

**A6.4-SB011-A05**

## Draft Standard

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# Article 6.4 activity standard for programmes of activities

Version 02.0

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## 1. Introduction

### 1.1. 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)<sup>1</sup> and requested the Supervisory Body, among others, to develop provisions for the development and approval of methodologies, validation, registration, monitoring, verification and certification, issuance, renewal, first transfer from the mechanism registry, voluntary cancellation and other processes pursuant to chapters V.B–L and VIII of the RMPs.<sup>2</sup>
2. The CMA, at its fourth session, elaborated some elements of the RMPs relating to the operation of the activity cycle of the Article 6.4 mechanism.<sup>3</sup>

### 1.2. Objectives

3. The objective of the “Article 6.4 activity standard for programmes of activities” (hereinafter referred to as this standard) is to set out requirements relating to the design, implementation and other attributes of Article 6.4 mechanism programmes of activities (A6.4 PoAs) and of component projects (CPs) that may be included in registered A6.4 PoAs.

## 2. Scope and entry into force

### 2.1. Scope

4. This standard provides activity participants of a proposed or registered A6.4 PoA with minimum requirements for requesting registration under the Article 6.4 mechanism, requesting approval of post-registration change, requesting issuance of Article 6, paragraph 4, emission reductions (A6.4ERs), renewal of the PoA period and deregistration from the Article 6.4 mechanism, as well as the equivalent processes for CPs.

### 2.2. Entry into force

5. This version of this standard enters into force on [DATE].

## 3. Terms and definitions

6. The following terms apply in this standard:
  - (a) “Shall” is used to indicate requirements to be followed;

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<sup>1</sup> Decision 3/CMA.3, annex, available at:  
[https://unfccc.int/sites/default/files/resource/cma2021\\_10\\_add1\\_adv.pdf#page=25](https://unfccc.int/sites/default/files/resource/cma2021_10_add1_adv.pdf#page=25)

<sup>2</sup> Decision 3/CMA.3, paragraph 5(a).

<sup>3</sup> Decision 7/CMA.4, annex I, chapters III–VI, available at:  
[https://unfccc.int/sites/default/files/resource/cma2022\\_10a02\\_adv.pdf#page=33](https://unfccc.int/sites/default/files/resource/cma2022_10a02_adv.pdf#page=33)

- (a) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
- (b) “May” is used to indicate what is permitted;
- (b) “Activity participant” is a public or private entity that participates in an A6.4 PoA;
- (c) “Methodology” is, unless otherwise specified, a mechanism methodology referred to in the RMPs, as approved by the Supervisory Body, to set a baseline for the calculation of emission reductions to be achieved by Article 6.4 mechanism projects and PoAs (hereinafter collectively referred to as A6.4 activities), to demonstrate the additionality of A6.4 activities, to ensure accurate monitoring of GHG emission reductions or net GHG removals, and to calculate GHG emission reductions or net GHG removals achieved by A6.4 activities.

## 4. Principles

7. The following principles<sup>4</sup> guide the design and implementation of an A6.4 PoA, and the monitoring of greenhouse gas (GHG) emission reductions or net GHG removals, and contribute to enhancing the environmental integrity of the A6.4 PoA:
- (a) Select the GHG sources, GHG sinks, GHG reservoirs, data, methodologies and all other information that is appropriate to the needs of the intended user;<sup>5</sup>
  - (b) Include all relevant GHG sources and sinks, and information to support compliance with all requirements;
  - (c) Enable meaningful comparisons in activity-related information;
  - (d) Reduce bias and uncertainties as far as it is practical/cost-effective, or otherwise use conservative assumptions, values and procedures to ensure that GHG emission reductions or net GHG removals are not overestimated;
  - (e) Disclose sufficient and appropriate activity-related information in a truthful manner to allow intended users to make decisions with reasonable confidence. Proprietary or confidential information may be marked as such for not disclosing publicly by the designated operational entity (DOE), the Supervisory Body or the secretariat without the written consent of the provider of the information, except as required by national law. In this context, information used to determine additionality, to describe the baseline methodology and its application, and to support assessments of environmental impacts, social impacts and sustainable development impacts shall not be considered as proprietary or confidential.

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<sup>4</sup> This text is adapted to the Article 6.4 mechanism and is taken from ISO 14064-2:2006 – Greenhouse gases – Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removals; it is reproduced with the permission of the International Organization for Standardization (ISO). This standard can be obtained from any ISO member and from the website of the ISO Central Secretariat at the following address: <<http://www.iso.org>>. Copyright remains with ISO.

<sup>5</sup> “Intended users” include activity participants, designated operational entities (DOEs), the Supervisory Body, the UNFCCC secretariat, designated national authorities (DNAs) and local and other stakeholders.

## 5. General requirements

### 5.1. Use of applicable forms

8. The activity participants wishing to have a proposed A6.4 PoA validated by a DOE shall prepare a PoA design document (PoA-DD) using the valid version of the applicable programme designed document form and following the instructions therein.<sup>6</sup> Similarly, the activity participants wishing to have a proposed CP validated by a DOE for its inclusion in a registered A6.4 PoA shall prepare a CP design document (CP-DD) using the valid version of the applicable CP-DD form and following the instructions therein.
9. The activity participants wishing to have the GHG emission reductions or net GHG removals achieved by the implemented CPs included in a registered A6.4 PoA verified by a DOE shall prepare, for each monitoring period, a monitoring report using the valid version of the monitoring report form and following the instructions therein.

### 5.2. Use of applicable global warming potentials

10. The activity participants shall use 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 Appendix 1, or 100-year time-horizon GWP values from a subsequent IPCC assessment report as agreed upon by the CMA, to calculate aggregate GHG emission reductions or net GHG removals achieved or expected to be achieved by the proposed or registered A6.4 project in the period from 1 January 2021, expressed in tonnes of carbon dioxide equivalent.

## 6. Design of programme of activities

### 6.1. Notification of prior consideration of the Article 6.4 mechanism

11. The activity participants shall, prior to proceeding with requesting registration of a PoA under the Article 6.4 mechanism through a DOE, notify prior consideration of the Article 6.4 mechanism for the PoA<sup>7</sup> by submitting a “prior consideration notification” to the secretariat, containing a summary of the PoA information and, if they so wish, the preferred start date of the PoA period<sup>8</sup> in accordance with the “Article 6.4 activity cycle procedure for programmes of activities” (hereinafter referred to as the activity cycle procedure).

### 6.2. Description of programme of activities

12. The activity participants shall describe the proposed A6.4 PoA in the PoA-DD to provide an understanding of the nature and the outline of the PoA by including, inter alia, the following information:

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<sup>6</sup> All types of PDD forms are available on the dedicated UNFCCC website.

<sup>7</sup> This provision may be utilized if the activity participants wish to eventually include CPs in the PoA that may start before the start of the global stakeholder consultation of the PoA.

<sup>8</sup> The start date of the PoA period will be the earliest between the preferred start date of the PoA period indicated in the notification form and the first day of the publication for global stakeholder consultation. If not specified in the notification form, the start date of the PoA period shall be the date of publication of the PoA-DD for global stakeholder consultation.

- (a) The title and the UNFCCC reference number of the PoA consistent with those indicated in, and assigned to, the prior consideration notification referred to in paragraph 11 above;
  - (b) The sectoral scopes linked to the methodologies applied and relevant to the PoA;
  - (c) The purpose and a general description of the PoA, including:
    - (i) The policy/measure or stated goal that the PoA seeks to achieve;
    - (ii) The framework for the implementation and operation of the PoA and inclusion of CPs in the PoA;
  - (d) The geographical boundary(ies) of the PoA (e.g. municipality, region within a country, country or several countries) within which all CPs that will be included in the PoA will be implemented;
  - (e) The confirmation that the PoA and envisaged CPs that will be included in the PoA are within the types of A6.4 activities indicated by the host Party that it would consider approving in accordance with paragraph 26(e) of the RMPs;
  - (f) The technologies/measures to be deployed and/or implemented by CPs that will be included in the PoA;
  - (g) Indicative maximum annual amount of GHG emission reductions or net GHG removals expected to be achieved by CPs implemented in each of the host Parties that may be included in the PoA.
13. The activity participants shall identify in the PoA-DD:
- (a) The host Party(ies) and other Parties participating in the proposed A6.4 PoA (hereinafter referred to as other participating Parties);
  - (b) The activity participants of the proposed A6.4 PoA.

### **6.3. Avoidance of double or revived registration**

14. The activity participants shall confirm that the proposed A6.4 PoA is not an already registered A6.4 PoA.
15. The activity participants shall additionally confirm one of the following:
- (a) The proposed A6.4 PoA is not currently registered or being pursued for registration, or covered by a programme, under any other international, regional, national, subnational or sector-wide GHG mitigation crediting scheme;
  - (b) The proposed A6.4 PoA was previously registered under or covered by a programme under another international, regional, national, or subnational or sector-wide GHG mitigation crediting scheme but deregistered or excluded from the other crediting scheme before fully consuming the PoA period under the other crediting scheme; or
  - (c) The proposed A6.4 PoA is currently registered or covered by another international, regional, national, subnational or sector-wide GHG mitigation crediting scheme.



16. For the cases referred to in paragraph 15(b) above, the activity participants shall obtain a confirmation of the other crediting scheme of the effective date of deregistration or exclusion from the other crediting scheme and remaining crediting period under the other crediting scheme at the time of deregistration or exclusion.
17. For the cases referred to in paragraph 15(c) above, the activity participants shall obtain a confirmation of the other crediting scheme of the effective date of the registration or coverage, the start and end dates of the PoA period, and the monitoring periods for which credits have been issued under the other crediting scheme.

#### **6.4. Management system**

18. The activity participants shall establish and provide a description of the operational and management system for the implementation of the proposed A6.4 PoA including the following:
  - (a) A clear definition of roles and responsibilities of personnel involved in the process of inclusion of CPs, including their competencies;
  - (b) Records of arrangements for training and capacity development for personnel;
  - (c) A procedure for technical review of inclusion of CPs;
  - (d) Records and documentation control process for each CP under the PoA;
  - (e) Measures for continuous improvements of the PoA management system;
  - (f) Any other relevant elements.
19. The activity participants shall have the competencies to check the features of potential CPs and ensure that each CP meets all requirements and eligibility criteria for inclusion of CPs in the proposed A6.4 PoA before their inclusion.

#### **6.5. Global stakeholder consultation and validation**

20. The activity participants shall submit to the secretariat the completed PoA-DD, together with supporting documentation, for validation and publication for global stakeholder consultation.
21. Information used to determine additionality, to describe the baseline methodology, the selected standardized baselines and their application, and to support assessments of environmental impacts, social impacts and sustainable development impacts shall not be considered as proprietary or confidential. Any data, values and formulae included in electronic spreadsheets provided shall be made accessible and verifiable.
22. Before publishing the PoA-DD for global stakeholder consultation in accordance with the activity cycle procedure, the activity participants may request the DOE selected to perform the validation to seek clarification from the Supervisory Body in accordance with "Procedure: Development, revision and clarification of methodologies and methodological tools" on the acceptability of deviation from:
  - (a) A selected mechanism methodology for A6.4 activities (hereinafter referred to as methodology) or methodological tool; or

- (b) Sections in the selected methodology or methodological tool that are not standardized by the selected standardized baselines, if the proposed A6.4 PoA applies standardized baselines.

23. If, after the publication of the PoA-DD for global stakeholder consultation, the activity participants have changed any of the applied methodologies or the combination thereof for the proposed A6.4 PoA, the activity participants shall prepare a revised PoA-DD and submit it to the secretariat for publication for a new global stakeholder consultation in accordance with the activity cycle procedure and request the DOE to restart validation.

#### **6.6. Demonstration of additionality**

24. Additionality of an A6.4 PoA shall be demonstrated at the CP level when each CP is included in the PoA. For this purpose, the activity participants shall include in the PoA-DD conditions that would systematically demonstrate additionality of the CPs under the proposed A6.4 PoA in the eligibility criteria for inclusion of CPs in the PoA in accordance with section 6.11.10 below.

#### **6.7. Start date and duration**

25. The activity participants shall determine the start date of the PoA period for the proposed A6.4 PoA as the date indicated in the prior consideration notification form as per paragraph 11 above or the date of publication of the PoA-DD for global stakeholder consultation, whichever is earlier.
26. The activity participants shall state the start date of the proposed A6.4 PoA in the format dd/mm/yyyy or shall refer to the date of publication of the PoA-DD for global stakeholder consultation (GSC) and shall not attach any qualifications to the start date, such as "expected".
27. The activity participants shall specify the duration of the proposed A6.4 PoA, which shall not exceed 20 years (60 years for PoAs involving removals), counting from the start date of the PoA.

#### **6.8. Integrity safeguards**

28. The proposed A6.4 PoA, in its development, implementation and operation, shall not involve any illegal activities, including money laundering, tax evasion, fraud, bribery and criminal activities through the lifetime of the PoA including the development, implementation and operation of CPs that may be included in the PoA. For this purpose, the activity participants shall prepare a declaration and submit it to the DOE as part of the request for registration of the proposed A6.4 PoA in accordance with the activity cycle procedure.

#### **6.9. Authorization of activity participants**

29. Each activity participant shall be authorized by the host Party of the proposed A6.4 PoA or other participating Party through a dedicated interface on the UNFCCC website for participating in the A6.4 PoA. If the PoA is hosted by multiple Parties, the authorization by the host Party may be provided by any of the host Parties. Each of the host Parties shall authorize at least one activity participant to participate in the PoA.

30. The entities/individuals responsible for the operation of individual CPs (CP implementers) are not necessarily required to be activity participants. The activity participants of an A6.4 PoA are only recorded at the PoA level.

### **6.10. Modalities of communication**

31. The activity participants shall define for the proposed A6.4 PoA their modalities of communication with the Supervisory Body and the secretariat and present them in a modalities of communication (MoC) statement in accordance with the activity cycle procedure.

### **6.11. Generic component project**

#### **6.11.1. General requirements**

32. As part of the PoA-DD for the proposed A6.4 PoA, the activity participants shall prepare a generic CP-DD. The generic CP-DD shall:
- (a) Describe the technologies/measures to be deployed and/or implemented by the corresponding CPs, including a description of their common features;
  - (b) Define the conditions and circumstances under which technologies/measures may be included as CPs in the PoA, by establishing eligibility criteria for inclusion of CPs in the PoA;
  - (c) Specify how the corresponding CPs are to be designed to ensure that they comply with all applicable Article 6.4 mechanism rules and requirements, including the requirements in this standard and in the applied methodologies and, where applicable, the applied standardized baselines.
33. For a proposed A6.4 PoA applying more than one technology/measure or more than one methodology, the activity participants shall prepare a generic CP-DD for each technology/measure, each methodology and each combination thereof.<sup>9</sup>
34. The activity participants shall consider any specific guidance in the applied methodologies regarding the requirement to prepare a separate generic CP-DD for each technology/measure, taking into account differences in the means of demonstration of additionality, GHG emission reductions or net GHG removal calculations, and monitoring methods applicable to the technologies/measures being implemented.

#### **6.11.2. General description**

35. The activity participants shall describe the generic CP in the generic CP-DD. When describing the generic CP, the activity participants shall provide, inter alia, the following information:
- (a) The purpose of the generic CP;

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<sup>9</sup> For instance, a PoA for energy-efficiency activities applying a single methodology but including different technologies will need more than one generic CP-DD (e.g. a generic CP-DD for efficient street lighting and a generic CP-DD for efficient water pumping). However, separate generic CP-DDs are not required to cover cases that do not differ in terms of GHG emission reduction calculations (e.g. separate generic CP-DDs are not required for installing cookstoves of efficiency N by manufacturer M1 versus installing prefabricated cookstoves of efficiency N by manufacturer M2).

- (b) The confirmation that the generic CP is within the types of A6.4 activities indicated by the host Party that it would consider approving in accordance with paragraph 26(e) of the RMPs;
- (c) The geographical boundary;
- (d) The technologies/measures to be deployed and/or implemented by the corresponding CPs, including:
  - (i) A list of the facilities, systems and equipment that will be installed and/or modified by the corresponding CPs;
  - (ii) The types and levels of services<sup>10</sup> provided by the facilities, systems and equipment and their relation, if any, to other facilities, systems and equipment outside the project boundary;
  - (iii) The arrangement of the facilities, systems and equipment;
  - (iv) The range of the age and average lifetime of the facilities, systems and equipment based on the manufacturer's specifications and industry standards;
  - (v) The range of the installed capacities, load factors and efficiencies;
  - (vi) The energy and mass flows and balances of the facilities, systems and equipment, if necessary;
  - (vii) The monitoring equipment and their location in the systems;
- (e) The technologies/measures existing prior to the implementation of the corresponding CPs at the same sites, as applicable, including the equivalent information listed in subparagraph (d) above on the facilities, systems and equipment;
- (f) A summary of the baseline scenario as established in accordance with 6.11.6 below, including the equivalent information listed in subparagraph (d) above.
- (g) An indication for each generic CP as to how the requirements of the Article 6.4 sustainable development tool will be applied at CP level and how the analysis of the environmental and social impacts and sustainable development impacts will be conducted at the CP level in accordance with the requirements of the Article 6.4 sustainable development tool, including transboundary impacts and how the environmental, social and sustainable development impacts will be monitored.

### **6.11.3. Selection of methodologies and standardized baselines**

36. The activity participants shall select methodologies that have been approved by the Supervisory Body and that are valid,<sup>11</sup> applicable to the generic CP and, if applicable,

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<sup>10</sup> Examples of "types and levels of services" include the amount of a certain type of cement produced or the amount of electricity fed into the electricity grid.

<sup>11</sup> The valid version of a mechanism methodology is its latest version, or a previous version if the submission of the request for registration of the proposed A6.4 PoA to the secretariat in accordance with the activity cycle procedure is still within the grace period of the previous version for use in accordance with the "Procedure: Development, revision and clarification of methodologies and methodological tools".

compatible with the methodological requirements that may be specified by the host Party in accordance with paragraph 27(a) of the RMPs.

37. In selecting a methodology for the generic CP, the activity participants may:
- (a) Propose a new methodology in accordance with the “Procedure: Development, revision and clarification of methodologies and methodological tools”;
  - (b) Propose a revision to an approved methodology or methodological tool in accordance with the procedure referred to in subparagraph 37(a) above;
  - (c) Seek clarification on the applicability of an approved methodology or methodological tool in accordance with the procedure referred to in subparagraph 37(a) above; or
  - (d) Request clarification of acceptability of deviation from an approved methodology or methodological tool in accordance with the procedure referred to in subparagraph 37(a) above.

#### **6.11.4. Application of methodologies and standardized baselines**

38. The activity participants shall provide the references (titles, versions and UNFCCC reference numbers) of the selected methodologies and the selected standardized baselines that are applied to the generic CP, including any other methodologies or methodological tools to which the selected methodologies refer.
39. The activity participants shall demonstrate why the selected methodologies, standardized baselines, and any other standards, methodologies, methodological tools and guidelines applied in accordance with the selected methodologies (hereinafter, “any other standards, methodologies, methodological tools and guidelines (to be) applied in accordance with the selected (applied) methodologies” are collectively referred to as the other (applied) methodological regulatory documents), are applicable to the generic CP by showing that the generic CP meets all applicability conditions of these regulatory documents and, if applicable, are compatible with the methodological requirements that may be specified by the host Party in accordance with paragraph 27(a) of the RMPs.
40. The activity participants shall ensure that the design of the generic CP complies with all the requirements of the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents and, if applicable, the methodological requirements that may be specified by the host Party in accordance with paragraph 27(a) of the RMPs.
41. The activity participants may apply combinations of multiple methodologies for the proposed A6.4 PoA using one of the options below if the generic CPs apply a combination of technologies/measures that are not covered by a single methodology:
- (a) The same combination of technologies/measures under the same combination of methodologies are applied consistently in every CP in the PoA;
  - (b) A principal technology/measure is used consistently in all CPs in the PoA, applying different combinations of methodologies to different CPs; or

- (c) Combinations of technologies/measures and/or methodologies vary across CPs in the PoA and the implementation of activities through CPs is integrated through the design of the PoA.<sup>12</sup>
42. In any of the options referred to in paragraph 41 above, the activity participants shall either:
- (a) Demonstrate that no cross effects exist between the technologies/measures by following the instructions provided in Appendix 3; or
  - (b) If cross effects exist, take them into account in the calculation of GHG emission reductions.
43. For the purpose of meeting the requirement referred to in paragraph 42 above, the activity participants may:
- (a) Seek clarification from the Supervisory Body on the existence of cross effects or how they should be taken into account in the calculation of GHG emission reductions in accordance with the “Procedure: Development, revision and clarification of methodologies and methodological tools”; or
  - (b) Propose a revision to the applied methodologies in accordance with the procedure referred to in subparagraph (a) above to take into account the identified cross effects.

#### **6.11.5. Project boundary, sources, sinks and greenhouse gases**

44. The activity participants shall describe how to define the project boundary of each of the corresponding CPs, including the physical delineation of the project using GPS coordinates as appropriate, and which sources, sinks and GHGs are included in the project boundary in accordance with the applied methodologies and the applied standardized baselines. In this context, project boundary is a physical delineation or geographical area that encompasses GHGs and sources under the control of the activity participants and that are significant and reasonably attributable to the corresponding CP in accordance with the applied methodologies and, where applicable, the applied standardized baselines.
45. If the applied methodologies or the applied standardized baselines allow the activity participants to choose whether a source, sink or GHG is to be included in the project boundary, the activity participants shall explain and justify the choice.

#### **6.11.6. Baseline scenario**

46. The activity participants shall describe how to establish the baseline scenario for each of the corresponding CPs in accordance with the applied methodologies, standardized baselines, other applied methodological regulatory documents, the provisions in paragraph 47 below and, where applicable, the baseline approaches specified by the host Party in accordance with paragraph 27(a) of the RMPs.

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<sup>12</sup> For example, the PoA involves different GHG emission reduction activities as part of a city-wide effort that includes different measures such as energy production, transport, energy efficiency and waste management, or the PoA involves the installation of renewable electricity systems, which may include grid-connected and off-grid systems, by providing financial incentives for the installation of these systems.

47. When describing how to establish the baseline scenario, if the activity participants foresee that future emissions by sources are projected to rise above current levels due to the specific circumstances of the host Party, they may follow the guidance on suppressed demand in the applied methodology or propose a revision to an approved methodology to cover such scenario if it is not covered in the methodology.
48. [As a general principle, the nationally determined contribution (NDC) of the host Party submitted and maintained in accordance with Article 4, paragraph 2, and relevant national and/or sectoral policies, regulations and circumstances shall be taken into account in the establishment of the baseline scenario, without creating perverse incentives that may impact host Parties' contributions to the objective of the Paris Agreement.]<sup>13</sup>
49. If the generic CP applies an approved standardized baseline that standardizes the baseline scenario, the activity participants shall describe the baseline scenario as per the applied standardized baseline.

#### **6.11.7. Estimation of emission reductions or net removals**

50. The activity participants shall describe how they will undertake the ex post calculation of baseline, project and leakage GHG emissions or removals, as well as the modalities for estimating the GHG emission reductions or net GHG removals, to be achieved by each of the corresponding CPs in accordance with the applied methodologies and the applied standardized baselines. If the generic CP contains more than one component or applies more than one methodology, the activity participants shall apply this requirement for each component and/or methodology separately. The activity participants shall describe all steps to be undertaken for these calculations.
51. If the applied methodologies, the applied standardized baselines or other applied methodological regulatory documents include different scenarios or cases or provide different options and/or default values to choose from, the activity participants shall justify their choice.
52. The activity participants shall use the valid version of the norms, specifications, standards and test procedures referred to in the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents, as available at the time of submission of the PoA-DD to a DOE for validation.
53. The activity participants shall, in accordance with the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents, provide identification of the data and parameters that will not be monitored but will be determined before the CP inclusion in the proposed A6.4 PoA individually for each CP and remain fixed throughout the crediting period of the CP.
54. The activity participants shall ensure that the application of default data in the estimation of GHG emission reductions or net GHG removals for the corresponding CPs results in conservative estimates.
55. The activity participants may use sampling for the determination of parameter values for calculating GHG emission reductions or net GHG removals if the applied methodologies, the applied standardized baselines or the other applied methodological regulatory

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<sup>13</sup> The content of this paragraph depends on possible CMA guidance referred to in footnote 9; therefore, the paragraph is bracketed. The brackets will be removed with the same content or with modifications based on such CMA guidance in the next version of this document.

documents allow this. In such cases, the activity participants shall develop and describe a sampling plan in accordance with the standard for sampling and surveys for Article 6.4 mechanism activities to be developed by the Supervisory Body.

#### **6.11.8. Monitoring plan**

56. The activity participants shall describe how to develop a monitoring plan for each of the corresponding CPs in accordance with the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents, all other applicable Article 6.4 mechanism rules and requirements, and the provisions in paragraphs 57–60 below.
57. The monitoring shall meet the following requirements unless the applied methodologies, the applied standardized baselines or the other applied methodological regulatory documents state otherwise:
  - (a) Data variables that impact the GHG emission reductions or net GHG removals continuously (e.g. quantity of fuel inputs, amount of heat or electricity produced, gas captured) shall be measured continuously and recorded at appropriate intervals;
  - (b) Measuring equipment shall be certified to national or IEC standards;
  - (c) The calibration of measuring equipment shall be carried out by an accredited person or institution;
  - (d) Measured data with high levels of uncertainty shall be compared with data from other sources to check the consistency.
58. For parameters to be measured in accordance with the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents, the monitoring plan shall include the following:
  - (a) The measurement methods and procedures, including accepted industry standards, or national or international standards, that will be applied; the measuring equipment that will be used; how the measurements will be undertaken; the accuracy of the measurement methods; the measurement intervals; and the responsible person/entity who/that will undertake the measurements;
  - (b) The calibration procedures to be applied and the responsible person/entity who/that will perform the calibration.
59. The monitoring plan shall include all data, parameters and related information required by the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents, including:
  - (a) Quality assurance and quality control (QA/QC) procedures;
  - (b) Uncertainty levels, methods and the associated accuracy level of measuring instruments to be used for various parameters and variables;
  - (c) Specifications of the calibration frequency for the measuring equipment. If neither the applied methodologies, the applied standardized baselines, the other applied methodological regulatory documents, nor the Supervisory Body's guidance specify any requirements for calibration frequency for measuring equipment, the



activity participants shall ensure that the equipment is calibrated in accordance with the local/national standards or the manufacturer's specifications. If local/national standards or the manufacturer's specifications are not available, international standards may be used.

60. The monitoring plan shall also include a description of the monitoring management system including the following elements:
- (a) The operational and management structure to be put in place to implement the monitoring plan;
  - (b) Provisions to ensure that data monitored and required for verification of GHG emission reductions or net GHG removals and issuance of A6.4ERs are kept and archived for at least two years after the end of the final PoA period or the last issuance of A6.4ERs for the PoA, whichever occurs later;
  - (c) Definitions of responsibilities and institutional arrangements for data collection and archiving.

#### **6.11.9. Crediting period type and duration**

61. The activity participants shall indicate the crediting period type (renewable or fixed) and the duration of the crediting period applicable to all corresponding CPs, as follows:
- (a) For GHG emission reduction component projects:
    - (i) Each renewable crediting period shall be maximum five years and may be renewed maximum twice, for a maximum total length of 15 years, or any shorter crediting period that may be specified by the host Party pursuant to paragraph 27(b) of the RMPs or by the applied methodologies; or
    - (ii) A fixed crediting period shall be maximum 10 years, or any shorter crediting period that may be specified by the host Party pursuant to paragraph 27(b) of the RMPs or by the applied methodologies;
  - (b) For GHG removal component projects, each renewable crediting period shall be maximum 15 years and may be renewed maximum twice, for a maximum total length of 45 years, or any shorter crediting period that may be specified by the host Party pursuant to paragraph 27(b) of the RMPs or by the applied methodologies.

#### **6.11.10. Eligibility criteria for inclusion of component projects**

62. The activity participants shall, in the generic CP, define the eligibility criteria for inclusion of corresponding CPs in the proposed A6.4 PoA, setting out required conditions for a CP to be included in the PoA, and demonstrate the usability of the eligibility criteria for assessing the inclusion of CPs in the PoA. If the PoA establishes multiple generic CPs, the activity participants shall develop a distinct set of eligibility criteria for each generic CP.
63. The eligibility criteria shall, as a minimum, cover the following:<sup>14</sup>
- (a) Geographical boundary of the CP consistent with the geographical boundary of the PoA;

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<sup>14</sup> The validating DOE and/or the Board may specify additional criteria depending on the specific characteristics of a PoA.

- (b) Conditions to avoid double counting of GHG emission reductions or net GHG removals, such as unique identifications of product and end-user locations (e.g. programme logo);
- (c) Conditions to confirm that the CP is not a double or revived inclusion or registered as a standalone project under the Article 6.4 mechanism by demonstrating that the CP is none of the following:
  - (i) Registered as an A6.4 project;
  - (ii) Included as a CP in a registered A6.4 PoA;
  - (iii) Previously an A6.4 project deregistered from the Article 6.4 mechanism;
- (d) Conditions to determine whether the CP is or was one of the following:
  - (i) Not currently registered or being pursued for registration, or covered by a programme, under any other international, regional, national, subnational or sector-wide GHG mitigation crediting scheme;
  - (ii) Previously registered under or covered by a programme under any other international, regional, national, or subnational or sector-wide GHG mitigation crediting scheme but deregistered or excluded from the other crediting scheme before fully consuming the crediting period under the other crediting scheme; or
  - (iii) Currently registered or covered by a programme under any other international, regional, national, subnational or sector-wide GHG mitigation crediting scheme.
- (e) Specification of the technology/measure,<sup>15</sup> such as the level<sup>16</sup> and type of service, as well as performance specification based on, inter alia, testing/certification;
- (f) Conditions to check the start date of the CP, defined in section 7.5 below, through documentary evidence;
- (g) Conditions to confirm that the intention for the CP to be included in a registered PoA has been notified to the secretariat, if applicable, in accordance with the activity cycle procedure;
- (h) Conditions to ensure the compliance with the applicability of the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents and, if applicable, the methodological requirements that may be specified by the host Party in accordance with paragraph 27(a) of the RMPs;
- (i) Conditions to ensure that the CP meets the requirements for demonstration of additionality that necessitates a robust assessment that shows the CP would not

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<sup>15</sup> Specifications of the technology/measure shall include the type, capacity and other key features of the design of the systems. For example, indicating the installed capacity (in kW), size or dimensions, fixed/portable operation, and other key design features that make the project cook stoves efficient, would be appropriate; however, only indicating that all cook stoves will have an efficiency X per cent would not be sufficient.

<sup>16</sup> The level of service shall be defined in comparison with the baseline system being replaced.

have occurred in the absence of the incentives from the mechanism, taking into account all relevant national policies, including legislation, and representing mitigation that exceeds any mitigation that is required by law or regulation, and taking a conservative approach that avoids locking in levels of emissions, technologies or carbon-intensive practices incompatible with paragraph 33 of the RMPs;

- (j) Conditions to ensure the compliance with other requirements of the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents;
- (k) Conditions to ensure, in accordance with the applied methodologies and other applied methodological regulatory documents, that assessment of the risk of non-permanence of GHG emission reductions or net GHG removals that will be achieved by the CP over multiple NDC implementation periods is undertaken and, where such risk exists, approaches to plan monitoring and measures to address reversals in full;
- (l) The CP specific requirements, including any conditions related to undertaking local stakeholder consultation and assessments of environmental and social impacts and sustainable development impacts as per the “Article 6.4 sustainable development tool” (hereinafter referred to as the A6.4 SD tool);<sup>17</sup>
- (m) Target group (e.g. domestic/commercial/industrial, rural/urban, grid-connected/off-grid) and, where applicable, distribution mechanisms (e.g. direct installation);<sup>18</sup>
- (n) If the generic CP applies sampling for the determination of parameter values for calculating GHG emission reductions or net GHG removals, conditions related to sampling requirements for the CP in accordance with the standard for sampling and surveys for A6.4 activities to be developed by the Supervisory Body;

## **7. Design of component projects**

### **7.1. Description of component project**

- 64. To include a CP in a registered PoA, the activity participants shall develop a CP-DD that describes the specific design of the CP.
- 65. When describing the design of the CP, the activity participants shall provide, inter alia, the following information, which shall be consistent with the generic CP:
  - (a) The title of the CP;
  - (b) The sectoral scopes linked to the methodologies applied and relevant to the CP;
  - (c) The purpose and general description of the CP;
  - (d) The physical/geographical location of the CP;

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<sup>17</sup> See also relevant paragraphs of the activity cycle procedure.

<sup>18</sup> This is to re-test the validity of assumptions made at the PoA level. For example, in a lighting efficiency application, lighting usage hours of 3.5 hours per day would be valid if the target group is residences/households. Usage hours would be different in commercial applications.

- (e) The confirmation that the CP is within the types of A6.4 activities indicated by the host Party that it would consider approving in accordance with paragraph 26(c) of the RMPs;
  - (f) The technologies/measures to be employed and/or implemented by the CP in accordance with the generic CP, including:
    - (i) A list of the facilities, systems and equipment that will be installed and/or modified by the CP;
    - (ii) The types and levels of services<sup>10</sup> provided by the facilities, systems, practices and/or equipment and their relation, if any, to other facilities, systems and equipment outside the project boundary;
    - (iii) The arrangement of the facilities, systems and equipment;
    - (iv) The age and average lifetime of the facilities, systems and equipment based on the manufacturer's specifications and industry standards that are within the range specified in the generic CP;
    - (v) The installed capacities, load factors and efficiencies that are within the range specified in the generic CP;
    - (vi) The energy and mass flows and balances of the facilities, systems and equipment, if necessary;
    - (vii) The monitoring equipment and their locations in the systems;
  - (g) The technologies/measures existing prior to the implementation of the CP at the same site, as applicable, including the equivalent information listed in subparagraph (f) above on the facilities, systems and equipment;
  - (h) A summary of the baseline scenario as established in accordance with section 6.11.6 above, including the equivalent information listed in subparagraph (f) above.
66. A CP shall have only one host Party, which is the Party in which the CP is located as set out in the CP-DD.
67. The activity participants shall identify CP implementers referred to in paragraph 30 above, including their names and contact details.
68. The activity participants shall confirm, through the eligibility criteria referred to in paragraph 63 above, that:
- (a) The CP is neither registered as an A6.4 project nor included in another registered A6.4 PoA;
  - (b) The CP is not a project that has been deregistered from the Article 6.4 mechanism.
69. The activity participants shall declare, if applicable, the existence of a registered A6.4 project or a CP under a registered A6.4 PoA or an activity under any other international, regional, national or subnational GHG mitigation crediting scheme whose crediting period

has or has not expired (hereinafter referred to as former project) in the same geographical location<sup>19</sup> as that of the CP.

## **7.2. Avoidance of double or revived inclusion or registration**

70. If the CP is the case referred to in paragraph 63(d)(ii) above, the activity participants shall obtain a confirmation of the other crediting scheme of the effective date of deregistration or exclusion from the other crediting scheme and the remaining crediting period under the other crediting scheme at the time of deregistration or exclusion.
71. If the CP is the case referred to in paragraph 63(d)(iii) above, the activity participants shall obtain a confirmation of the other crediting scheme of the effective date of the registration or coverage, the start and end dates of the crediting period of the CP, and the monitoring periods for which credits have been issued under the other crediting scheme.
72. If the CP was a CP that has been excluded from a registered A6.4 PoA, the activity participants shall ensure that:
- (a) The CP-DD transparently declares that the project was a CP that has been previously excluded from a registered A6.4 PoA, either voluntarily or due to erroneous inclusion;
  - (b) The crediting period type (i.e. renewable or fixed) and the end date of the crediting period are the same as those of the crediting period valid for the CP at the time of the exclusion, noting that A6.4ERs may be claimed for the period only after the effective date of inclusion of the CP in the registered A6.4 PoA as per the activity cycle procedure, and:
    - (i) If the crediting period is renewable, the DOE shall upload the relevant documentation for including the CP in the registered A6.4 PoA within one year of the end date of the crediting period valid for the CP at the time of the exclusion, noting that missing the deadline no longer allows the inclusion of the CP;
    - (ii) If the crediting period is fixed, the DOE shall upload the relevant documentation for including the CP in the registered A6.4 PoA prior to the end date of the crediting period valid for the CP at the time of the exclusion, noting that missing the deadline no longer allows the inclusion of the CP;
  - (c) The CP meets all relevant requirements for inclusion of CPs valid at the time when the DOE uploads the relevant documentation for including the CP in the registered A6.4 PoA;
  - (d) If the CP applies a methodology that potentially accrues negative GHG emission reductions, GHG emission reductions have been continuously monitored in accordance with the monitoring plan as described in the CP-DD and verified by a DOE since the end of the monitoring period in the last published monitoring report that covered the CP, including the exclusion period. For such CP, if there were net negative GHG emission reductions during the period before the inclusion of the CP

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<sup>19</sup> The geographical location includes the project boundary excluding the location of non-project-specific equipment such as electricity grid and district heating. It does not apply to distributed unit projects in which the project boundary consists of a region.

in the registered A6.4 PoA, the amount shall be deducted from the first requests for issuance of A6.4ERs after the inclusion of the CP.

73. The activity participants shall declare, if applicable, the existence of a registered A6.4 project, another CP under a registered A6.4 PoA or an activity under any other international, regional, national or subnational GHG mitigation crediting scheme whose crediting period has or has not expired (hereinafter referred to as former project) in the same geographical location as that of the CP.
74. If the activity participants identify that the CP is in the same geographical location as that of a former project, it shall declare that the CP will not lead to the discontinuation or modification of the former project and does not decrease the GHG emission reductions or net GHG removals by the former project, and that the CP complies with the following conditions:
- (a) It utilizes both a different measure and a different technology from those of the former project;
  - (b) It does not share or utilize any of the assets of the former project;
  - (c) It utilizes a different resource type compared to the former project.
75. The following definitions shall apply for paragraph 74 above:
- (a) Measure: fuel/feedstock switch, technology switch, methane destruction and methane avoidance;
  - (b) Technology: equipment or conversion process used for the production of goods or provision of services. Two technologies are considered to be the same technologies if they:
    - (i) Provide the same kind of output and use the same kind of equipment and conversion process; or
    - (ii) Undertake the same course of action that results in the same kind of effect;
  - (c) Assets: resources with economic value that an individual, corporation or country owns or controls with the expectation that it will provide future benefit; the assets could be physical such as project equipment, or non-corporeal such as permits and exclusive position in legislation. The definition of assets in this context excludes land;
  - (d) Output: the amount of goods or services produced by a technology;
  - (e) Resource: a source of supply or support needed for the production of an output. It may include categories of goods, energy and energy carriers that are supplied into the project location and are required for the implementation of the CP, such as fossil fuel, by-product of a process, biomass, solar, wind, or geothermal heat.
76. If the CP involves the implementation of distributed units in households and the conditions referred to in paragraphs 74(a)–(c) above are not met, the activity participants shall request a DOE to validate and confirm by other means that the CP will not lead to the discontinuation or modification of the former project, and does not decrease the GHG emission reductions or net GHG removals by the former project, in accordance with the “Article 6.4 validation and verification standard for programmes of activities” (hereinafter referred to as the validation and verification standard).

77. In all other cases, the activity participants may submit a communication to the Supervisory Body to request clarification prior to the inclusion of the CP in the registered PoA.

### **7.3. Selection of methodologies and standardized baselines**

78. The activity participants shall select methodologies for the CP in accordance with the generic CP. If a methodology applied to the generic CP has been revised by the Supervisory Body, the validity of the version of the methodology and the necessity of post-registration change to the registered A6.4 PoA to apply the new version of the methodology prior to the inclusion of the CP shall follow the corresponding rules for validity of methodology contained in the "Procedure: Development, revision and clarification of methodologies and methodological tools".
79. If an applicable standardized baseline is available for the CP, the mandatory or optional selection of the standardized baseline shall be in accordance with the generic CP. If the generic CP does not refer to the selection of a standardized baseline but an applicable standardized baseline is available at the time of the inclusion of the CP in the registered A6.4 PoA, the activity participants shall or may select the standardized baseline depending on the mandatory<sup>20</sup> or optional conditions for its selection, provided that the development of the standardized baseline is consistent with the approach to setting a baseline described in the generic CP.

### **7.4. Application of methodologies and standardized baselines<sup>21</sup>**

#### **7.4.1. General requirements**

80. The activity participants shall provide the references (titles, versions and UNFCCC reference numbers) of the selected methodologies and the selected standardized baselines that are applied to the CP, including any other methodologies or methodological tools to which the selected methodologies refer, in accordance with the generic CP.
81. The activity participants shall demonstrate that the CP meets all conditions of the eligibility criteria referred to in paragraph 63(h) above that ensure compliance with the applicability of the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents and, if applicable, the methodological requirements that may be specified by the host Party in accordance with paragraph 27(a) of the RMPs.

#### **7.4.2. Project boundary, sources, sinks and greenhouse gases**

82. The activity participants shall describe the project boundary of the CP, including the physical delineation of the CP using GPS coordinates as appropriate, and which sources, sinks and GHGs are included in the project boundary in accordance with the applied methodologies and the applied standardized baselines, in accordance with the modalities in the generic CP as per paragraph 44 above. In this context, the project boundary is a physical delineation or geographical area that encompasses GHGs and sources under the control of the activity participants and that are significant and reasonably attributable to

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<sup>20</sup> As per the activity cycle procedure, it is not mandatory for activity participants to revise the PoA-DD in order to apply a mandatory standardized baseline that becomes available after the registration of the PoA and before a renewal of the PoA period. However, the activity cycle procedure also specifies that no new CPs can be included in the PoA until a post-registration change to the PoA to reflect the requirements of the standardized baseline is approved by the Supervisory Body.

<sup>21</sup> This section may be revised based on guidance of the CMA referred to in footnote 9.

the CP in accordance with the applied methodologies and, where applicable, the applied standardized baselines.

#### **7.4.3. Baseline scenario**

83. The activity participants shall establish and describe the baseline scenario for the CP in accordance with the modalities in the generic CP as per paragraph 46 above.
84. The activity participants shall provide information on the facilities, systems and equipment to be operated under the CP and in the baseline scenario.
85. When establishing the baseline scenario, if the activity participants foresee that future emissions by sources are projected to rise above current levels due to the specific circumstances of the host Party, they may follow the guidance on suppressed demand in the applied methodology if such option is envisaged in the generic CP in accordance with paragraph 47 above.
86. In case of replacement of existing equipment, the activity participants shall estimate the point in time when the existing equipment would be replaced in the absence of the CP in accordance with the guidance on determining the remaining lifetime of equipment in the applied methodology if applicable.
87. If the CP is registered under or covered by another international, regional, national, subnational or sector-wide GHG mitigation crediting scheme, the activity participants shall apply the most conservative baseline scenario between that which is required by the applied methodology and that which is set under such other crediting scheme in accordance with guidance to be provided by the Supervisory Body.
88. Notwithstanding paragraphs 83–87 above, if the CP applies an approved standardized baseline that standardizes baseline scenario, the activity participants shall describe the baseline scenario as per the applied standardized baseline.

#### **7.4.4. Demonstration of additionality**

89. The activity participants shall demonstrate that the CP meets all conditions of the eligibility criteria referred to in paragraph 63(i) above that ensure that the CP meets the requirements for demonstration of additionality.

#### **7.4.5. Addressing non-permanence**

90. The activity participants shall, in accordance with the applied methodologies and other applied methodological regulatory documents, assess the risk of non-permanence of GHG emission reductions or net GHG removals that will be achieved by the CP over multiple NDC implementation periods and, where such risk exists, develop and implement planned monitoring and measures to address reversals in full.

#### **7.4.6. Estimation of emission reductions or net removals**

91. The activity participants shall describe how they will undertake the ex post calculation of baseline, project and leakage GHG emissions or removals, as well as GHG emission reductions or net GHG removals, to be achieved by the CP, and provide the ex-ante calculation of them for each year of the crediting period, in accordance with the modalities in the generic CP as per paragraph 50 above. If the specific CP contains more than one



component, the activity participants shall apply this requirement for each component separately.

92. If the applied methodologies, the applied standardized baselines or other applied methodological regulatory documents include different scenarios or cases or provide different options and/or default values to choose from, the activity participants shall justify their choice in accordance with the modalities in the generic CP as per paragraph 51 above.
93. The activity participants shall ensure that the application of default data in the estimation of GHG emission reductions or net GHG removals for the specific CP is in accordance with the generic CP as described as per paragraph 54 above.

#### **7.4.7. Monitoring plan**

94. The activity participants shall develop and describe a monitoring plan for the CP in accordance with the modalities in the generic CP as described as per paragraphs 56–60 above.
95. The activity participants may choose to make a delayed submission of the monitoring plan that is, after the inclusion of the CP in the registered A6.4 PoA and at any time prior to the submission of the request for issuance of A6.4 ERs that covers the first monitoring period of the CP.
96. If the activity participants choose to make a delayed submission of the monitoring plan in accordance with paragraph 95 above, they shall clearly state in the CP-DD that the submission of the monitoring plan is delayed and therefore the CP-DD submitted for inclusion of the CP in the registered A6.4 PoA does not contain information related to the monitoring plan.

#### **7.5. Start date, crediting period type and duration**

97. The activity participants shall determine the start date of the CP as the date on which the activity participants commit to making expenditures for the construction or modification of the main equipment or facility (e.g. a wind turbine), or for the provision or modification of a service (e.g. distribution of energy-efficient light bulbs, change of transport management system) under the CP. Where a contract is signed for such expenditures (e.g. for procurement of a wind turbine), the start date is the date on which the contract is signed. In other cases, it is the date on which such expenditures are incurred. If the CP involves more than one of such contracts or incurred expenditures, the start date is the earliest of the respective dates. Activities incurring minor pre-project expenses (e.g. feasibility studies, preliminary surveys) are not considered in the determination of the start date.
98. The activity participants shall confirm that the start date of the CP is on or after the start date of the PoA period as determined in accordance with paragraph 25 above.
99. The activity participants shall specify, if applicable, the reference to the notification to the secretariat of the intention for the CP to be included in a registered A6.4 PoA submitted in accordance with the activity cycle procedure.
100. The activity participants shall specify the expected operational lifetime of the CP.
101. The activity participants shall specify in the CP-DD the crediting period type (renewable or fixed), start date and duration of the crediting period of the CP consistent with the

indication made in the generic CP as per paragraph 61 above. In this context, the start date of the crediting period of the CP shall be on or after the date of inclusion of the CP in the registered A6.4 PoA.

102. The activity participants shall state the start date of the crediting period of the CP in the format dd/mm/yyyy and shall not attach any qualifications to the start date, such as “expected”.
103. A CP that has been included in a registered A6.4 PoA may not be re-included in the same or different registered A6.4 PoA, or registered as an A6.4 project, after the expiry of its final crediting period.
104. The crediting period of a CP shall not exceed the end of the duration of the PoA, regardless of the crediting period type (renewable or fixed) of the CP.
105. The start date of the crediting period of a CP may be as early as 1 January 2021, but no later than two years from the date of the notification of inclusion or from the date of inclusion of the CP in a registered PoA in accordance with the activity cycle procedure.

## **7.6. Environmental impacts, social impacts and sustainable development impacts**

106. The activity participants shall carry out an analysis of the environmental, social and sustainable development impacts of the CP, and provide a summary of the analysis and a monitoring plan of such impacts and planned remedial measures of negative impacts, if any, during and after the implementation of the CP in accordance with the A6.4 sustainable development tool and reflecting the generic CP specific requirements in this regard referred to in paragraph 63(l) above.
107. In addition, if an environmental impact assessment and/or social impact assessment were carried out for the CP as required by and in accordance with the relevant procedures of the host Party, the activity participants shall provide all conclusions of such assessments and references to all related documentation.

## **7.7. Integrity safeguards**

108. The CP, in its development, implementation and operation shall not involve any illegal activities, including money laundering, tax evasion, fraud, bribery and criminal activities. For this purpose, the activity participants shall prepare a declaration and submit it to the DOE as part of the request for registration of the proposed A6.4 project in accordance with the activity cycle procedure.

## **7.8. Local stakeholder consultation**

109. The activity participants shall conduct a local, and where appropriate, subnational stakeholder consultation (hereinafter collectively referred to as local stakeholder consultation) on the CP in accordance with applicable host Party rules but also in line with the modalities contained in Appendix 2 and any additional elements for consultation required by the A6.4 sustainable development tool, at minimum, reflecting the generic CP specific requirements in this regard referred to in paragraph 63(l) above. In this context:
  - (a) If any elements of the modalities contained in Appendix 2 and any additional elements for consultation required by the A6.4 sustainable development tool

require more than those required by the host Party rules, the activity participants shall follow the former by additionally conducting the “gap” of the two;

- (b) If any elements of the modalities contained in Appendix 2 and any additional elements for consultation required by the A6.4 sustainable development tool are not compatible with the relevant host Party rules and where it is not possible to follow the requirement in subparagraph (a) above, the activity participants shall describe the modalities chosen and justify the choice.

## **7.9. Eligibility for inclusion**

110. The activity participants shall demonstrate how the CP meets the eligibility criteria for inclusion as defined in the generic CP in accordance with section 6.11.10 above.

## **8. Post-registration activities**

### **8.1. Continuous engagement of stakeholders**

111. The activity participants shall review the comments on the registered A6.4 PoA or on any of the included CPs submitted from Parties, stakeholders and UNFCCC-admitted observer organizations and published on the UNFCCC website in accordance with the activity cycle procedure, if any.
112. The activity participants shall address the issues raised in the comments referred to in paragraph 111 above as appropriate and provide a summary of how they have addressed the comments in the next monitoring report.

### **8.2. Integrity safeguards**

113. The activity participants shall continue to ensure that the development, implementation and operation of the registered A6.4 PoA and included CPs do not involve any illegal activities, including money laundering, tax evasion, fraud, bribery and criminal activities.

### **8.3. Post-registration changes**

#### **8.3.1. General requirements**

114. If there is any change regarding the modalities or information in the MoC statement referred to in paragraph 31 above after the request for registration of the A6.4 PoA has been submitted, the activity participants shall revise the MoC statement and obtain approval of the change from the secretariat in accordance with the activity cycle procedure.
115. The activity participants shall identify any proposed or actual changes to the implementation, operation or monitoring of the registered A6.4 PoA or any included CP.
116. The activity participants shall determine whether the proposed or actual changes are temporary deviations referred to in section 8.3.2 below, or permanent changes referred to in section 8.3.3 below.
117. For temporary deviations, the activity participants are not required to prepare a revised PoA-DD or CP-DD but shall describe the actual changes in the monitoring report. For permanent changes, the activity participants shall prepare a revised PoA-DD or CP-DD (in both track-change and clean versions) that reflects the proposed or actual changes,

using the valid version of the applicable PoA-DD or CP-DD forms. The activity participants shall provide a summary of the changes, including the reasons for the changes and any additional information relating to the changes to the PoA-DD or CP-DD.

### **8.3.2. Temporary deviations from the registered monitoring plan, applied methodologies, standardized baselines or other methodological regulatory documents**

118. If the activity participants are temporarily unable to monitor any included CP in accordance with the monitoring plan in the CP-DD (hereinafter referred to as the registered monitoring plan), the applied methodologies, the applied standardized baselines or the other applied methodological regulatory documents, the activity participants shall describe the nature, extent and duration of the non-conforming monitoring period in the monitoring report, and:

- (a) Propose alternative monitoring arrangements for the non-conforming monitoring period. In this case, the activity participants shall apply conservative assumptions or discount factors to the calculations to the extent required to ensure that GHG emission reductions or net GHG removals will not be over-estimated as a result of the deviation; or
- (b) Apply the following most conservative values approach when alternative monitoring arrangements are not proposed:
  - (i) If the CP is to achieve GHG emission reductions, apply zero for baseline GHG emissions for the entire non-conforming monitoring period; or
  - (ii) Apply the values assuming that the source of GHG emissions is operated at the maximum capacity for the entire non-conforming monitoring period. In the case of project GHG emissions related to the consumption of electricity, add 10 per cent to account for transmission and distribution losses.

### **8.3.3. Permanent changes**

#### **8.3.3.1. Corrections**

119. If the activity participants make any corrections to the information or parameters fixed at registration of the A6.4 PoA or inclusion of a CP as described in the registered PoA-DD or CP-DD, the activity participants shall document these corrections in a revised PoA-DD or CP-DD.<sup>22</sup>

#### **8.3.3.2. Changes to the start date of the crediting period of component project**

120. The activity participants of a registered A6.4 PoA may request a change to the start date of the crediting period of any included CP if no request for issuance involving that CP has been submitted yet and if the host Party approves the change in accordance with the activity cycle procedure. In this context:

- (a) The new start date shall not be later than two years from the date of inclusion of the CP in the registered A6.4 PoA;

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<sup>22</sup> This provision does not allow the parameter values fixed ex ante at the time of the registration of the A6.4 PoA or inclusion of a CP to be updated, as it is not regarded as a correction.

- (b) Delaying the start date by up to one year or bringing forward the start date shall not require any review and change to the application of methodologies and standardized baselines;
- (c) Delaying the start date by more than one year shall require full review and possible change to the selection and the application of methodologies and standardized baselines.

#### **8.3.3.3. Inclusion of monitoring plan**

121. The activity participants may submit the monitoring plan of a CP after its inclusion in a registered PoA in accordance with paragraph 95 above.

#### **8.3.3.4. Permanent changes to the registered monitoring plan, or permanent deviation of monitoring from the applied methodologies, standardized baselines or other methodological regulatory documents**

122. If the activity participants are unable to implement the registered monitoring plan for any included CP, or the monitoring for any included CP would permanently deviate from the applied methodologies, the applied standardized baselines or the other applied methodological regulatory documents, the activity participants shall describe the nature and extent of the non-conforming monitoring and the proposed alternative monitoring for the CP in a revised CP-DD. If the permanent change or deviation is not in line with the description of how to develop the monitoring plan of each CP provided in the PoA-DD, the activity participants shall revise the PoA-DD before revising the CP-DD.
123. The activity participants shall apply conservative assumptions or discount factors to the calculations in the proposed alternative monitoring to the extent required to ensure that GHG emission reductions or net GHG removals will not be over-estimated as a result of the permanent change or deviation.

#### **8.3.3.5. Changes to programme design**

124. Where there are changes to the programme design of a registered A6.4 PoA, the activity participants shall prepare a revised PoA-DD that describes the nature and extent of the proposed or actual changes.
125. Changes to a registered A6.4 PoA may include:
- (a) Changes to the programme boundary to expand the geographical coverage or to include additional host Parties;
  - (b) The following revisions to the eligibility criteria for inclusion of CPs in the PoA:
    - (i) Revision to the eligibility criteria due to the revision or replacement of the applied methodologies by the Supervisory Body;<sup>23</sup>

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<sup>23</sup> As per the activity cycle procedure, it is not mandatory for activity participants to apply a revised version of the methodology that is different from the version applied for the registration of the PoA. However, the activity cycle procedure also specifies that no new CPs can be included in the PoA until a post-registration change to the PoA to reflect the requirements of the new version of the methodology is approved by the Supervisory Body.

- (ii) Addition or change of technologies/measures with or without addition or change of applied methodologies in the registered PoA-DD as referred in subparagraph (f) below.
- (iii) Revision to the eligibility criteria pertaining to the demonstration of additionality;
- (c) Removal of applied methodologies and/or standardized baselines from the registered PoA-DD;
- (d) Changes to the capacity<sup>24</sup> range specified in the registered PoA-DD;
- (e) Any change of programme design that may result in an increase of the maximum annual amount of GHG emission reductions or net GHG removals expected to be achieved by CPs implemented in each of the host Parties that may be included in the PoA, subject to the approval of the host Party;
- (f) Adding new components or extending/adding technologies/measures, subject to the approval of the host Party, that introduce:
  - (i) Complementary technologies/measures involving mass and/or energy transfer to/from the technologies/measures specified in the originally registered PoA-DD;<sup>25</sup> or
  - (ii) More advanced version of the same technologies as per the definition of “the same technologies” in paragraph 75(b) above (e.g. improved performance in GHG emission reductions or net GHG removals, efficiency, health, safety and durability evidenced in reference to a relevant national or international standard);<sup>26</sup>
- (g) Removing a component or technology/measure specified in the registered PoA-DD;
- (h) Changing the technologies/measures that result in the same technologies/measures as the technologies/measures in the originally registered PDD as per the definition of “the same technologies” in paragraph 75(b) above;<sup>27</sup>
- (i) Any consequential changes to the application of methodologies, standardized baselines and/or other methodological regulatory documents resulting from the changes referred to in subparagraphs (a)–(h) above, including change to or

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<sup>24</sup> Installed/rated capacity of technologies and/or measures that directly impacts emission reductions or net removals.

<sup>25</sup> Examples include:

- (a) A landfill gas capture and electricity generation activity using three electricity generating units adds an additional electricity generating unit without altering the quantity of landfill gas extracted (i.e. the capacity of the landfill gas extraction system remained the same);
- (b) Addition of a back-up electricity generating source to supply electricity during exigencies when the project fails to meet the demand or is not available due to operational reasons.

<sup>26</sup> Examples include a project disseminating lamps with useful life of two years changing to distribute lamps with useful life of seven years.

<sup>27</sup> Examples include changing the mode of utilization of recovered methane from a landfill, such as shifting from flaring to heat generation or from heat generation to electricity generation.

addition of other methodologies, other standardized baselines and/or other methodological regulatory documents, or application of a baseline scenario that is more appropriate as a result of the modifications to the PoA;

- (j) Voluntarily updating the applied methodologies or the other applied methodological regulatory documents to a later valid version of them, or voluntarily changing to other methodologies, provided all requirements in the updated/changed methodologies and the other applied methodological regulatory documents are met;
  - (k) Revision of generic CP to:
    - (i) Apply an applicable and valid standardized baseline to determine baseline emissions or parameter values;
    - (ii) Switch from an ex post to an ex ante determination of parameter values for calculating baseline emissions using a standardized baseline, subject to the provisions and conditions set out in paragraph 154 below.
126. If the change to a registered A6.4 PoA is to include an additional host Party in accordance with paragraph 125(a) above, the new host Party shall approve the PoA in accordance with the requirement in the activity cycle procedure.
127. The host Party shall approve the change to a registered A6.4 PoA in accordance with the requirement in the activity cycle procedure for any change in the programme design that may result in an increase of the maximum annual amount of GHG emission reductions or net GHG removals expected to be achieved by CPs implemented in each of the host Parties that may be included in the PoA as per paragraph 125(e) above.
128. For the cases of revisions of the eligibility criteria that are not referred to in paragraph 125(b) above, the activity participants shall seek guidance from the Supervisory Body on the appropriateness of the revision in accordance with the “Procedure: Consideration of unsolicited letters to the Supervisory Body”.
129. The activity participants shall report in the revised PoA-DD the impacts of the proposed or actual changes to the registered A6.4 PoA on the following:
- (a) The applicability and application of the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents with which the PoA has been registered;
  - (b) The modalities for setting the project boundary for corresponding CPs and any implications on the inclusion or exclusion of emission sources and leakage emissions;
  - (c) The compliance of the modalities for developing monitoring plans for all corresponding CPs with the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents;
  - (d) The level of accuracy and completeness in the monitoring for corresponding CPs compared with the monitoring as per the monitoring plans developed by the modalities contained in the registered PoA-DD;
  - (e) The additionality of corresponding CPs;
  - (f) The eligibility criteria for inclusion of CPs in the PoA;

- (g) The maximum annual amount of GHG emission reductions or net GHG removals expected to be achieved by CPs implemented in each of the host Parties that may be included in the PoA.
130. If the proposed or actual changes to the registered A6.4 PoA affect the additionality of corresponding CPs as referred to in paragraph (e) above, the demonstration of the impacts of the changes on the additionality shall be based on the original input data for all elements other than those affected by the changes.<sup>28</sup> In addition, [*Placeholder for additionality requirements at renewal*].<sup>29</sup>
131. Where the activity participants cannot demonstrate compliance with the requirements of the applied methodologies, the applied standardized baselines or the other applied methodological regulatory documents with which the A6.4 PoA has been registered, the activity participants shall:
- (a) Revise the PoA-DD, applying:
- (i) A later valid version of the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents; or
- (ii) Other methodologies, other standardized baselines or other methodological regulatory documents that are applicable to the PoA; and
- (b) Demonstrate the compliance with the requirements of the newly applied methodologies, standardized baselines and other applied methodological regulatory documents in the revised PoA-DD.

#### **8.3.3.6. Changes to design of component project**

132. Changes to the design of an included CP shall meet the following conditions:
- (a) Increasing the capacity<sup>30</sup> specified in the CP-DD with the following conditions:
- (i) Increasing the capacity would result in the increase of GHG emission reductions or net GHG removals up to the same level as the materiality thresholds for verification as defined in the validation and verification standard, that is:
- a. 0.5 per cent of the emission reductions or removals for CPs achieving a total emission reduction or removal equal to or more than 500,000 tonnes of carbon dioxide equivalent per year;
- b. 1 per cent of the emission reductions or removals for CPs achieving a total emission reduction or removal of between 300,000 and 500,000 tonnes of carbon dioxide equivalent per year;

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<sup>28</sup> If a proposed or actual modification adversely impacts the additionality of the project, subsequent requests for issuance of A6.4ERs based on such modifications will be rejected.

<sup>29</sup> The content of this sentence depends on possible CMA guidance referred to in footnote 9, therefore a placeholder is included here. A full sentence will be developed based on such CMA guidance in the next version of this document.

<sup>30</sup> Installed/rated capacity that directly impacts GHG emission reductions or net GHG removals.





affected by the changes.<sup>31</sup> In addition, [*Placeholder for additionality requirements at renewal*].<sup>32</sup>

136. Where the activity participants cannot demonstrate compliance with the requirements of the applied methodologies, the applied standardized baselines or the other applied methodological regulatory documents with which the CP has been included, the activity participants shall firstly undergo post-registration change to the registered A6.4 PoA in accordance with paragraph 131 above, then:

- (a) Revise the CP-DD, applying the methodologies, standardized baselines and the other methodological regulatory documents in accordance with the generic CP in the revised PoA-DD;
- (b) Demonstrate compliance with the requirements of the newly applied methodologies, the newly applied standardized baselines and the other applied methodological regulatory documents in the revised CP-DD.

#### **8.3.4. Registration under or overlap with other crediting scheme**

137. If an A6.4 PoA or CP, after its registration under the Article 6.4 mechanism or inclusion in a registered A6.4 PoA, is also registered or included, or covered by a programme, under any other international, regional, national, subnational or sector-wide GHG mitigation crediting scheme, the activity participants shall obtain a confirmation from the other scheme of such registration or coverage.

#### **8.3.5. Change of activity participants**

138. If any of the activity participants of a registered A6.4 PoA change after the registration of the PoA, the activity participants shall revise the PoA-DD to reflect the change and obtain an authorization of the new activity participant from any of the host Parties of the PoA through a dedicated interface in accordance with the activity cycle procedure. It is not required to request approval from the Supervisory Body of the change.

## **9. Implementation and monitoring**

### **9.1. General requirements**

139. The activity participants shall implement and operate the registered A6.4 PoA in accordance with the description in the registered PoA-DD and CP-DDs, including all physical features.

140. The activity participants shall continuously monitor the included CPs and their GHG emission reductions or net GHG removals in accordance with the registered monitoring plans.

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<sup>31</sup> If a proposed or actual modification adversely impacts the additionality of the project, subsequent requests for issuance of A6.4ERs based on such modifications will be rejected.

<sup>32</sup> The content of this sentence depends on possible CMA guidance referred to in footnote 9; therefore, a placeholder is included here. A full sentence will be developed based on such CMA guidance in the next version of this document.

141. The activity participants shall describe the implemented registered A6.4 PoA and included CPs and monitored GHG emission reductions or net GHG removals in monitoring reports to provide an understanding of how the implementation and monitoring were conducted.
142. The activity participants shall report monitoring results in monitoring reports in the following manner:
- (a) Monitoring reports shall contain only monitoring results of the CPs that apply the same version of the applied methodologies, standardized baselines and other methodological regulatory documents (i.e. monitoring results of the CPs that apply different methodological requirements as a result of a revision of the PoA-DD in accordance with paragraphs 125(c), 125(i) and 125(k) above shall be separated into different monitoring reports in accordance with subparagraph (b) below);
  - (b) Multiple separate monitoring reports can be prepared for multiple batches/groups containing mutually exclusive CPs, provided that:
    - (i) The monitoring period is common among the different batches/groups of CPs. If there is a period within the duration of the monitoring period when the monitoring did not take place due to force majeure circumstances or for which the issuance of A6.4ERs is not sought, the monitoring report shall clearly indicate such period and state situations;
    - (ii) The monitoring reports prepared for each batch/group of CPs shall cover the entire duration of a common monitoring period among the batches/groups of CPs, without a gap between the two successive monitoring periods;
    - (iii) A6.4ERs for the previous monitoring period for CPs included in a batch have been issued;
  - (c) The start date of the first monitoring period shall be the earliest date of the start of the first crediting periods of all CPs included in the registered A6.4 PoA. If actual GHG emission reductions or net GHG removals have not started at the start of the crediting period, the monitoring report for the first monitoring report shall report zero GHG emission reductions or net GHG removals for the period until they actually occur;
  - (d) If negative GHG emission reductions (i.e. net GHG emissions) have occurred during a monitoring period, such negative values shall be clearly indicated and deducted from the total amount of GHG emission reductions or net GHG removals for the monitoring period;
  - (e) Monitored amount of GHG emission reductions or net GHG removals shall be presented in monitoring reports by year of their occurrence;
  - (f) The monitoring results for individual CPs shall be separated and grouped by CP type defined in the corresponding generic CP-DD;
  - (g) Monitoring reports shall be prepared in chronological order regarding any CP covered by the monitoring reports and without a gap between the two successive monitoring periods;
  - (h) Monitoring results in different crediting periods of a CP shall be separated into different monitoring reports.

143. All monitoring, verifications and requests for issuance of A6.4ERs in respect of GHG emission reductions or net GHG removals achieved by A6.4 projects shall be calculated using the GWPs contained in Appendix 1 in accordance with section 5.2 above.
144. The activity participants shall maintain all monitoring results for the included CPs in accordance with the monitoring management system described in the registered monitoring plan as per paragraph 60 above.

## **9.2. General information**

145. When describing the implementation and monitoring, the activity participants shall provide, inter alia, the following information regarding the implemented registered A6.4 PoA:
- (a) The title and UNFCCC reference number of the PoA;
  - (b) The names of the activity participants;
  - (c) The titles, versions and UNFCCC reference numbers of the applied methodologies and, where applicable, the applied standardized baselines, including any other methodologies or methodological tools to which the applied methodologies refer;
  - (d) The title, reference number, correspondence to a generic CP and location of each included CP;
  - (e) The type, start date and duration of the crediting period for each included CP;
  - (f) Indication of which included CPs are covered by the monitoring report;
  - (g) The monitoring period sequence number and dates of coverage;
  - (h) The monitoring report identification number for the same monitoring period, if multiple separate monitoring reports for the monitoring period are prepared;
  - (i) The version number of the CP-DD applicable to the monitoring period for each included CP.

## **9.3. Avoidance of double issuance**

146. The activity participants shall confirm that the reported GHG emission reductions or net GHG removals regarding which they intend to request issuance of A6.4ERs do not overlap with any of the GHG emission reductions or net GHG removals regarding which they have requested or intend to request credits under any other international, regional, national, subnational or sector-wide GHG mitigation crediting scheme. The activity participants shall further acknowledge that if such double issuance is detected, the verification by the DOE will result in a negative verification opinion, the request for issuance will be rejected by the Supervisory Body, or the amount of double issuance will be deducted from future issuance of A6.4ERs for the same registered A6.4 PoA if the requested A6.4ERs have already been issued.
147. If the registered A6.4 PoA or included CPs are also registered, or covered by a programme, under any other international, regional, national subnational or sector-wide GHG mitigation crediting scheme prior to the request for issuance, the activity participants shall also obtain a confirmation from the other crediting scheme that the same GHG emission reductions or net GHG removals being requested for issuance of A6.4ERs have not been or will not be credited under such other crediting scheme.

#### **9.4. Description of implemented registered programme of activities**

148. The activity participants shall provide a description of the implemented registered A6.4 PoA as follows:
- (a) Description of how the management system of the PoA was implemented;
  - (b) Description of how the single sampling plan covering all included CPs was implemented, if applicable;
  - (c) Description of the installed technologies, technical processes and equipment for the included CPs;
  - (d) Information on the implementation and actual operation of the included CPs, including relevant dates (e.g. construction, commissioning, start of operation). For a CP that consists of more than one site, the activity participants shall describe the status of implementation and start date of operation for each site. For a CP with phased implementation, the activity participants shall indicate the progress of the CP achieved in each phase.
149. The activity participants shall indicate whether there are any temporary deviations from the registered monitoring plans, the applied methodologies, the applied standardized baselines or the other applied methodological regulatory documents in accordance with section 8.3.2 above, or permanent changes to the registered A6.4 PoA or included CPs, or the registered monitoring plans in accordance with section 8.3.3 above (hereinafter referred to as post-registration changes). For post-registration changes that have been approved by the Supervisory Body, the activity participants shall indicate the dates of approval.

#### **9.5. Description of monitoring system**

150. The activity participants shall describe the monitoring system and provide diagrams (e.g. graphical schemes) showing all relevant monitoring points. This description may include data collection procedures (e.g., information flow including data generation, aggregation, recording, calculations and reporting), organizational structure, roles and responsibilities of personnel, and emergency procedures for the monitoring system.

#### **9.6. Data and parameters**

151. The activity participants shall provide all parameters used to calculate the baseline, project and leakage GHG emissions, or the baseline and actual net GHG removals, as well as other relevant parameters of the included CPs for the monitoring period as required by the registered monitoring plans, the applied methodologies, the applied standardized baselines and the other applied methodological regulatory documents. The activity participants shall provide information on how data and parameters have been monitored.
152. For each parameter, the activity participants shall:
- (a) Provide the values of the monitored parameter for the purpose of calculating GHG emission reductions or net GHG removals. Where data are measured continuously, they shall be presented using an appropriate time interval. For a default value that is not fixed at the time of the registration of the A6.4 PoA or the inclusion of the CPs, the most recent value shall be applied;

- (b) Describe the equipment used to monitor each parameter, including details on accuracy class, and calibration information (i.e. frequency, date of calibration and validity), if applicable, as per the registered monitoring plan;
  - (c) Describe how the parameter is measured/calculated and the measurement and recording frequency;
  - (d) Provide and/or identify the sources of data (e.g. logbooks, daily records, surveys);
  - (e) Provide the calculation method of the parameter, where relevant;
  - (f) Describe the QA/QC procedures applied, if applicable, as per the registered monitoring plan;
  - (g) Provide information about appropriate emission factor, IPCC default value and any other reference value.
153. If data and parameters monitored are determined by a sampling approach, the activity participants shall describe how the sampling has been conducted in accordance with the sampling plan described in the registered monitoring plan.
154. For a registered A6.4 PoA that applied a methodology or methodological tool providing a choice between an ex ante and an ex post determination of parameter values for calculating baseline GHG emissions or net GHG removals for a generic CP and that chose the ex ante determination, or that applied a methodology or methodological tool requiring a determination of these values ex ante, and applied an applicable standardized baseline valid at the time of the submission of the request for registration of the PoA for this purpose to the generic CP, the activity participants shall apply the version of the standardized baseline valid at the time of the inclusion of a corresponding CP for the purpose of monitoring the CP until the end of the first crediting period of the CP. If no valid version of the applied standardized baseline is available at the time of the inclusion of a corresponding CP despite the fact that the corresponding generic CP applied the standardized baseline, the activity participants shall calculate baseline GHG emissions or net GHG removals, or parameter values in accordance with the applied methodology and/or applicable methodological tool and apply them to the CP until the end of its first crediting period of the CP.
155. For a registered A6.4 PoA that applied a methodology or methodological tool providing a choice between an ex ante and an ex post determination of parameter values for calculating baseline GHG emissions or net GHG removals and that chose the ex post determination where there was no applicable standardized baseline valid at the time of registration of the PoA, the activity participants may, at any time during the first PoA period, switch to the ex ante determination by applying to the generic CP an applicable standardized baseline that becomes available after the registration of the PoA and is valid at the time of the switch. For all corresponding CPs that have been included before the switch, the activity participants shall switch to the ex ante determination by applying the standardized baseline as per the revised generic CP. After the switch, for all new corresponding CPs, the activity participants shall apply the version of the standardized baseline valid at the time of their inclusion or, if no valid version of the standardized baseline is available at the time of their inclusion, the activity participants shall calculate these values in accordance with the applied methodology and/or applicable methodological tool for the CPs. Such switch and application of a standardized baseline shall undergo the post-registration change approval process for the PoA, and the switch

of all included CPs to the ex ante determination shall undergo post-registration change notification process in accordance with the activity cycle procedure.

156. For a registered A6.4 PoA that applied a methodology or methodological tool providing a choice between an ex ante and ex post determination of parameter values for calculating baseline GHG emissions or net GHG removals to generic CPs, the activity participants shall, at each renewal of the PoA period, choose the ex ante or ex post determination of parameter values for each generic CP individually, unless otherwise required by the applied methodology or methodological tool, and shall follow the same rules in terms of the use and validity of standardized baselines as in paragraphs 154 and 155 above.

### **9.7. Calculation of emission reductions or net removals**

157. The activity participants shall, for each of the included CPs for the monitoring period, identify the formulae used for the calculations of, and provide calculation results of, the following:
- (a) Baseline GHG emissions or baseline net GHG removals;
  - (b) Project GHG emissions or actual net GHG removals;
  - (c) Leakage GHG emissions;
  - (d) GHG emission reductions or net GHG removals.
158. The activity participants shall provide a comparison of the GHG emission reductions or net GHG removals achieved by the included CPs with the estimates in the registered CP-DDs.
159. For any included CP, the activity participants shall explain the cause of any increase in the actual GHG emission reductions or net GHG removals achieved during the monitoring period (e.g. higher water availability, higher plant load factor), including all information (i.e. data and/or parameters) that is different from what is stated in the CP-DD.

## **10. Renewal of programme of activities and component projects**

### **10.1. Renewal of programme of activities period**

160. The activity participants of a registered A6.4 PoA shall renew the PoA period every five years (every 15 years for the registered PoAs involving removals) counting from the start date of the first PoA period as determined in accordance with paragraph 25 above.
161. The PoA period of a registered A6.4 PoA may be renewed if the host Party has approved the renewal when approving the PoA prior to its registration in accordance with the activity cycle procedure.
162. To support a request for renewal of the PoA period of a registered A6.4 PoA, the activity participants shall, using the valid version of the applicable PoA-DD form, update the relevant sections of the PoA-DD of the PoA including the eligibility criteria for inclusion of CPs in the PoA and for demonstrating additionality, and modalities for setting the baseline and for preparing the monitoring plan and the new PoA period, applying methodologies in one of the following manners:

- (a) The activity participants shall use the valid version of the methodologies and methodological tools applied in the registered PoA-DD; that is, the latest version at the time of the submission of the request for renewal of the PoA period or the previous version if the submission of the request is still within the grace period of the previous version for use;
  - (b) If any of the methodologies applied in the registered PoA-DD was withdrawn after the registration of the PoA and was replaced by consolidated methodologies, the activity participants shall use the valid version of the consolidated methodologies; or
  - (c) If the PoA does not meet the applicability conditions of the methodologies or methodological tools under the options in subparagraphs (a) or (b) above due to their revisions or due to the update of the baseline, the activity participants shall either:
    - (i) Select other applicable approved methodologies; or
    - (ii) Request, under the clarification process in the “Procedure: Development, revision and clarification of methodologies and methodological tools”, either through the DOE that conducts validation for renewal of the PoA period or by themselves, to clarify whether a deviation from the valid version of the methodologies (including consolidated methodologies thereof) or the methodological tools applied in the registered PoA-DD, or from any other selected methodologies or any other methodological tools applied in accordance with the selected methodologies, is acceptable.
163. In updating the PoA-DD of the registered A6.4 PoA in accordance with paragraph 162 above, the activity participants shall consider the application of an approved standardized baseline to the PoA as follows:
- (a) The activity participants shall use the valid version of an approved standardized baseline if:
    - (i) The standardized baseline is applied in the registered PoA-DD and the valid version of the standardized baseline is still applicable to the PoA and to the methodologies applied in accordance with paragraph 162 above; or
    - (ii) The standardized baseline is not applied in the registered PoA-DD but the valid version of the standardized baseline whose selection is mandatory<sup>33</sup> is applicable to the PoA and to the methodologies applied in accordance with paragraph 162 above. However, the activity participants may update the PoA-DD without selecting such standardized baseline if the submission of the request for renewal of the PoA period is made within 240 days after the standardized baseline became valid;
  - (b) If the valid version of the standardized baseline applied in the registered PoA-DD is no longer applicable to the PoA and/or to the valid version of the methodologies applied in the registered PoA-DD due to a revision of the standardized baseline after the registration of the PoA, the activity participants shall:
    - (i) Select another applicable approved standardized baseline; or

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<sup>33</sup> For an explanation on the standardized baseline whose selection is mandatory, see footnote 11.



- (ii) Use only the valid version of the methodologies applied in the registered PoA-DD that are still applicable to the PoA and that can be used independently for estimating GHG emission reductions or net GHG removals without using the standardized baseline applied in the registered PoA-DD;
  - (c) The activity participants may use the valid version of an applicable approved standardized baseline if:
    - (i) The standardized baseline is not applied in the registered PoA-DD;
    - (ii) The standardized baseline does not require its mandatory selection but is applicable to the PoA and to the methodologies applied in accordance with paragraph 162 above.
164. The activity participants shall demonstrate that the modalities for setting the baseline or updating it for each of the corresponding CPs is in accordance with paragraphs 165–167 below.
165. When defining the modalities for setting the baseline or updating it, the activity participants shall take into account [the latest NDC and national and/or sectoral policies, and circumstances of the host Party existing at the time of requesting renewal of the PoA period].<sup>34</sup>
166. The requirements contained in paragraph 165 above are not applicable to a registered A6.4 PoA applying the valid version of an applicable approved standardized baseline that standardizes baseline scenario in accordance with paragraph 163 above.
167. If data and parameters used for determining the original baseline were determined ex ante and not monitored during the PoA period and are no longer valid, the activity participants shall update such data and parameters in accordance with the guidance to be provided by the Supervisory Body.
168. The result of the process described in paragraphs 162–167 above defines a new version of the PoA-DD, including its generic CP-DD part.
169. The activity participants shall ensure that the MoC statement is up to date.
170. If the activity participants plan to make, or have made, a post-registration change to the programme design effective from the start date of the new PoA period, they shall clearly indicate the post-registration change in the new version of the PoA-DD, distinguishing the post-registration change from other updates of information due to renewal of the PoA period.

## **10.2. Renewal of crediting period of component projects**

171. To renew the crediting period of an included CP, the activity participants shall, using the valid version of the applicable CP-DD form, update the sections of the CP-DD in accordance with the latest version of the PoA-DD, relating to the demonstration of eligibility for being included in the PoA, the baseline, estimated GHG emission reductions or net GHG removals, the monitoring plan and the crediting period.

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<sup>34</sup> The content of this paragraph depends on possible CMA guidance referred to in footnote 9, therefore a part of the paragraph is bracketed. The brackets are to be removed with the same content or with modifications based on such CMA guidance in the next version of this document.

172. If data and parameters used for determining the original baseline, that were determined ex ante and not monitored during the crediting period, are no longer valid, the activity participants shall update such data and parameters in accordance with the guidance to be provided by the Supervisory Body.

## **11. Voluntary exclusion and re-inclusion of component projects**

### **11.1. Voluntary exclusion of component projects**

173. At any time after the inclusion of a CP in a registered A6.4 PoA, the activity participants may request the secretariat to exclude the CP from the PoA in accordance with the activity cycle procedure.
174. A CP that has been voluntarily excluded from a registered A6.4 PoA or excluded due to erroneous inclusion may be re-included in the same or different registered A6.4 PoA in accordance with section 11.2 below or registered as an A6.4 project in accordance with the relevant provisions in the "Article 6.4 activity cycle procedure for projects".

### **11.2. Re-inclusion of excluded component projects**

175. The activity participants wishing to re-include an excluded CP in a registered A6.4 PoA shall follow the process for inclusion of CPs in a registered A6.4 PoA in accordance with the activity cycle procedure after ensuring that:
- (a) The CP-DD transparently declares that the CP has been previously excluded from the same or different registered A6.4 PoA, either voluntarily or due to erroneous inclusion;
  - (b) The crediting period type (i.e. renewable or fixed) and the end date of the crediting period are the same as those of the crediting period valid for the CP at the time of the exclusion, noting that A6.4ERs may be claimed for the period only from or after the date of re-inclusion, and:
    - (i) If the crediting period type is renewable, the updated CP-DD shall be uploaded by the validating DOE within one year of the end date of the crediting period valid for the CP at the time of the exclusion, noting that missing the deadline no longer allows the uploading of the updated CP-DD;
    - (ii) If the crediting period type is fixed, the updated CP-DD shall be uploaded by the validating DOE prior to the end date of the crediting period valid for the CP at the time of the exclusion, noting that missing the deadline no longer allows the uploading of the updated CP-DD;
  - (c) If the crediting period type is renewable and the re-inclusion takes place after the end of the crediting period in which the exclusion occurred, the CP complies with the generic CP, including the eligibility criteria for inclusion of CPs in the PoA, and relevant Article 6.4 mechanism rules and requirements;
  - (d) If the CP applies a methodology that potentially accrues negative GHG emission reductions, GHG emission reductions have been continuously monitored in accordance with the registered monitoring plan and verified by a DOE since the end of the monitoring period in the last published monitoring report for the CP,

including the exclusion period. For such CP, if there were net negative GHG emission reductions during the period before the re-inclusion, the amount shall be deducted from the first requests for issuance of A6.4 ERs covering that CP after the re-inclusion;

- (e) If the CP has been excluded as a result of erroneous inclusion and to be re-included in the same PoA, the non-compliance with the requirements for inclusion in the PoA that led to the erroneous inclusion has been rectified, and, if A6.4 ERs have been issued for the CP, an equivalent amount of ERs have been compensated by the DOE that included the CP, to the mechanism registry in accordance with the activity cycle procedure.

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## Appendix 1. Global warming potentials

1. The table below lists the global warming potentials (GWPs) of greenhouse gases (GHGs) for the 100-year time horizon from the Fifth Assessment Report of the IPCC, applicable to A6.4 activities for reporting aggregate emission reductions or removals of GHGs 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 A6.4 activities**

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

2. For GHGs 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).<sup>1</sup>

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<sup>1</sup> Available at: [https://www.ipcc.ch/site/assets/uploads/2018/02/WG1AR5\\_all\\_final.pdf](https://www.ipcc.ch/site/assets/uploads/2018/02/WG1AR5_all_final.pdf).

## **Appendix 2. Modalities of local stakeholder consultation**

### **1. Scope and target of consultation**

1. The scope of the local or subnational stakeholder consultation (hereinafter collectively referred to as local stakeholder consultation) shall comprise, as a minimum, the potential direct positive and negative impacts that the proposed component projects (CPs) that may be included in a registered Article 6.4 programme of activities (A6.4 PoA) may have.
2. The local stakeholder consultation of proposed CPs shall be conducted for each CP. If more than one CP is located in the same or close geographical location(s), one local stakeholder consultation may cover multiple CPs. In this case, the activity participants shall provide appropriate justification.
3. The activity participants shall invite, as a minimum, representatives of local stakeholders directly impacted by the proposed CP, including local communities and indigenous peoples as applicable, and representatives of local authorities relevant to the CP.
4. The activity participants shall provide evidence that invitations were sent to the relevant stakeholders and that their comments were invited. If any of the relevant stakeholders were not invited, the activity participants shall provide appropriate justification.

### **2. Timing of consultation**

5. The activity participants shall complete the local stakeholder consultation process at the timing required by the rules of the host Party on local stakeholder consultation, if such rules exist. If such host Party rules do not exist, the activity participants shall complete the process before, whichever the earlier of:
  - (a) The start date of the CP as defined in paragraphs 97–98 of the main part of this standard; or
  - (b) The date of submitting the component project designed document (CP-DD) of the proposed CP to a designated operational entity (DOE) for validation.
6. For CPs that do not meet the requirement referred to in paragraph 5 above, the activity participants may submit a request for exemption from the requirement to the Supervisory Body for its consideration on a case-by-case basis.

### **3. Conduct of consultation**

7. The activity participants shall invite local stakeholders to provide comments on the proposed CP in an open and transparent manner, in a way that facilitates comments to be received from local stakeholders and allows for a reasonable time for comments to be submitted. The activity participants shall describe the steps/actions taken to invite comments, taking into account local and national circumstances.
8. The activity participants shall convey information to stakeholders about the local stakeholder consultation and the proposed CP in ways that are appropriate for the community that is directly affected by the project. In areas where a significant part of the population is illiterate, the information shall be provided orally.

9. The activity participants shall describe the proposed CP(s) in a manner that allows local stakeholders to understand the project. The information to be made available to local stakeholders shall include, inter alia:
  - (a) A summary of the proposed CP, explaining the project in simple, non-technical terms, and containing a description of the direct positive and negative impacts;
  - (b) Information on the projected scope, lifetime and direct positive and negative impacts of the proposed CP;
  - (c) A summary of the analysis of the environmental and social impacts and sustainable development benefits of the proposed CP and a monitoring plan of such impacts and planned remedial measures of negative impacts, if any, prepared using the “Article 6.4 sustainable development tool”;
  - (d) Other relevant information about the proposed CP, taking into account confidentiality provisions referred to in paragraph 7(e) of the main part of this standard;
  - (e) The means to provide comments about the proposed CP.
10. The activity participants shall conduct the local stakeholder consultation through means that are appropriate for the local and national circumstances.
11. The activity participants shall provide local stakeholders with the opportunity to comment in writing or via other means, and gather their comments about the proposed CP and its direct impacts.
12. The activity participants shall request the designated national authority (DNA) of the host Party to forward any comments from local stakeholders submitted to the host Party to them.
13. The activity participants shall prepare a summary report of the comments received from local stakeholders.
14. The activity participants shall consider the comments provided by local stakeholders and report in the CP-DD on how they have taken them into account. The activity participants shall provide justification if any comments were not incorporated.

#### **4. Activities after consultation**

15. After the completion of the local stakeholder consultation, local stakeholders may submit a complaint to the DNA of the host Party if they find that the outcome of the local stakeholder consultation is not appropriately taken into account. The DOE shall request the DNA to forward such complaints, if any, to the DOE and promptly forward them to the activity participants during the validation in accordance with the “Article 6.4 validation and verification standard for programmes of activities”.
16. If, during the validation of the proposed CP, complaints submitted to the DNA of the host Party on the handling of the outcome of the local stakeholder consultation are forwarded to the activity participants through the DOE, the activity participants shall take due account of such complaints and modify the CP-DD as appropriate before the DOE concludes the validation.

### **Appendix 3. Instructions for the consideration of cross effects for the application of multiple methodologies for programme of activities**

1. These instructions are applicable to a programme of activity (PoA) seeking to apply multiple technologies/measures.
2. Cross effects may occur when multiple technologies/measures are implemented, applying either one methodology or multiple methodologies.
3. If a single methodology is consistently applied in each component project (CP) in a PoA but using multiple technologies/measures, it may potentially lead to over-estimation of greenhouse gas (GHG) emission reductions when several technologies/measures interact with each other. The cross effects in such situations shall be addressed through additional guidance related to the application of the methodology for a PoA contained in the applied methodology.
4. The activity participants shall consider the following situations to identify cross effects. These situations are neither exhaustive nor mutually exclusive and are intended to serve as examples only:
  - (a) Type I: Cross effects could occur when there is an exchange of energy (thermal, mechanical or electrical) or mass transfer between different measures within a CP or between CPs, where the transfer occurs from a primary or independent measure to a dependent measure;
  - (b) Type II: Cross effects could occur when several measures rely on the same information when estimating GHG emission reductions. For example, several measures refer to historical fuel/electricity/heat consumption, or a default value.
5. The activity participants shall consider that, when combining different types of measures, (e.g. energy efficiency and fuel switch), the baselines for different measures shall be determined sequentially and not simultaneously. The baseline of the second technology/measure shall be set after considering the effects of the implementation of the first technology/measure:
  - (a) For Type I cross effects, the energy/mass stream of the dependent measure shall be determined conservatively, taking into account the output of the primary measure;
  - (b) For Type II cross effects, once a baseline is estimated/determined, the secondary (tertiary, etc.) measure shall not use the historical/default values, but an adjusted value taking into account a scenario in which the primary measure is implemented.

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### Document information

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<i>Version</i>	<i>Date</i>	<i>Description</i>
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