice to continue consideration of, and to develop, on the basis of the rules, modalities and procedures for the Article 6, paragraph 4, mechanism, for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session (November 2024), recommendations on further responsibilities of the Supervisory Body for the mechanism and of Parties that host Article 6, paragraph 4, activities in order for such host Parties to elaborate on and apply national arrangements for the mechanism under the approval and supervision of the Supervisory Body;

24. *Invites* Parties and observer organizations to submit, via the submission portal,<sup>6</sup> by 15 March 2024, their views on the matters referred to in paragraph 23 above, for consideration by the Subsidiary Body for Scientific and Technological Advice at its sixtieth session (June 2024);

**Option 2** *{National arrangements – for consideration as part of RMPs review at CMA 10}*

25. *Requests* the Subsidiary Body for Scientific and Technological Advice to develop, on the basis of the rules, modalities and procedures for the Article 6, paragraph 4, mechanism, as part of the recommendations for the review of the rules, modalities and procedures and for

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<sup>5</sup> Decision 7/CMA.4, para. 8.

<sup>6</sup> <https://www4.unfccc.int/sites/submissionsstaging/Pages/Home.aspx>.

consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its tenth session (2028) referred to in paragraphs 10–11 of decision 3/CMA.3, recommendations on further responsibilities of the Supervisory Body for the mechanism and of Parties that host Article 6, paragraph 4, activities in order for such host Parties to elaborate on and apply national arrangements for the mechanism under the approval and supervision of the Supervisory Body.

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