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#### Conference of the Parties serving as the meeting of the Parties to the Paris Agreement Sixth session

Baku, 11–22 November 2024 Item 15(b) of the provisional agenda Matters relating to Article 6 of the Paris Agreement Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and referred to in decision 3/CMA.3

### Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement and referred to in decision 3/CMA.3

**Proposal by the President** 

Draft decision -/CMA.6

# Further guidance on 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* the mechanism established by Article 6, paragraph 4, of the Paris Agreement and the aims referred to therein,

Also recalling Article 6, paragraph 1, of the Paris Agreement,

*Further recalling* the eleventh preambular paragraph of the Paris Agreement, according to which, acknowledging that climate change is a common concern of humankind, Parties should, when taking action to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of Indigenous Peoples, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity,

Recalling decision 3/CMA.3 and its annex and decision 7/CMA.4 and its annexes,

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

# I. Operation of the mechanism established by Article 6, paragraph 4, of the Paris Agreement

1. *Requests* the Supervisory Body for the mechanism established by Article<sup>1</sup> 6, paragraph 4, and the secretariat to ensure that adequate technical and scientific expertise is available to support their work on methodologies, removals and related operational elements;

2. Also requests the Supervisory Body to engage, in consultation with interested stakeholders, further independent scientific and technical expertise and local communities, and include the knowledge, sciences and practices of Indigenous Peoples, as relevant, to support its work, including through its expert panels, to review proposals as necessary and receive independent scientific and technical advice;

3. *Further requests* the Supervisory Body to consider relevant international environmental agreements when carrying out its work, including when implementing the "Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies",<sup>2</sup> the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism"<sup>3</sup> and the "Article 6.4 sustainable development tool";<sup>4</sup>

4. *Requests* the secretariat to strengthen and reinforce its capacity to support the Supervisory Body, particularly in its work related to standard-setting and methodological matters;

5. *Urges* the Supervisory Body and the secretariat to expedite the establishment of the mechanism registry and the relevant procedures therefor;

6. *Requests* the Supervisory Body, while ensuring ongoing continuous improvements to reflect the best available science, to strive to ensure regulatory stability by avoiding frequent substantive revisions to its adopted standards, tools and procedures;

7. *Also requests* the Chair and the Vice-Chair of the Supervisory Body to orally report to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at each of its sessions on the Supervisory Body's progress in implementing its work during the calendar year based on its mandates;

# II. Methodologies under the mechanism established by Article 6, paragraph 4, of the Paris Agreement

8. *Encourages* the Supervisory Body, noting that it has already developed its preliminary workplan for 2025, to expedite its work on further standards, tools and guidelines relating to baselines, downward adjustment, standardized baselines, suppressed demand, additionality, and leakage, as well as non-permanence and reversals including aspects of post-crediting period monitoring, reversal risk assessments, and remediation measures;

9. *Requests* the Supervisory Body, recalling decision 3/CMA.3, paragraph 5(b)(i), to accelerate the revision of the baseline and monitoring methodologies in use for the clean development mechanism under Article 12 of the Kyoto Protocol with a view to applying them with revisions, as appropriate, pursuant to decision 3/CMA.3, annex, chapter V.B (Methodologies), for activities under the mechanism established by Article 6, paragraph 4;

## III. Authorization of Article 6, paragraph 4, emission reductions

10. *Recalls* that, pursuant to decision 7/CMA.4, annex I, paragraph 38, the mechanism registry administrator shall, at the time of issuance of Article 6, paragraph 4, emission reductions, assign their authorization status in accordance with the statement by the host Party

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

<sup>&</sup>lt;sup>2</sup> Supervisory Body document A6.4-SBM014-A05.

<sup>&</sup>lt;sup>3</sup> Supervisory Body document A6.4-SBM014-A06.

<sup>&</sup>lt;sup>4</sup> Supervisory Body document A6.4-SBM014-A04.

provided to the Supervisory Body pursuant to decision 3/CMA.3, annex, paragraph 42, and *encourages* the host Party to provide to the Supervisory Body the statement of authorization of Article 6, paragraph 4, emission reductions as early as possible;

11. *Clarifies* that the statement referred to in paragraph 10 above shall contain information, which may be included as part of the approval of the Article 6, paragraph 4, activity by the host Party, on whether it:

(a) Authorizes, in full or in part, the Article 6, paragraph 4, emission reductions to be issued for the underlying activity for use towards achievement of nationally determined contributions and/or for other international mitigation purposes pursuant to decision 2/CMA.3, annex, paragraph 1(d) and (f);

(b) Does not authorize any Article 6, paragraph 4, emission reductions to be issued for the underlying activity for use towards achievement of nationally determined contributions and/or for other international mitigation purposes pursuant to decision 2/CMA.3, annex, paragraph 1(d) and (f);

(c) Allows mitigation contribution Article 6, paragraph 4, emission reductions to be issued for the underlying activity, while noting that the host Party may authorize the Article 6, paragraph 4, emission reductions at a later stage subject to the provisions referred to in paragraph 12 below;

12. Decides that the host Party may authorize, for use towards achievement of nationally determined contributions and/or for other international mitigation purposes, as defined in decision 2/CMA.3, annex, paragraph 1(d) and (f), mitigation contribution Article 6, paragraph 4, emission reductions already issued by providing to the Supervisory Body a statement of authorization within the specified time frame referred to in paragraph 13 below, which applies from the date of issuance prior to any transfer of the mitigation contribution Article 6, paragraph 4, emission reductions in or out of the mechanism registry, and applying the requirements for corresponding adjustments with respect to the corresponding mitigation contribution Article 6, paragraph 4, emission reductions already forwarded for share of proceeds for adaptation pursuant to decision 7/CMA.4, annex I, paragraph 40;

13. *Requests* the Supervisory Body to consider and determine whether, based on its experience, there is a need to set a time limit, from the date of issuance to when the host Party shall provide a statement of authorization, and report back in its annual report to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its seventh session (November 2025);

14. *Also requests* the secretariat, with the approval of the Supervisory Body, to establish necessary guidelines for and operationalize the process referred to in paragraph 12 above, ensuring that:

(a) Respective mitigation contribution Article 6, paragraph 4, emission reductions are still held by the mitigation activity participants and have not been transferred in or out of the mechanism registry;

(b) Corresponding adjustments pursuant to decision 2/CMA.3, annex, chapter III (Corresponding adjustments), are applied by the host Party as if the authorization had been provided no later than at issuance;

(c) Respective shares of proceeds for adaptation received by the Adaptation Fund pursuant to decision 3/CMA.3, annex, chapter VII (Levy of share of proceeds for adaptation and administrative expenses), are comprised of authorized Article 6, paragraph 4, emission reductions rather than of mitigation contribution Article 6, paragraph 4, emission reductions;

15. *Further requests* the secretariat to develop a template for the statement referred to in paragraph 10 above, to include the relevant applicable elements contained in paragraph 5 of

decision -/CMA.6<sup>5</sup> in order to enable the identification of authorized Article 6, paragraph 4, emission reductions in the mechanism registry;

### IV. Article 6, paragraph 4, mechanism registry

16. Takes note of section IX.A of decision -/CMA.6;<sup>6</sup>

17. *Decides* that the participating Party registries referred to in decision 2/CMA.3, annex, paragraph 29, may voluntarily connect to the mechanism registry, and the connection shall enable the transfer of authorized Article 6, paragraph 4, emission reductions, consistent with decision 6/CMA.4, annex I, chapter I.B, paragraphs 9–10, while ensuring avoidance of double counting consistent with decision 6/CMA.4, annex I, paragraph 18, and the ability to pull and view data and information on holdings and the action history of authorized Article 6, paragraph 4, emission reductions;

18. *Requests* the secretariat to implement the mechanism registry in a manner that will make the registry available for use by all Parties participating in the mechanism;

### V. Special circumstances of the least developed countries and small island developing States with respect to share of proceeds for adaptation

19. *Notes* the annual reports of the Supervisory Body for 2023<sup>7</sup> and 2024,<sup>8</sup> in which it is recommended that Article 6, paragraph 4, activities in the least developed countries be exempted from the share of proceeds for adaptation, while recognizing that the least developed countries may choose not to make use of this exemption;

20. *Decides* to exempt Article 6, paragraph 4, activities in the least developed countries and small island developing States from the share of proceeds for adaptation, while acknowledging that the least developed countries and small island developing States may choose not to make use of this exemption;

#### VI. Transition of clean development mechanism activities

21. *Decides* that afforestation and reforestation project activities and programmes of activities registered under the clean development mechanism may transition to the mechanism established by Article 6, paragraph 4, and be registered as Article 6, paragraph 4, activities subject to the following conditions being met:

(a) The request to transition the registered clean development mechanism afforestation and reforestation project activity or programme of activities being made to the secretariat and to the designated national authority for the mechanism established by Article 6, paragraph 4, of the clean development mechanism host Party by or on behalf of the project participants of a registered afforestation and reforestation clean development mechanism project activity or by or on behalf of the coordinating/managing entity of a registered clean development mechanism afforestation and reforestation programme of activities by no later than 31 December 2025;

(b) The approval of a request to transition the registered clean development mechanism afforestation and reforestation project activity or programme of activities being provided to the Supervisory Body by the designated national authority for the mechanism

<sup>&</sup>lt;sup>5</sup> Draft decision entitled "Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement" proposed under agenda item 15(a) of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its sixth session.

<sup>&</sup>lt;sup>6</sup> As footnote 5 above.

<sup>&</sup>lt;sup>7</sup> FCCC/PA/CMA/2023/15 and Add.1.

<sup>&</sup>lt;sup>8</sup> FCCC/PA/CMA/2024/2 and Add.1.

established by Article 6, paragraph 4, of a clean development mechanism host Party by no later than 31 December 2025;

(c) The clean development mechanism afforestation and reforestation project activity or programme of activities complying with the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4;<sup>9</sup> the respective applicable requirements for activities involving removals under the mechanism contained in the Supervisory Body standard "Requirements for activities involving removals under the Article 6.4 mechanism"; and any future relevant decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

### VII. Management of financial resources

22. *Takes note* of the agreed business and resource allocation plan of the Supervisory Body for 2024–2025,<sup>10</sup> which provides an estimated budget for its work and activities deemed essential for operationalizing the mechanism established by Article 6, paragraph 4;

23. *Also takes note* that a USD 3.1 million shortfall in funding for the mechanism is expected in 2025, based on the plan referred to in paragraph 22 above and the 2024 report of the Supervisory Body;

24. *Further takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;

25. *Requests* that the actions of the secretariat called for in this decision be undertaken subject to the availability of financial resources.

<sup>&</sup>lt;sup>9</sup> FCCC/PA/CMA/2021/10/Add.1.

<sup>&</sup>lt;sup>10</sup> Supervisory Body document A6.4-SB007-A01.