

**A6.4-SB004-AA-A12**

Concept note

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Capacity-building programme to support the transition of eligible CDM project activities and programmes of activities to the Article 6.4 mechanism

Version 01.0



<b>TABLE OF CONTENTS</b>	<b>Page</b>
<b>1. PROCEDURAL BACKGROUND.....</b>	<b>3</b>
<b>2. PURPOSE .....</b>	<b>4</b>
<b>3. KEY ISSUES .....</b>	<b>5</b>
3.1. Key areas of capacity-building activities for the transition from the CDM to the Article 6.4 mechanism.....	5
3.2. Modalities for implementing capacity-building activities .....	8
<b>4. IMPACTS.....</b>	<b>11</b>
<b>5. SUBSEQUENT WORK AND TIMELINES.....</b>	<b>11</b>
<b>6. RECOMMENDATIONS TO THE SUPERVISORY BODY.....</b>	<b>11</b>
<b>APPENDIX. KEY ACTIVITIES AND TARGET GROUPS FOR TRANSITIONING FROM THE CDM TO THE ARTICLE 6.4 MECHANISM OF THE PARIS AGREEMENT .....</b>	<b>12</b>

## 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 (November 2021), adopted decision 3/CMA.3.<sup>1</sup> The decision contains, inter alia, the following provisions relating to capacity-building:
  - (a) Requests the secretariat, including through its regional collaboration centres (RCCs) and in consultation with the Supervisory Body, to design and implement, in consultation with Parties, a capacity-building programme to assist Parties wishing to voluntarily participate in the mechanism to, inter alia:
    - (i) Establish the necessary institutional arrangements to implement the requirements contained in the annex of the CMA decision.
    - (ii) Develop the technical capacity to design and set baselines for application in host Parties.
  - (b) Notes with appreciation decision 2/CMP.16,<sup>2</sup> pursuant to which the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol allocated funds from the Trust Fund for the Clean Development Mechanism under Article 12 of the Kyoto Protocol to the Trust Fund for Supplementary Activities for the purpose of expediting implementation of the Article 6.4 mechanism.
2. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP) decided “to authorize the transfer of USD 10 million from the Trust Fund for the Clean Development Mechanism to the Trust Fund for Supplementary Activities **for the work of the Supervisory Body to provide**, through the regional collaboration centres, capacity-building in developing countries for applying the Article 6.4 mechanism, and support for the transition of clean development mechanism project activities and programmes of activities to the Article 6.4 mechanism if they are eligible for transition;” (decision 2/CMP.16, paragraph 19).
3. At its fourth session, the CMA requested<sup>3</sup> the secretariat to expedite the implementation of the capacity-building programme referred to in decision 3/CMA.3, paragraph 14, prioritizing elements that are more urgent and relevant to enabling Parties to participate in the mechanism, and taking into account the work it has already initiated under the capacity-building programme, and to report regularly on the status of its implementation to the CMA.
4. The CMA further requested the Supervisory Body to facilitate the tasks related to the transition of clean development mechanism (CDM) activities to the Article 6.4 mechanism by:<sup>4</sup>

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<sup>1</sup> See decision 3/CMA.3 contained in the document FCCC/PA/CMA/2021/10/Add.1 available at: <https://unfccc.int/documents/460950>.

<sup>2</sup> See document FCCC/KP/CMP/2021/8/Add.1 available at: [https://unfccc.int/sites/default/files/resource/cmp2021\\_8a01\\_adv.pdf#page=3](https://unfccc.int/sites/default/files/resource/cmp2021_8a01_adv.pdf#page=3).

<sup>3</sup> See Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement (draft decision -/CMA.4) available at: [https://unfccc.int/sites/default/files/resource/cma4\\_auv\\_14\\_PA6.4.pdf](https://unfccc.int/sites/default/files/resource/cma4_auv_14_PA6.4.pdf).

<sup>4</sup> See decision 3/CMA.3, annex, chapter XI.A.

- (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.
5. This concept note is limited to the CMP decision specified in paragraph 2 above for supporting the transition of clean development mechanism project and programmes of activities to the Article 6.4 mechanism. It is important to note that paragraph 1 above is implemented by the secretariat and that an information note on this track of work for consideration by the supervisory body is expected at the next meeting of the Supervisory Body<sup>5</sup>.

## 2. Purpose

6. The CMA decided to transition the CDM to the Article 6.4 mechanism to provide a mechanism for countries to cooperate on emission reductions and sustainable development through international carbon markets. The mandates for the transition included the integration of sustainable development principles and stakeholder engagement, the creation of a new governance structure, and the development of robust accounting rules and methodologies to ensure the environmental integrity of the carbon market.
7. In order to accelerate the implementation of Article 6 (Paris Agreement), it is important to achieve a common understanding of the rules of Article 6 across all stakeholder groups in order to create an enabling environment for the development of emission reduction projects, and to assist in integrating Article 6 in the achievement of nationally determined contributions (NDCs).
8. The purpose of this concept note is to seek guidance from the Supervisory Body on the proposed approaches outlined in this note for fulfilling the mandates from the CMA to the Supervisory Body regarding:
- (a) providing, through the RCCs, capacity-building in developing countries to apply the Article 6.4 mechanism;
  - (b) supporting the transition of CDM project activities and programmes of activities to the Article 6.4 mechanism if they are eligible for transition from the CDM, particularly on aspects related to:
    - (i) **Identifying key areas of capacity-building activities for the transition from the CDM to the Article 6.4 mechanism** including requirements for participating in the mechanism in accordance with decision 3/CMA.3 paragraphs 26 and 27;
    - (ii) **Modalities for implementing proposed capacity-building activities** including relevant processes and procedures to help inter alia designated

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<sup>5</sup> See document A6.4-SB002-A02 Workplan of the Supervisory Body 2022–2023 available at: <https://unfccc.int/sites/default/files/resource/a64-sb002-a02.pdf>.

national authorities (DNAs), Designated Operational Entity (DOE) and project participants (PPs) make the transition.

- (iii) **Any additional guidance** for effective and expeditious implementation the transition of CDM project activities and programmes of activities to the Article 6.4 mechanism.

### 3. Key issues

#### 3.1. Key areas of capacity-building activities for the transition from the CDM to the Article 6.4 mechanism

9. Decision 3/CMA.3, paragraph 26, requires that each host Party of Article 6.4 activities, prior to participating in the mechanism shall ensure that:

- (a) It is a Party to the Paris Agreement;
- (b) It has prepared, communicated and is maintaining an NDC in accordance with Article 4, paragraph 2;
- (c) It has designated a national authority for the mechanism and has communicated that designation to the secretariat.

**Issues:**

- *Not all Parties may be aware of this requirement.*
- *Parties may not know how to address it.*
- *A process to collect and maintain designations from national authorities is not available.*

**Proposed solutions:**

- *Communicate (remind) Parties of this requirement.*
- *Design and implement a process, including a template, for Parties to communicate designations of their national authorities to the secretariat.*

- (d) It has indicated publicly to the Supervisory Body how its participation in the mechanism will contribute to sustainable development, while acknowledging that the consideration of sustainable development is a national prerogative.

**Issues:**

- *Not all Parties may be aware of this requirement.*
- *Parties may not know how to report on their contribution to sustainable development.*

**Proposed solutions:**

- *Communicate (remind) Parties of this requirement.*
- *Design and implement a sustainable development tool<sup>6</sup>, including enhanced capacity of DNAs, DOEs and PPs to define, measure and report contributions to sustainable development.*

- (e) It has indicated publicly to the Supervisory Body the types of Article 6.4 activities that it would consider approving pursuant to chapter V.C (Approval and authorization), and how such types of activities and any associated emission reductions would contribute to the achievement of its NDC (if applicable), to its long-term low greenhouse gas (GHG) emission development strategy (if it has submitted one), and to the long-term goals of the Paris Agreement.

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<sup>6</sup> See paragraph 12 of A6.4-SB004-AA: Concept Note “Workplan for developing a sustainable development tool for the mechanism established by Article 6, paragraph 4, of the Paris Agreement”.

**Issues:**

- *Not all Parties may be aware of these requirements or may not know how to address them.*

**Proposed solutions:**

- *Communicate (remind) Parties of this requirement.*
- *Design and implement tools and prepare guidance for Parties to define their types of Article 6.4 activities, and to indicate how such types of activities and any associated emission reductions would contribute to:*
  - o *the achievement of its NDC (if applicable),*
  - o *its long-term low greenhouse gas (GHG) emission development strategy (if it has submitted one), and,*
  - o *the long-term goals of the Paris Agreement.*

10. Decision 3/CMA.3, paragraph 27 requires that a host Party may specify to the Supervisory Body prior to participating in the mechanism:

- (a) Baseline approaches and other methodological requirements, including additionality, to be applied for Article 6.4 activities that it intends to host, in addition and subject to and consistent with these rules, modalities and procedures, under the supervision of the Supervisory Body, and subject to further relevant decisions of the CMA, with an explanation of how those approaches and requirements are compatible with its NDC and, if it has submitted one, its long-term low GHG emission development strategy;

**Issues:**

- *Not all Parties may be aware of this requirement or may not know how to address it.*

**Proposed solutions:**

- *Communicate (remind) Parties of this requirement.*
- *Design and develop guidance and knowledge tools on, amongst others:*
  - o *How to apply baseline approaches and other methodological requirements.*
  - o *How to document baseline approaches and other methodological requirements. How to apply such requirements and how to document if they are compatible with the NDC and with the long-term low GHG emission development strategy as applicable.*

- (b) Crediting periods to be applied for Article 6.4 activities that it intends to host, including whether the crediting periods may be renewed, subject to these rules,

modalities and procedures and under the supervision of the Supervisory Body, and in accordance with further relevant decisions of the CMA, with an explanation of how those crediting periods are compatible with its NDC and, if it has submitted one, its long-term low GHG emission development strategy.

**Issues:**

- *Not all Parties may be aware of this requirement or may not know how to address them.*
- *The compatibility of the crediting periods with the party's NDC and long-term low GHG emission development strategy is a key aspect that the Parties need to demonstrate when submitting their crediting periods for hosting Article 6.4 activities. To do this, Parties should provide a detailed explanation of how the crediting periods align with their overall climate goals and strategies as outlined in their NDC and long-term low GHG emission development strategy. This can include demonstrating how the activities will contribute to reducing emissions and achieving the targets set out in the NDC, as well as how activities support the long-term low GHG emission development strategy. This information is important for the Supervisory Body to assess the credibility and effectiveness of the proposed crediting periods.*

**Proposed solutions:**

- *Communicate of such a requirement to Parties.*
- *Design and develop guidance and knowledge tools on:*
  - o *How the crediting periods align with the overall climate goals and strategies as outlined in the NDC and long-term low GHG emission development strategy*
  - o *How to demonstrate that the activities will contribute to reducing emissions and achieving the targets set out in the NDC, as well as supporting the long-term low GHG emission development strategy*

### 3.2. Modalities for implementing capacity-building activities

11. The Supervisory Body can use various modalities of capacity-building to enhance the capacity of DNAs, PPs and DOEs to implement Article 6.4 activities.



**Issues:**

*The Supervisory Body may wish to discuss modalities, prioritize the capacity-building activities, and expedite the effective implementation of the activities regarding the transition of the CDM to the Article 6.4 mechanism by the end of 2023.*

**Proposed solutions:****a. Prioritization and modalities**

*The Supervisory Body can help ensure DNAs, PPs and DOEs understand the rules, modalities, and procedures for Article 6.4 activities, particularly on those related to the transition from the CDM, and, make them ready by undertaking the following:*

- (i) **Collaborate with relevant organizations**, such as the International Emissions Trading Association and the United Nations Institute for Training and Research, in developing and implementing the capacity-building activities*
- (ii) **Assess current capacity of countries and stakeholders involved** in the CDM and identifying gaps and areas for improvement;*
- (iii) **Develop targeted capacity building activities**, based on the outcomes of the capacity assessment, to develop targeted training programmes that address identified gaps towards enhancing the capacity of stakeholders;*
- (iv) **Provide Technical assistance and mentoring DNAs, PPs and DOEs** to strengthen their understanding of the technical requirements for Article 6.4 activities and to provide support in implementing their projects;*
- (v) **Develop online resources and e-learning, and guidance documents**, to strengthen DNAs, PPs and DOEs understanding of the rules, modalities and procedures for Article 6.4 activities;*
- (vi) **Engage with stakeholders**, through, inter alia, roundtable discussions, stakeholder meetings, dialogues and public consultations, to raise awareness and understanding of the different perspectives of the stakeholders, including DNAs, PPs and DOEs, and to build support for their projects. In-person capacity building activities can be carried out in the margins of high-visibility events with the presence of DNAs, DOEs and PPs such as: Regional Climate Weeks, June Subsidiary Bodies sessions and UNFCCC negotiating sessions.*
- (vii) **Monitor and evaluate progress** of the capacity-building activities to ensure that they are effectively supporting the transition of the CDM to the Article 6.4 mechanism.*

**b. Timelines for implementation**

*There are principles that the Supervisory Body may wish to consider when implementing timelines for new work activities:*

- (i) **Communications:** Adequate communication should be provided to all stakeholders, to ensure that they understand the new requirements and the timeline for implementation
- (ii) **Feasibility:** The timeline should be realistic and achievable, taking into account the resources and capabilities of the organizations affected by the new requirements;
- (iii) **Stakeholder Impact:** The timeline should take into account the impact that the new requirements will have on various stakeholders, including businesses, consumers, and the environment;

**Modularly Approach:** The implementation of new requirements can be phased in over time to minimize disruption and allow organizations to adjust gradually while demonstrating compliance with new requirements and deadlines. The timeline of areas of work should allow for adjustments and changes if necessary, taking into account feedback from stakeholders and changes in circumstances.

#### **c. Ensuring effectiveness**

The Supervisory Body can ensure the effectiveness of its capacity-building activities to support the transition of the CDM to the Article 6.4 mechanism by under-taking the following:

- (i) **Develop clear goals and objectives for capacity-building activities aligned** with the overall objectives of the transition of the CDM to the Article 6.4 mechanism;
- (ii) **Measure progress and impacts of capacity-building** using metrics such as, increased participation in carbon markets, enhanced understanding of Article 6, and increased number of projects submitted under Article 6;
- (iii) **Engage stakeholders**, such as governments, private sector entities, and civil society organizations, through the seeking of feedback on capacity-building activities towards assessing their effectiveness;
- (iv) **Adapt and refine activities**, based on the feedback and evaluation results, to ensure they remain effective and relevant;
- (v) **Build long-term relationships with stakeholders** and continue to provide support and resources beyond the initial capacity-building initiatives.
- (vi) **Evaluate outcomes and outcomes-based impact** of the capacity-building efforts to determine effectiveness and make recommendations for future improvements;
- (vii) **Synergy and complementarity.** Whenever possible, capacity building initiatives will be implemented in an integral and complementary way to the capacity development program of the secretariat (decision 3/CMA.3). Likewise, synergy will be sought with other actions to strengthen the capacities of the secretariat and other organizations.

## **4. Impacts**

12. The development of an effective capacity-building programme on the implementation of Article 6.4 activities in an expedient manner will support the operationalization of the transition from the CDM to the Article 6.4 mechanism.
13. Building capacity transition from the CDM to the Article 6.4 mechanism will increase the effectiveness and efficiency of carbon markets in reducing emissions and in promoting sustainable development.

## **5. Subsequent work and timelines**

14. Based on the guidance provided by the Supervisory Body on the proposals provided in this note, the secretariat will implement capacity-building activities to support the transition of eligible CDM project activities and programmes of activities to the Article 6.4 mechanism.

## **6. Recommendations to the Supervisory Body**

15. The secretariat recommends the Supervisory Body to implement the capacity-building activities to support the transition based on the guidance provided to the secretariat on the proposal in this note.
16. The secretariat also recommends that a progress report on capacity-building activities be produced by the secretariat for consideration of the Supervisory Body on a bi-annual basis.

## Appendix. Key activities and target groups for transitioning from the CDM to the Article 6.4 mechanism of the Paris Agreement

Requirement for transitioning from the CDM to the Article 6.4 mechanism	Activity Group/ Cycle and Means of CB	Tasks/ activities / Proposed timeline in parenthesis	Target group
Decision 3/CMA.3, paragraph 26, requires that each host Party of Article 6.4 activities shall, prior to participating in the mechanism, shall ensure that:			
It has designated a national authority for the mechanism and has communicated that designation to the secretariat.	1. Direct communication via RCCs	1. Communicate (remind) of such a requirement to Parties. <ul style="list-style-type: none"> <li>i. Engage with those missing to establish if there is interest and identify support needed. (March 2023)</li> <li>ii. Map out designated national authorities (that communicated their designated authorities) with support from RCCs and report to SB. (March 2023)</li> <li>iii. Send emails, letters or organize calls with NFPs who express interest. (March 2023)</li> </ul>	DNAs
	1. Technical infrastructure 2. Facilitate setting up/utilization of data collection systems 3. Knowledge products (including templates, examples of letters of expression of interest, etc.) available on website	1. Design and implement a process including a template that the national authority can use to communicate designations of national authority. (March 2023) 2. Develop online training courses on operationalizing Article 6.4 (eligibility criteria) particularly for transitioning from the CDM.	DNAs, PPs

Requirement for transitioning from the CDM to the Article 6.4 mechanism	Activity Group/ Cycle and Means of CB	Tasks/ activities / Proposed timeline in parenthesis	Target group
	<ol style="list-style-type: none"> <li>4. Online and onsite trainings courses</li> <li>5. Helpdesks</li> </ol>	<ol style="list-style-type: none"> <li>3. Provide technical assistance and mentoring to DNAs, PPs, and DOEs to help them understand the technical requirements for Article 6.4 activities and to support them in the implementation of their projects including through creation and maintenance of helpdesks.</li> </ol>	
<p>It has indicated publicly to the Supervisory Body how its participation in the mechanism will contribute to sustainable development, while acknowledging that the consideration of sustainable development is a national prerogative.</p>	<ol style="list-style-type: none"> <li>1. Direct communication via RCCs</li> </ol>	<ol style="list-style-type: none"> <li>1. Communicate (remind) of such a requirement to Parties.                             <ol style="list-style-type: none"> <li>i. Engage with those missing to establish if there is interest and identify support needed. (March 2023)</li> <li>ii. Map out designated national authorities (that communicated their designated authorities) with support from RCCs and report to SB. (March 2023)</li> <li>iii. Send letter or organize calls with NFPs who express interest. (March 2023)</li> </ol> </li> </ol>	<p>DNAs</p>
	<ol style="list-style-type: none"> <li>1. Technical infrastructure</li> <li>2. Facilitate setting up/utilization of data collection systems</li> <li>3. Knowledge products (including templates) available on website</li> <li>4. Online and onsite trainings courses</li> <li>5. Helpdesks</li> </ol>	<ol style="list-style-type: none"> <li>1. Design and implement a SD tool and a system of contributions to sustainable development. (June 2023)</li> <li>2. Organize training sessions, workshops and courses on latest relevant decisions including rules, modalities and procedure for Article 6.4 activities and provide guidance on best</li> </ol>	<p>DNAs, PPs, DOEs, private sector, and any other national and subnational authorities</p>

Requirement for transitioning from the CDM to the Article 6.4 mechanism	Activity Group/ Cycle and Means of CB	Tasks/ activities / Proposed timeline in parenthesis	Target group
		<p>practices and lessons learned on SD related matters. (June and October 2023).</p> <ol style="list-style-type: none"> <li>3. Develop online training courses on operationalizing Article 6.4, SD matters (June 2023).</li> <li>4. Provide technical assistance and mentoring to DNAs, PPs, and DOEs to help them understand the technical requirements for Article 6.4 activities and to support them in the implementation of their projects including through creation and maintenance of helpdesks. (ready in March continue along 2023).</li> <li>5. Facilitating stakeholder engagement, such as roundtable discussions, stakeholder meetings, dialogues, and public consultations, to help DNAs, PPs, and DOEs understand the perspectives of different stakeholders and to build support for their projects. (June 2023).</li> </ol> <p>Note:</p> <p>Some existing regulations and materials from the CDM may also be used to expedite capacity building activities.</p> <p>DNAs may need support for systematic assessment of sustainable development in the context of national priorities; private sector should be made aware of how to</p>	

Requirement for transitioning from the CDM to the Article 6.4 mechanism	Activity Group/ Cycle and Means of CB	Tasks/ activities / Proposed timeline in parenthesis	Target group
		<p>evaluate the SD benefits and demonstrate them to buyers;</p> <p>Develop a SD toolbox compiling readily available tools that could be considered by the countries to evaluate SD con-benefits where necessary (should include examples, good practices)</p>	
<p>It has indicated publicly to the Supervisory Body the <b>types of Article 6.4 activities</b> that it would consider approving pursuant to chapter V.C (Approval and authorization), and how such types of activities and any associated emission reductions would contribute to the achievement of its NDC (if applicable), to its long-term low greenhouse gas (GHG) emission development strategy (if it has submitted one), and to the long-term goals of the Paris Agreement.</p>	<ol style="list-style-type: none"> <li>1. Direct communication via RCCs</li> </ol> <ol style="list-style-type: none"> <li>1. Knowledge product - guidelines</li> <li>2. Knowledge product - video tutorials</li> <li>3. Technical infrastructure</li> <li>4. Dedicated workshops</li> <li>5. Facilitate setting up/utilization of data collection systems</li> <li>6. Side events</li> <li>7. On-site and online courses</li> </ol>	<ol style="list-style-type: none"> <li>1. Communicate such a requirement to Parties. <ol style="list-style-type: none"> <li>i. Engage with DNAs confirming if there is interest and identify support needed. (March 2023)</li> <li>ii. Send letter or organize calls with NFPs who express interest to define next steps (March 2023)</li> </ol> </li> <li>1. Provide tools and guidance to Parties to <b>define their types of Article 6.4 activities, and to indicate how such types of activities and any associated emission reductions would contribute to:</b> <ol style="list-style-type: none"> <li>i. the achievement of its NDC (if applicable),</li> <li>ii. its long-term low greenhouse gas (GHG) emission development strategy</li> </ol> </li> </ol>	<p>DNAs</p> <p>DNAs, PPs, and DOEs</p>

		<p>(LT-LEDs) (if it has submitted one), and,</p> <p>iii. the long-term goals of the Paris Agreement.</p> <p>2. In order to support the Parties to understand aspects related to defining types of Article 6.4 activities and how such types of activities would contribute to achievements of its NDCs an LT-LEDs, a global guide can be developed, but it is also possible, with the help of the RCCs, to support the parties to develop their own customized tools tailored according to their national conditions and circumstances.</p> <p>3. (October 2023 periodically until December 2025)</p> <p>4. Create awareness-raising, knowing sharing, knowledge products on defining types of Article 6.4 activities and on the opportunities for and benefits of engaging in carbon market mechanisms in the context of NDC implementation, including supporting greater ambition for climate action.</p> <p>5. Integration of Article 6 into the national reporting process for the enhanced transparency framework: biennial transparency report, national inventory report, MRV of mitigation outcomes at various levels (national, sectoral, activity level) and tracking progress towards NDC achievement. Additional reports for Article 6, tracking and reporting.</p>	
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Requirement for transitioning from the CDM to the Article 6.4 mechanism	Activity Group/ Cycle and Means of CB	Tasks/ activities / Proposed timeline in parenthesis	Target group
Decision 3/CMA.3, paragraph 27 requires that a host Party may specify to the Supervisory Body prior to participating in the mechanism:			
Baseline approaches and other methodological requirements, including additionality, to be applied for Article 6.4 activities that it intends to host, in addition and subject to and consistent with these rules, modalities and procedures, under the supervision of the Supervisory Body, and subject to further relevant decisions of the CMA, with an explanation of how those approaches and requirements are compatible with its NDC and, if it has submitted one, its long-term low GHG emission development strategy;	1. Direct communication via RCCs (Who expressed interest, who are more advanced or ready, etc.)	2. Communicate (remind) of such a requirement to Parties. 3. Engage with DNAs confirming if there is interest and identify support needed. (March 2023) i. Engage with DNAs confirming if there is interest and identify support needed. (March 2023) ii. Send letter or organize calls with NFPs who express interest to organize dedicated sessions (March 2023)	DNAs, PPs, and DOEs
	1. Knowledge product - guidelines 2. Knowledge product - video tutorials 3. Technical infrastructure 4. Dedicated workshops 5. Facilitate setting up/utilization of data collection systems 6. Side events 7. On-site and online courses	1. Produce guidance and knowledge tools on: i. How to apply baseline approaches and methodological requirements. (June 2023) ii. How to explain how those approaches and requirements are compatible with its NDC and, if it has submitted one, its long-term low GHG emission development strategy. (June 2023) 2. Create awareness-raising, knowing sharing, knowledge products on Baseline approaches and other methodological requirements, including additionality activities and on the opportunities for and benefits of engaging in	DNAs, PPs, and DOEs

Requirement for transitioning from the CDM to the Article 6.4 mechanism	Activity Group/ Cycle and Means of CB	Tasks/ activities / Proposed timeline in parenthesis	Target group
		<p>carbon market mechanisms in the context of NDC implementation, including supporting greater ambition for climate action. (October, 2023)</p> <p>3. Organize South-South dialogues with countries that have already engaged in a bilateral agreement under Article 6 and made progress; leverage the lessons learned through piloting. (October 2023)</p>	
<p>Crediting periods to be applied for Article 6.4, activities that it intends to host, including whether the crediting periods may be renewed, subject to these rules, modalities and procedures and under the supervision of the Supervisory Body, and in accordance with further relevant decisions of the CMA, with an explanation of how those crediting periods are compatible with its NDC and, if it has submitted one, its long-term low GHG emission development strategy.</p>	<p>1. Direct communication via RCCs (Who expressed interest, who are more advanced, readiness, etc.)</p> <p>1. Knowledge product - guidelines 2. Knowledge product - video tutorials 3. Technical infrastructure 4. Dedicated workshops 5. Facilitate setting up/utilization of data collection systems 6. Side events 7. On-site and online courses</p>	<p>• Communicate and raise awareness of such a requirement to Parties. (June 2023)</p> <p>1. Produce a guidance / system on Body Baseline approaches and other methodological requirements. (March 2023)</p> <p>2. Create awareness-raising, knowing sharing, knowledge products on defining types of Article 6.4 activities and on the opportunities for and benefits of engaging in carbon market mechanisms in the context of NDC implementation, including supporting greater ambition for climate action. (June 2023)</p> <p>3. Integration of Article 6 into the national reporting process for the enhanced transparency framework: biennial transparency report, national inventory report, MRV of mitigation outcomes at various levels (national, sectoral, activity level) and tracking progress towards NDC</p>	<p>DNAs, PPs, and DOEs</p> <p>DNAs, PPs, and DOEs</p>

Requirement for transitioning from the CDM to the Article 6.4 mechanism	Activity Group/ Cycle and Means of CB	Tasks/ activities / Proposed timeline in parenthesis	Target group
		achievement. Additional reports for Article 6, tracking and reporting. (October 2023)	
Any other requirements or relevant elements to participate in the mechanism (ensuring broad participation of Parties).			
Transition	<ol style="list-style-type: none"> <li>1. Knowledge product - guidelines</li> <li>2. Dedicated workshops</li> <li>3. Facilitate setting up/utilization of data collection systems</li> </ol>	<ol style="list-style-type: none"> <li>1. In order to support the Parties to understand aspects related to facilitating participation in the mechanism and transition, a global guide can be developed, but it is also possible, with the help of the RCCs, to support the parties to develop their own tools designed according to their national conditions and circumstances. (October 2023 periodically until December 2025)</li> </ol> <p>Note:</p> <p>Transition process<sup>1</sup></p> <p>Pursuant to paragraph 73(a) of the rules modalities and procedures (RMP), the project participants of a registered CDM project activity or the coordinating/managing entity of a registered CDM PoA that are approved by the CDM host Party, or an entity acting on their behalf, that wish to transition the activity to the Article 6.4 mechanism shall submit a request for such transition to the secretariat and to the</p>	DNAs

<sup>1</sup> Decision X/CMA.4, annex I, chapter I.

Requirement for transitioning from the CDM to the Article 6.4 mechanism	Activity Group/ Cycle and Means of CB	Tasks/ activities / Proposed timeline in parenthesis	Target group
		<p>designated national authority (DNA) for the Article 6.4 mechanism of the CDM host Party, as designated in accordance with paragraph 26(c) of the RMPs, informing the DNA for the CDM of the same Party by no later than 31 December 2023 in accordance with the procedure to be developed by the Supervisory Body.</p> <p>Pursuant to paragraph 73(b) of the RMPs, the DNA for the Article 6.4 mechanism of a CDM host Party, if it approves the transition, shall provide the approval to the Supervisory Body by no later than 31 December 2025 in accordance with the procedure to be developed by the Supervisory Body.</p>	
Any other relevant regulations	<ol style="list-style-type: none"> <li>1. Knowledge product - guidelines</li> <li>2. Knowledge product - video tutorials</li> <li>3. Technical infrastructure</li> <li>4. Dedicated workshops</li> <li>5. Facilitate setting up/utilization of data collection systems</li> <li>6. Side events</li> <li>7. On-site and online courses</li> </ol>	<ol style="list-style-type: none"> <li>1. Monitor decisions under a separate relevant SB 004 regulatory items and factor in such outcomes in the capacity building plans and produce guidance materials. Some examples of such relevant regulatory outcomes from SB meetings include: <ul style="list-style-type: none"> <li>• Project Cycle Procedure</li> <li>• Project Standard</li> <li>• Accreditation Procedure</li> <li>• Accreditation Standard</li> <li>• Process for transition of CDM activities to the Article 6.4 mechanism</li> <li>• Sustainable development tool</li> </ul> </li> </ol>	DNAs, DOEs, PPs

Requirement for transitioning from the CDM to the Article 6.4 mechanism	Activity Group/ Cycle and Means of CB	Tasks/ activities / Proposed timeline in parenthesis	Target group
		<ul style="list-style-type: none"> <li>• Consideration of special circumstances of LDCs and SIDS</li> <li>• Participation by small and micro businesses in the mechanism</li> <li>• Develop rules, modalities, and procedures for removal activities</li> <li>• Sequencing of work across meth, accreditation, transition, etc.</li> <li>• Process for transition of CDM activities to the Article 6.4 mechanism</li> <li>• Selection of experts / Process for operation of the roster of experts</li> <li>• Other possible guidance by the SB on:               <ul style="list-style-type: none"> <li>○ How to deliver real, measurable and long-term benefits related to climate change in accordance with decision 1/CP.21, paragraph 37(b);</li> <li>○ How to 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;</li> <li>○ How to minimize the risk of leakage and adjust for any remaining leakage</li> </ul> </li> </ul>	

Requirement for transitioning from the CDM to the Article 6.4 mechanism	Activity Group/ Cycle and Means of CB	Tasks/ activities / Proposed timeline in parenthesis	Target group
		<p>in the calculation of emission reductions or removals;</p> <ul style="list-style-type: none"> <li>○ How to minimize and, where possible, avoid negative environmental and social impacts;</li> <li>○ How to undertake 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;</li> <li>○ How to use the Global Warming Potential to calculate emission reductions or removals applicable for post-2020 period for various GHGs<sup>2</sup>.</li> </ul> <p>(Period June 2023 - December 2025)</p>	

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<sup>2</sup> 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.

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Concept note: Capacity-building programme to support the transition of eligible CDM project activities and programmes of activities to the Article 6.4 mechanism Version 01.0

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