

**Agenda item 2.2.**  
Paragraph 7 of the annotated agenda

**Outcome of CMP 16 and CMA 3 on the  
related agenda items**

**CDM EB 113**

Bonn, Germany, 8 to 11 March 2022



### **CMP (Kyoto Protocol)**

- CDM: Guidance relating to the CDM ([Decision 2/CMP.16](#))
- JI: No decision (*JISC annual report noted by CMP plenary*)

### **CMA (Paris Agreement)**

- Article 6.2: Guidance on cooperative approaches ([Decision 2/CMA.3](#))
- Article 6.4: Rules, modalities and procedures ([Decision 3/CMA.3](#))
- Article 6.8: Work programme under the framework for non-market approaches ([Decision 4/CMA.3](#))



# CMP decision on the CDM



### General, methodologies

1. Designates the **operational entities** as accredited by the Board
2. Requests the Board to continue to review the **methodological approaches** to calculating emission reductions achieved by project activities that result in the reduced use of non-renewable biomass in households

### Functioning of the CDM beyond CP2 (CDM process)

1. No registration, renewal of crediting period and issuance of CERs relating to emission reductions occurring after 31 December 2020 (i.e. post-2020 cases) under the CDM
2. Deregistration from the CDM once transitioned to the 6.4 mechanism



### Functioning of the CDM beyond CP2 (SBI/SBSTA work)

3. Conclusion of consideration of items referred to SBI or SBSTA:
  - a) Review of the CDM modalities and procedures (SBI)
  - b) Procedures, mechanisms and institutional arrangements for appeals against decisions of the Board (SBI)
  - c) Land use, land-use change and forestry under Article 3, paragraphs 3–4 (SBSTA)
  - d) Implications of the inclusion of reforestation of lands with forest in exhaustion as A/R CDM project activities (SBSTA)
4. Requests SBI to consider measures to implement para 75(b) of CMA decision on Article 6.4 (transfer of eligible CERs to the 6.4 mechanism registry)



### **Functioning of the CDM beyond CP2 (6.4 mechanism)**

5. Requests the Board to cooperate with the 6.4 Supervisory Body upon its request to facilitate the expedited implementation of the Article 6.4 mechanism
6. Requests the Board to make available hard and soft infrastructure under the CDM to the 6.4 Supervisory Body to facilitate the expedited implementation of the Article 6.4 mechanism



### Functioning of the CDM beyond CP2 (temporary measures)

7. Continue the temporary measures adopted by the Board for post-2020 cases with a view for them to transition to the Article 6.4 mechanism later if eligible for transition until the transition process becomes operational
8. Retain the provisional status accorded to the requests under the temporary measures, acknowledging that they may transition to the Article 6.4 mechanism if they meet the conditions for transition
9. Reject the requests with the provisional status under the temporary measures that subsequently have not transitioned to the Article 6.4 mechanism



### Financial resources

1. Allocate remaining balance of the CDM Loan Scheme and any interest accrued to the Trust Fund for Supplementary Activities for capacity-building to enhance regional climate action
2. Transfer of financial resources from the CDM Trust Fund:
  - a) USD 30M to the Trust Fund for Supplementary Activities for the work of the 6.4 Supervisory Body for expedited implementation of the 6.4 mechanism
  - b) USD 10M to the Trust Fund for Supplementary Activities for the work of the 6.4 Supervisory Body for capacity-building in applying the 6.4 mechanism through RCCs and transition of CDM activities to the 6.4 mechanism
  - c) USD 20M to the Adaptation Fund





### **Financial resources**

3. Invites the CMA to allocate USD 30M from the 6.4 mechanism fund to the Adaptation Fund after the 6.4 mechanism becomes self-financing
4. Requests SBI to review the status of CDM Trust Fund and develop recommendations to CMP 18 (Nov 2023)



## Tasks for the Board arising from CMP 16 decision

---

### CDM process

1. Continue processing requests for issuance and other requests (e.g. post-registration changes) relating to pre-2021 emission reductions
2. Deregister the CDM activities that have transitioned to the 6.4 mechanism > unlikely in 2022
3. Continue reviewing methodological approaches relating to the reduced use of non-renewable biomass in households
4. Recommend the CMP to provide guidance on A/R activities, incl. how to address non-permanence of issued tCERs and ICERs



### Temporary measures

1. Revise the clarification and the risk acknowledgement and acceptance (RAA) form to reflect the CMP 16 decision
2. Continue processing requests as per the clarification (until the process for transition to the 6.4 mechanism becomes operational > unlikely in 2022)
3. Retain the provisional status of submissions (until transitioning to the 6.4 mechanism)
4. Reject submissions with the provisional status that have not eventually transitioned to the 6.4 mechanism > unlikely in 2022



### **Support expedited implementation of the 6.4 mechanism**

1. Cooperate with the 6.4 Supervisory Body upon its request, e.g.
  - Utilizing expertise of the MP and CDM-AP in reviewing the methodologies and standards for use under the 6.4 mechanism
2. Make available hard and soft infrastructure, e.g.
  - IT workflow, registry database software
  - Methodologies, other regulatory documents (on accreditation, activity cycle, etc.)



# Revision of clarification on the temporary measures



### Issues

- The current clarification (adopted at EB 109) is developed in the context of expecting the CMP provides guidance on post-2020 cases at CMP 16, hence contains outdated language, e.g.:

**Example 1:** *“Requiring the DOE to raise a FAR in the validation report that requires the project participants or the coordinating/managing entity to apply any global warming potential values **that may be adopted by the CMP at CMP 16** for the period from 1 January 2021 in the monitoring reports for any emission reductions achieved on or after 1 January 2021 and update the PDD or PoA-DD in accordance with any other requirements **that may be adopted by the CMP at CMP 16**”*



### Issues

**Example 2:** *“The Board clarifies that the following submissions under the respective CDM processes are required to be compliant with and processed in accordance with the CDM rules and CMP decisions that are in force as at 14 December 2020 and with any other decisions of the Board taken before CMP 16, with the exception of...”*

- The risk acknowledgement and acceptance (RAA) form also has similar outdate language.
- These outdate language could undermine the legal basis for processing and implications of the requests under the temporary measures.



### Proposed solutions

- Revise the clarification and the RAA form to reflect the CMP 16 decision by:
  - Adding relevant decision at CMP 16 in the Introduction section
  - Changing references to the CMP and the Board to the CMA and the Supervisory Body respectively, as appropriate
  - Not altering other elements, including:
    - Necessity of the RAA form
    - Suspension of payment of registration fee and share of proceeds for these requests

