#### Advance unedited version

#### **Decision -/CMA.7**

## Further guidance for the mechanism established by Article 6, paragraph 4, of the Paris Agreement

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

Recalling Article 6, paragraph 1, of the Paris Agreement,

Also recalling Article 6, paragraph 4, of the Paris Agreement,

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

Recalling decision 3/CMA.3, paragraph 6(c–d), in which the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement was requested to undertake work relevant to operationalizing the mechanism,

Also recalling the eleventh preambular paragraph of the Paris Agreement,

Further recalling decisions 3/CMA.3, including its annex, and 7/CMA.4, including its annexes,

Recalling decision 2/CMA.3, annex, paragraphs 1(g) and 2,

- 1. Welcomes the annual report of the Supervisory Body for the mechanism established by Article<sup>1</sup> 6, paragraph 4, to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement for 2025<sup>2</sup> and the progress of the work undertaken by the Supervisory Body in 2025 in responding to its mandates;<sup>3</sup>
- 2. *Appreciates* the work delivered by the Supervisory Body and its support structure;
- 3. *Welcomes* the adoption of the first mechanism methodology, "Landfill gas flaring and utilization",<sup>4</sup> which highlights how the standards referred to in paragraph 5 below can be applied;
- 4. *Reiterates* its request to the Supervisory Body to strive to ensure regulatory stability by avoiding frequent substantive revisions to its adopted standards, tools and procedures;<sup>5</sup>
- 5. *Notes* the adoption by the Supervisory Body of the following standards, which will enable the development and approval of methodologies for and the registration of activities under the mechanism: "Standard: Setting the baseline in mechanism methodologies",<sup>6</sup> "Standard: Demonstration of additionality in mechanism methodologies",<sup>7</sup> "Standard: Addressing leakage in mechanism methodologies",<sup>8</sup> "Standard: Addressing suppressed demand in mechanism methodologies",<sup>9</sup> and "Standard: Addressing non-permanence and reversals in mechanism methodologies";<sup>10</sup>
- 6. Also notes that the Supervisory Body will continue making efforts to facilitate the participation of Parties and non-Party stakeholders in the mechanism, with a view to ensuring

<sup>&</sup>lt;sup>1</sup> Articles referred to in this decision are Articles of the Paris Agreement.

<sup>&</sup>lt;sup>2</sup> FCCC/PA/CMA/2025/12.

<sup>&</sup>lt;sup>3</sup> See decisions 3/CMA.3, 7/CMA.4, 5/CMA.6 and 6/CMA.6.

<sup>&</sup>lt;sup>4</sup> Supervisory Body document A6.4-AMM-001.

<sup>&</sup>lt;sup>5</sup> Decision 6/CMA.6, para. 6.

<sup>&</sup>lt;sup>6</sup> Supervisory Body document A6.4-STAN-METH-004.

<sup>&</sup>lt;sup>7</sup> Supervisory Body document A6.4-STAN-METH-003.

<sup>&</sup>lt;sup>8</sup> Supervisory Body document A6.4-STAN-METH-005.

<sup>&</sup>lt;sup>9</sup> Supervisory Body document A6.4-STAN-METH-006.

<sup>&</sup>lt;sup>10</sup> Supervisory Body document A6.4-STAN-METH-007.

that the mechanism fulfils its potential as a tool for contributing to the achievement of the goals of the Paris Agreement;

#### I. Governance

- 7. *Decides* to consider, as part of the review of the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4,<sup>11</sup> in 2028, the provisions related to the limits on the terms of members and alternate members of the Supervisory Body;
- 8. *Notes with concern* the current gender imbalance in the membership of the Supervisory Body, *recalls* the importance of ensuring gender-balanced representation therein<sup>12</sup> and *encourages* regional groups to consider gender balance when nominating members and alternate members to the Supervisory Body;
- 9. Also encourages regional groups to nominate experts for any vacant seats in the Supervisory Body;
- 10. *Requests* the Supervisory Body to submit its annual report two weeks in advance of its consideration by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement with a view to allowing Parties sufficient time for its consideration;
- 11. Also requests the secretariat, when preparing the annual report of the Supervisory Body, to include information on the numbers of Article 6, paragraph 4, emission reductions forwarded to the Adaptation Fund as the share of proceeds for adaptation and cancelled to deliver overall mitigation in global emissions;
- 12. Reiterates that the Supervisory Body should ensure that the members, alternate members and experts serving it act with independence, impartiality and integrity, in accordance with the conflict of interest provisions contained in paragraphs 26–27 of the rules of procedure of the Supervisory Body<sup>13</sup>, and that they do not possess any financial or other interests that could affect, or reasonably be perceived to affect, their judgment or the discharge of their functions in relation to the generation of emission reductions under the mechanism;<sup>14</sup>

## II. Designated national authorities

- 13. *Invites* Parties that have not already done so to establish designated national authorities for the mechanism established by Article 6, paragraph 4, and *also invites* developed country Parties to nominate a representative to serve as co-chair of the forum for designated national authorities for the mechanism;
- 14. Further invites Parties to complete and submit the "Host Parties participation requirements for Article 6.4 mechanism" form, <sup>15</sup> containing the requirements for Parties that host Article 6, paragraph 4, activities interested in participating in the mechanism, to the secretariat;
- 15. Requests the Supervisory Body to report back to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, through its annual report thereto, on the work undertaken to improve designated national authorities' access to and participation in the mechanism:
- 16. *Invites* Parties and other stakeholders to consider reinforcing targeted capacity-building efforts with a view to enabling Parties that host Article 6, paragraph 4, activities to undertake the necessary analysis to make an informed decision regarding participation in the mechanism;

<sup>11</sup> See decision 3/CMA.3

<sup>&</sup>lt;sup>12</sup> See decision 3/CMA.4, annex, para. 4.

<sup>&</sup>lt;sup>13</sup> See decision 3/CMA.4, annex.

<sup>&</sup>lt;sup>14</sup> See decision 7/CMA.4, annex II.

<sup>&</sup>lt;sup>15</sup> Supervisory Body form A6.4-FORM-GOV-001.

#### III. Transparency and stakeholder engagement

- 17. *Notes* the commitment of the Supervisory Body to ensuring and enhancing the high level of transparency of its decision-making on standards, methodologies, procedures, tools and guidelines for operationalizing the mechanism established by Article 6, paragraph 4;
- 18. *Requests* the Supervisory Body to enhance the transparency of its decision-making and that of the Methodological Expert Panel while safeguarding the productivity of their work;
- 19. Also requests the secretariat to raise awareness of the multiple opportunities for stakeholder engagement in the mechanism to ensure that stakeholders are informed and able to participate in stakeholder consultation processes effectively;
- 20. Further requests the Supervisory Body to strengthen its stakeholder consultation processes while also ensuring the expeditious operationalization of the mechanism;
- 21. Requests the Supervisory Body to facilitate the engagement of a broad range of stakeholders, including designated national authorities, relevant experts and those that cannot easily participate in the mechanism, including Indigenous Peoples and local communities, and also requests the Supervisory Body to report on its outreach measures taken to ensure broad participation in public consultations across different groups of stakeholders in its next annual report;
- 22. Further requests the secretariat to enhance its reporting on the implementation of Article 6, paragraph 4, activities under the capacity-building work programme for implementing Article 6, including information such as stakeholders, partners and sectoral expertise;

#### IV. Methodologies and standards

- 23. *Requests* the Supervisory Body to continue to ensure that its standards, methodologies and tools ensure environmental integrity, are based on the best available science and are informed by robust evidence;
- 24. *Also requests* the Supervisory Body to prioritize work on the revision of clean development mechanism methodologies that are applicable to activities that transition to the mechanism established by Article 6, paragraph 4;

## V. Transition of clean development mechanism activities

25. Decides to extend the deadline to 30 June 2026 for the designated national authority for the mechanism established by Article 6, paragraph 4, of a host Party of the clean development mechanism to submit to the Supervisory Body its approval for the transition of clean development mechanism project activities or programmes of activities to the mechanism established by Article 6, paragraph 4;<sup>16</sup>

# VI. Funding for the operation of the mechanism established by Article 6, paragraph 4

26. *Notes with appreciation* the prudent management by the Supervisory Body of its limited resources, including its implementation of contingency measures and fundraising efforts to address the funding gap in 2025;

<sup>&</sup>lt;sup>16</sup> See decision 7/CMA.4, annex I, para. 12.

- 27. *Notes* the business and resource allocation plan adopted by the Supervisory Body for 2026–2027,<sup>17</sup> which provides an estimated budget for its work and for activities deemed essential for fully operationalizing the mechanism established by Article 6, paragraph 4;
- 28. *Notes with concern* the critical shortfall in funding required for the activities of the Supervisory Body for 2026–2027;
- 29. *Notes* the call from the Supervisory Body in its 2025 report for additional funding<sup>18</sup> and *agrees* to make efforts to secure the additional essential resources needed to expedite the full operationalization of the mechanism, noting that the Supervisory Body, with the support of the secretariat, remains committed to expediting the operationalization in line with guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;
- 30. Requests the Supervisory Body to enhance the support provided to designated national authorities for the mechanism through the capacity-building programme referred to in paragraph 14 of decision 3/CMA.3, including through the regional collaboration centres, in order to ensure that the mechanism remains accessible for developing countries;
- 31. Also requests the secretariat to actively explore possible sources of funding for ensuring the continuity of operations of the Supervisory Body and its panels, and to provide clarity and ensure transparency regarding the financial situation of the mechanism;
- 32. Welcomes paragraph 18 of decision -/CMP.20,<sup>19</sup> in which a transfer of USD 26.8 million was authorized from the trust fund for the clean development mechanism to the trust fund for the mechanism established by Article 6, paragraph 4, and *affirms* that this transfer has the aim of maximizing the long-term benefit for the Adaptation Fund;
- 33. Requests the Supervisory Body, at its first meeting in 2026, to significantly increase, up to USD 5 million, the amount allocated to activities related to capacity-building under its business and resource allocation plan for 2026–2027 in view of the additional resources received from the trust fund for the clean development mechanism for the biennium 2026–2027;
- 34. *Also requests* the Supervisory Body to include in its annual report for 2027 and all subsequent annual reports an assessment of its current and expected income and expenditure in order to enable the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to determine whether the mechanism has become self-financing;
- 35. Agrees that, once it has been determined that the mechanism is self-financing, amounts shall be transferred annually from the trust fund for the mechanism established by Article 6, paragraph 4, to the Adaptation Fund until the total amount transferred reaches the amount specified in paragraph 18 in decision 2/CMP.16 and the amount specified in paragraph 18 of decision -/CMP.20;<sup>20</sup>
- 36. Also agrees to initiate consideration of the level and frequency of the transfer to the Adaptation Fund referred to in paragraph 35 above at its twelfth session (2030) with a view to initiating the annual transfers no later than in 2035.

<sup>&</sup>lt;sup>17</sup> Supervisory Body document A6.4-INFO-GOV-024.

<sup>&</sup>lt;sup>18</sup> FCCC/PA/CMA/2025/12, para. 14.

<sup>&</sup>lt;sup>19</sup> Draft decision entitled "Guidance relating to the clean development mechanism" proposed under agenda item 5 of the CMP at its twentieth session.

<sup>&</sup>lt;sup>20</sup> As footnote 19 above.