



Ministry of the Environment

Paris Agreement Article 6 Rule Guide Book 2023.3.17 ver.

**Global Environmental Bureau
Ministry of the Environment Japan**



Definition of International Transfer

Definition of ITMOs (internationally transferred mitigation outcomes)

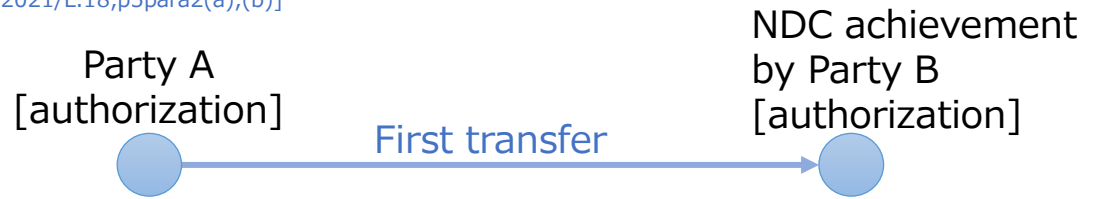
[FCCC/PA/CMA/2021/L.18,p5 para1(a)-(g)]

Real, verified, and additional	Emission reductions and removals transferred internationally	Measured in metric tonnes of carbon dioxide equivalent (tCO2 eq) or in other metrics	Use towards an NDC	Mitigation outcomes from 2021 onwards	Mitigation outcomes authorized for use towards the following purposes <ul style="list-style-type: none"> • International mitigation purposes including CORSIA • Other purposes 	A6.4 ERs authorized for use towards the following purposes <ul style="list-style-type: none"> • NDC • CORSIA etc. • Other purposes
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Definition of first transfer

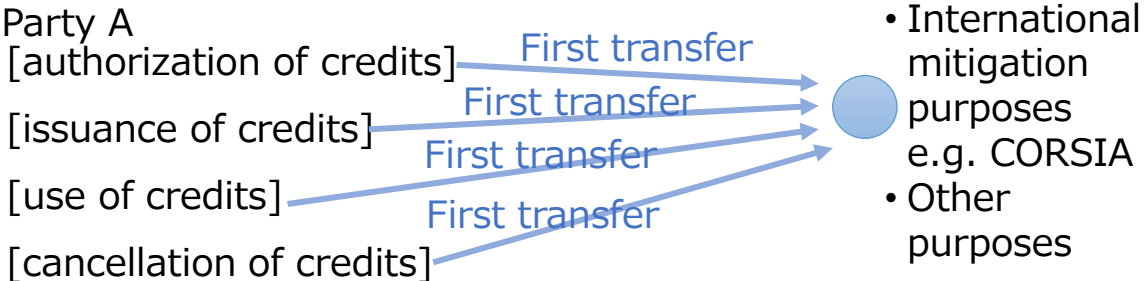
[FCCC/PA/CMA/2021/L.18,p5para2(a),(b)]

(a) For use towards achievement of NDC
The first international transfer of mitigation outcome authorized by a participating Party



(b) For use for other intl. mitigation purposes
The following action for mitigation outcome authorized by a participating Party

- (i) authorization
- (ii) issuance, or
- (iii) use or cancellation



Participation

[FCCC/PA/CMA/2021/L.18,p5para4(a)-(f)]

Party to the Paris Agreement	Has prepared, communicated and is maintaining NDC in accordance with A4.2	Has arrangements in place for authorizing the use of ITMOs	Has arrangements in place for tracking ITMOs	Has provided national inventory report	Contributes to the implementation of its NDC, and long-term low-emission development strategy, and the long-term goals of the Paris Agreement
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Methods of Corresponding Adjustments (CA)

[FCCC/PA/CMA/2021/L.18, p6para7]

Principles

- Transparency, completeness, comparability and consistency
- Does not lead to a net increase in emissions within NDC implementation periods
- Be representative and consistent with the participating Party's NDC implementation and achievement

[FCCC/PA/CMA/2021/L.18, p6para7(a),(b),p.7para8(a),(b)]

NDC	Single-year NDC	Multi-year NDC	Multi-year NDC
Methods	Providing an indicative multi-year emissions trajectory, trajectories or budget that is consistent with NDC, and counting total amount of ITMOs used for each year	Calculating the average annual amount of ITMOs used over the NDC implementation period and counting indicatively for each year, and applying CA in the NDC year	Counting total amount of ITMOs used for each year against emissions trajectory, trajectories or budget, and applying CA for cumulative value at the end
CA timing	Applying CA annually	Applying indicative CA annually	Applying CA annually
Image	<p>[Using Party] CA for amount of ITMOs used for each year</p> <p>[First Transferring Party] CA for amount of ITMOs first transferred for each year</p>	<p>[Using Party] CA for average amount of ITMOs used over the period</p> <p>[First Transferring Party] CA for average amount of ITMOs first transferred over the period</p>	<p>[Using Party] CA for amount of ITMOs used for each year</p> <p>[First Transferring Party] CA for amount of ITMOs first transferred for each year</p>
<p> — Target ■ Actual emissions ↓↑ CA □ ITMOs first transferred/used □ Emissions after CA ⋯ Indicative target ■ (Emissions balance) ↓↑ Indicative CA -- Averaged ITMOs transferred/used </p>			



Metrics of International Transaction

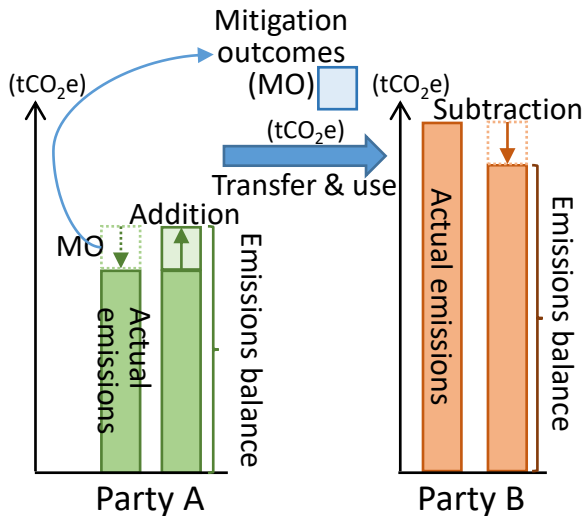
[FCCC/PA/CMA/2021/
L.18,p7para8(a),(b)]

[FCCC/PA/CMA/2021/
L.18,p7para9(a),(b)]

[FCCC/PA/CMA/2021/
L.18,p7para10(a),(b)]

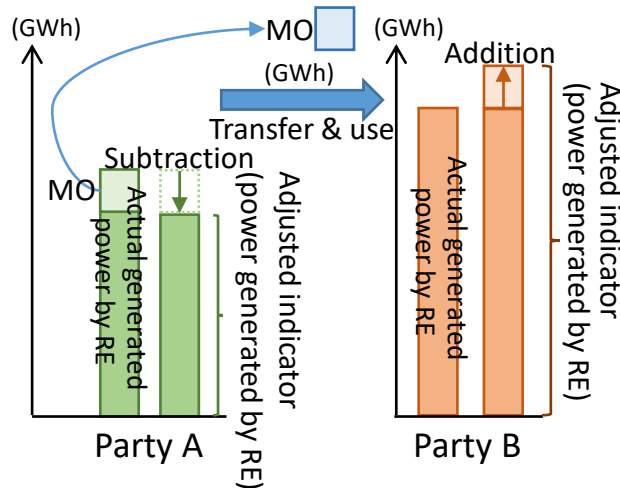
GHG metrics

- t-CO₂e
(CO₂, CH₄, N₂O, etc.)
- Example of CA: Applying quantity of ITMOs first transferred or used, to emissions covered by NDC
- Example of NDC: Japan, Costa Rica



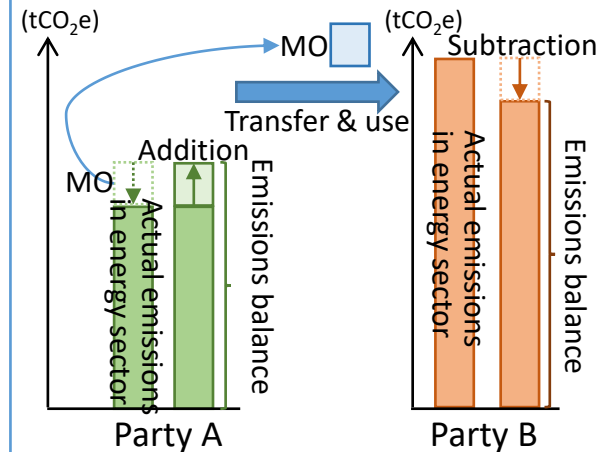
Non-GHG metrics

- GWh (generated power by renewable energy (RE))
- Example of CA: Applying quantity of first transferred or used ITMOs which is power generated by RE (measured in GWh), to power generated by RE



Policies and measures (only for initial NDC)

- Quantification of emissions affected by policy and measures (t-CO₂e)
- Example of CA: Applying quantity of first transferred or used ITMOs which is emission reductions by diffusion low-carbon technology, to emissions in related energy sector





Article 6 Reporting

Initial report

[FCCC/PA/CMA/2021/L.18,p8para18(a)-(i)]

• Submitted no later than authorization of ITMOs or in conjunction with the next biennial transparency report

Participation requirements

- Fulfilment of participation responsibilities
- ITMOs metrics and method for CA
- Info. on NDC and quantification of policies and measures (including non-GHG metrics)
- Copy of ITMOs authorization by participating Party and description of cooperative approach

Ensuring environmental integrity

- Ensuring no net increase within NDC implementation period
- Governance and quality of mitigation outcomes
- Minimizing risk of non-permanence

Other methods

- Consideration of human rights, rights of indigenous peoples, etc.
- Consistent with SD objectives
- Applying safeguards and limits
- Contribution to adaptation
- OMGE etc.

Annual information

[FCCC/PA/CMA/2021/L.18,p9para20(a),(b)]

• Submitted no later than 15 April every year (assuming to be submitted together with national inventory)

Quantitative info. on ITMOs

- Authorization of ITMOs (for NDC and other intl. mitigation purposes)
- First transfer, transfer, acquisition, holding, cancellation, and voluntary cancellation
- Use for OMGE and NDC

Background info.

- Cooperative approach
- Other intl. mitigation purposes authorized
- First transferring Party, using Party/entity
- Year of reduction
- Sector(s), activity type(s)
- Unique identifiers

Regular information

[FCCC/PA/CMA/2021/L.18,p10para21-p11para23]

• Submitted no later than 31 December of the relevant year as annex to biennial transparency reports

Summary of cooperative approach

- Fulfilment of participation responsibilities
- Authorization of ITMOs (for NDC and other intl. mitigation purposes)
- Method for CA
- Method to avoid further transfer of used ITMOs etc.

Methods in cooperative approach

- Contribution to mitigation of GHGs and implementation of NDC
- Ensuring environmental integrity
- Measurement of mitigation outcomes (tCO₂e metric)
- Ensuring appropriateness in converting non-GHG metric into tCO₂e
- Measurement of mitigation co-benefits

Annual information

- Emissions covered by NDC
- Quantity of ITMOs first transferred
- Quantity of mitigation outcomes authorized for use for other intl. mitigation purposes and authorized entities
- Quantity of use towards achievement of NDC
- Total quantitative CA
- Level of non-GHG indicator
- Annual emissions balance or annual adjusted indicator
- Achievement of NDC on the end year, etc.



Outline for the initial report and updated initial report

Structure is in line with the reporting items of A6.2 Guidance.

I. Participation responsibilities (para. 18(a))

*Paragraph numbers without decision numbers are those of 6.2 Guidance.

A.-D.,F. Information on how the Party ensures each participation requirement* (para.18(a), para.4(a)-(d), (f), to be updated by para.21(a))

*para.18(a) Party to the Paris Agreement, (b) To have prepared, communicated and be maintaining an NDC, (c) Arrangements in place for authorizing the use of ITMOs towards achievement of NDCs, (d) Arrangements in place for tracking ITMOs, (f) Ensuring participation contributes to the implementation of its NDC and long-term low-emission development strategy, if it has submitted one, and the long-term goals of the Paris Agreement

E. Information on whether the most recent national inventory report has been provided (para.18(a), para.4(e), to be updated by para.21(a))

II. Description of the Party's NDC, as referred to in decision 18/CMA.1, annex, para.64, where a participating**Party has not yet submitted a BTR (para.18(b), to be updated by para.21(b))**

A. Target(s) and description, including target type(s) (decision 18/CMA.1, annex, para.64(a))

B. Target year(s) or period(s), and whether they are single-year or multi-year target(s) (decision 18/CMA.1, annex, para.64(b))

C. Reference point(s), level(s), baseline(s), base year(s) or starting point(s), and their respective value(s) (decision 18/CMA.1, annex, para.64(c))

D. Time frame(s) and/or periods for implementation (decision 18/CMA.1, annex, para.64(d))

E. Scope and coverage, including, as relevant, sectors, categories, activities, sources and sinks, pools and gases (decision 18/CMA.1, annex, para.64(e))

F. Intention to use cooperative approaches that involve the use of internationally transferred mitigation outcomes under Article 6 towards NDCs under Article 4 of the Paris Agreement (decision 18/CMA.1, annex, para.64(f))

G. Any updates or clarifications of previously reported information (e.g. recalculation of previously reported inventory data, or greater detail on methodologies or use of cooperative approaches) (decision 18/CMA.1, annex, para.64(g))

III. Information on ITMO metrics, method for applying corresponding adjustments (CAs) and method for quantification of the NDC (para.18(c-f))

A. ITMO metrics (para.18(c))

B. Method for applying CAs as per chapter III.B (Application of CAs) (para.18(c))

1. Description of the method for applying CA for multi- or single year NDCs that will be applied consistently throughout the period of NDC implementation (para.18(c))

2. Description of the method for applying CAs where the method is a multi-year emissions trajectory, trajectories or budget (para.18(c))

C.-E. Each reporting item in para.18(d)~(f)* (para.18(d)-(f))

*para.18(d) Quantification of the Party's mitigation information in its NDC in tCO₂eq, (e) Quantification of the Party's NDC, or the portion in the relevant non-GHG indicator, (f) information on quantification of the Party's emission level resulting from the policies and measures and the time periods covered by the NDC**IV. Information on each cooperative approach (para.18(g-i), para.19)**

A.-F. Each reporting item in para.18(g)* (para.18(g))

*para.18(g) Copy of the authorization by the participating Party, description and duration of the cooperative approach, expected mitigation for each year of the duration, participating Parties involved, and authorized entities

G.1.-3. Description of how the cooperative approach ensures environmental integrity (para.18(h), to be updated by para.22(b))

H.1.-6. Additional description of the cooperative approach (para.18(i))



Review of and recording system for A6 reporting

Review of A6 reporting (from 2025)

[FCCC/PA/CMA/2021/L.18,p12para25-p13para28]

Desk or centralized review

- A6 expert review team reviews consistency of info. in initial report and regular info



Preparing report on review

- A6 expert review team prepares a report on its review results (if necessary, incl. recommendation of improvement for each Party)



Forwarding and publishing review report

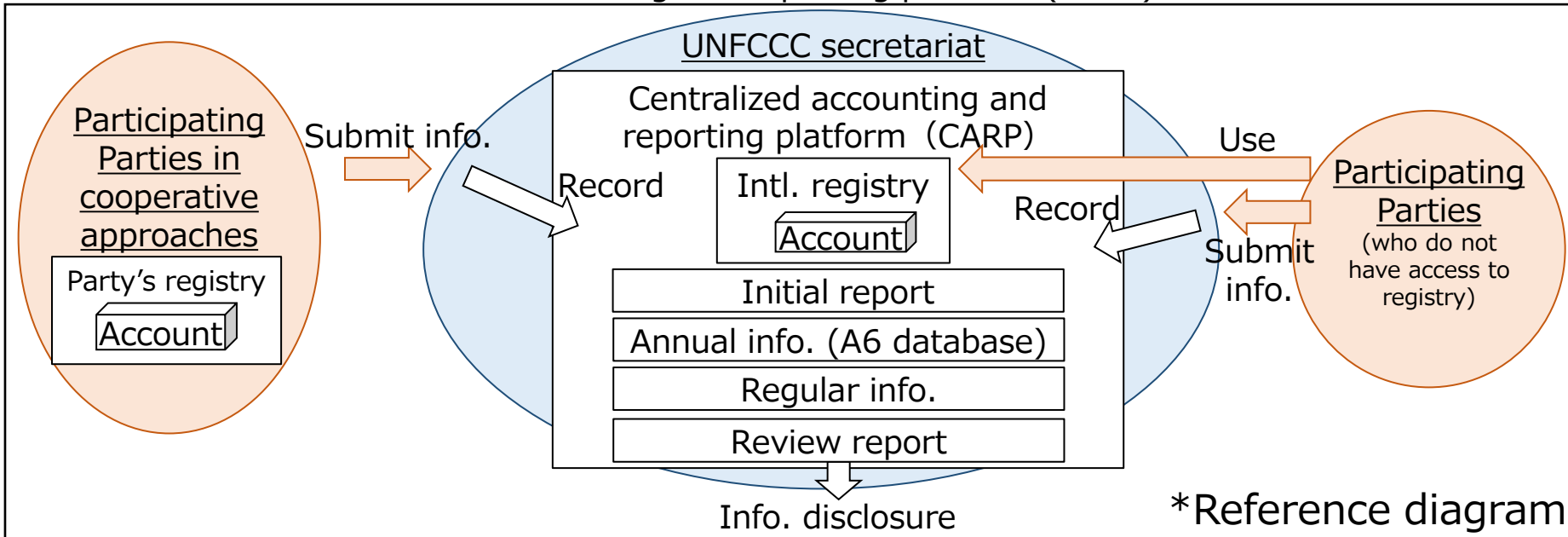
- A6 expert review team forwards the reports for consideration by the technical expert review for transparency framework
- The reports are made publicly available on centralized accounting and reporting platform

* Guidelines for review were adopted in November 2022 (COP27)

Recording system for A6 (from 2023)

[FCCC/PA/CMA/2021/L.18,p13para29-32, p14para35]

- Each party establishes A6.2 registry
- Party who do not have access to registry can use "international registry"
- Establishment of A6 database. Consistency of info. Is checked and notified to Party, if applicable.
- Establishment of a centralized accounting and reporting platform (CARP)



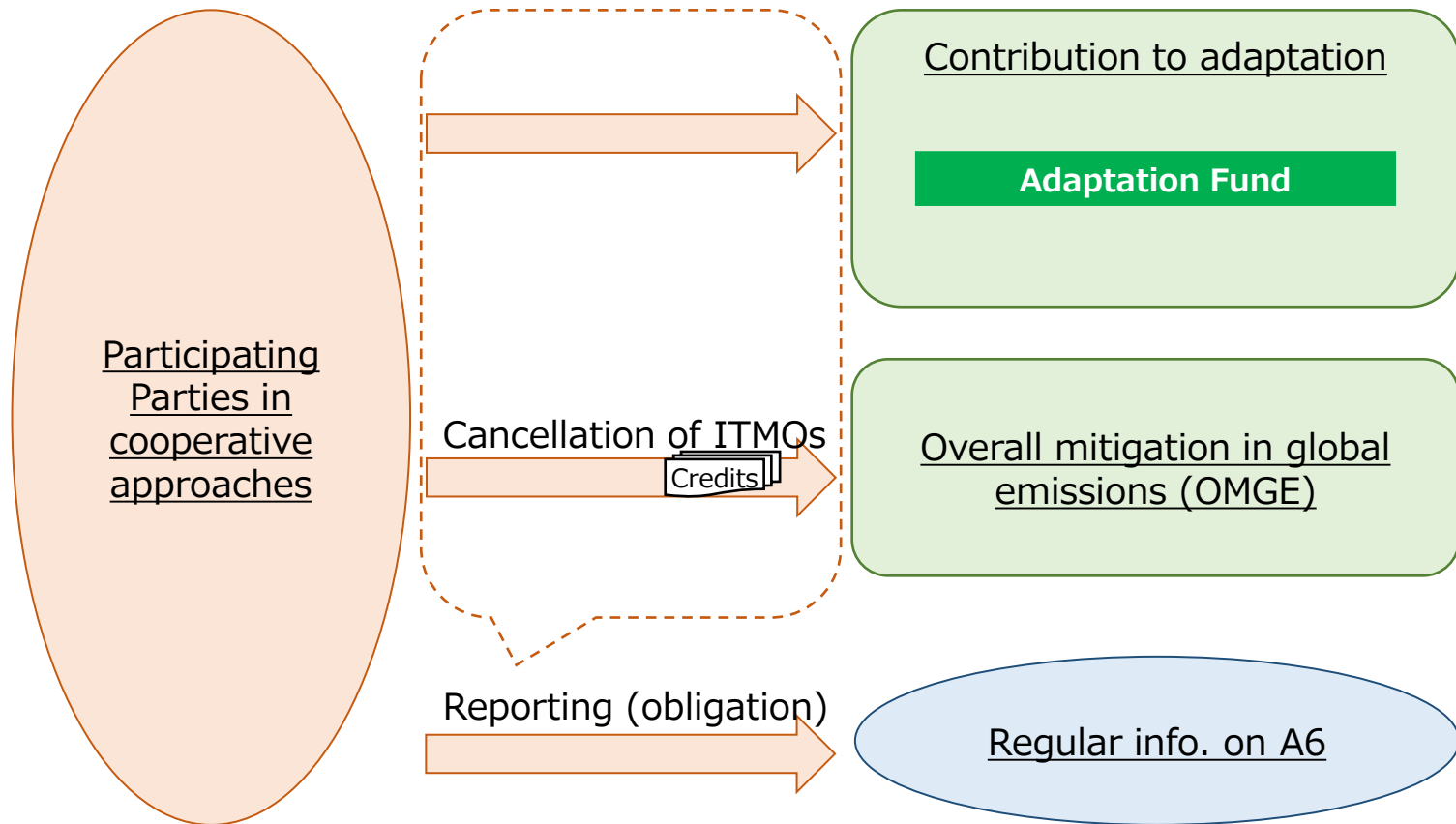
*Reference diagram

* Guidance relating to tracking was adopted in November 2022 (COP27)



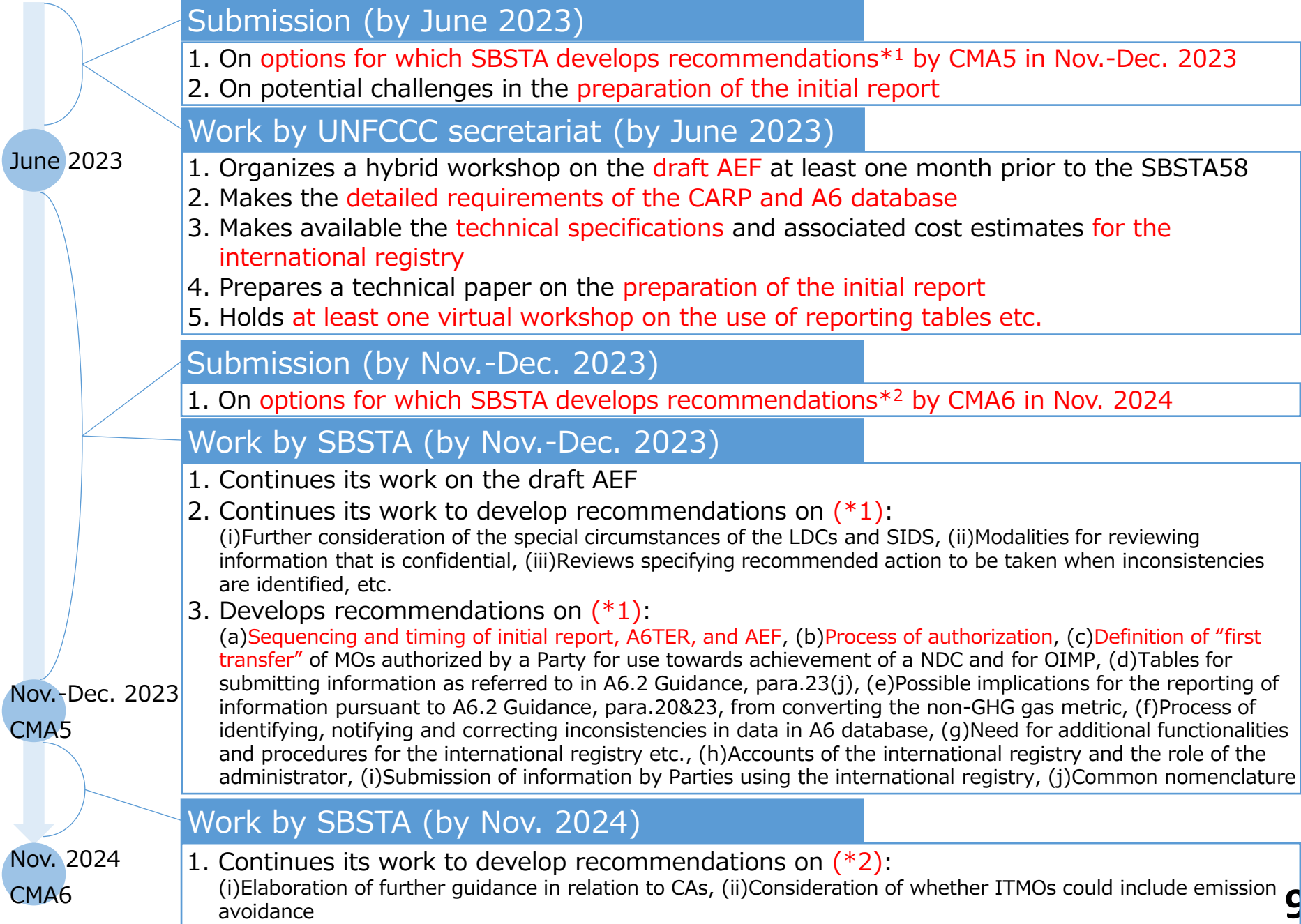
Ambition raising in mitigation and Adaptation through A6.2

- Contribution to adaptation (in particular through contributions to the Adaptation Fund) is strongly encouraged. Regular reporting of funding is required. (Financial support for adaptation under A6.4 is also taken into account.) [FCCC/PA/CMA/2021/L.18,p14para37,38]
- Cancellation of reductions that are not counted towards NDC or for other international mitigation purposes is strongly encouraged. Regular reporting on delivery of overall mitigation in global emissions (OMGE) is required. (Methods under A6.4 is also taken into account.) [FCCC/PA/CMA/2021/L.18,p14para39,40]





A6.2 Guidance: Work Plan



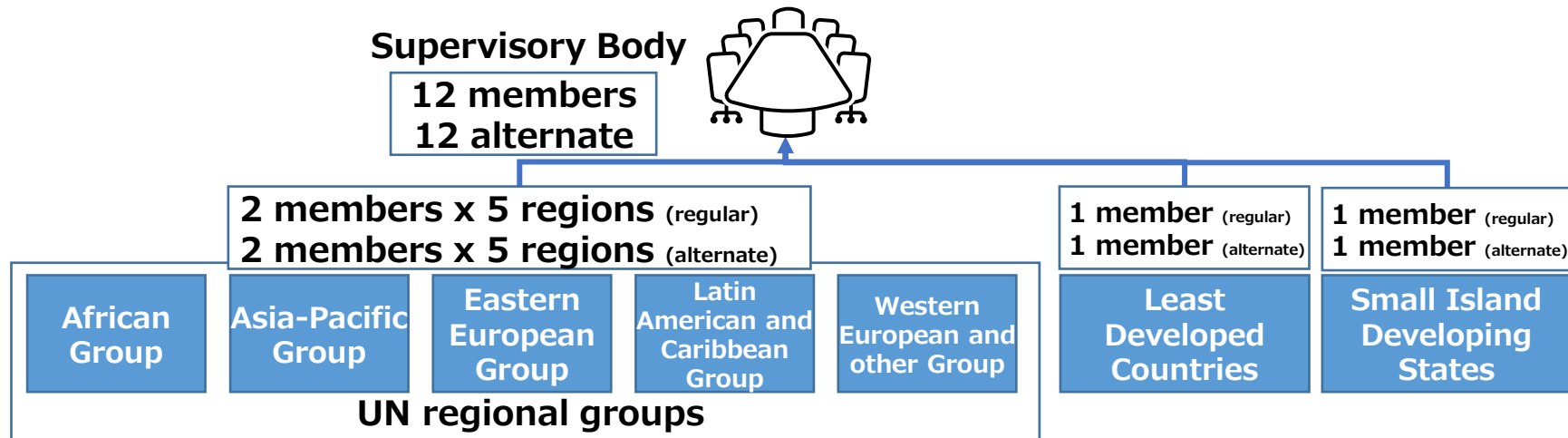


A6.4 Mechanism: Supervisory Body

Supervisory Body (SB)

- The SB shall comprise 24 members (ensuring geographical and gender-balanced representation)
- The SB shall elect a Chair and a Vice-Chair each year

[FCCC/PA/CMA/2021/L.19, p5para3-p6para5]



- The SB shall play the following role:
 - ✓ Development and/or approval of methodologies
 - ✓ Registration of A6.4 activities, renewal of crediting period, issuance of A6.4 ERs
 - ✓ Promotion and consideration of human rights, application of robust, social and environmental safeguards, development of tools and approaches for sustainable development
 - ✓ Developing and maintaining a public website
 - ✓ Other supports for the implementation of the mechanism
- The secretariat shall serve the SB and perform its functions

[FCCC/PA/CMA/2021/L.19, p7para24]

[FCCC/PA/CMA/2021/L.19,p8para25]



A6.4 Mechanism: Activity Design and Methodology

Participation responsibilities

[FCCC/PA/CMA/2021/L.19,
p8para26-p9para27]

- Host Parties shall ensure A6.4 activities would contribute to **the achievement of NDCs, its long-term low GHG emissions development strategy, and the long-term goals of the Paris Agreement**
- Host Parties may specify baseline approaches and crediting periods

Activity design

[FCCC/PA/CMA/2021/L.19,
p9para31]

- A6.4 activity:
 - Shall be designed to achieve additional mitigation and not lead to an increase in global emissions
 - May be a project, programme of activities, or other type of activity approved by the SB
 - Shall deliver real, measurable and long-term benefits; minimize the risk of non-permanence of emission reductions; minimize the risk of leakage and adjust for any remaining leakage; and minimize and avoid negative environmental and social impacts
 - Shall undergo local (and subnational) stakeholder consultation
- Crediting period for issuance of A6.4ERs shall be:
 - A maximum of **5 years (renewable a maximum of twice)** or a maximum of **10 years (non-renewable)** for emission reduction activities; and
 - A maximum of **15 years (renewable a maximum of twice)** for emission removal activities

Methodologies

(incl. baseline and additionality)

[FCCC/PA/CMA/2021/L.19,
p10para33,36-p11para38]

- Methodologies shall: **encourage ambition; be below BaU**; and align with the Host Party's NDC and its long-term low GHG emission development strategy and the long-term goals of the Agreement
- Each methodology shall apply: **BAT (Best Available Technology); ambitious benchmark**; or existing actual or historical emissions adjusted downwards, as a baseline approach (Host Parties may determine a more ambitious level)
- Standardized baselines may be developed by the SB or host Parties
- Demonstration of additionality takes into account all relevant national policies and takes a conservative approach that avoids locking in levels of emissions, technologies or carbon-intensive practices



A6.4 Mechanism: Approval and Authorization

Approval and authorization

[FCCC/PA/CMA/2021/L.19,p11para40-p12para45]

[FCCC/PA/CMA/2022/L.14,p10para35-45]

(1) Approval of activity

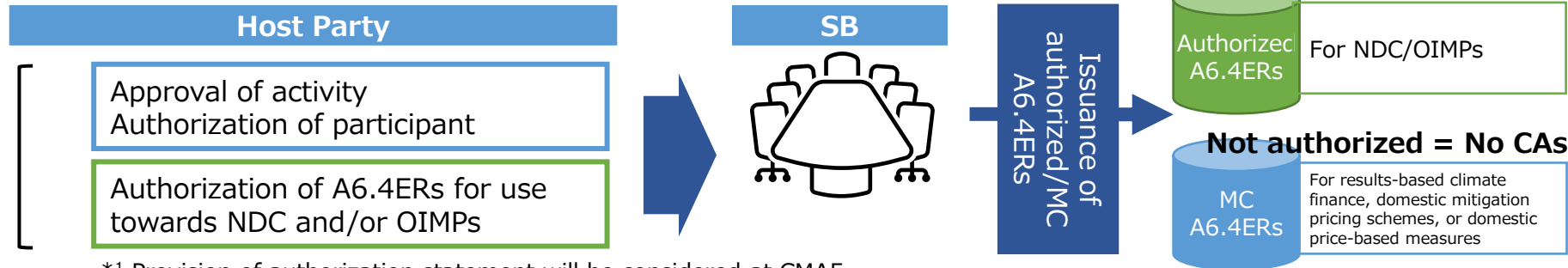
- Foster sustainable development
- Any potential renewal of crediting period
- Contribute to host Party's NDC

(2) Authorization of activity participant

- Authorize public or private entities to participate in the activity

(3) Authorization of use of A6.4ERs

- Authorization of A6.4ERs for use towards achievement of NDCs and/or for other international mitigation purposes (OIMPs) (e.g., CORSIA and voluntary markets)
- Host Party shall provide to the SB a statement related to the authorization and shall specify how it defines "first transfer" (e.g., at issuance, at cancellation, etc.) if authorizing A6.4ERs for OIMPs*1
- Host Party **shall apply corresponding adjustments (CAs) for all authorized A6.4ERs** (including those forwarded for SoP and cancelled for OMGE), but not for unauthorized (mitigation contribution (MC)) A6.4ERs
- Host Party shall provide an approval of activity, and host Party and other participating Party provide authorization of public/private entity to participate in the activity



*1 Provision of authorization statement will be considered at CMA5.

Issuance

[FCCC/PA/CMA/2021/L.19,p13para55]

- The mechanism registry shall distinguish A6.4ERs that are authorized for use towards the achievement of NDCs and/or for use for OIMPs

Mechanism registry

[FCCC/PA/CMA/2021/L.19,p14para63]

- The mechanism registry shall contain account (for holding, retirement, cancellation, etc.)
- The mechanism registry shall be connected to A6.2 international registry



A6.4 Mechanism: SoP and OMGE

Share of proceeds (SOP)

[FCCC/PA/CMA/2022/L.14, p11-12para50-62]

SOP-administration

- Composed of 5 kinds of fees and paid upon each request (*Specific fee levels are to be determined by the SB)
 - ✓ **Registration fee:**
 - Up to \$2,000 (ERs ≤ 15,000 tCO2eq);
 - Up to \$6,000 (15,001 ≤ ERs ≤ 50,000 tCO2eq);
 - Up to \$12,000 (50,001 tCO2eq ≤ ERs)
 - ✓ **Inclusion fee:** Up to \$1,000 per inclusion of a CPA
 - ✓ **Issuance fee:** Up to \$0.20 per A6.4ER issued
 - ✓ **Renewal fee:** Same level as the registration fee
 - ✓ **Post-registration change fee:** Up to \$2,000
- All fees shall be waived for activities in LDC/SIDS

SOP-adaptation

- **Levy of 5% of A6.4ERs:** The Adaptation Fund (AF) Board and its support structure shall develop and implement a strategy on monetizing such A6.4ERs and inform the state of monetization annually to the CMA
- **Monetary contribution:** Deduct 3% of the issuance fee paid for each request for issuance of A6.4ERs and collectively transfer them annually to the AF
- **Periodic contribution:** The SB shall review annually the state of the remaining funds, and decide the timing and the amount of funds to be transferred to the AF

Overall Mitigation in Global Emission (OMGE)

[FCCC/PA/CMA/2022/L.14, p13para63-67]

- Mandatory cancellations (a minimum of 2%) shall apply to **all the issued A6.4ERs** (*CAs are applied for authorized A6.4ERs only, but not for MC A6.4ERs)
- Activity participants may request mandatory cancellations of more than 2% of issued A6.4ERs (*Procedures are to be determined by the SB)
- Activity participants and stakeholders may request voluntary cancellations of A6.4ERs (*Procedures are to be determined by the SB)
- The SB shall provide, in its annual reports to the CMA, information on aggregated amounts that were cancelled for OMGE together with any relevant qualitative information, distinguishing between mandatory and voluntary cancellations

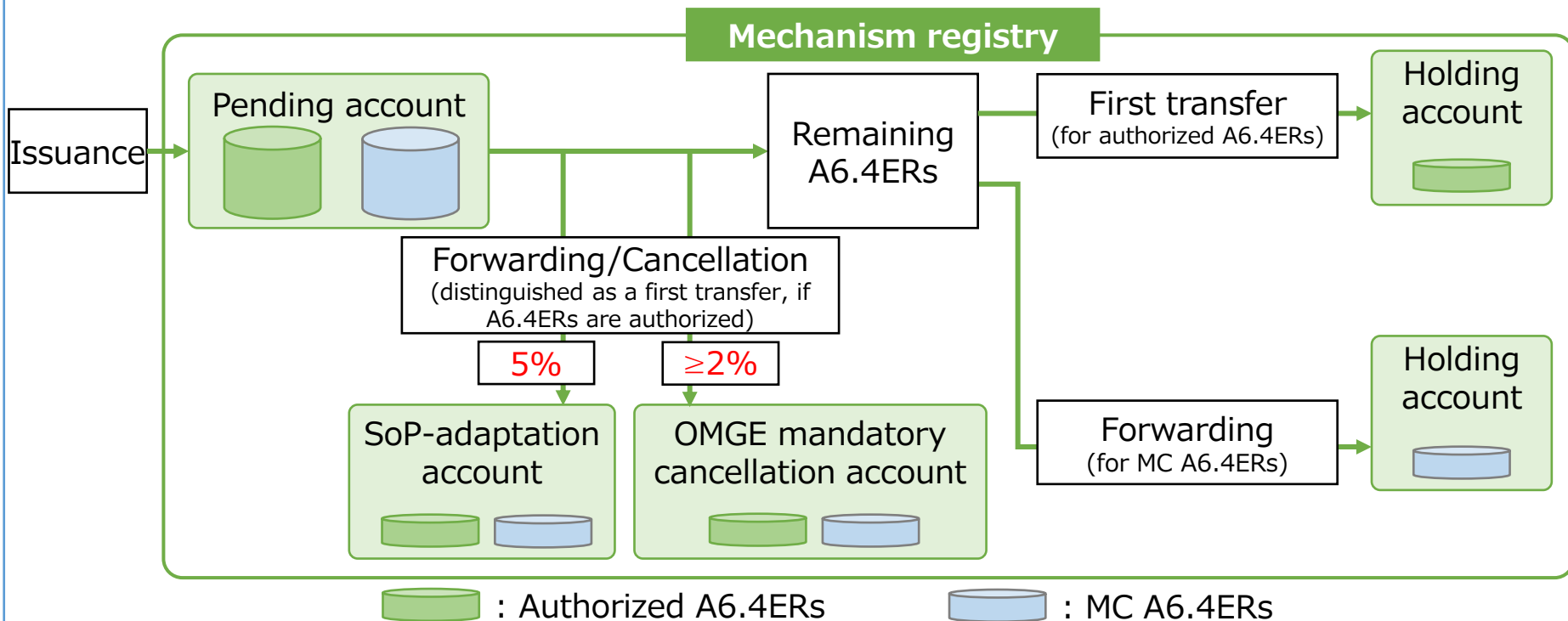


A6.4 Mechanism: SoP and OMGE

Transaction procedure

[FCCC/PA/CMA/2022/L.14, p10para35-45]

- The mechanism registry administrator shall issue all authorized A6.4ERs and mitigation contribution A6.4ERs into the pending account
- The mechanism registry administrator shall, at the time of the issuance of A6.4ERs, assign their authorization status (*distinguished as authorized or MC A6.4ERs)
- The mechanism registry administrator shall **forward 5% of all the issued A6.4ERs** to the SoP-adaptation account and **cancel a minimum of 2% of all the issued A6.4ERs** to the mandatory cancellation for OMGE account (***forwarding and cancellation of the authorized A6.4ERs** shall be distinguished as **effecting a first transfer** and be subject to a **CA**)
- The mechanism registry administrator shall forward or effect a first transfer of, as applicable, the remaining A6.4ERs to holding accounts in accordance with the instructions of the activity participants





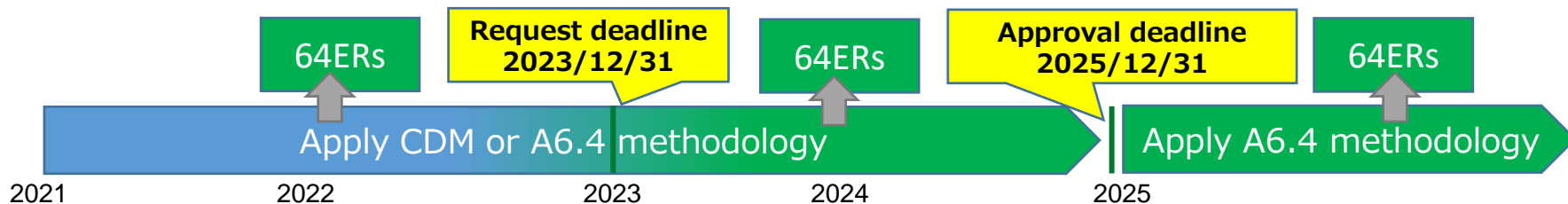
A6.4 Mechanism: Transition of CDM Activities

Transition of CDM activities

[FCCC/PA/CMA/2021/L.19, p15para73-p16para74]

CDM project activities and programmes of activities registered or listed as provisional may transition to the A6.4 mechanism subject to all of the following conditions:

- (1) The request for transition is made to the secretariat and the CDM host Party by no later than 31 December 2023;
- (2) The approval for such transition is provided by the CDM host Party by no later than 31 December 2025;
- (3) Comply with A6.4 RMPs (including application of corresponding adjustments);
- (4) The activity may continue to apply its current approved CDM methodology until the earlier of the end of its current crediting period or 31 December 2025
- (5) The Supervisory Body shall ensure that small-scale activities undergo an expedited transition process



Transition process

[FCCC/PA/CMA/2022/L.14, p6-7para11-17]

STEP 1

Submission of transition request

- Project participants of a registered CDM project activity who wish to transition the activity to the Article 6.4 mechanism shall submit a request for such transition to the secretariat and to the DNA for the Article 6.4 mechanism of the CDM host Party, informing the DNA for the CDM of the same Party by no later than 31 December 2023

STEP 2

Approval of transition request

- The DNA for the Article 6.4 mechanism of a CDM host Party, if it approves the transition, shall provide the approval to the SB by no later than 31 December 2025

STEP 3

Finalization

- The SB approves a transition request (*effective date of transition may be deemed as 1 January 2021 at the earliest)
- The SB shall effect the transition of CDM activities, noting that such CDM activities are deregistered from the CDM automatically from the date of transition
- Once the transition is approved by the SB, the activities and requests are subject to all relevant requirements under the Article 6.4 mechanism at all subsequent steps, taking into account the provisions on the applied methodologies



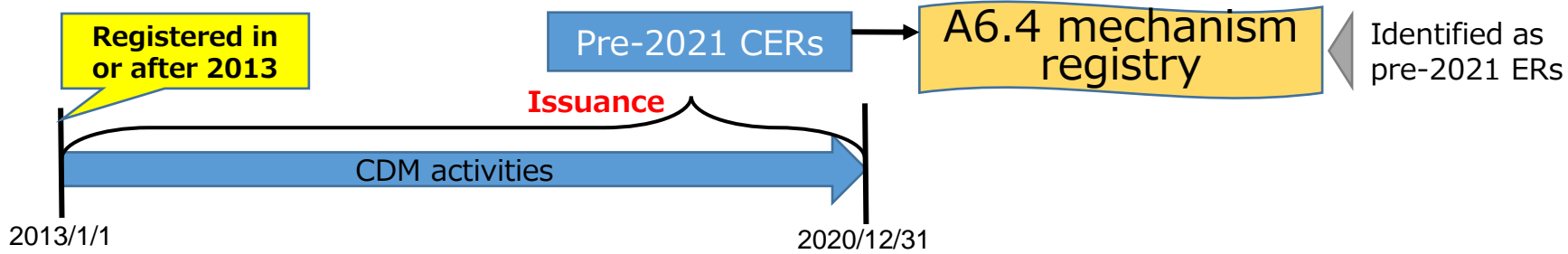
A6.4 Mechanism: Transition of Pre-2021 CERs

Use of CERs towards 1st/1st updated NDCs

[FCCC/PA/CMA/2021/L.19,p16para75]

CERs may be used towards achievement of NDCs provided the following conditions are met:

- (1) Activity was registered on or after 1 January 2013;
- (2) CERs shall be transferred to and held in the mechanism registry and identified as pre-2021 ERs;
- (3) CERs may be used towards the 1st NDC only;
- (4) Corresponding adjustments by host Party and levy of SoP shall not be required
- (5) CERs not meeting these conditions may only be used for achievement of an NDC in accordance with a future decision of the CMA;
- (6) Temporary CERs and long-term CERs shall not be used towards NDCs.



Transition process (*for CERs held in CDM registry)

[FCCC/PA/CMA/2022/L.14, p7-8para18-24]

[FCCC/KP/CMP/2022/L.5,p3 para8-12]

- Transition deadline is to be determined by the CMA in future
- Project participants and Parties holding eligible CERs may request a transfer of such CERs to the mechanism registry, providing:
 - ✓ Information on serial numbers of the CERs and details of receiving accounts
 - ✓ Written notice of the transfer request to the host Party
- Transfer is effected if no written objection from the host Party is received within a time frame to be specified by the CDM EB. CERs to be transferred are cancelled in the CDM registry and re-created in the mechanism registry.
- A Party that uses transferred CERs for **achievement of its 1st / 1st updated NDC** shall:
 - ✓ Subtracts the quantity of CERs retired in the mechanism registry in the calculation of the emissions balance (*the host Party shall not be required to apply a CA)
 - ✓ Report for each year of the NDC implementation period the amounts of CERs using the structured summary of BTR



A6.4 Mechanism: Work Programme

•Parties are invited to submit their views on the items*¹ and removal activities

Work by Supervisory Body

By June 2023

- Develop and operationalize a procedure for requesting transition

By CMA5 (Nov-Dec 2023)

- Elaborate and further develop recommendations to the CMA on removal and methodology
- Develop and operationalize the transition process and reporting back to the CMA

No deadline

- Reinforce its support structure and allocate dedicated resources

Work by SBSTA

By CMA5 (Nov-Dec 2023)

- Consider if Article 6.4 activities could include emission avoidance and conservation enhancement activities*¹
- Connection of the mechanism registry to the international registry and other registries*¹
- Provision of authorization statement by host Party on ITMOs, including its timing, relevant information on the authorization and any revisions

By CMA6 (Nov 2024)

- Consider further responsibilities of the SB and host Parties

Request to Secretariat

By SB58 (Jun 2023)

- Prepare a synthesis report on the submissions of the items*¹

Between SB58 (Jun 2023) and SB59 (Nov-Dec 2023)

- Organize a technical expert dialogue on the items*¹

No deadline

- Expedite the implementation of the capacity-building programme and report regularly on the status of its implementation to the CMA

Mar 2023

MTG of SB

Jun 2023
SBSTA

MTG of SB
Expert dialogue

Nov-Dec 2023
COP28/CMA5

MTG of SB

Jun 2024
SBSTA

MTG of SB

Nov 2024
COP29/CMA6



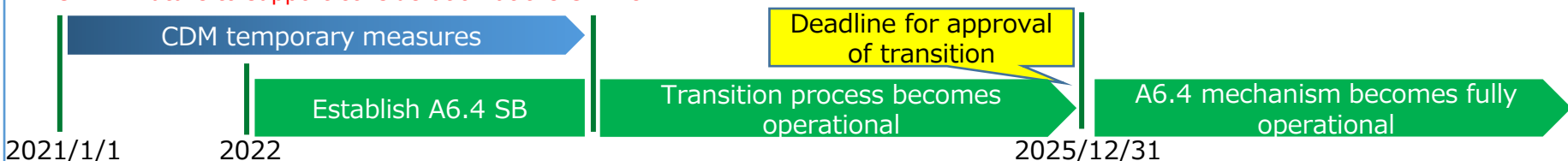
Guidance on Functioning the CDM beyond the KP-CP2

Functioning CDM post-2020

[FCCC/KP/CMP/2021/L.6, p3para15,p2para7,p3para11,p2para8,p3para9]

[FCCC/KP/CMP/2022/L.5,p2 para6]

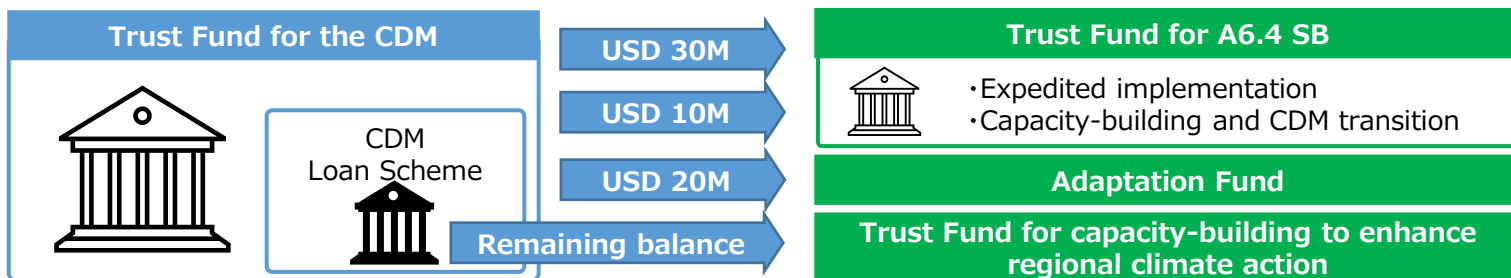
1. The CDM Executive Board (EB) continues receiving and processing requests and submissions under the temporary measures
2. Requests for registration, renewal of crediting period and issuance of CERs, relating to emission reductions occurring after 31 December 2020, may not be submitted under the CDM (may be made under the A6.4 mechanism)
3. The CDM EB cooperates with the A6.4 SB and make available hard and soft infrastructure under the CDM to facilitate the expedited implementation of A6.4 mechanism
4. CMP concludes its consideration of CDM-related matters (review of the MPs for the CDM, procedures for appeals against EB decisions, land use, LULUCF, reforestation of lands with forest in exhaustion)
5. SBI considers measures to move CERs from the CDM registry to A6.4 mechanism registry and develop recommendations for consideration by CMP17
6. **(New decision at CMP17) Secretariat prepares a technical paper on the functioning and operation of the processes and institutions of the CDM in future to support consideration at the CMP18**



Management of financial resources

[FCCC/KP/CMP/2021/L.6, p3para16-p4para22]

- Transfer from the Trust Fund for the CDM to the Trust Fund for Supplementary Activities for the work of the SB
 - USD 30 million to facilitate the expedited implementation of the A6.4 mechanism
 - USD 10 million to provide capacity-building in developing countries to apply the Article 6.4 mechanism, and support for the transition of CDM activities to the Article 6.4 mechanism
- Transfer from the Trust Fund for the CDM
 - USD 20 million to the Adaptation Fund
- Allocate the remaining balance of the CDM Loan Scheme and any interest accruing on the Trust Fund for the CDM to the Trust Fund for Supplementary Activities for capacity-building to enhance regional climate action
- SBI reviews the status of the Trust Fund for the CDM to develop recommendations for consideration by CMP18





Article 6.8: Framework for non-market approaches

Principles

[FCCC/PA/CMA/2021/L.20,p4 para1(a)(i)]

- The framework facilitates the use and coordination of NMAs in the implementation of Parties’ nationally determined contributions (NDCs)

Non-market approaches under the framework

[FCCC/PA/CMA/2021/L.20,p4 para2(a)]

- Each NMA facilitated under the framework aims to promote mitigation and adaptation ambition

Governance of the framework

[FCCC/PA/CMA/2021/L.20,p5 para4-6]

- The Glasgow Committee on NMAs is established** (The Committee will be convened by the SBSTA Chair and operate according to the procedures for contact groups and under Chair’s guidance)
- The SBSTA will consider whether institutional arrangements for the framework that will supersede the Glasgow Committee are needed and make recommendations adoption by CMA9 in 2027

Modalities of the work programme

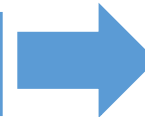
[FCCC/PA/CMA/2021/L.20,p5 para7(a)-(e)]

- Workshops, stakeholder engagement, submissions, technical papers, collaboration with bodies etc

Work programme activities

[FCCC/PA/CMA/2021/L.20,p6 para8(a)-(b)]

- Identifying NMAs
- UNFCCC web-based platform for exchanging information on NMAs



Future work

[FCCC/PA/CMA/2021/L.20,p2 para10] [FCCC/PA/CMA/2022/L.13,p2 para3(a)-(b), 4]

- COP27** → •Requests the Committee to implement the work programme activities in two phases:
- 1st Phase (2023-24)** → •Focuses on identifying and framing all relevant elements of the work programme activities
- 2nd Phase (2025-26)** → •Focuses on fully implementing the work programme activities
- November 2024** → •Requests the Committee to undertake an expedited and simple assessment of the progress and outcomes of the 1st phase at its 6th meeting,
- 2026 SBSTA** → •Requests the SBSTA to review the work programme

Examples of activities for focus areas

Adaptation, resilience, sustainability



Reforestation in sensitive areas

Mitigation, sustainable development



CH₄ reduction from manure

Development of clean energy source



Irrigation via wind power



(Reference) Decision on Transparency (para. 77(d))

Common tabular formats for reporting to track progress in NDCs

3. Structured summary: Methodologies and accounting approaches – consistency with A4.13 and 14, of the Paris Agreement and with decision 4/CMA. (excerpt of A6 related parts) [FCCC/PA/CMA/2021/L.21,p9-12]

- Formats of information submitted by Parties to track the progress in NDCs under the transparency framework of A13 of the Paris Agreement were adopted.
- Columns for entering qualitative information related to A6, such as how a cooperative approach ensures environmental integrity, is provided in the structured summary of the common tabular formats for reporting.

Reporting requirement

Description or reference to the relevant section of the BTR

For each NDC under Article 4:

<i>Accounting for anthropogenic emissions and removals in accordance with methodologies and common metrics assessed by the IPCC and adopted by the CMA</i>	
Describe how double counting of net GHG emission reductions has been avoided, including in accordance with guidance developed related to Article 6 if relevant (para. 76(d) of the MPGs)	
<i>Each Party that participates in cooperative approaches that involve the use of ITMOs towards an NDC under Article 4, or authorizes the use of mitigation outcomes for international mitigation purposes other than achievement of its NDC</i>	
Provide information on any methodologies associated with any cooperative approaches that involve the use of ITMOs towards an NDC under Article 4 (para. 75(f) of the MPGs)	
Provide information on how each cooperative approach promotes sustainable development, consistent with decisions adopted by the CMA on Article 6 (para. 77(d)(iv) of the MPGs)	
Provide information on how each cooperative approach ensures environmental integrity consistent with decisions adopted by the CMA on Article 6 (para. 77(d)(iv) of the MPGs)	
Provide information on how each cooperative approach ensures transparency, including in governance, consistent with decisions adopted by the CMA on Article 6 (para. 77(d)(iv) of the MPGs)	
Provide information on how each cooperative approach applies robust accounting to ensure, inter alia, the avoidance of double counting, consistent with decisions adopted by the CMA on Article 6 (para. 77(d)(iv) of the MPGs)	
Any other information consistent with decisions adopted by the CMA on reporting under Article 6 (para. 77(d)(iii) of the MPGs)	



(Reference) Decision on Transparency (para 77(d))

Common tabular formats for reporting to track progress in NDCs


4. Structured summary: Tracking progress made in implementing and achieving the NDC under Article 4 of the Paris Agreement (excerpt of A6 related parts)

[FCCC/PA/CMA/2021/L.21,p13-15]

- Columns for entering quantitative information related to A6, such the amount of ITMOs transferred and used, is also provided in the structured summary of the common tabular formats for reporting.

<i>Unit, as applicable</i>	<i>Reference point(s), level(s), baseline(s), base year(s) or starting point(s), as appropriate (paras. 67 and 77(a)(i) of the MPGs)</i>	<i>Implementation period of the NDC covering previous reporting years, as applicable, and the most recent year, including the end year or end of period (paras. 68 and 77(a)(ii-iii) of the MPGs)</i>	<i>Target year or period</i>	<i>Progress made towards the NDC, as determined by comparing the most recent information for each selected indicator, including for the end year or end of period, with the reference point(s), level(s), baseline(s), base year(s) or starting point(s) (paras. 69-70 of the MPGs)</i>
		<u>Year 1 Year 2 ... End year</u>		

Items related to Article 6



Each Party that participates in cooperative approaches that involve the use of ITMOs towards an NDC under Article 4 of the Paris Agreement, or authorizes the use of mitigation outcomes for international mitigation purposes other than achievement of the NDC, shall provide (para. 77(d) of the MPGs):

If applicable, an indicative multi-year emissions trajectory, trajectories or budget for its NDC implementation period (para. 7(a)(i), annex to decision 2/CMA.3)

If applicable, multi-year emissions trajectory, trajectories or budget for its NDC implementation period that is consistent with the NDC (para. 7(b), annex to decision 2/CMA.3)

Each item of annual information in regular reporting *(* Excludes the final situation etc. Details are omitted.)*

If applicable, the cumulative amount of ITMOs, divided by the number of elapsed years in the NDC implementation period (para. 7(a)(ii), annex to decision 2/CMA.3)

Any other information consistent with decisions adopted by the CMA on reporting under Article 6 (para. 77(d)(iii) of the MPGs)

Assessment of the achievement of the Party's NDC under Article 4 of the Paris Agreement (para. 70 of the MPGs):

Restate the target of the Party's NDC:

Information for reference point(s), level(s), baseline(s), base year(s), or starting point(s):

Final information for the indicator for the target year/period, including the application of the necessary corresponding adjustments consistent with chapter III, annex, decision 2/CMA.3 (Corresponding adjustments) and consistent with future decisions from the CMA (para. 23(l), annex to decision 2/CMA.3):

Comparison:

Achievement of NDC: {yes/no, explanation}



Abbreviations and Acronyms

BAT	Best Available Technology
BAU	Business as usual
BTR	Biennial Transparency Report
CARP	Centralized Accounting and Reporting Platform
CDM	Clean Development Mechanism
CER	certified emission reduction
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
CMP	Conference of the Parties serving as the meeting of the Parties
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
ETS	Emission Trading Scheme
GHG	Greenhouse Gas
ITMOs	Internationally Transferred Mitigation Outcomes
LDC	Least Developed Country

MPGs	Modalities, Procedures and Guidelines
NDC	Nationally Determined Contribution
NMA	Non-market Approaches
OMGE	Overall mitigation in global emissions
PoA	programme of activities
RCC	Regional Collaboration Center
REDD+	Reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries
SB	Supervisory Body
SBI	Subsidiary Body for Implementation
SBSTA	Subsidiary Body for Scientific and Technological Advice
SIDS	Small Island Developing States
SOP	share of proceeds
VCS	Verified Carbon Standard