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Concept note

Process for transition of CDM activities to the Article 6.4 mechanism

Version 01.0



United Nations
Framework Convention on
Climate Change

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1. Procedural background

1. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), at its third session, adopted rules, modalities and procedures (RMPs) for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (the Article 6.4 mechanism).¹ Chapter XI.A of the RMPs contains provisions that allow transition of project activities and programmes of activities (PoAs) registered under the clean development mechanism (CDM) under Article 12 of the Kyoto Protocol or listed as provisional as per the temporary measures adopted by the CDM Executive Board to the Article 6.4 mechanism.
2. The CMA, at its fourth session, elaborated key conditions and processes for such transition (hereinafter referred to as the elaboration of the RMPs).² At the same session, the CMA also requested³ the Supervisory Body to facilitate the tasks related to the transition of CDM activities to the Article 6.4 mechanism by:
 - (a) Developing and operationalizing a procedure for requesting transition, which includes relevant forms, by no later than June 2023;
 - (b) Developing and operationalizing the transition process and reporting back to the CMA at its fifth session.

2. Purpose

3. The purpose of this concept note is to propose approaches to operationalizing the process for transition of CDM project activities, PoAs and component project activities (CPAs) therein, as well as the requests listed as provisional under the temporary measures referred to in paragraph 1 above, to the Article 6.4 mechanism.

3. Key issues

3.1. Eligibility for transition

3.1.1. Crediting period

4. The CMA, through the elaboration of the RMPs, clarified that registered CDM project activities that may transition to the Article 6.4 mechanism shall have the crediting period that “would have been active as of 1 January 2021 had the crediting under the CDM continued after the end of the second commitment period of the Kyoto Protocol”. This condition is clear enough to determine which CDM project activities may transition to the Article 6.4 mechanism in terms of this eligibility requirement, based on the publicly available database of registered CDM activities, which contains the information on, among

¹ Decision 3/CMA.3, annex as contained in document FCCC/PA/CMA/2021/10/Add.1 available at: <https://unfccc.int/documents/460950>.

² Decision -/CMA.4, annex I, chapter I in document entitled, “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement” (Advance unedited version) available at: https://unfccc.int/sites/default/files/resource/cma4_auv_14_PA6.4.pdf.

³ Decision -/CMA.4, paragraph 23.

others, the duration and the validity of the crediting period of each registered CDM activity.⁴ In this context, it should be noted that, under the CDM, there is a deadline for requesting renewal of the crediting period; that is, one year after the expiry of the previous crediting period. Therefore, the latest possible date of submission of a renewal request for any registered CDM project activity whose renewable crediting period had expired prior to 1 January 2021 was 31 December 2021, which is already in the past. Consequently, there will be no additional registered CDM project activities that will newly qualify for this eligibility condition.

5. For CDM PoAs, the crediting period is not defined at the PoA level, but only at the CPA level. This is because a PoA is a framework (template), while it is the CPAs therein that generate emission reductions with their crediting periods starting, renewing and ending individually. For this reason, the notion of “the PoA period” is defined instead, which shall be renewed every seven years, with the total duration of PoA periods being a maximum of 28 years. Nevertheless, in accordance with paragraph 5 of the elaboration of the RMPs, the eligibility condition for transition on the crediting period can be applied to PoAs similarly by interpreting it as that the PoA period would have been active as of 1 January 2021. It should be noted that, unlike requesting renewal of the crediting period, there is no deadline for requesting renewal of the PoA period due to the framework nature of PoAs.⁵ Therefore, in order to further clarify the application of this eligibility condition to PoAs, thereby increasing the predictability for the management of the transition process, the Supervisory Body may wish to specify a cut-off date for the submission of PoA period renewal requests under the CDM solely for the purpose of closing the list of the PoAs that may qualify for this eligibility condition.
6. For CPAs included in registered CDM PoAs, since they have their own crediting periods specified individually, the same analysis on determining CPAs that qualify for the eligibility condition described in paragraph 4 above applies. Furthermore, it is logical to assume that only CPAs included in the CDM PoAs that successfully transition to the Article 6.4 mechanism may transition, at the same time or after the transition of the corresponding PoAs. The Supervisory Body may wish to clarify this.
7. The numbers of registered CDM project activities, PoAs and CPAs included therein that may potentially transition to the Article 6.4 mechanism are presented in table 1 below (the far-right column).

Table 1. Numbers of CDM activities that qualify for the eligibility condition on crediting period for transition to the Article 6.4 mechanism

Activity type	Registered/included activities	Crediting period expired before 1 January 2021	Crediting period active as at 1 January 2021
Project activities	7,865	4,568*	3,297
PoAs	353	197**	156**
CPAs	2,704	1,229*	1,475

Note: * Renewal is no longer possible. Includes deregistered activities.

** The number may change since there is no deadline for requesting renewal of the PoA period.

⁴ Available at <http://cdm.unfccc.int/Projects/projsearch.html>.

⁵ There is a negative consequence of late renewal; that is, not being able to include new CPAs in the PoA or to renew the crediting period of already included CPAs until the PoA period is renewed.

8. The CMA, through the elaboration of the RMPs, clarified that the crediting period type and the remaining number of renewals of the crediting period (if it is renewable) of CDM activities that transition to the Article 6.4 mechanism shall not change at the time of or after the transition. This is sufficiently clear to operationalize this requirement for transitioning CDM activities.
9. The CMA, through the elaboration of the RMPs, also clarified that the current crediting period of CDM activities that transition to the Article 6.4 mechanism shall end, whichever is earlier:
 - (a) When the current crediting period would have ended had the crediting period under the CDM continued after the end of the second commitment period of the Kyoto Protocol;
 - (b) On 31 December 2025, if the crediting period is renewable;
 - (c) On the date determined under the conditions of the crediting period that may be specified by the respective host Parties in accordance with paragraph 27(b) of the RMPs.
10. While the end date of the current crediting period that carries over from the CDM is clear, there is a need to clarify when and how to renew the crediting period of transitioning activities whose current crediting period has ended or will end by 31 December 2025 if there exist no methodologies that may be used under the Article 6.4 mechanism (hereinafter referred to as mechanism methodologies) that are applicable to these activities at the transition. This issue will be discussed in paragraphs 16–18 below.
11. The CMA, through the elaboration of the RMPs, clarified that the effective date of transition may be deemed as 1 January 2021 at the earliest, irrespective of the date of approval of the requests for transition by the Supervisory Body. This means that the crediting under the Article 6.4 mechanism for transitioning activities will start on 1 January 2021 without having a gap from the crediting under the CDM.

3.1.2. Activity design

12. The CMA, through the elaboration of the RMPs, set out the following eligibility conditions on activity design for transitioning activities:
 - (a) The activity types shall be among those indicated by the respective host Parties in accordance with paragraph 26(e) of the RMPs;
 - (b) The activities shall demonstrate compliance with the requirements of the RMPs in accordance with guidance to be provided by the Supervisory Body;
 - (c) The CDM methodologies applied to the activities shall meet the methodological requirements that may be specified by the respective host Parties in accordance with paragraph 27(a) of the RMPs, taking into account the condition referred to in paragraph 73(d) of the RMPs. If the CDM methodologies do not meet these requirements, they shall be replaced accordingly;
 - (d) The activities shall apply the same global warming potential values (GWPs) as applicable to any activities under the Article 6.4 mechanism in accordance with relevant decisions of the CMA.

13. To implement the condition referred to in paragraph 12(a) above for a specific transitioning activity, the host Party needs to have indicated to the Supervisory Body the activity types that it would consider approving. Since such indication is one of the requirements for host Parties to participate in the Article 6.4 mechanism, it is likely that the host Party will provide the indication to the Supervisory Body prior to providing an approval (also to the Supervisory Body) of the transition of an activity in accordance with paragraph 73(b) of the RMPs for the very first time. Assuming that processing of a transition request will commence only after the Supervisory Body receives an approval of transition from the host Party, the checking as to whether the transitioning activity falls under the activity types that the host Party indicates can be undertaken. If this assumption does not hold, then the checking of the compliance with this requirement would need to wait until the host Party indicates the activity types that it would consider approving, implying that the processing of the transition request will have to be suspended until that time. See also section 3.2 below for the procedural sequence.
14. To implement the condition referred to in paragraph 12(b) above, as indicated therein, the Supervisory Body needs to develop guidance on how to demonstrate the compliance of transitioning activities with the requirements in the RMPs. In this section, only the requirements of the RMPs relating to the activity design contained in their chapter V.A (Activity design) will be considered, while procedural requirements of the RMPs that may be applicable to transitioning activities will be considered in section 3.2 below.
15. Firstly, it should be remembered that many activity design requirements contained in chapter V.A of the RMPs are similar to those under the CDM, which all transitioning activities have been confirmed to meet by the CDM Executive Board; therefore, there are only a limited number of activity design requirements in this chapter that may need to be newly checked regarding the compliance. Table 2 below summarizes such analysis.

Table 2. Application of activity design requirements in the RMPs to transitioning activities

Activity design requirements in the RMPs	Possible application to transitioning CDM activities
<p>V (Article 6, paragraph 4, activity cycle)</p> <p>A (Activity design)</p> <p>31. The activity:</p> <p style="padding-left: 40px;">(a) Shall be designed to achieve mitigation of greenhouse gas (GHG) emissions that is additional, including reducing emissions, increasing removals and mitigation co-benefits of adaptation actions and/or economic diversification plans (hereinafter collectively referred to as emission reductions), and not lead to an increase in global emissions;</p> <p style="padding-left: 40px;">(b) May be a project, programme of activities or other type of activity approved by the Supervisory Body;</p>	<ul style="list-style-type: none"> - All CDM activities are deemed to meet this requirement through the applied CDM methodologies and eventual requirement relating to overall mitigation in global emissions and corresponding adjustment, which will be applied also to Article 6, paragraph 4, emission reductions (A6.4ERs) issued for transitioned activities. - All CDM activities are deemed to meet this requirement.

<p>(c) Shall be designed to achieve emission reductions in the host Party;</p> <p>(d) Shall also:</p> <p>(i) Deliver real, measurable and long-term benefits related to climate change in accordance with decision 1/CP.21, paragraph 37(b);</p> <p>(ii) Minimize the risk of non-permanence of emission reductions over multiple nationally determined contribution (NDC) implementation periods and, where reversals occur, ensure that these are addressed in full;</p> <p>(iii) Minimize the risk of leakage and adjust for any remaining leakage in the calculation of emission reductions or removals;</p> <p>(iv) Minimize and, where possible, avoid negative environmental and social impacts;</p> <p>(e) Shall undergo local and, where appropriate, subnational stakeholder consultation consistent with applicable domestic arrangements in relation to public participation and local communities and indigenous peoples, as applicable;</p> <p>(f) Shall apply a crediting period for the issuance of A6.4ERs, that is a maximum of 5 years renewable a maximum of twice, or a maximum of 10 years with no option of renewal, that is appropriate to the activity, or, in respect of activities involving removals, a crediting period of a maximum of 15 years renewable a maximum of twice that is appropriate to the activity, and that is subject to approval by the Supervisory Body, or any shorter crediting period specified by the host</p>	<ul style="list-style-type: none"> - All CDM activities are deemed to meet this requirement. - Some CDM activities may not meet this requirement depending on the interpretation of “long-term benefits”. There is a need to provide guidance on how to demonstrate “long-term benefits”, taking into account the on-going consideration by the Supervisory Body of application of chapter V of the RMPs. - Some afforestation or reforestation (A/R) CDM activities may need modifications to the activity design, or procedural rules to address the risk of non-permanence and reversals under the Article 6.4 mechanism, which is subject to CMA decision on removals expected at CMA 5. This requirement is not relevant to non-A/R CDM activities. - All CDM activities are deemed to meet this requirement through the applied CDM methodologies. - All CDM activities are deemed to meet this requirement partially through the assessment of environmental impacts. Assessment of social impacts is required only for A/R activities under the CDM; hence, it may need to be assessed for non-A/R transitioning CDM activities. - All CDM activities are deemed to meet this requirement. - CDM activities have different lengths of renewable crediting periods from those under the Article 6.4 mechanism (maximum 7 years for non-A/R activities and maximum 20 years for A/R activities); hence, adjustments to the length and the determination of the remaining length and remaining number of renewals are needed. This was clarified at CMA 4 for transitioning CDM activities. See paragraphs 8 and 9 above.
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<p>Party pursuant to paragraph 27(b) above. The crediting period shall not start before 2021.</p> <p>32. The activity shall apply a mechanism methodology that has been developed in accordance with chapter V.B below (Methodologies) and approved by the Supervisory Body following its technical assessment, in order to:</p> <p>(a) Set a baseline for the calculation of emission reductions to be achieved by the activity;</p> <p>(b) Demonstrate the additionality of the activity;</p> <p>(c) Ensure accurate monitoring of emission reductions;</p> <p>(d) Calculate the emission reductions achieved by the activity.</p>	<p>- In accordance with paragraph 73(d) of the RMPs, no change to the currently applied CDM methodologies is needed for CDM activities at transition; hence, this requirement is not relevant for transitioning activities unless the transitioning activities voluntarily switch to mechanism methodologies at transition. For the cases where the crediting period expires before 31 December 2025 and applicable mechanism methodology does not exist for the new crediting period, see paragraph 18 below.</p> <p>- GWPs to calculate emission reductions or removals applicable for post-2020 period for various GHGs need to be specified, which should be in line with those applied for the transparency framework under the Paris Agreement.⁶</p>
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16. Chapter V.B (Methodologies) of the RMPs contains requirements to develop methodologies and standardized baselines that may be used for Article 6.4 mechanism activities. In accordance with paragraph 73(d) of the RMPs, transitioning CDM activities and activities listed as provisional under the temporary measures may continue to apply their current approved CDM methodologies until the end of their respective current crediting periods or until 31 December 2025, whichever is earlier. Therefore, this chapter is not relevant to transitioning activities unless:

- (a) The project participants of transitioning activities wish to voluntarily apply mechanism methodologies at transition; or
- (b) The current crediting periods of transitioning activities have already expired when the requests for transition are processed or after 31 December 2025, whichever is earlier.

17. At this point, it should be clarified that the rule on the continued use of CDM methodologies contained in paragraph 73(d) of the RMPs does not apply to provisional requests for

⁶ The CMA, through decision 18/CMA.1, annex, paragraph 37, agreed to use the GWPs from the Fifth Assessment Report of the Intergovernmental Panel on Climate Change to report aggregate emissions and removals of GHGs to implement Article 13, paragraph 7(a) of the Paris Agreement.

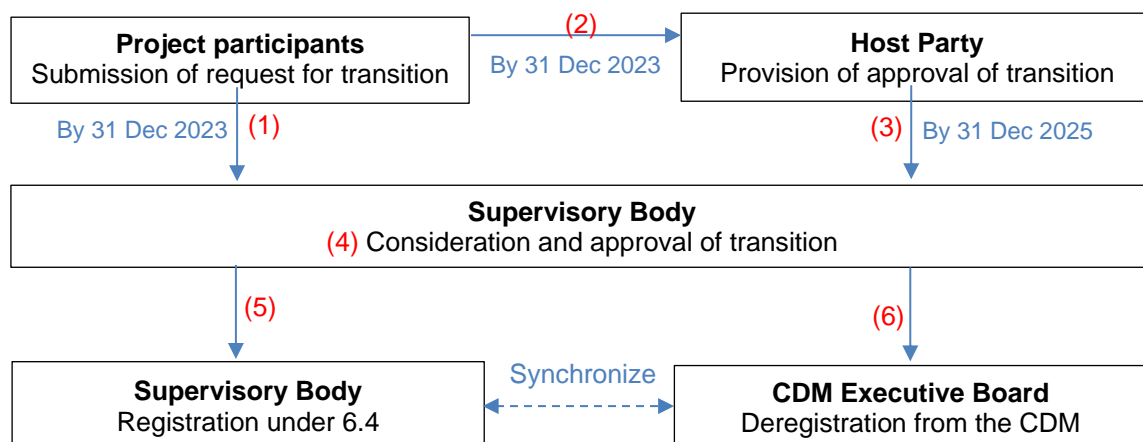
renewal, since such requests are relating to the period after the renewal, while the underlying activities have already benefited from this rule for the period before the renewal. Provisional requests for registration and provisional inclusion of CPAs should benefit from paragraph 73(d) of the RMPs for their first crediting periods under the Article 6.4 mechanism. The same can be said to provisional requests for issuance, as long as they are relating to the monitoring periods before the first renewal of the underlying activities under the Article 6.4 mechanism.

18. For both cases referred to in paragraph 16(a)–(b) above, mechanism methodologies would need to be applied. However, the availability of applicable mechanism methodologies to transitioning activities depends on the activities and when to renew the transitioned activities. Because of this, and in particular to address the cases referred to in paragraph 16(b) above, the CMA, through paragraph 9 of the elaboration of the RMPs, mandated the Supervisory Body to provide “interim solutions”. With this background, such interim solutions could be to clarify that:
 - (a) The processes of transition to, and renewal under, the Article 6.4 mechanism are separate processes and will not be merged even if the crediting period has already expired when the transition process commences;
 - (b) Renewal of transitioned activities under the Article 6.4 mechanism always follows all of its relevant rules, including the application of mechanism methodologies. Therefore, renewal has to wait until applicable mechanism methodologies become available to the transitioned activities;
 - (c) The new crediting period after such renewal will start immediately after the previous crediting period irrespective of the date of approval of renewal to avoid a crediting period gap.

3.2. Transition process

19. Based on paragraphs 73(a) and 73(b) of the RMPs, the process for transition of CDM activities would comprise the steps illustrated below.

Figure 1. Transition process



20. Establishing the process for steps (1) and (2) in the figure above is the priority for the Supervisory Body as requested by the CMA, with the deadline of 30 June 2023, as referred to in paragraph 2(a) above. Due to this timeframe, and recognizing that the details of requirements for transitioning activities including possible modifications to the PDDs, the necessity of revalidation by a designated operational entity (DOE) and possible additional compliance check by the Supervisory Body, may have not been clarified by the Supervisory Body by then, it would be reasonable to assume that steps (1) and (2) are for project participants only to indicate an intention of transition without necessitating technical documentation that demonstrates the compliance with the transition requirements discussed in section 3.1.2 above. Consequently, developing the following would be sufficient for now to facilitate the operation of these steps:
- (a) Templates for requesting transition (one for submission to the host Party, the other to the Supervisory Body);
 - (b) Web interface for submitting requests.
21. Step (3) in the figure above would also benefit from developing a template and submission interface for host Parties to use. More importantly, in relation to this step, there may be a need for the Supervisory Body to clarify the linkage of this step (paragraph 73(b) of the RMPs) to the fulfilment by the host Party of the requirements to participate in the Article 6.4 mechanism (paragraphs 26–27 of the RMPs, hereinafter referred to as the participation requirements), as it would affect the procedural sequence of the transition process, particularly on the specification of activity types that the host Party shall (i.e. mandatory) indicate that it would consider approving, and on the methodological conditions and/or crediting period conditions that the host Party may (i.e. optional) specify. The options for such clarification could be that:
- (a) **Option 1:** The host Party may submit an approval of transition of a specific CDM activity to the Supervisory Body only after it has fulfilled the participation requirements, and the consideration by the Supervisory Body of the transition request shall start only after the host Party has submitted an approval of transition;
 - (b) **Option 2:** The host Party may submit an approval of transition of a specific CDM activity to the Supervisory Body irrespective of its status of fulfilment of the participation requirements, but the consideration by the Supervisory Body of the transition request shall start only after the host Party has fulfilled the participation requirements.
22. In relation to host Party approval of transition, it should be noted that the CMA has not yet given clarification on the timing, required information and any revision of providing a statement by the host Party on the authorization on the use of A6.4ERs arising from Article 6.4 mechanism activities. Assuming that provision of such statement is also required for transitioning activities, the decision of the CMA (expected at CMA 5) may affect the timing of step (3).
23. There may be many ways to implement step (4) in the figure above. Recognizing that there are a limited number of additional (new) requirements for the activity design compared to those under the CDM as analysed in paragraph 15 above, it is recommended that a simple process be applied separately from the full-fledged process that will be applicable to new activities under the Article 6.4 activity cycle, which the Supervisory Body is also currently developing. Such a simple process could be:

- (a) Required documentation to start step (4): To require the submission of an addendum to the PDD on the CDM activity web page to demonstrate the compliance with additional requirements under the Article 6.4 mechanism and to provide any changes to the information in the PDD;
 - (b) Necessity of validation by a DOE: To make validation by a DOE mandatory only if the transitioning activity voluntarily applies a mechanism methodology at transition;
 - (c) Process of consideration of the transition request: The secretariat is to conduct completeness check and substantive check of the addendum, and may raise an issue in the transition request;
 - (d) Review and decision-making by the Supervisory Body: If an issue is raised by the secretariat, the Supervisory Body reviews the transition request and decides whether to accept or reject the transition, after possible reconciliation process (e.g. revision of the addendum) with the project participants.
24. For step (4), it should also be noted that the CMA, through the elaboration of the RMPs, clarified that requests for transition of CDM activities are subject to the share of proceeds applicable to requests for registration under the Article 6.4 mechanism (the registration fee). In practice, the processing of transition requests should start only after the receipt of the registration fee to ensure that the administrative cost associated with processing the requests is recovered.
25. Paragraph 74 of the RMPs mandated the Supervisory Body to ensure that small-scale CDM project activities and CDM PoAs undergo an expedited transition process in accordance with decisions of the Supervisory Body by prioritizing the requests to transition from such activities. This needs to be taken into account when scheduling the start of processing received transition requests at step (4).
- ### 3.3. Provisional requests
26. Paragraph 73 of the RMPs made it clear that the requests listed as provisional under the temporary measures adopted by the CDM Executive Board may also transition to the Article 6.4 mechanism. These provisional requests include:
- (a) Requests for registration of project activities and PoAs with the crediting period or PoA period starting on or after 1 January 2021;
 - (b) Requests for renewal of crediting periods or PoA periods with the new period starting on or after 1 January 2021;
 - (c) Inclusion of CPAs with the crediting period starting on or after 1 January 2021;
 - (d) Renewal of crediting periods of CPAs with the new crediting period starting on or after 1 January 2021;
 - (e) Requests for issuance of certified emission reductions for emission reductions achieved on or after 1 January 2021;
27. The numbers of these requests listed as provisional are presented in table 3 below.

Table 3. Numbers of provisional requests under the temporary measures (as of 31 January 2023)

Activity type	Provisional registration requests	Provisional issuance requests	Provisional renewal requests
Project activities	24 (+22)	69 (+17)	98 (+9)
PoAs	10 (+6)	5 (+9)	0
CPAs	140 (+177)	N/A	33 (+0)

Note: 1) The numbers in brackets with “+” are additional numbers of cases currently being processed under the temporary measures. If they have successfully undergone the respective processes under the temporary measures, they will be added to the provisional requests.

2) The number of cases of provisional inclusion of CPAs is presented in the column of “Provisional registration requests” due to the same nature as registration.

28. The temporary measures follow the CDM requirements with the exception of GWPs.⁷ Therefore, for finalizing provisional registration requests, the same consideration presented in sections 3.1.2 above apply, mutatis mutandis, as summarized below:
- (a) Assessments on the compliance with new elements for Article 6.4 activities as analysed in table 2 above would be needed before the requests are finalized;
 - (b) The crediting period may start as early as 1 January 2021, based on the date indicated in the provisional registration request, but the length and renewability of the crediting period shall follow the same rules as those applicable to Article 6.4 mechanism activities from the very beginning;
29. The CMA, through the elaboration of the RMPs, clarified that provisional requests for issuance and renewal shall be processed only after the respective underlying CDM activities have successfully transitioned to the Article 6.4 mechanism. This would mean that:
- (a) Requests for finalization of provisional issuance requests may be submitted only after the underlying CDM activities have successfully transitioned to the Article 6.4 mechanism. In doing so, monitoring results and calculation of emission reductions would need to be modified at least to apply the GWPs specified by the CMA for the period after 2020 (see paragraph 12(d) and the last row in table 2 above), and, if applicable, to apply any methodological conditions that may be specified by the host Parties in accordance with the modified PDDs of the underlying transitioned activities. In this context, the deadline for submission of requests for transition (31 December 2023) is not relevant to submissions of requests for finalization of provisional issuance requests. If the underlying CDM activities fail to transition to the Article 6.4 mechanism, the Supervisory Body shall inform so to the CDM Executive Board, so that the latter may reject such provisional issuance requests pursuant to paragraph 14 of decision 2/CMP.16;
 - (b) To renew transitioned activities for the first time under the Article 6.4 mechanism, applied CDM methodologies would have to be replaced with applicable mechanism methodologies and follow methodological conditions that may be specified by the

⁷ Requests under the temporary measures shall apply the lowest value from the Intergovernmental Panel on Climate Change second, fourth and fifth assessment reports for each greenhouse gas for a 100-year time horizon. See more details on https://cdm.unfccc.int/Reference/CDM_note.html.

Section	Recommendation
<p>3.2 Transition process</p>	<ul style="list-style-type: none"> ◦ The processes of transition to, and renewal under, the Article 6.4 mechanism are separate processes and will not be merged even if the crediting period has already expired when the transition process commences; ◦ Renewal of transitioned activities under the Article 6.4 mechanism always follows all of its relevant rules, including the application of mechanism methodologies. Therefore, renewal has to wait until applicable mechanism methodologies become available to the transitioned activities; ◦ The new crediting period after such renewal will start immediately after the previous crediting period irrespective of the date of approval of renewal. - Develop templates for requesting transition and for host Party approval and web interface for submitting transition requests and host Party approvals. - Clarify the linkage of the step of host Party approval of specific activities and the fulfillment by the host Party to participate in the Article 6.4 mechanism as: <ul style="list-style-type: none"> ◦ Option 1: The host Party may submit an approval of transition of a specific CDM activity to the Supervisory Body only after it has fulfilled the participation requirements, and the consideration by the Supervisory Body of the transition request shall start only after the host Party has submitted an approval of transition; ◦ Option 2: The host Party may submit an approval of transition of a specific CDM activity to the Supervisory Body irrespective of its status of fulfilment of the participation requirements, but the consideration by the Supervisory Body of the transition request shall start only after the host Party has fulfilled the participation requirements. - Develop a simple process for processing transition requests: <ul style="list-style-type: none"> ◦ Required documentation to start consideration by the Supervisory Body: an addendum to the project design document (PDD) on the CDM activity web page to demonstrate the compliance with additional requirements under the Article 6.4 mechanism and to provide any changes to the information in the PDD; ◦ Necessity of validation by a DOE: To make validation by a DOE mandatory only if the transitioning activity voluntarily applies a mechanism methodology at transition; ◦ Process of consideration of the transition request: The secretariat is to conduct completeness check and

Section	Recommendation
<p>3.3 Provisional requests</p>	<p>substantive check of the addendum, and may raise an issue in the transition request;</p> <ul style="list-style-type: none"> ◦ Review and decision-making by the Supervisory Body: If an issue is raised by the secretariat, the Supervisory Body reviews the transition request and decides whether to accept or reject the transition, after possible reconciliation process (e.g. revision of the addendum) with the project participants. <p>- Develop a process for finalization of <u>provisional registration requests</u> by:</p> <ul style="list-style-type: none"> ◦ Conducting the same assessments as for transitioning CDM activities to finalize the requests; ◦ Clarifying that the crediting period may start as early as 1 January 2021 based on the date indicated in the provisional registration requests, but the length and renewability of the crediting period shall follow the same rules as for Article 6.4 mechanism activities from the very beginning. <p>- Develop a process for finalization of <u>provisional issuance requests</u> by:</p> <ul style="list-style-type: none"> ◦ Clarifying that requests for finalization of provisional issuance requests may be submitted only after the underlying CDM activities have successfully transitioned to the Article 6.4 mechanism. In doing so, monitoring results and calculation of emission reductions would need to be modified at least to apply the GWPs specified by the CMA for the period after 2020, and, if applicable, to apply any methodological conditions that may be specified by the host Parties in accordance with the modified PDDs of the underlying transitioned activities. ◦ Clarifying that the deadline for submission of requests for transition (31 December 2023) is not relevant to submissions of requests for finalization of provisional issuance requests. ◦ Clarifying that, if the underlying CDM activities fail to transition to the Article 6.4 mechanism, the Supervisory Body shall inform so to the CDM Executive Board, so that the latter may reject provisional issuance requests pursuant to paragraph 14 of decision 2/CMP.16. <p>- Clarify that <u>provisional renewal requests</u> should be replaced with newly prepared renewal requests under the article 6.4 mechanism after the underlying CDM activities have successfully transitioned to the Article 6.4 mechanism. Consequently, the Supervisory Body shall inform this clarification to the CDM Executive Board so that the latter</p>

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	may reject all provisional renewal requests and cease to accept new renewal requests under the temporary measures, notifying to the proponents that renewal requests may be submitted under the Article 6.4 mechanism with modified documentation once the underlying CDM activities have successfully transitioned to the Article 6.4 mechanism, and the deadline for submission of requests for transition (31 December 2023) is not relevant to submissions of such renewal requests.

4. Impacts

32. Development of operational rules for the transition of CDM activities and provisional requests under the temporary measures enables the CMA decisions on the transition of CDM activities to the Article 6.4 mechanism to be operationalized.

5. Subsequent work and timelines

33. Based on the guidance provided by the Supervisory Body on the proposals in this note, the secretariat will draft standards and procedures for the transition process and present them at the fifth meeting of the Supervisory Body for its consideration.
34. Furthermore, the secretariat will start developing templates (forms) and web interface referred to in this note to support the transition process.

6. Recommendations to the Supervisory Body

35. The secretariat recommends that the Supervisory Body provide guidance to the secretariat on the proposals in this note.

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Document information

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