



Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol

Eighteenth session

United Arab Emirates, 30 November to 12 December 2023

Agenda item 5

Matters relating to the clean development mechanism

Matters relating to the clean development mechanism

Proposal by the President

Draft decision -/CMP.18

Guidance relating to the clean development mechanism

The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol,

Recalling Articles 3 and 12 of the Kyoto Protocol,

Also recalling that participation in a clean development mechanism project activity is voluntary,¹

Further recalling decision 3/CMP.1 and subsequent guidance provided by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol relating to the clean development mechanism,

Acknowledging the contribution to global efforts to address climate change of the clean development mechanism, which as at 10 December 2023 was responsible for 7,840² project activities being registered, 353³ programmes of activities being registered and more than 2.42 billion certified emission reductions being issued, of which more than 389 million had been voluntarily cancelled either in national registries or in the clean development mechanism registry,

Cognizant of decisions 3/CMA.3, 2/CMP.17 and -/CMA.5⁴ and their annexes,

¹ As per decision 3/CMP.1, para. 28.

² The total number of project activities registered as at 10 December 2023 was 7,864, of which 24 had been deregistered. Additionally, 26 project activities were recorded as provisional with a crediting period starting on or after 1 January 2021.

³ The total number of programmes of activities registered as at 10 December 2023 was 353; additionally, 10 programmes of activities were recorded as provisional with a programme of activity period starting on or after 1 January 2021.

⁴ Draft decision entitled “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement” proposed under agenda item 14(b) of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fifth session.



Recognizing the need for a smooth transition from the clean development mechanism to the mechanism established by Article 6, paragraph 4, of the Paris Agreement,

I. General

1. *Welcomes* the annual report of the Executive Board of the clean development mechanism to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;⁵
2. *Takes note* of the work undertaken from 9 September 2022 to 27 September 2023 by the Executive Board, its panels and the secretariat in overseeing the implementation of the clean development mechanism and maintaining stakeholder engagement in its operations;
3. *Designates* as operational entities those entities that have been accredited and provisionally designated as such by the Executive Board to carry out sectoral scope-specific validation and/or verification functions as set out in the annex;
4. *Clarifies* that, if the designated national authority of a Party to the Kyoto Protocol has become non-responsive, the secretariat shall confirm with the UNFCCC national focal point of that Party that the designated national authority is no longer operational;
5. *Requests* the UNFCCC national focal points of Parties to the Kyoto Protocol with non-responsive designated national authorities to confirm to the secretariat whether the Party concerned still wishes to participate in the clean development mechanism and whether the UNFCCC national focal points will continue to perform the tasks of the designated national authority or designate another authority to carry out those tasks;
6. *Also requests* the Executive Board to address the issue of non-responsive designated national authorities as described in paragraphs 4–5 above;

II. Functioning of the clean development mechanism beyond the end of the second commitment period of the Kyoto Protocol

7. *Acknowledges* that the Executive Board agreed at its 118th meeting⁶ that it was not technically feasible to allow submissions of requests for registration, issuance and renewal of afforestation and reforestation project activities and programmes of activities under the temporary measures adopted at its 108th meeting for the operation of the clean development mechanism after the second commitment period of the Kyoto Protocol;⁷
8. *Also acknowledges* that the Executive Board ceased receiving requests under the temporary measures referred to in paragraph 7 above on 30 June 2023, when the process for the submission of requests for transition of clean development mechanism activities to the mechanism established by Article 6, paragraph 4, of the Paris Agreement became operational;⁸
9. *Takes note* of the technical paper, prepared by the secretariat, on the functioning and operation of the processes and institutions under the clean development mechanism in the future;⁹
10. *Decides* to continue consideration of the functioning and operation of the processes and institutions under the clean development mechanism, including appropriate time frames, at its nineteenth session (November 2024) with a view to avoiding a gap before the operationalization of the corresponding processes under the mechanism established by Article 6, paragraph 4, of the Paris Agreement;

⁵ FCCC/KP/CMP/2023/5.

⁶ See para. 24 of Executive Board document CDM-EB118.

⁷ See document FCCC/KP/CMP/2023/5, para. 10.

⁸ See document FCCC/KP/CMP/2023/5, para. 12.

⁹ FCCC/TP/2023/3.

11. *Requests* the secretariat to prepare a technical paper on the necessary operations of the clean development mechanism registry, taking into account the deadlines proposed in the technical paper referred to in paragraph 9 above, for consideration by the Subsidiary Body for Scientific and Technological Advice at its sixtieth session (June 2024), covering:

(a) The handling of certified emission reductions that remain in the clean development mechanism registry, including certified emission reductions in the Adaptation Fund account;

(b) The length of time during which clean development mechanism project participants may process clean development mechanism registry transactions;

(c) The treatment of certified emission reductions held in the clean development mechanism registry for projects for which issuance was requested prior to 1 January 2018 and for which the share of proceeds for administration has not been paid;

(d) The linkage between clean development mechanism registry operations and the clean development mechanism information system and the international transaction log, including an analysis of options for future clean development mechanism registry operations that takes into account the operation of the clean development mechanism registry once disconnected from the international transaction log and its implications;

III. Management of financial resources

12. *Recalls* its request¹⁰ to the Executive Board and the secretariat to ensure the efficient and prudent use of resources from the Trust Fund for the Clean Development Mechanism;

13. *Requests* the secretariat to prepare a technical paper on the necessary level of resources for the functioning and operation of the processes and institutions under the clean development mechanism, taking into account the deadlines proposed in the technical paper referred to in paragraph 9 above, for consideration by the Subsidiary Body for Scientific and Technological Advice at its sixtieth session;

14. *Decides* to authorize a transfer from the Trust Fund for the Clean Development Mechanism to the Adaptation Fund, and potentially to other areas in need of funding, on the basis of the technical paper referred to in paragraph 13 above at its nineteenth session.

¹⁰ Decision 2/CMP.17, para. 13.

Annex**Entities accredited and provisionally designated by the Executive Board of the clean development mechanism**

[English only]

<i>Name of entity</i>	<i>Sectoral scopes (validation and verification)</i>
Bureau Veritas India Pvt. Ltd. (BVI) ^a	1–5, 7–10, 12–15
CEPREI certification body (CEPREI) ^a	1–5, 8–10, 13, 15
China Quality Certification Center (CQC) ^a	1–15
CTI Certification Co., Ltd. (CTI Certification) ^a	1–15
GHD Limited (GHD) ^b	1, 4–5, 8–10, 12–13
Korea Energy Agency (KEA) ^b	1, 3, 4–5, 7, 9, 11–15
Limited Liability Company Small Innovative Enterprise “NES Profexpert” (NES) ^a	1, 3–5, 10, 14
PONY Testing International Group Co., Ltd. (Pony Test) ^a	1–15
TÜV SÜD South Asia Private Limited (TÜV SÜD) ^a	1, 3–5, 7, 10, 13–15

^a Accreditation granted for five years.^b Voluntary withdrawal of accreditation in its entirety.