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Sharm el-Sheikh, 6–18 November 2022

Agenda item 5

Matters relating to the clean development mechanism

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Proposal by the President

Draft decision -/CMP.17

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 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 31 October 2022 was responsible for 7,844 project activities being registered, 361 programmes of activities being registered and over 2.32 billion certified emission reductions being issued, of which over 389 million had been voluntarily cancelled either in national registries or in the clean development mechanism registry,

Welcoming the entry into force of the Doha Amendment to the Kyoto Protocol,¹

Cognizant of decisions 3/CMA.3 and -/CMA.4² and their annexes,

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,

¹ Decision 1/CMP.8, annex I.

² Draft decision entitled “Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement” proposed under agenda item 14 of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its fourth session.



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;³
2. *Takes note* of the work undertaken from 10 September 2021 to 8 September 2022 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;

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

4. *Acknowledges* that the Executive Board recommended that the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol provide guidance on specific processes under the clean development mechanism relating to its functioning in the future;⁴
5. *Also acknowledges* that, pursuant to paragraph 15 of decision 2/CMP.16, the Executive Board may continue to receive and process, under the temporary measures adopted at its 108th meeting, requests for registration, renewal of crediting period and issuance of certified emission reductions for project activities and equivalent submissions for programmes of activities and the component project activities relating to emission reductions occurring after 31 December 2020 until the date when the process for submission of requests to the secretariat to transition the requests and other submissions that have been accorded provisional status to the mechanism established by Article 6, paragraph 4, of the Paris Agreement becomes operational;
6. *Requests* the secretariat to prepare a technical paper to support the consideration by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighteenth session (November–December 2023) on the functioning and operation of the processes and institutions of the clean development mechanism in the future, including appropriate time frames, with a view to avoiding a gap before the operationalization of the corresponding processes under the Article 6, paragraph 4, mechanism, including the following:
 - (a) Submissions to the secretariat of requests for issuance of certified emission reductions for monitoring periods ending before 1 January 2021 in accordance with the relevant procedure developed by the Executive Board;
 - (b) Submissions to the secretariat of requests for voluntary cancellation of certified emission reductions in accordance with the relevant procedure developed by the Executive Board;
 - (c) Approval of new and revised methodologies, methodological tools and standardized baselines submitted under the bottom-up and initiated under the top-down process in accordance with the relevant procedure developed by the Executive Board;
 - (d) Operation of the accreditation processes under the clean development mechanism.
7. *Also requests* the Executive Board to assess the technical feasibility, as priority, to allow submissions of requests for registration, issuance and renewal of afforestation and reforestation project activities and programmes of activities under the temporary measures referred to in paragraph 5 above, and revise the procedure for the temporary measures, as necessary, without prejudice to the ongoing consideration by the Conference of the Parties

³ FCCC/KP/CMP/2022/7.

⁴ See document FCCC/KP/CMP/2022/7, chap. IV.E.

serving as the meeting of the Parties to the Paris Agreement of activities involving removals under the Article 6, paragraph 4, mechanism.

III. Transfer of certified emission reductions to the mechanism registry of the Article 6, paragraph 4, mechanism under the Paris Agreement

8. *Further requests* the clean development mechanism registry administrator, in accordance with paragraph 75(a) of the annex to decision 3/CMA.3, to identify certified emission reductions held in the clean development mechanism registry⁵ that are eligible for transfer to the mechanism registry for the Article 6, paragraph 4, mechanism, referred to in chapter VI (Mechanism registry) of the annex to decision 3/CMA.3 (eligible certified emission reductions);

9. *Decides* that the transfer of eligible certified emission reductions, in accordance with paragraph 75(b) of the annex to decision 3/CMA.3, shall be effected through administrative cancellation of the eligible certified emission reductions in a dedicated administrative cancellation account in the clean development mechanism registry and then the complete set of serial numbers of those cancelled eligible certified emission reductions and the details of the receiving account communicated to the mechanism registry to enable their re-creation in the mechanism registry;

10. *Invites* the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to request the Supervisory Body to cooperate with the Executive Board on implementing the process for transferring eligible certified emission reductions to the mechanism registry;

11. *Requests* the Executive Board, in coordination with the Supervisory Body and taking into account the timelines for implementing the mechanism registry and any relevant future decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol and the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement, to:

(a) Develop and implement a procedure for project participants and Parties holding eligible certified emission reductions in the clean development mechanism registry, as well as the Trustee of the Adaptation Fund,⁶ to request the transfer of such certified emission reductions to the mechanism registry, noting that such project participants, Parties and the Trustee of the Adaptation Fund shall provide, in their transfer requests:

(i) The serial numbers of the eligible certified emission reductions requested to be transferred;

(ii) The details of their receiving accounts in the mechanism registry to which the certified emission reductions are to be transferred;

(b) Develop and implement a procedure that includes the following steps:

(i) Providing to the host Party written notice of the request for transfer;

(ii) Effecting the transfer if no written objection from the host Party is received within a time frame to be specified by the Executive Board;

(c) Report on the implementation of the procedure for requesting the transfer of eligible certified emission reductions to the mechanism registry in its annual report to the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;

12. *Also requests* the clean development mechanism registry administrator to:

(a) Implement the modifications to the clean development mechanism registry necessary for the transfer referred to in paragraph 9 above in a cost-efficient manner, leveraging the existing capabilities of the clean development mechanism registry;

⁵ <https://cdm.unfccc.int/Registry/index.html>.

⁶ For transfers of eligible certified emission reductions from the Adaptation Fund account.

- (b) Open the dedicated administrative cancellation account referred to in paragraph 9 above;
- (c) Establish the technical arrangements necessary for facilitating the electronic communication and reconciliation of data related to the cancelled eligible certified emission reductions to the mechanism registry;
- (d) Coordinate with the mechanism registry administrator on:
 - (i) Establishing the technical arrangements referred to in paragraph 12(c) above;
 - (ii) Reconciling data on cancelled eligible certified emission reductions communicated to the mechanism registry;
- (e) Include information on eligible certified emission reductions transferred to the mechanism registry in its regular reports to the designated national authorities of the host Parties of the activities that generated the certified emission reductions;
- (f) Publish the complete set of serial numbers of cancelled eligible certified emission reductions transferred to the mechanism registry on the clean development mechanism registry web page.⁷

IV. Management of financial resources

13. *Further requests* the Executive Board and the secretariat to ensure the efficient and prudent use of resources from the Trust Fund for the Clean Development Mechanism until the end of the operation of the processes under the clean development mechanism and its institutions, as per a timeline to be determined by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol;
14. *Recalls* its request⁸ to the Subsidiary Body for Implementation to review the status of the Trust Fund for the Clean Development Mechanism and to develop recommendations for consideration by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its eighteenth session.

⁷ <https://cdm.unfccc.int/Registry/index.html>.

⁸ Decision 2/CMP.16, para. 22.

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>
Ampere for Renewable Energy (Ampere) ^a	1, 3, 13
China Environmental United Certification Center Co., Ltd. (CEC) ^a	1–15
Japan Quality Assurance Organisation (JQA) ^a	1, 3–5, 10, 13, 14
Korea Energy Agency (KEA) ^a	1, 3–5, 7, 9, 11–15
Korea Testing & Research Institute (KTR) ^a	1, 3–5, 11, 13
Korean Foundation for Quality (KFQ) ^a	1–5, 9, 11, 13, 15
Korean Standards Association (KSA) ^a	1–5, 9, 10, 13–15
Re Carbon Gözetim Denetim ve Belgelendirme Limited Sirketi (Re Carbon) ^a	1–3, 13, 15
RINA Services S.p.A. (RINA) ^a	1–7, 9–11, 13–15
ERM Certification and Verification Services Limited (ERM CVS) ^b	1, 3–5, 8–10, 13
Foundation for Industrial Development - Management System Certification Institute (Thailand) (MASCI) ^b	1, 13

^a Accreditation granted for five years.^b Expiration of the accreditation in its entirety.