

A6.4-SB006-AA-A02

Draft

Standard and procedure for transition of CDM activities to the Article 6.4 mechanism

Version 02.0

DRAFT



COVER NOTE

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 Executive Board of the CDM² (hereinafter referred to as provisional requests) 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).³ At the same session, the CMA also requested⁴ 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.
3. The Supervisory Body, at its fourth meeting, considered the concept note “Process for transition of CDM activities to the Article 6.4 mechanism”, as contained in annex 9 of the annotated agenda of that meeting,⁵ and requested the secretariat to draft a standard and a procedure for the transition process based on the proposals contained in the concept note, reflecting the guidance on specific elements of the process that the Supervisory Body provided at that meeting.⁶
4. The Supervisory Body, at its fifth meeting, considered the draft “Standard and procedure for transition of CDM activities to the Article 6.4 mechanism”, as contained in annex 2 of

¹ Decision 3/CMA.3, annex, as contained in document FCCC/PA/CMA/2021/10/Add.1 available at: https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf#page=25.

² At its 108th meeting (see paragraphs 7–8 of the meeting report) and later clarified in the document entitled “Clarification: Regulatory requirements under temporary measures for post-2020 cases” available at http://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20220314132358671/Reg_Clar03v02.pdf.

³ Decision 7/CMA.4, annex I, chapter I, in document FCCC/PA/CMA/2022/10/Add.2 (Advance Version) available at: https://unfccc.int/sites/default/files/resource/cma2022_10a02_adv.pdf#page=33.

⁴ Decision 7/CMA.4, paragraph 23.

⁵ As contained in document A6.4-SB004-AA-A09 available at: <https://unfccc.int/sites/default/files/resource/a64-sb004-aa-a09.pdf>.

⁶ See the meeting report, paragraph 20, available at: <https://unfccc.int/sites/default/files/resource/a64-sb004.pdf>.

the annotated agenda of that meeting,⁷ and agreed to start the process of receiving requests for transition from project participants on 30 June 2023. The Supervisory Body also requested the secretariat to operationalize the submission interface on the UNFCCC website on the same date. The Supervisory Body further requested the secretariat to revise the draft transition standard and procedure, based on the following guidance, for consideration at its sixth meeting:

- (a) Present divergent views expressed by the members and alternate members of the Supervisory Body at the meeting as options on the applicability and/or application of the following requirements in the RMPs for the Article 6.4 mechanism to transitioning activities, taking into account paragraph 73(d) of the RMPs:
 - (i) Demonstration of long-term benefits related to climate change;
 - (ii) Minimizing the risk of non-permanence of emission reductions over multiple nationally determined contribution (NDC) implementation periods and addressing reversals if they occur;
 - (iii) Minimizing and avoiding negative environmental and social impacts;
 - (iv) Demonstration of additionality;
 - (v) Global stakeholder consultation;
- (b) Postpone developing provisions specific to the transition of afforestation and reforestation CDM activities until the CMA provides guidance on activities involving removals under the Article 6.4 mechanism.

2. Purpose

- 5. The purpose of developing a standard and a procedure for the transition of CDM activities to the Article 6.4 mechanism and finalizing provisional requests under the Article 6.4 mechanism is to operationalize the process for such transition and finalization pursuant to the CMA decisions referred to in paragraphs 1–2 above. This document presents the second drafts of such standard and procedure in appendices 1 and 2, respectively. Only substantive changes from the first drafts are highlighted in yellow, whereas any editorial changes are not highlighted.

3. Key issues and proposed solutions

3.1. Transition standard

3.1.1. Long-term benefits related to climate change

- 6. Based on the guidance of the Supervisory Body as referred to in paragraph 4(a)(i) above, the second draft transition standard presents the following two options for demonstrating

⁷ As contained in document A6.4-SB005-AA-A02 available at:
https://unfccc.int/sites/default/files/resource/a64-sb005-aa-a02_.pdf.

long-term benefits related to climate change for transitioning CDM activities (see **paragraph 29** of appendix 1):

- (a) **Option 1:** Transitioning CDM activities shall be deemed to have fulfilled the requirement of delivering long-term benefits related to climate change if the host Party approves the transition and the activities comply with the methodological conditions that may be specified by the host Party in accordance with paragraph 27(a) of the RMPs;
 - (b) **Option 2:** Transitioning CDM activities shall follow a specific guidance to be developed by the Supervisory Body, which aligns with the relevant requirements applicable to any new A6.4 activities, while taking into account paragraph 73(d) of the RMPs.
7. Option 1 would eliminate any ambiguity, allowing for immediate implementation. However, under this option, it is possible that some transitioning CDM activities may not achieve the same level of “long-term benefits” as new A6.4 activities until they are renewed under the Article 6.4 mechanism, depending on how this requirement is enforced under the Article 6.4 mechanism. Upon renewal, these activities would fully comply with this requirement through the application of a mechanism methodology and adherence to any other related requirements applicable to any new A6.4 activities.
 8. Option 2 may ensure that transitioning CDM activities achieve the same level of long-term benefits immediately after the transition. However, this option would necessitate additional guidance from the Supervisory Body for implementation, in particular on how to address cases where there is a conflict between the applied CDM methodology and the requirement applicable to any new A6.4 activities. Additionally, this option could further limit CDM activities that are eligible for transition to the Article 6.4 mechanism.

3.1.2. Addressing non-permanence risk

9. Based on the guidance of the Supervisory Body as referred to in paragraph 4(a)(ii) above, the second draft transition standard presents the following two options for minimizing the risk of non-permanence of greenhouse gas (GHG) emission reductions or net GHG removals, and for addressing reversals that may be caused by transitioning CDM activities (**paragraph 30** of appendix 1):
 - (a) **Option 1:** Transitioning CDM activities shall undergo an analysis of the risk of non-permanence of GHG emission reductions or net GHG removals over multiple NDC implementation periods and, if such risk is identified, the planned monitoring and measures shall be described to address reversals in full;
 - (b) **Option 2:** Transitioning CDM activities shall follow a specific guidance to be developed by the Supervisory Body, which aligns with the relevant requirements applicable to any new A6.4 activities, while taking into account paragraph 73(d) of the RMPs.
10. Option 1 would depend on each project participant’s methods and understanding for assessing the non-permanence risk posed by the transitioning CDM activity and for proposing measures to address reversals. Since the Supervisory Body agreed to defer the development of provisions specific to the transition of afforestation and reforestation CDM activities until the CMA provides guidance on activities involving removals under the Article 6.4 mechanism, as referred to in paragraph 4(b) above, the types of emission

reduction activities that might carry this risk are limited. Additionally, such inconsistency in the methods and understanding may be an issue only until the first renewal of transitioning CDM activities under the Article 6.4 mechanism; thereafter, all transitioned activities are expected to adopt a uniform approach to addressing non-permanence risk through the application of a mechanism methodology.

11. Option 2 may ensure that transitioning CDM activities adopt the same approach to assessing non-permanence risk and proposing measures to address reversals as may be applied to any new A6.4 activities. This would ensure consistency in the approach immediately after the transition. However, this option would require additional guidance from the Supervisory Body for implementation, which would be useful only for specific types of transitioning CDM activities and for a limited period of time (i.e. until the end of 2025 at the latest). Thereafter, all transitioned activities are expected to comply with this requirement through the application of a mechanism methodology.

3.1.3. Environmental and social impacts

12. Based on the guidance of the Supervisory Body as referred to in paragraph 4(a)(iii) above, the second draft transition standard proposes that transitioning CDM activities shall analyze, monitor and address their negative environmental and social impacts using the sustainable development tool, which is currently under development, *mutatis mutandis* (**paragraph 31** of appendix 1).
13. The use of the sustainable development tool for transitioning CDM activities would complement the environmental analysis that all CDM activities had to undergo before their registration and expand the scope of analysis to cover social (and economic) impacts. Also, since the Supervisory Body, at its fourth meeting, agreed to make the use of the same tool mandatory for all new A6.4 projects, it would also allow consistency in the compliance with the requirement of minimizing and, where possible, avoiding negative environmental and social impacts consistent with all new A6.4 projects. It should be noted, however, since the sustainable development tool will be designed to start from the planning (pre-registration) stage of activities by identifying possible impacts and establishing planned monitoring and measures to address negative impacts, applying it to existing activities would require some modifications to the use, which should be manageable.

3.1.4. Additionality

14. Based on the guidance of the Supervisory Body as referred to in paragraph 4(a)(iv) above, the second draft transition standard presents the following two options regarding the demonstration of additionality (**paragraph 27** of appendix 1):
 - (a) **Option 1:** Transitioning CDM activities shall be deemed as being in compliance with the requirement on additionality under the Article 6.4 mechanism as long as they continue to apply the CDM methodology. If the CDM methodology is replaced with a mechanism methodology, either mandatorily or voluntarily, additionality shall be demonstrated in accordance with the relevant requirements applicable to any new A6.4 activities;
 - (b) **Option 2:** Transitioning CDM activities shall comply with the requirements for additionality that are applicable to any new A6.4 activities, including the cases where they continue to apply the CDM methodology in accordance with paragraph 73(d) of the RMPs.

15. Option 1 is straightforward and could, therefore, be implemented immediately. This option is based on the understanding that the demonstration of additionality is an integral part of any CDM methodology; thus, transitioning CDM activities that continue to apply the currently applied CDM methodology could be deemed to automatically meet this requirement.
16. Option 2 would ensure the basis for additionality demonstration on par with new A6.4 activities. On the other hand, it would raise questions regarding the purpose and meaning of re-demonstrating additionality of already implemented activities. In this regard, it is worth noting that paragraph 38 of the RMPs defines additionality as “the activity would not have occurred in the absence of the incentives from the mechanism.” Also, since additionality demonstration is an integral part of any CDM methodology, this option would defeat the purpose of or partially annul the CMA agreement that transitioning CDM activities may continue to apply the currently applied CDM methodologies at transition in accordance with paragraph 73(d) of the RMPs. It would also pose practical challenge in implementing this option. Specifically, it is unclear how to address a situation where the additionality requirements in the applied CDM methodology are incompatible with the additionality requirements applicable to any new A6.4 activities. Consequently, the meaning and methods of re-demonstrating additionality after registration would need to be clarified first.

3.1.5. Compliance with host Party specification on activity types

17. Based on the guidance of the Supervisory Body at its fifth meeting, the second draft transition standard removed paragraphs in the first draft that address potential situations where the activity types of transitioning CDM activities do not entirely fall under the activity types specified by the host Party, noting that the Supervisory Body is expected to consider such situations as they arise.

3.2. Transition procedure

3.2.1. Global stakeholder consultation

18. Based on the guidance of the Supervisory Body as referred to in paragraph 4(a)(v) above, the second draft transition procedure provides an option for conducting a new global stakeholder consultation. Under this option, the timing of a new global stakeholder consultation is proposed to be after the publication of the request for transition submitted by the project participants (**paragraphs 11 and 12** of appendix 2), but may be shifted to a later timing (e.g. after the publication of additional documentation), taking into consideration what should be the appropriate basis for stakeholders to comment on, and who should take those comments into account.
19. The purpose and value of conducting a new global stakeholder consultation for activities should be carefully considered, as all transitioning CDM activities have already undergone a global stakeholder consultation prior to their registration under the CDM.

3.2.2. Submission of transition request

20. The second draft transition procedure modified the step of submitting a transition request from the project participants to the secretariat and the host Party of a transitioning CDM activity. This modification eliminates the step of separate submission of the request to the host Party, and instead requires the secretariat to inform the host Party of the submission

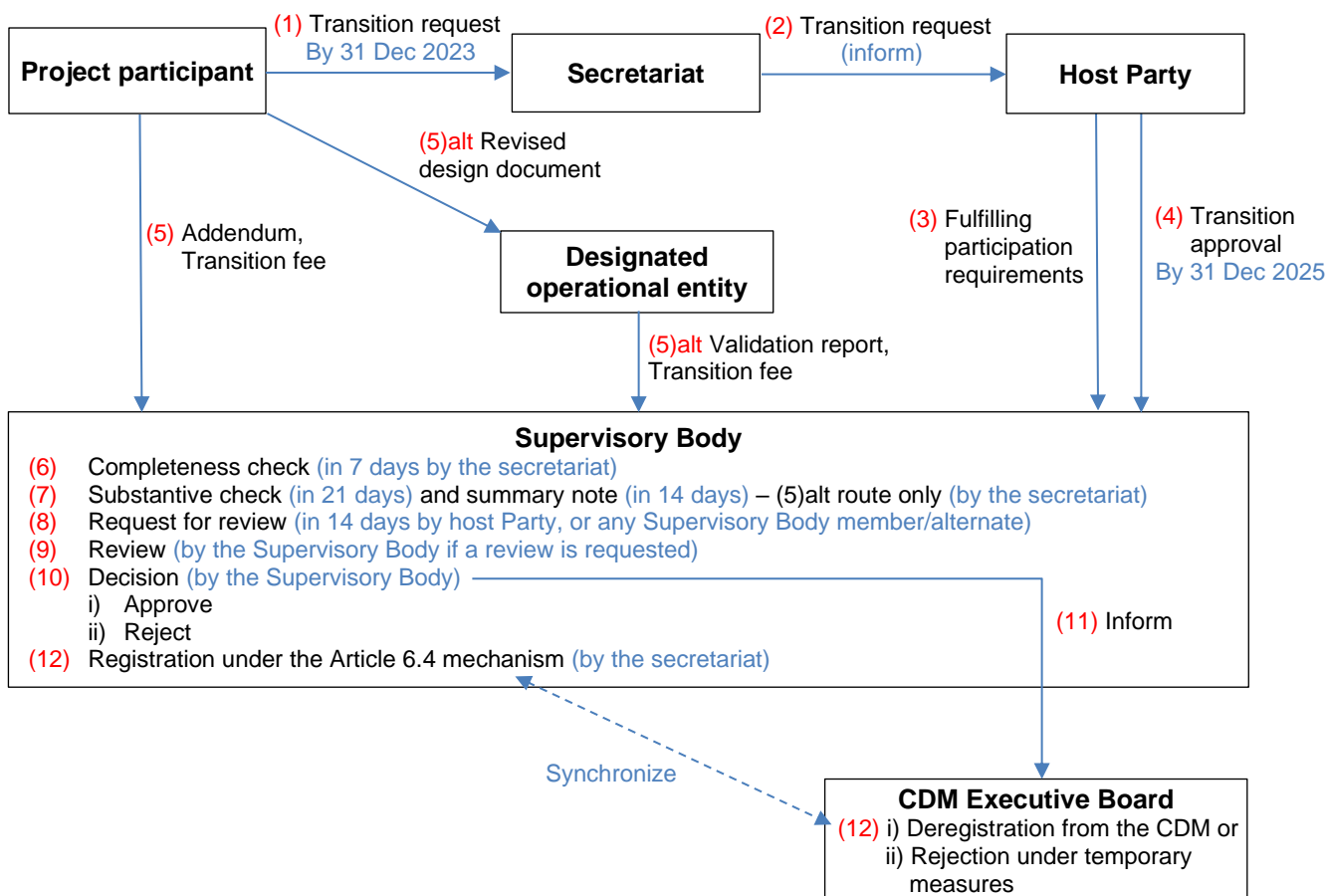
after conducting the completeness check of the request, effectively considering it as submitted to both the secretariat and the host Party (**paragraphs 7 and 10** of appendix 2).

21. This modification will simplify, streamline and enhance the transparency of the process. It will also align with the secretariat’s effort to digitize the transition process as much as possible so that all submissions, responses, and information related to transition could be centrally stored and published transparently, as well as the risk of oversight in managing transitions could be minimized.

3.2.3. Other

22. The second draft procedure restructured a paragraph concerning the substantive check of submitted transition requests to align with the corresponding step, including the timeframes, for new A6.4 activities as contained in the draft “Article 6.4 mechanism activity cycle procedure for projects” presented at the fifth meeting (**paragraphs 24 and 25** of appendix 2).
23. The proposed transition process in the second draft transition procedure is presented in figure 1 below.

Figure 1. Transition process



4. Impacts

24. The adoption of a transition standard and a transition procedure enables the operationalization of the transition process within the timeline as requested by the CMA, as referred to in paragraph 2 above.

5. Subsequent work and timelines

25. Upon the adoption of a transition standard and a transition procedure by the Supervisory Body, the secretariat will:
- (a) Publish these as separate regulatory documents on the UNFCCC website;
 - (b) Develop an IT workflow for processing transition requests, aiming at full operationalization by the end of 2023.

6. Recommendations to the Supervisory Body

26. The secretariat recommends that the Supervisory Body adopt the transition standard and the transition procedure contained in the appendices after modifying them as appropriate, and make them effective on 1 January 2024, with the exception of the process for submission of transition requests, which the Supervisory Body has already agreed to start from 30 June 2023.

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APPENDIX 2. DRAFT PROCEDURE FOR TRANSITION OF CDM ACTIVITIES TO THE ARTICLE 6.4 MECHANISM

Appendix 1. Draft standard for transition of CDM activities to the Article 6.4 mechanism

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DRAFT

1. 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 Executive Board of the CDM² (hereinafter referred to as provisional requests) 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).³ At the same session, the CMA also requested⁴ 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.
3. Pursuant to its mandate from the CMA to operationalize the transition process, the Supervisory Body has adopted the “Standard for transition of CDM activities to the Article 6.4 mechanism” (hereinafter referred to as this standard) as contained in this document and the “Procedure for transition of CDM activities to the Article 6.4 mechanism” (hereinafter referred to as the transition procedure) and relevant forms.

2. Objective and scope

4. This standard sets out required activity design and other attributes of CDM project activities, PoAs and component project activities (CPAs) therein that may transition to the Article 6.4 mechanism, as well as corresponding requirements for provisional requests that may be finalized under the Article 6.4 mechanism.

3. Entry into force

5. Version 01.0 of this standard enters into force on [1 January 2023] except for the process of submission of transition requests to the secretariat, which is 30 June 2023.

¹ Decision 3/CMA.3, annex, as contained in document FCCC/PA/CMA/2021/10/Add.1 available at: https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf#page=25.

² At its 108th meeting (see paragraphs 7–8 of the meeting report) and later clarified in the document entitled “Clarification: Regulatory requirements under temporary measures for post-2020 cases” available at http://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20220314132358671/Reg_Clar03v02.pdf.

³ Decision 7/CMA.4, annex I, chapter I, in document FCCC/PA/CMA/2022/10/Add.2 (Advance Version) available at: https://unfccc.int/sites/default/files/resource/cma2022_10a02_adv.pdf#page=33.

⁴ Decision 7/CMA.4, paragraph 23.

4. Terms and definitions

6. The following terms apply in this standard:
- (a) “Shall” is used to indicate requirements to be followed;
 - (b) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
 - (c) “May” is used to indicate what is permitted;
 - (d) “The project participant” shall be read as the focal point entity designated by the project participants of the CDM project activity or PoA for scope (c) as communicated to the secretariat in the modalities of communication in accordance with the relevant provisions in the “CDM project cycle procedure for project activities” and the “CDM project cycle procedure for programmes of activities”, respectively.⁵

5. Transition requirements on crediting period

5.1. Project activities

7. A CDM project activity may transition to the Article 6.4 mechanism if its crediting period would have been active as of 1 January 2021 had the crediting period under the CDM continued after the end of the second commitment period of the Kyoto Protocol, provided it meets design requirements for transition as contained in section 6 below.
8. The crediting period type (i.e. renewable or fixed) of the transitioning CDM project activity shall not change at and after the transition.
9. For a CDM project activity with the renewable crediting period type that successfully transitioned to the Article 6.4 mechanism:
- (a) The current crediting period under the Article 6.4 mechanism shall start on 1 January 2021 and end, whichever is earlier:
 - (i) 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;
 - (ii) On 31 December 2025;

⁵ In accordance with paragraph 42 of the “CDM project cycle procedure for project activities” (version 03.0), and paragraph 33 of the “CDM project cycle procedure for programmes of activities” (version 03.0), the focal point entities designated by the project participants for scope (c) are granted the authority to communicate on their behalf with the Board and the secretariat on all other project-related matters not covered by: (a) communication in relation to requests for forwarding of certified emission reductions to individual accounts of the project participants; or (b) communication in relation to requests for addition and/or voluntary withdrawal of the project participants and focal points, as well as changes to company names, legal status, contact details and specimen signatures.

- (iii) On the date determined under the conditions of the crediting period that may be specified by the host Party in accordance with paragraph 27(b) of the RMPs;
 - (b) The maximum remaining number of renewals of crediting period under the CDM prior to the transition shall be carried over to the Article 6.4 mechanism unless the host Party specifies that the crediting period may not be renewed pursuant to paragraph 27(b) of the RMPs;
 - (c) After the first renewal of the crediting period under the Article 6.4 mechanism, the duration of each subsequent crediting period shall be the same as that for any new Article 6.4 mechanism activities (A6.4 activities) (i.e. a maximum of 5 years or, in respect of activities involving removals, a maximum of 15 years), subject to approval by the Supervisory Body or any shorter crediting period specified by the host Party pursuant to paragraph 27(b) of the RMPs.
10. For a CDM project activity with the fixed crediting period type that successfully transitioned to the Article 6.4 mechanism, the current crediting period under the Article 6.4 mechanism shall start on 1 January 2021 and 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 the date determined under the conditions of the crediting period that may be specified by the host Party in accordance with paragraph 27(b) of the RMPs.

5.2. Programmes of activities

11. A CDM PoA may transition to the Article 6.4 mechanism if its PoA period would have been active as of 1 January 2021 had the PoA period under the CDM continued after the end of the second commitment period of the Kyoto Protocol, provided it meets design requirements for transition as contained in section 6 below.
12. For a CDM PoA that successfully transitioned to the Article 6.4 mechanism:
- (a) The current PoA period under the Article 6.4 mechanism shall start on 1 January 2021 and end, whichever is earlier:
 - (i) When the current PoA period would have ended had the PoA period under the CDM continued after the end of the second commitment period of the Kyoto Protocol;
 - (ii) On 31 December 2025;
 - (iii) On the date determined under the conditions of the PoA period that may be specified by the respective host Party(ies) in accordance with paragraph 27(b) of the RMPs;
 - (b) The maximum remaining number of renewals of PoA periods under the CDM prior to the transition shall be carried over to the Article 6.4 mechanism unless the host Party specifies that the PoA period may not be renewed pursuant to paragraph 27(b) of the RMPs;

- (c) After the first renewal of the PoA period under the Article 6.4 mechanism, the duration of each subsequent PoA period shall be the same as that for any new Article 6.4 mechanism PoAs (i.e. 5 years or, in respect of activities involving removals, 15 years), subject to approval by the Supervisory Body or any shorter PoA period specified by the host Party pursuant to paragraph 27(b) of the RMPs.

5.3. Component project activities

13. The CPAs included in a CDM PoA that is eligible for transition in accordance with paragraph 11 above may transition to the Article 6.4 mechanism if their crediting periods would have been active as of 1 January 2021 had the crediting periods under the CDM continued after the end of the second commitment period of the Kyoto Protocol, provided they meet design requirements for transition as contained in section 6 below.
14. The transition of CPAs shall be in conjunction with the transition of the CDM PoA that they are included in, in accordance with the transition procedure.
15. The crediting period type, the end of the current crediting period, the renewability of the crediting period after transition, and the duration of each subsequent crediting period after the first renewal under the Article 6.4 mechanism of transitioning CPAs shall follow the same rules for transitioning CDM project activities referred to in paragraphs 8–10 above.

5.4. Activities in provisional requests

16. The crediting period type, the duration of each crediting period, and the renewability of the crediting period of the project activities in the provisional requests for registration shall follow the same rules for any new Article 6.4 mechanism projects.
17. The duration of each PoA period and the renewability of the PoA period of the PoAs in the provisional requests for registration shall follow the same rules for any new Article 6.4 mechanism PoAs.
18. The crediting period type, the duration of each crediting period, and the renewability of the crediting period of the CPAs in the requests for inclusion listed as provisional under the temporary measures shall follow the same rules for any new Article 6.4 mechanism CPAs.

6. Transition requirements on activity design

6.1. Activity type

19. The activity type of a CDM project activity, or PoA and the CPAs therein, that may transition to the Article 6.4 mechanism shall be among those indicated publicly by the host Party to the Supervisory Body as it would consider approving pursuant to paragraph 26(e) of the RMPs.
- ~~20. If a CDM project activity or PoA contains more than one activity type as per the definition of activity type by the host Party, and any of such activity types are not among those indicated by the host Party, the activity design shall be modified by discounting the emission reductions attributable to such activity types to comply with the requirement in paragraph 19 above in order for them to be eligible for transition to the Article 6.4 mechanism.~~

~~21. If the activity design of a CDM PoA has been modified to discount an activity type in accordance with paragraph 20 above, the activity design of the CPAs included in the PoA shall also be modified to discount the activity type in order for them to be eligible for transition to the Article 6.4 mechanism. If a CPA in its entirety belongs to the activity type that has been discounted at the PoA level, it may not transition to the Article 6.4 mechanism.~~

6.2. Methodology

22. A CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism may continue to apply the currently applied CDM methodology until the earlier of the end of the current crediting period or PoA period as applicable, or 31 December 2025. After that date, it shall apply an Article 6.4 mechanism methodology (hereinafter referred to as mechanism methodology).
23. For a CDM project activity or CPA with the fixed crediting period type, if the replacement of the currently applied CDM methodology with a mechanism methodology is due before the end of the current crediting period under the Article 6.4 mechanism, such replacement shall be made through the post-registration change process applicable to any new A6.4 activities.
24. Notwithstanding the provision in paragraph 22 above, if the currently applied CDM methodology does not meet the methodological requirements that may be specified by the host Party in accordance with paragraph 27(a) of the RMPs, it shall be replaced with a mechanism methodology.
25. A CDM project activity, or PoA and CPAs therein, may voluntarily replace the currently applied CDM methodology with a mechanism methodology at transition. Also, they may be required to do so in accordance with paragraph 24 above. In these cases, the project design document, or PoA design document and CPA design documents shall be revised by the project participant, validated by a designated operational entity, and approved by the Supervisory Body in accordance with the transition procedure.
26. For a transitioning CDM PoA,:
- (a) If the PoA continues to apply the currently applied CDM methodology at transition in accordance with paragraph 22 above, no new CPA may be included in the PoA until the PoA period is renewed under the Article 6.4 mechanism applying a mechanism methodology;
 - (b) The mandatory replacement of the currently applied CDM methodology with a mechanism methodology referred to in paragraph 24 above shall be made to both the PoA and the CPAs therein at transition;
 - (c) If the voluntary replacement of the currently applied CDM methodology with a mechanism methodology referred to in paragraph 25 above takes place at the PoA level at transition, any new CPAs that may be included after the transition shall apply the mechanism methodology, while the existing CPAs may choose to continue applying the currently applied CDM methodology until the earlier of the end of their respective current crediting periods or 31 December 2025, or switch to the mechanism methodology at transition;

- (d) If the voluntary replacement of the currently applied CDM methodology with a mechanism methodology referred to in paragraph 25 above takes place for any of the existing CPAs at transition, such voluntary replacement shall also take place at the PoA level at transition.

27. **[Option 1:** The CDM project activities, PoAs and CPAs that transition to the Article 6.4 mechanism shall be deemed as being in compliance with the requirement on additionality under the Article 6.4 mechanism as long as they continue to apply the CDM methodology in accordance with paragraphs 22–26 above. If the CDM methodology is replaced with a mechanism methodology mandatorily or voluntarily, additionality shall be demonstrated in accordance with the relevant requirements applicable to any new A6.4 activities.]

[Option 2: The CDM project activities, PoAs and CPAs that transition to the Article 6.4 mechanism shall comply with the requirements on additionality applicable to any new A6.4 activities, including the cases where they continue to apply the currently applied CDM methodology in accordance with paragraph 73(d) of the RMPs.]

6.3. Global warming potentials

28. For transitioning CDM project activities, PoAs and CPAs therein, the 100-year time-horizon global warming potentials (GWPs) from the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) as contained in the attachment, or 100-year time-horizon GWPs from a subsequent IPCC assessment report as agreed upon by the CMA, shall be used to report aggregate emission reductions or removals of greenhouse gases achieved or expected to achieve in the period from 1 January 2021, expressed in tonnes of carbon dioxide equivalent. This requirement shall be consistently applied to all aspects of the activity design, including for:

- (a) Estimation of emission reductions or removals each year during the crediting period;
- (b) Calculation of transition fee in accordance with the transition procedure;
- (c) Demonstration of additionality, if applicable;
- (d) Calculation of emission reductions or removals achieved for a specific monitoring period.

6.4. Other design requirements

6.4.1. Long-term benefits related to climate change

29. **[Option 1:** A CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism shall be deemed to have met the requirement of delivering long-term benefits related to climate change referred to in paragraph 37(b) of decision 1/CP.21 if the host Party approves the transition and the activities comply with the methodological conditions that may be specified by the host Party in accordance with paragraph 27(a) of the RMPs.]

[Option 2: A CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism shall, ~~following the relevant guidance of the Supervisory Body,~~ ensure that they will deliver long-term benefits related to climate change in accordance with paragraph 37(d) of decision 1/CP.21 **by following specific guidance to be developed**

by the Supervisory Body that aligns with the relevant requirements applicable to any new A6.4 activities, taking into account paragraph 73(d) of the RMPs.]

6.4.2. Addressing non-permanence risk

30. **[Option 1:** A CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism shall, ~~following the relevant guidance of the Supervisory Body,~~ undergo an analysis of the risk of non-permanence of GHG emission reductions or net GHG removals over multiple nationally determined contribution (NDC) implementation periods. If, as a result of the analysis, such risk is found to exist, a description of the planned monitoring and measures to address reversals in full if they occur shall be provided.]

[Option 2: A CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism shall minimize the risk of non-permanence of GHG emission reductions or net GHG removals over multiple nationally determined contribution (NDC) implementation periods and, where reversals occur, ensure that these are addressed in full by following specific guidance to be developed by the Supervisory Body that aligns with the relevant requirements applicable to any new A6.4 activities, taking into account paragraph 73(d) of the RMPs.]

6.4.3. Environmental and social impacts

31. A CDM project activity, or PoA and CPAs therein, that may transition to the Article 6.4 mechanism shall, ~~following the relevant guidance of the Supervisory Body,~~ undergo an analysis of environmental and social impacts and sustainable development benefits of their operation, and provide a summary of the analysis and a monitoring plan of such impacts and planned remedial measures of negative impacts, if any, during the operation of the activity in accordance with the “Article 6.4 mechanism sustainable development tool”. ~~If, as a result of the analysis, negative social impacts of the operation are found to be significant, they shall undergo a socio-economic impact assessment in accordance with the relevant procedures of the host Party. In this case, a description of the planned monitoring and remedial measures to address these significant impacts shall be provided. If such procedures do not exist in the host Party, the socio-economic impact assessment shall be carried out in accordance with the relevant guidance of the Supervisory Body.~~

6.5. Activities in provisional requests

32. For provisional requests for registration, the same requirements on the activity type, applicable methodology and GWPs, and other design requirements as for transitioning CDM project activities, PoAs and CPAs referred to in sections 6.1–6.4 above shall apply mutatis mutandis.

33. For provisional requests for issuance, provided that the underlying CDM project activity or PoA has successfully transitioned to the Article 6.4 mechanism without replacing the currently applied CDM methodology, the calculation of achieved emission reductions or removals shall be revised by applying the GWPs referred to in section 6.3 above. If the underlying CDM project activity or PoA voluntarily replaced the currently applied CDM methodology with a mechanism methodology at transition in accordance with paragraph 25 above, provisional requests for issuance shall not be eligible for finalization under the transition procedure. Such issuance requests shall follow the same rules for any new issuance requests under the Article 6.4 mechanism.

34. Provisional requests for renewal of crediting period may not be finalized under the transition process.

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Attachment. Global warming potentials for transitioning activities

- The table below lists the GWP values of greenhouse gases for the 100-year time horizon from the Fifth Assessment Report of the IPCC, applicable to CDM activities that transition to the Article 6.4 mechanism for reporting aggregate emission reductions or removals of greenhouse gases achieved or expected to be achieved by the activities in the period from 1 January 2021, expressed in tonnes of carbon dioxide equivalent.

Table. Global warming potentials applicable for transitioning CDM activities

Greenhouse gas	GWP for 100-year time horizon
Carbon dioxide (CO ₂)	1
Methane (CH ₄)	28
Nitrous oxide (N ₂ O)	265
Hydrofluorocarbons (HFCs)	
HFC-23	12,400
HFC-134a	1,300
Perfluorocarbons (PFCs)	
CF ₄	6,630
C ₂ F ₆	11,100
Sulfur hexafluoride (SF ₆)	23,500
Nitrogen trifluoride (NF ₃)	16,100

- For greenhouse gases that are not listed in this table, see “Climate Change 2015: Physical Science Basis - Working Group I Contribution to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change”, Table 8.A.1 (pages 731–738).¹

¹ https://www.ipcc.ch/site/assets/uploads/2018/02/WG1AR5_all_final.pdf.

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Appendix 2. Draft procedure for transition of CDM activities to the Article 6.4 mechanism

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1. 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 Executive Board of the CDM² (hereinafter referred to as provisional requests) 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).³ At the same session, the CMA also requested⁴ 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.
3. Pursuant to its mandate from the CMA to operationalize the transition process, the Supervisory Body has adopted the “Standard for transition of CDM activities to the Article 6.4 mechanism” (hereinafter referred to as the transition standard) and the “Procedure for transition of CDM activities to the Article 6.4 mechanism” (hereinafter referred to as this procedure) and relevant forms as contained in this document.

2. Scope

4. This procedure sets out procedural steps for CDM project activities, PoAs and component project activities (CPAs) therein to transition to the Article 6.4 mechanism, as well as corresponding procedural steps for provisional requests to be finalized under the Article 6.4 mechanism.

3. Entry into force

5. Version 01.0 of this procedure enters into force on [30 June 2023].

¹ Decision 3/CMA.3, annex, as contained in document FCCC/PA/CMA/2021/10/Add.1 available at: https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf#page=25.

² At its 108th meeting (see paragraphs 7–8 of the meeting report) and later clarified in the document entitled “Clarification: Regulatory requirements under temporary measures for post-2020 cases” available at http://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20220314132358671/Reg_Clar03v02.pdf.

³ Decision 7/CMA.4, annex I, chapter I, in document FCCC/PA/CMA/2022/10/Add.2 (Advance Version) available at: https://unfccc.int/sites/default/files/resource/cma2022_10a02_adv.pdf#page=33.

⁴ Decision 7/CMA.4, paragraph 23.

4. Terms and definitions

6. The following terms apply in this procedure:

- (a) “Shall” is used to indicate requirements to be followed;
- (b) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
- (c) “May” is used to indicate what is permitted;
- (d) “The project participant” shall be read as the focal point entity designated by the project participants of the CDM project activity or PoA for scope (c) as communicated to the secretariat in the modalities of communication in accordance with the relevant provisions in the “CDM project cycle procedure for project activities” and the “CDM project cycle procedure for programmes of activities”, respectively”.⁵

5. Process for transition

5.1. Submission of transition request

7. The project participant of a CDM project activity or PoA that is eligible for transition to the Article 6.4 mechanism in accordance with the relevant provisions in the transition standard shall, if he/she wishes for such transition, submit a request for transition to indicate the wish of transition to the secretariat through a dedicated interface on the UNFCCC website ~~and to the host Party of the CDM project activity or PoA, using providing the information in the form contained in attachment 1,⁶ by 31 December 2023, 24:00 (Central European Time). The request to the host Party shall be addressed to its designated national authority (DNA) for the Article 6.4 mechanism.⁷ If the host Party has not yet established the DNA for the Article 6.4 mechanism, the request to the host Party shall be addressed to its national focal point to the UNFCCC (hereinafter collectively referred to as the DNA for the Article 6.4 mechanism).⁸~~

⁵ In accordance with paragraph 42 of the “CDM project cycle procedure for project activities” (version 03.0) and paragraph 33 of the “CDM project cycle procedure for programmes of activities” (version 03.0), the focal point entities designated by the project participants for scope (c) are granted the authority to communicate on their behalf with the Board and the secretariat on all other project-related matters not covered by: (a) communication in relation to requests for forwarding of certified emission reductions to individual accounts of the project participants; or (b) communication in relation to requests for addition and/or voluntary withdrawal of the project participants and focal points, as well as changes to company names, legal status, contact details and specimen signatures.

⁶ The secretariat may convert the form into electronic interface.

⁷ ~~The contacts of DNAs for the Article 6.4 mechanism are listed at: <https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism/national-authorities?gclid=CjwKCAjwITShBhA6EiwAg3RqA3b4Mp1B34TVkvVhg5fEfGo0bVixtFZJVn4ufD-PgXZ5MoU-TnXNABoCQGkQAvD-BwE>.~~

⁸ ~~The contacts of national focal points of Parties to the UNFCCC are listed at: <https://unfccc.int/process/parties-non-party-stakeholders/parties/national-focal-point>.~~

8. In requesting the transition of a CDM PoA that had included CPAs under the CDM, the project participant shall specify which of the included CPAs that are eligible for transition to the Article 6.4 mechanism in accordance with the relevant provisions in the transition standard he/she wishes to transition to the Article 6.4 mechanism. CPAs included in a PoA under the CDM may transition to the Article 6.4 mechanism only in conjunction with the transition of the PoA to the Article 6.4 mechanism.
9. The secretariat shall check the completeness of the information provided in the submitted request for transition and, if found complete, publish the request on the UNFCCC website, assigning a unique reference number(s) that enable(s) the identification of the CDM project activity, or PoA and CPAs therein, transitioned to the Article 6.4 mechanism, distinguishing them from new activities registered under the Article 6.4 mechanism. If found incomplete, the secretariat shall promptly notify the reason for the incompleteness to the project participant. The project participant shall submit a corrected request for transition within 14 days of the notification; otherwise the secretariat shall reject the request.
10. After publishing the request for transition on the UNFCCC website, the secretariat shall promptly inform the DNA for the Article 6.4 mechanism and the DNA for the CDM of the host Party of the CDM project activity or PoA of the receipt of the request. **If the host Party has not yet established the DNA for the Article 6.4 mechanism, the secretariat shall inform its national focal point to the UNFCCC (hereinafter collectively referred to as the DNA for the Article 6.4 mechanism) of the request.⁹ With this, the request for transition shall be deemed as having been submitted by the project participants to both the secretariat and the host Party in accordance with paragraph 73(a) of the RMPs.**

5.2. [Global stakeholder consultation

11. **Parties, stakeholders and UNFCCC admitted observer organizations may submit comments, in English, on the transition of the CDM project activity, or PoA and CPAs therein, to the secretariat through a dedicated interface on the UNFCCC website within 28 days of the publication of the request for transition on the UNFCCC website. The submitters of the comments shall provide the name and contact details of the individual or organization on whose behalf the comments are submitted. Comments from stakeholders shall:**
 - (a) Be specific to the CDM project activity, or PoA and CPAs therein, being requested for transition;**
 - (b) Be related to the compliance with applicable rules and regulations for transition.**
12. **The secretariat shall make the comments that meet the requirements in paragraph 11 above publicly available on the UNFCCC website where the transition request is displayed and inform the publication to the Supervisory Body and the DNAs of the host Party and other Parties involved.]**

⁹ The contacts of national focal points of Parties to the UNFCCC are listed at:
<https://unfccc.int/process/parties-non-party-stakeholders/parties/national-focal-point>.

5.3. Submission of host Party approval

13. The host Party of the CDM project activity or PoA regarding which a request for transition has been published on the UNFCCC website shall, if it approves such transition, submit an approval of transition from its DNA for the Article 6.4 mechanism to the Supervisory Body through a dedicated interface on the UNFCCC website, ~~using~~ **providing the information in** the form contained in attachment 2,¹⁰ by 31 December 2025, 24:00 (Central European Time). If there is more than one host Party for a transitioning CDM PoA,¹¹ all host Parties of the PoA shall submit such approval by the deadline.
14. The host Party may submit an approval of transition only after it has fulfilled the requirements for participating in the Article 6.4 mechanism referred to in paragraph 26 of the RMPs by demonstrating the fulfilment in accordance with the relevant provisions in the Article 6.4 mechanism activity cycle procedure.
15. [The host Party shall, when submitting the approval of transition, also provide a statement specifying whether it authorizes Article 6, paragraph 4, emission reductions (A6.4ERs) issued for the activity for use towards achievement of NDCs and/or for other international mitigation purposes as defined in decision 2/CMA.3, and providing other information in accordance with paragraph 42 of the RMPs.]
16. The secretariat shall publish the host Party approval of transition on the UNFCCC website and promptly inform the project participant of the receipt of such approval.

5.4. Submission of additional documentation

17. If the project participant continues to apply the currently applied CDM methodology to the transitioning CDM project activity, or PoA and CPAs therein, in accordance with the relevant provisions in the transition standard, it shall, anytime after the publication of the host Party approval of transition in accordance with paragraph 16 above, submit to the secretariat, through a dedicated interface on the UNFCCC website, an addendum to the respective project design document (PDD), or PoA design document (PoA-DD) and CPA design documents (CPA-DDs), using the “Addendum form for transition request” (A6.4M-TR-ADD-FORM) to demonstrate the compliance with additional requirements for Article 6.4 mechanism activities (A6.4 activities) in accordance with the relevant provisions in the transition standard.
18. If the project participant voluntarily replaces, or is required to replace, the CDM methodology currently applied to the transitioning CDM project activity, or PoA and CPAs therein, with an Article 6.4 mechanism methodology (hereinafter referred to as mechanism methodology) in accordance with the relevant provisions in the transition standard, it shall revise the PDD, or PoA-DD and CPA-DDs, accordingly, and request a designated operational entity (DOE) accredited in the relevant sectoral scope under the Article 6.4 mechanism to validate them to demonstrate appropriate application of the mechanism methodology and the compliance with additional requirements for A6.4 activities in accordance with the relevant provisions in the transition standard. If the validation

¹⁰ The secretariat may convert the form into electronic interface.

¹¹ Under the CDM, a PoA may be designed beyond the border of a country and thus could have more than one host Party, while a project activity shall be designed within the border of a country and thus will always have only one host Party.

outcome is positive (i.e. the mechanism methodology is appropriately applied and the compliance with additional requirements for A6.4 activities is demonstrated), the DOE shall, anytime after the publication of the host Party approval of transition in accordance with paragraph 16 above, submit to the secretariat, through a dedicated interface on the UNFCCC website, the revised PDD, or PoA-DD and CPA-DDs, as well as the validation report.

5.5. Processing of transition request

19. The secretariat shall, upon receipt of the additional documentation referred to in paragraph 17 or 18 above, issue a statement of the transition fee due, determined based on the following principles, and shall communicate it to the project participant or the DOE who submitted the additional documentation (hereinafter collectively referred to as the proponent):
 - (a) Requests for transition of CDM project activities and PoAs are subject to the share of proceeds applicable to requests for registration of projects and PoAs, respectively, under the Article 6.4 mechanism;¹²
 - (b) All fees for requests for registration, issuance, renewal and post-registration changes to project activities and PoAs as well as inclusion of CPAs under the Article 6.4 mechanism are waived for activities in least developed countries and small island developing States.¹³
20. The project participant shall pay the transition fee by bank transfer, quoting the unique reference number referred to in paragraph 9 above. The project participant shall submit proof of payment (e.g. bank transfer record) through a dedicated interface on the UNFCCC website.
21. The paid transition fee may be reimbursed in full or partially if the request for transition is withdrawn by the proponent or rejected by the Supervisory Body in line with the corresponding provisions on the reimbursement of the registration fee as contained in the Article 6.4 mechanism activity cycle procedure.
22. The secretariat shall, upon receipt of the proof of payment of the transition fee if it is due, or upon receipt of the additional documentation referred to in paragraph 17 or 18 above if the transition fee is not due, commence the completeness check of the additional documentation. To commence the completeness check, the secretariat shall prioritize requests for transition for small-scale CDM project activities and CDM PoAs.
23. The secretariat shall conclude the completeness check within seven days of its commencement. If, during the completeness check, the secretariat identifies issues of an editorial nature or of consistency in the documentation, it shall request the proponent to submit revised documents to correct them. In this case, the proponent shall submit the requested documents within two days of receipt of the request. Upon receipt of the revised documents, the secretariat shall resume the completeness check. If the proponent does not submit the requested documents by this deadline, the secretariat shall conclude that the request submission is incomplete and inform the proponent that the request for transition cannot be processed any further. The proponent may restart the process by

¹² In accordance with decision 7/CMA.4, annex I, paragraph 14(a).

¹³ In accordance with decision 7/CMA.4, annex I, paragraph 58.

submitting the additional documentation again with the revised documents in accordance with section 5.4 above, which is subject to a new transition fee.

24. If the additional documentation constitutes only an addendum to the PDD, or PoA-DD and CPA-DDs, as applicable, in accordance with paragraph 17 above, upon positive conclusion of the completeness check, the secretariat shall publish the additional documentation and indicate the completion of the completeness check on the UNFCCC website, and notify the host Party and the Supervisory Body of the successful completion of the completeness check to initiate the review process in accordance with section 5.6 below.

~~(a) If the additional documentation constitutes only an addendum to the PDD, or PoA-DD and CPA-DDs, as applicable, in accordance with paragraph 17 above, indicate the completion of the completeness check on the UNFCCC website and notify the host Party and the Supervisory Body of the successful completion of the completeness check to initiate the review process in accordance with section 5.6 below; or~~

25. If the additional documentation constitutes a revised PDD, or PoA-DD and CPA-DDs and a validation report in accordance with paragraph 18 above, upon positive conclusion of the completeness check, the secretariat shall commence the substantive check of the additional documentation to determine whether the transitioning CDM project activity, or PoA and CPAs therein, correctly applies the mechanism methodology, prepare a note summarizing its findings in this respect and a recommendation whether to approve the requested transition (summary note), and submit it to the Supervisory Body. In this case, the secretariat shall conclude the substantive check, including the preparation of the summary note, within 35–21 days of its commencement. Upon conclusion of the substantive check, the secretariat shall publish the additional documentation and indicate the completion of the substantive check on the UNFCCC website and notify the host Party and the Supervisory Body of the completion of the substantive check to initiate the review process in accordance with section 5.6 below. If, during the substantive check, the secretariat identifies substantive issues that may be resolved by revising the PDD, or PoA-DD and CPA-DDs, it shall request the proponent to submit revised documents to resolve them. In this case, the proponent shall submit the requested documents within 14–four days of receipt of the request. Upon receipt of the revised documents, the secretariat shall resume the substantive check. If the proponent does not submit the requested documents by this deadline, the secretariat shall conclude that the request submission cannot be processed any further is incomplete. The proponent may restart the process by submitting the additional documents again with the revised documents in accordance with section 5.4 above, which is subject to a new transition fee. If the secretariat identifies issues that may not be resolved by revising the PDD, or PoA-DD and CPA-DDs, it shall conclude that the request for transition should be rejected and include the conclusion in the summary note. The secretariat shall prepare and send to the Supervisory Body a summary note on the transition request, summarizing its findings in respect of the application of the mechanism methodology and including its recommendation whether to approve the requested transition within 14 days of the date of publication of the additional documentation.

5.6. Requesting review of transition request

26. The host Party of the transitioning CDM project activity or PoA, or any member or alternate member of the Supervisory Body, may request a review of the request for transition within 14 days of receipt of the notification of the completion of the completeness check or within 28 days of receipt of the notification of the completion of the substantive check in accordance with paragraph 24 or 25 above, respectively, through a dedicated interface on the UNFCCC website, providing reasons for requesting a review.
27. If a review of the request for transition is requested by the host Party or any member or alternate member of the Supervisory Body, the secretariat shall notify the proponent of the request for transition that the request is under review, indicate such status on the UNFCCC website, and present the case to the Supervisory Body at its next meeting or electronically.

5.7. Finalizing transition request

28. If no review of the request for transition is requested by the deadline referred to in paragraph 26 above, the request for transition shall be deemed approved by the Supervisory Body.
29. If a review of the request for transition is requested, the Supervisory Body shall review the request and take one of the following decisions, taking into account the presentation on the case by the secretariat:
 - (a) Approve the request as in the additional documentation;
 - (b) Approve the request with modifications to the additional documentation, pending the proponent's agreement with the modifications;
 - (c) Reject the request.
30. For the case referred to in paragraph 29(b) above, if the proponent does not agree with the modification within seven days of the decision, the request shall be deemed rejected by the Supervisory Body.
31. The secretariat shall notify the decision of the Supervisory Body to the proponent and the host Party, and indicate it on the UNFCCC website.
32. If the decision of the Supervisory Body is to reject the request for transition, the proponent may not resubmit a request for transition of the same CDM project activity, or PoA and CPAs therein.
33. If the decision of the Supervisory Body is to approve the transition of the CDM project activity, or PoA and CPAs therein, the secretariat shall inform the Executive Board of the CDM of the decision. The secretariat shall register the activity under the Article 6.4 mechanism, to be effective the day after it is deregistered from the CDM.
34. The crediting period of the transitioned project activity and CPAs as well as the PoA period of the transitioned PoA under the Article 6.4 mechanism shall start from 1 January 2021.
35. Once registered under the Article 6.4 mechanism, the transitioned project activities, PoAs and CPAs shall be subject to all relevant requirements under the Article 6.4 mechanism at all subsequent steps in the activity cycle of the Article 6.4 mechanism, taking into account the relevant provisions in the transition standard.

6. Process for finalizing provisional requests

36. Process for finalization of provisional requests shall follow the provisions in section 5 above, mutatis mutandis, with the following modifications:
- (a) The project participant may submit a request for finalization of a provisional request for issuance under the transition procedure if the underlying CDM project activity or PoA continues to apply the currently applied CDM methodology at transition, and only after the Supervisory Body has approved the transition of the underlying CDM project activity, or PoA and CPAs therein, to the Article 6.4 mechanism. In this case, additional documentation to be submitted in accordance with paragraph 17 above shall be a revised monitoring report instead of PDD, or PoA-DD and CPA-DDs, applying the global warming potentials for the period from 1 January 2021 as specified in the transition standard;
 - (b) The project participant may submit a request for finalization of a provisional inclusion of CPAs if the underlying CDM PoA continues to apply the currently applied CDM methodology at transition, and only after the Supervisory Body has approved the transition of the CDM PoA to the Article 6.4 mechanism;
 - (c) For both cases referred to in subparagraphs (a) and (b) above, an approval of the finalization by the host Party shall not be required;¹⁴ therefore, section 5.3 above shall be skipped;
 - (d) The project participants may not submit a request for finalization of the following provisional requests, noting that the corresponding requests may be submitted under the Article 6.4 mechanism in accordance with the relevant requirements and processes applicable to any A6.4 activities, after the Supervisory Body has approved the transition of the underlying CDM project activity, or PoA and CPAs therein, to the Article 6.4 mechanism:
 - (i) Provisional requests for issuance if the underlying CDM project activity, or PoA and CPAs therein, voluntarily replaced, or were required to replace, the currently applied CDM methodology with a mechanism methodology in accordance with paragraph 18 above;
 - (ii) Provisional requests for renewal;
 - (e) The fee for finalization of a provisional request shall be determined based on the following principles:¹⁵
 - (i) Requests for finalization of provisional requests for registration of project activities and PoAs are subject to the share of proceeds applicable to requests for registration of projects and PoAs, respectively, under the Article 6.4 mechanism;


¹⁴ This is due to the fact that a request for finalization of a provisional request for issuance or provisional inclusion of a CPA may be submitted only after the underlying CDM project activity, or PoA and CPAs therein, have successfully transitioned to the Article 6.4 mechanism in accordance with paragraph 36(a)–(b), for which the host Party approval has been provided.

¹⁵ Pursuant to decision 7/CMA.4, annex I, paragraphs 14(b)-(e) and 58.

- (ii) Requests for finalization of provisional inclusion of CPAs are subject to the share of proceeds applicable to inclusion of CPAs in a registered PoA under the Article 6.4 mechanism;
- (iii) Requests for finalization of provisional requests for issuance are subject to the share of proceeds applicable to requests for issuance under the Article 6.4 mechanism;
- (iv) All fees for requests for registration, issuance, renewal and post-registration changes to project activities and PoAs as well as inclusion of CPAs under the Article 6.4 mechanism are waived for activities in least developed countries and small island developing States.

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Attachment 1. Form for transition request

 CDM activity transition request form¹ (Version 01.0)	
Type of transition request <i>(Tick box(es))</i>	<input type="checkbox"/> Transition of CDM activity <input type="checkbox"/> Finalization of provisional request ² <input type="checkbox"/> For registration <input type="checkbox"/> For issuance
Type of activity <i>(Tick box(es))</i>	<input type="checkbox"/> Project activity <input type="checkbox"/> Programme of activities (PoA) <input type="checkbox"/> Including component project activities (CPAs) ³
Title and UNFCCC reference number of activity	
Host Party(ies)	
Crediting period type and expiry date of the current crediting period (for a project activity or PoA) <i>(Tick box(es))</i> <i>(Indicate the hypothetical expiry date under the CDM rules in the DD/MM/YYYY format)</i>	<input type="checkbox"/> Renewable <input type="checkbox"/> In the first crediting/PoA period expiring on _____ <input type="checkbox"/> In the second crediting/PoA period expiring on _____ <input type="checkbox"/> In the third crediting/PoA period expiring on _____ <input type="checkbox"/> In the fourth PoA period expiring on _____ <i>(applicable only for PoAs)</i> <input type="checkbox"/> Fixed, expiring on _____

¹ This form is to be filled, signed and submitted by the person authorized for scope (c) by the project participants of the CDM project activity or PoA as indicated in the modalities of communication submitted in accordance with the “CDM project cycle procedure for project activities” or “CDM project cycle procedure for programmes of activities” to the secretariat and to the host Party(ies) of the project activity or PoA by no later than 31 December 2023. **The secretariat may convert this form into electronic interface for submission of transition requests, in which case, the signature will be replaced with electronically secure means.**

² Provisional requests for renewal will not be finalized under the transition process. Therefore, this form is not relevant.


³ CPAs already included in a CDM PoA may transition to the Article 6.4 mechanism only in conjunction with the transition of the PoA. Therefore, this box must be ticked if the project participants wish the CPAs to also transition to the Article 6.4 mechanism.

Crediting period type and duration of activity (for CPAs) <i>(Tick box(es))</i> <i>(Add rows as needed)</i>	CPA ref. #	Crediting period type (renewable or fixed)	Expiry date of the current crediting period
Applied methodology <i>(Tick boxes)</i>	<input type="checkbox"/> Continue to apply the currently applied CDM methodology at transition <input type="checkbox"/> Replace the currently applied CDM methodology with an Article 6.4 mechanism methodology <ul style="list-style-type: none"> <input type="checkbox"/> For project activity <input type="checkbox"/> For both PoA and all CPAs <input type="checkbox"/> For only PoA⁴ 		
I confirm that the crediting period or the PoA period of the activity was active as of 1 January 2021 and hereby submit request for transition to the Article 6.4 mechanism	Date (DD/MM/YYYY):		
	Names of the entity and the representative of the project participants: ⁵		
	Signature:		

⁴ For a PoA requesting transition, it is possible to voluntarily replace the currently applied CDM methodology at transition only for the PoA, while continuing to apply the currently applied CDM methodology for CPAs until either the end of the current crediting period or 31 December 2025, whichever is earlier.

⁵ Please write the name of the focal point entity designated by the project participants of the CDM project activity or PoA for scope (c) and the name of its representative as communicated to the secretariat in the modalities of communication in accordance with the relevant provisions in the “CDM project cycle procedure for project activities” or the “CDM project cycle procedure for programmes of activities”, respectively.

Attachment 2. Form for host Party approval

 CDM activity transition approval form³⁴ (Version 01.0)	
Type of transition request <i>(Tick box(es))</i>	<input type="checkbox"/> Transition of CDM activity <input type="checkbox"/> Finalization of provisional request ³⁵ <input type="checkbox"/> For registration <input type="checkbox"/> For issuance
Type of activity <i>(Tick box(es))</i>	<input type="checkbox"/> Project activity <input type="checkbox"/> Programme of activities (PoA) <input type="checkbox"/> Including component project activities (CPAs) ³⁶
Title and UNFCCC reference number of activity	
Confirmation of receipt of transition request <i>(Tick box to confirm)</i>	<input type="checkbox"/> The transition request for this activity(ies) has been received by the host Party by 31 December 2023
Confirmation on activity type <i>(Tick box to confirm)</i>	<input type="checkbox"/> The type of activity in the transition request is among the activity types that the host Party intends to approve as Article 6.4 mechanism activities ³⁷
Approving host Party	

³⁴ This form is to be filled, signed and submitted by the representative of the designated national authority for the Article 6.4 mechanism as notified to the UNFCCC secretariat by no later than 31 December 2025. **The secretariat may convert this form into electronic interface for submission of host Party approval, in which case, the signature will be replaced with electronically secure means.**

³⁵ Provisional requests for renewal will not be finalized under the transition process. Therefore, this form is not relevant.

³⁶ CPAs already included in a CDM PoA may transition to the Article 6.4 mechanism only in conjunction with the transition of the PoA. Therefore, this box must be ticked if the host Party also approves the transition of the CPAs to the Article 6.4 mechanism.

³⁷ In accordance with paragraph 26(e) of the annex to decision 3/CMA.3, the host Party shall indicate publicly to the Supervisory Body the types of Article 6.4 activity that it would consider approving and how such types of activity and any associated emission reductions would contribute to the achievement of its nationally determined contribution, if applicable, its long-term low greenhouse gas emission development strategy, if it has submitted one, and the long-term goals of the Paris Agreement. Paragraph 6 of the annex I to decision 7/CMA.4 further elaborated that CDM project activities, PoAs and the CPAs therein, and activities in provisional requests that may transition to the Article 6.4 mechanism shall be among the activity types indicated by the host Party.

I hereby approve the transition of the CDM activity to, or finalization of the provisional request under, the Article 6.4 mechanism, subject to approval by the Supervisory Body	Date (DD/MM/YYYY):
	Name of designated national authority organization:
	Name of representative of designated national authority:
	Signature:

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Document information

Version	Date	Description
02.0	26 June 2023	Published as an annex to the annotated agenda of SB 006. This version takes into account the guidance provided by the Supervisory Body at SB 005 (SB 005 meeting report, para. 8).
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