

DRAFT TEXT

on

**SBSTA 52–55 agenda sub-item 15(a)
Matters relating to Article 6 of the Paris Agreement
Guidance on cooperative approaches referred to in Article 6, paragraph 2,
of the Paris Agreement**

Version 3 of 6 November 2021 9:00hrs

**Draft CMA decision on guidance on cooperative approaches referred to in
Article 6, paragraph 2, of the Paris Agreement**

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The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement,

Recalling the Paris Agreement, in particular its preamble,

Also recalling the eleventh preambular paragraph of the Paris Agreement, 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,

Also recalling Article 2 of the Paris Agreement and decision 1/CP.21,

Also recalling Article 4, paragraph 2 of the Paris Agreement,

Also recalling Article 6 of the Paris Agreement and decision 1/CP.21, paragraph 36, and decision 8/CMA.1 and decision 9/CMA.1,

Cognisant of decision X/CMA.3 {Transparency decision},

1. *Adopts* the guidance on cooperative approaches referred to in Article¹ 6, paragraph 2 as contained in the annex;
2. *Clarifies* that the annex requires information to be reported in the structured summary pursuant to decision 18/CMA.1 (Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement), annex, per paragraph 77 (d), including information to be reported per paragraph 77 (d) (iii);
3. *Requests* the Subsidiary Body for Scientific and Technological Advice to undertake the following work, on the basis of the guidance in the annex, to develop recommendations for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its fourth session (November 2022) on:
 - (a) The special circumstances of the least developed countries and small island developing States;
 - (b) Elaboration of further guidance in relation to non-greenhouse gas (non-GHG) metrics determined by participating Parties, including on:
 - (i) Methods for conversion between non-GHG metrics pursuant to chapters III (Corresponding adjustments) and IV of the annex (Reporting);
 - (ii) Methods for conversion of the annual adjusted indicator in non-GHG into GHG in order to understand the impact on GHG emissions in tCO₂e covered by the NDC;
 - (iii) The method for applying a corresponding adjustment to the annual level of the non-GHG indicators selected by the participating Party;
 - (c) Elaboration of further guidance in relation to corresponding adjustments for multi-year and single-year NDCs, in a manner that ensures the avoidance of double counting, on:

¹ “Article” refers to an Article of the Paris Agreement, unless otherwise specified.

- (i) Methods for establishing a trajectory, trajectories or budgets and for averaging, including with respect to relevant indicators and for calculating cumulative emissions by sources and removals by sinks and including guidance to ensure representativeness, in particular for averaging and when the guidance should be revised to provide for a single method for application of corresponding adjustments;
 - (ii) Methods to ensure the representativeness of averaging for corresponding adjustments by quantifying how much the yearly transaction volume differs from the average for the period;
 - (iii) The relevant year of application of the corresponding adjustment (for example, year of generation of the mitigation outcome or year of first transfer, and/or year of use);
 - (iv) The completion of corresponding adjustments consistent with chapter III of the annex in respect of each NDC implementation period in order to ensure accuracy of the assessment required pursuant to paragraph 22 (l) of the annex;
 - (v) [Elaboration of how chapter III.B paragraph 11 of the annex (Application of corresponding adjustments) may be implemented;]
- (d) [Cooperative approaches involving anthropogenic greenhouse gas removals, including appropriate monitoring, reporting, accounting for removals, addressing reversals, avoidance of leakage, and avoidance of other negative environmental and social impacts];
- (e) [The following limits, pursuant to chapter III.E of the annex (Limits to the transfer and use of ITMOs):
- (i) [Ensuring that a first transferring Party does not exceed a maximum level of first transfers of ITMOs within a given NDC implementation period;]
 - (ii) [Ensuring that a using Party does not exceed a maximum level of use of ITMOs within a given NDC implementation period;]
 - (iii) [Ensuring that first transfer and use of ITMOs by participating Parties does not lead to negative environmental or social impacts and takes into account the need to seek to avoid fluctuations in prices;]
 - (iv) [In the case of baseline and crediting activities that generate ITMOs, apply methodologies for baseline setting that are conservative, transparent and aligns to transferring and using Parties NDCs, if applicable, ensuring that the activity encourages ambition over time, broad participation and avoids leakage;]
- (f) Consideration of whether ITMOs could include emissions avoidance;
4. *Invites* submissions from Parties on options for the outlines for the information required pursuant to chapter IV of the annex (Reporting), by 31 March 2022;
5. *Requests* the secretariat to organize a technical workshop, ensuring broad participation of Parties, to develop options for the outlines for the information required pursuant to chapter IV of the annex (Reporting), including the agreed electronic format referred to in chapter IV.B of the annex (Annual information), on the basis of the information in those chapters, for consideration by the SBSTA at its 56th session (June 2022);
6. *Requests* the Subsidiary Body for Scientific and Technological Advice to develop outlines for the information required pursuant to chapter IV of the annex (Reporting), including the agreed electronic format referred to in chapter IV.B of the annex (Annual information), on the basis of the submissions referred to in paragraph 4 and taking into account the options developed pursuant to paragraph 5 above for consideration and adoption by the CMA at its fourth session (November 2022);
7. *Also requests* the Subsidiary Body for Scientific and Technological Advice to develop recommendations for guidelines for the reviews pursuant to chapter V of the annex (Review), including in relation to the Article 6 technical expert review team, in a manner that minimizes the burden on Parties and the secretariat, for consideration and adoption by the CMA at its fourth session (November 2022) that include:
- (a) Provisions ensuring that the review assesses consistency of the information provided on the cooperative approach with the annex;

- (b) That reviews are desk reviews or centralized reviews (per the descriptions in paragraphs 154 and 153 of the annex to decision 18/CMA.1) and are conducted at regular intervals each year;
 - (c) Development of modalities for reviewing information that is confidential;
 - (d) That the reviews ensure consistency between the reporting of all of the Parties participating in a cooperative approach, in respect of that cooperative approach;
 - (e) That reviews specify recommended action to be taken when inconsistencies are identified, and provide how a Party may respond to those recommendations;
 - (f) The composition of the Article 6 technical expert review team, how the team interacts with the participating Party when undertaking the review, the implications of paragraph 176, annex to decision 18/CMA.1 in respect of composition of Article 13 review teams, and the training programme for the Article 6 technical experts;
 - (g) Coordination of the Article 6 technical expert review with the technical expert review referred to in chapter VII of the annex to decision 18/CMA.1, including ensuring that Article 6 technical expert reviews in a given review cycle are completed in advance of and the relevant reports are provided to the technical expert review referred to in chapter VII of the annex to decision 18/CMA.1;
8. *Invites* submissions from Parties on options for implementing the infrastructure requirements referred to in chapter VI of the annex (recording and tracking), by 31 March 2022;
 9. *Also requests* the secretariat to organize a technical workshop, ensuring broad participation of Parties to develop options for implementing the infrastructure requirements, including registries, the international registry, the Article 6 database and the centralized accounting and reporting platform referred to in chapter VI of the annex (recording and tracking) for consideration by the SBSTA at its 56th session (June 2022);
 10. *Requests* the Subsidiary Body for Scientific and Technological Advice, on the basis of the submissions referred to in paragraph 8 above and taking into account the options developed pursuant to paragraph 9 above to make recommendations relating to infrastructure, including registries, the international registry, the Article 6 database and the centralized accounting and reporting platform referred to in chapter VI of the annex (Recording and tracking) for consideration and adoption by the CMA at its fourth session (November 2022);
 11. *Affirms* that the guidance will not infringe on the nationally determined nature of NDCs;
 12. *Requests* the secretariat to design and, following consultation with Parties, implement a capacity-building programme, including through its regional collaboration centres, to assist Parties, particularly developing country Parties, intending to participate in cooperative approaches including:
 - (a) To support the development of institutional arrangements, including in relation to reporting, in order to enable Parties to engage in cooperative approaches;
 - (b) To help Parties ensure that cooperative approaches in which they participate support ambition;
 - (c) To assist least developed countries and small island developing States to meet the participation requirements, as set out in chapter II of the annex (Participation);
 13. *Requests* the secretariat to prepare annually a compilation and synthesis of the results of the Article 6 technical expert review, including identification of recurring themes and lessons learned, for consideration by the CMA, including in the context of its review of the guidance;
 14. *Decides* to review the guidance at its tenth session (November 2028) and to complete the review by no later than at its eleventh session (November 2030) in order to coordinate the timing of the review with the review undertaken in accordance with decision 4/CMA.1 paragraph 18;
 15. *Requests* the Subsidiary Body for Scientific and Technological Advice to commence its work in 2028 to develop recommendations in relation to the review referred to in paragraph 14 above, and *decides* that the relevant work of the Subsidiary Body for Scientific and Technological Advice shall include, but is not limited to:
 - (a) Participation responsibilities in chapter II of the annex (Participation);

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- (b) Implementation of chapter III of the annex (Corresponding adjustments), including consideration of other methods in addition to those set out in chapter III.B of the annex (Application of corresponding adjustments);
 - (c) Implementation of chapter IV of the annex (Reporting);
 - (d) Implementation of chapter V of the annex (Review);
 - (e) Consideration of any need for further limits and safeguards in addition to those in chapter III. E of the annex (Limits);
16. *Also requests* the secretariat to support the forum on the impact of the implementation of response measures (referred to in paragraph 33 of decision 1/CP.21) in considering way to address negative social or economic impacts, especially on developing country Parties, resulting from activities under Article 6, paragraph 2, as requested by the forum;
 17. *Requests* the Adaptation Fund to report in its annual reports to the CMA on funding related to participation in cooperative approaches pursuant to paragraph 36 of chapter VII of the annex (Ambition in mitigation and adaptation actions);
 18. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in this decision;
 19. *Requests* that the actions called for in this decision be undertaken subject to the availability of financial resources;
 20. *Invites* Parties to make contributions to the Trust Fund for Supplementary Activities for operationalizing the guidance and for supporting workshops referred to in paragraphs 5 and 9 above, and the capacity building programme referred to in paragraph 12 above;

Annex

Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement

I. Internationally transferred mitigation outcomes

1. Internationally transferred mitigation outcomes (ITMOs) from a cooperative approach are:
 - (a) Real, verified, and additional;
 - (b) Emission reductions and removals, including mitigation co-benefits resulting from adaptation actions and/or economic diversification plans, or the means to achieve them, when internationally transferred;
 - (c) Measured in metric tonnes of carbon dioxide equivalent (tCO₂ eq) in accordance with the methodologies and metrics assessed by the IPCC and adopted by the CMA or in other non-greenhouse gas (GHG) metrics determined by the participating Parties that are consistent with the nationally determined contributions (NDCs) of the participating Parties;
 - (d) From a cooperative approach referred to in Article² 6, paragraph 2, (hereinafter referred to as a cooperative approach) that involves the international transfer of mitigation outcomes authorized for use towards an NDC pursuant to Article 6, paragraph 3 of the Paris Agreement;
 - (e) Generated in respect of or representing mitigation from 2021 onward;
 - (f) Mitigation outcomes authorized by a participating Party for use for international mitigation purposes other than achievement of an NDC or authorized for other purposes as determined by the first transferring participating Party (hereinafter referred to as other international mitigation purposes);
 - (g) 6.4ERs under the mechanism established by Article 6, paragraph 4 when they are internationally transferred.
2. A “first transfer” is:
 - (a) The first international transfer of a mitigation outcome authorized by a participating Party for use towards achievement of an NDC;
 - (b) The first transfer of a mitigation outcome authorized by a participating Party for use for other international mitigation purposes.

II. Participation

3. Each Party participating in a cooperative approach that involves the use of ITMOs (hereinafter referred as a participating Party) shall ensure that its participation in the cooperative approach and the authorization, transfer and use of ITMOs is consistent with this guidance and relevant decisions of the CMA and that it applies this guidance to all corresponding adjustments and cooperative approaches in which it participates.
4. Each participating Party shall ensure that:
 - (a) It is a Party to the Paris Agreement;
 - (b) It has prepared, communicated and is maintaining an NDC in accordance with Article 4, paragraph 2 and decision 4/CMA.1;
 - (c) It has arrangements in place for authorizing the use of ITMOs towards achievement of NDCs pursuant to Article 6, paragraph 3;

² “Article” refers to an Article of the Paris Agreement, unless otherwise specified.

- (d) It has arrangements in place that are consistent with this guidance and relevant decisions of the CMA, for tracking ITMOs;
 - (e) It has provided the most recent national inventory report required in accordance with decision 18/CMA.1;
 - (f) [Its participation contributes to the implementation of its NDC and long-term low greenhouse gas emission development strategies, if it has submitted one, and the long-term goals of the Paris Agreement].
5. In relation to the least developed countries and small island developing States, pursuant to Article 4, paragraph 6, their special circumstances shall be recognized where this guidance relates to NDCs, and other aspects of their special circumstances may be recognized in further decisions of the CMA relating to this guidance.

III. Corresponding adjustments

A. Internationally transferred mitigation outcome metrics *{The two paragraphs in this chapter III. A could be consolidated}*

- 6. For ITMOs measured in a non-GHG metric determined by the participating Parties, each participating Party shall apply corresponding adjustments consistent with this guidance and relevant future decisions of the CMA.
- 7. For ITMOs measured in tCO₂ eq, each participating Party shall apply corresponding adjustments, consistent with this guidance and relevant future decisions of the CMA.

B. Application of corresponding adjustments

- 8. Each participating Party shall apply corresponding adjustments in a manner that ensures: transparency, accuracy, completeness, comparability and consistency; that participation in cooperative approaches does not lead to a net increase in emissions within and between NDC implementation periods; that corresponding adjustments shall be representative and consistent with the participating Party's NDC implementation and achievement. Each participating Party shall apply one of the following methods consistently throughout the NDC implementation period:
 - (a) Where the participating Party has a single-year NDC:
 - (i) Providing an indicative multi-year emissions trajectory, trajectories or budget for the NDC implementation period that is consistent with implementation and achievement of the NDC, and annually applying corresponding adjustments for the total amount of ITMOs first transferred and used for each year in the NDC implementation period;
 - (ii) Calculating the average annual amount of ITMOs first transferred and used over the NDC implementation period, by taking the cumulative amount of ITMOs and dividing by the number of elapsed years in the NDC implementation period and annually applying indicative corresponding adjustments equal to this average amount for each year in the NDC implementation period and applying corresponding adjustments equal to this average amount in the NDC year;
 - (b) Where the participating Party has a multi-year NDC:

Calculating a multi-year emissions trajectory, trajectories or budget for its NDC implementation period that is consistent with the NDC, and annually applying corresponding adjustments for the total amount of ITMOs first transferred and used each year in the NDC implementation period and cumulatively at the end of the NDC implementation period;
- 9. Each participating Party with an NDC measured in tCO₂ eq shall apply corresponding adjustments pursuant to paragraph 8 above, resulting in an emissions balance as referred to in decision 18/CMA.1, [annex

paragraph 77 (d) (ii),] reported pursuant to paragraph 22 of this guidance, for each year, by applying corresponding adjustments in the following manner to the anthropogenic emissions by sources and removals by sinks from the sectors and GHG covered by its NDC consistent with this chapter III and relevant future decisions of the CMA:

- (a) Adding the quantity of ITMOs authorized and first transferred, pursuant to paragraph 8 above;
 - (b) Subtracting the quantity of ITMOs used pursuant to paragraph 8 above.
10. Each participating Party with an NDC containing non-GHG metrics determined by the participating Parties engaging in a cooperative approach involving ITMOs traded in [the same] non-GHG metric shall apply corresponding adjustments pursuant to paragraph 8 above, on the basis of ITMOs recorded in a metric specific registry account, to the annual level of the relevant non-GHG indicator that is being used by the Party to track progress towards the implementation and achievement of its NDC and was selected pursuant to paragraph 65, annex to decision 18/CMA.1, consistent with this chapter III and relevant future decisions of the CMA, in the following manner, resulting in an annual adjusted indicator:
- (a) Subtracting the quantity of ITMOs authorized and first transferred pursuant to paragraph 8 above;
 - (b) Adding the quantity of ITMOs used pursuant to paragraph 8 above;
11. [Each participating Party with an NDC consisting of policies and measures engaging in a cooperative approach involving ITMOs that are inside a policy or measure included in a portion of its mitigation component of its NDC that is not quantified, , shall quantify emissions for the portion of the mitigation component of the NDC to which the policy or measure applies and shall apply a corresponding adjustment pursuant to paragraph 8 above only to the anthropogenic emissions by sources and removals by sinks contained in that portion of the mitigation component of the NDC .]
12. This chapter shall not require a participating Party to update its NDC.

C. Sectors and greenhouse gases

13. A participating Party that first transfers ITMOs from emission reductions and removals from sectors and GHGs [and policies and measures] covered by its NDC shall apply corresponding adjustments consistent with this guidance.
14. [A participating Party that first transfers ITMOs from emission reductions and removals from sectors and GHGs [and policies and measures] that are not covered by its NDC shall apply corresponding adjustments consistent with this guidance.]

D. Other international mitigation purposes

15. Where a participating Party authorizes the use of mitigation outcomes for other international mitigation purposes, it shall apply a corresponding adjustment, for the first transfer of such mitigation outcomes consistent with this guidance.

E. Limits to the transfer and use of internationally transferred mitigation outcomes

16. Each participating Party shall ensure that the use of cooperative approaches does not lead to a net increase in emissions of participating Parties within and between NDC implementation periods or across participating Parties and shall ensure transparency, accuracy, consistency, completeness and comparability in tracking progress in implementation and achievement of its NDC by applying the limits set out in further guidance by the CMA.

IV. Reporting

A. Initial report

17. Each participating Party shall submit an Article 6, paragraph 2 initial report (initial report) no later than authorisation or initial first transfer of ITMOs from a cooperative approach or where practical (in the view of the participating Party), in conjunction with the next biennial transparency report due pursuant to decision 18/CMA.1 for the period of NDC implementation. The initial report shall contain comprehensive information to:
- (a) Demonstrate that the participating Party fulfils the participation responsibilities referred to in chapter II above (Participation);
 - (b) Provide, where the participating Party has not yet submitted a biennial transparency report, the information referred to in paragraph 64 of the annex to decision 18/CMA.1;
 - (c) Communicate the ITMO metrics and the method for applying corresponding adjustments for multi- or single year NDCs that will be applied consistently throughout the period of NDC implementation and describe the method, where the method is a multi-year emissions trajectory, trajectories or budget;
 - (d) Quantify the Party's mitigation information in its NDC in tCO₂ eq, including the sectors, sources, GHGs and time periods covered by the NDC, the reference level of emissions and removals for the relevant year or period, and the target level for its NDC; or where this is not possible, provide the methodology for the quantification of the NDC in tCO₂ eq;
 - (e) Quantify the NDC, or that portion of its NDC, in a non-GHG metric determined by each participating Party, if applicable;
 - (f) [Quantify emissions resulting from the policy or the measure in the portion of the mitigation component of the NDC from which mitigation by the cooperative approach or Article 6, paragraph 4 activity is achieved];
 - (g) Provide, for each cooperative approach, a copy of the authorization by the participating Party, a description of the approach, its duration, the expected mitigation for each year of its duration, and the participating Parties involved;
 - (h) Describe how each cooperative approach ensures environmental integrity, including:
 - (i) That there is no net increase in global emissions within the between NDC implementation periods, through robust, transparent governance and the quality of mitigation outcomes, including through conservative reference levels, baselines set in a conservative way and below 'business-as-usual' emission projections (including by taking into account all existing policies and addressing potential leakage);
 - (ii) By minimizing the risk of non-permanence of mitigation across several NDC periods and how when reversals of emissions reductions or removals occur, the cooperative approach will ensure that these are addressed in full;
 - (i) Describe how each cooperative approach will:
 - (i) Minimize and where possible, avoid negative environmental, economic and social impacts;
 - (ii) Reflect the eleventh preambular paragraph of the Paris Agreement, "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";
 - (iii) Be consistent with the sustainable development objectives of the Party, noting national prerogatives;

- (iv) [Apply any limits set out in further guidance from the CMA pursuant to chapter III.E above (Limits to the transfer and use of internationally transferred mitigation outcomes)];
 - (v) [Contribute to adaptation financing [through a share of proceeds] pursuant to chapter VII (Ambition in mitigation and adaptation actions) [, if applicable]];
 - (vi) [Deliver overall mitigation in global emissions pursuant to chapter VII (Ambition in mitigation and adaptation actions) [, if applicable].]
18. For each further cooperative approach, each participating Party shall submit the information referred to in paragraph 17 (g) to (i) above in an updated initial report and for inclusion in the centralized accounting and reporting platform referred to in chapter VI.C below (Centralized accounting and reporting platform) and include it in the next due biennial transparency report.

B. Annual information

19. Each participating Party shall, on an annual basis by no later than 15 April of the following year and in an agreed electronic format, submit for recording in the Article 6 database as referred to in chapter VI.B below (Article 6 database):
- (a) Annual information on: authorization of ITMOs for use towards achievement of NDCs, authorization of ITMOs for use towards other international mitigation purposes, first transfer, transfer, acquisition, holdings, cancellation, [[voluntary][mandatory] cancellation of mitigation outcomes or ITMOs towards [overall mitigation in global emissions,][as a contribution to adaptation finance [through a share of proceeds]] use towards NDCs, voluntary cancellation, [and ITMOs transferred as a contribution to[adaptation finance [through a share of proceeds]]];
 - (b) In respect of the above, the cooperative approach, the other international mitigation purpose [authorized by the Party], the first transferring participating Party, the using participating Party as soon as it is known, the year in which the mitigation occurred, the sector(s) and activity type(s), and the unique identifiers.

C. Regular information

20. Each participating Party shall include as an annex to its biennial transparency reports that are submitted in accordance with paragraph 10(b), annex, decision 18/CMA.1 and no later than 31 December of the relevant year, the following information in relation to its participation in cooperative approaches:
- (a) How it is fulfilling the participation responsibilities referred to in chapter II above (Participation);
 - (b) Updates to the information provided in its initial report per chapter IV (A) above, and any previous biennial transparency reports [for any information that is not included in the biennial transparency report pursuant to paragraph 64, annex, decision 18/CMA.1];
 - (c) Authorizations and information on its authorization(s) of use of ITMOs towards achievement of NDCs and authorization for use for other international mitigation purposes, including any changes to earlier authorizations, pursuant to Article 6, paragraph 3;
 - (d) How corresponding adjustments undertaken in the latest reporting period, pursuant to chapter III above (Corresponding adjustments) ensure that double counting is avoided in accordance with paragraph 36, of decision 1/CP.21, are representative of progress towards implementation and achievement of its NDC, and how those corresponding adjustments ensure that participation in cooperative approaches does not lead to a net increase in emissions within and between NDC implementation periods;
 - (e) How it has ensured that ITMOs used towards achievement of its NDC or mitigation outcome(s) authorized for use or used for other international mitigation purposes, will not be further transferred, further cancelled or otherwise used.

21. Each participating Party shall also include, as an annex to its biennial transparency reports that are submitted in accordance with paragraph 10 (b), annex, decision 18/CMA.1, the following information on how each cooperative approach in which it participates:
- (a) Contributes to the mitigation of GHGs and the implementation of its NDC;
 - (b) Ensures environmental integrity, including:
 - (i) That there is no net increase in global emissions within and between NDC implementation periods;
 - (ii) Through robust, transparent governance and the quality of mitigation outcomes, including through conservative reference levels, baselines set in a conservative way and below ‘business-as-usual’ emission projections (including by taking into account all existing policies and addressing uncertainties in quantification and potential leakage); and
 - (iii) By minimizing the risk of non-permanence of mitigation across several NDC periods and when reversals of emissions removals occur, ensuring that these are addressed in full;
 - (c) Where a mitigation outcome is measured and transferred in tCO₂ eq, provides for the measurement of mitigation outcomes in accordance with the methodologies and metrics assessed by the IPCC and adopted by the CMA;
 - (d) Where a mitigation outcome is measured and transferred in a non-GHG metric determined by the participating Parties, the information required by relevant future decisions of the CMA;
 - (e) Provides for, as applicable, the measurement of mitigation co-benefits resulting from adaptation actions and/or economic diversification plans;
 - (f) Minimizes and where possible avoids negative, environmental, economic and social impacts;
 - (g) Reflects the eleventh preambular paragraph of the Paris Agreement, “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”;
 - (h) Is consistent with and contributes to the sustainable development objectives of the Party, noting national prerogatives;
 - (i) [Applies any limits set out in further guidance from the CMA pursuant to chapter III.E above (Limits to the transfer and use of internationally transferred mitigation outcomes)];
 - (j) [Contributes to adaptation financing [through a share of proceeds] pursuant to chapter VII (Ambition in mitigation and adaptation actions) [, if applicable]];
 - (k) [Delivers overall mitigation in global emissions pursuant to chapter VII (Ambition in mitigation and adaptation actions) [, if applicable].]
22. Each participating Party shall submit the following annual information (reported biennially) in a manner consistent with chapter III.B above (Application of corresponding adjustments) and any updates to information submitted for previous years in the NDC implementation period to the Article 6 database pursuant to chapter VI.B (Article 6 database), and shall include it in the structured summary (required pursuant to decision 18/CMA.1[, annex, paragraph 77 (d),] as part of the biennial transparency report):
- (a) Annual anthropogenic emissions by sources and removals by sinks from the sectors and GHG covered by its NDC [(as part of paragraph 77 (d) (i) information)];
 - (b) Annual quantity of ITMOs first transferred [(as part of paragraph 77 (d) (ii) information)];
 - (c) Annual quantity of mitigation outcomes authorized for use for other international mitigation purposes [and entities authorized to use such mitigation outcomes, as appropriate] [(as part of paragraph 77 (d) (ii) information)];

- (d) Annual quantity of ITMOs used towards achievement of its NDC [(as part of paragraph 77 (d) (ii) information)];
 - (e) Net annual quantity of ITMOs referred to in each of paragraph 22 (b) to (e) above;
 - (f) Total quantitative corresponding adjustments used to calculate the emissions balance referred to in paragraph 22 (k), (i) below, in accordance with the Party's method for applying corresponding adjustments consistent with section III. B above (Application of corresponding adjustments);
 - (g) The cumulative information in respect of the annual information in each of paragraph 22 (a) to (e) above, as applicable;
 - (h) The annual level of the relevant non-GHG indicator that is being used by the Party to track progress towards the implementation and achievement of its NDC and was selected pursuant to paragraph 65, annex to decision 18/CMA.1;
 - (i) [Annual quantities of ITMOs first transferred and used from the quantified emission reductions from the policy or measure in the mitigation portion of the NDC] [(as part of 77 (d) (iii) information)];
 - (j) For the information referred to in paragraph 22 (b) to (d) above, the amounts per the cooperative approach, sector, transferring Party, using Party and vintage of the ITMO) for each cooperative approach;
 - (k) For metrics in:
 - (i) Tonnes of CO₂ eq, an annual emissions balance, as applicable, consistent with Chapter III. B (Application of corresponding adjustment) [(as part of paragraph 77 (d) (ii) information)]; and
 - (ii) Non-GHG determined by participating Parties, annual adjustments resulting in an annual adjusted indicator, consistent with paragraph 10 of chapter III.B above (Corresponding adjustments) and future guidance to be adopted by the CMA [(as part of paragraph 77 (d) (iii) information)];
 - (l) In biennial transparency reports that contain information on the end year of the NDC implementation period, in its assessment of whether it has achieved the target(s) for its NDC pursuant to decision 18/CMA.1, paragraphs 70 and 77 the application of the necessary corresponding adjustments consistent with chapter III above (Corresponding adjustments) and consistent with future decisions from the CMA.
23. Information submitted by a Party pursuant to this chapter that is not identified by that Party as confidential (Non-confidential information) shall be made public on the centralized accounting and reporting platform.

V. Review

24. An Article 6 technical expert review consists of a desk or centralized review of the consistency of the information submitted by the Party under chapter IV, A and C above (Reporting) with this guidance. An Article 6 technical expert review shall be undertaken in a manner that minimizes burden on Parties and the secretariat.
25. An Article 6 technical expert review team shall review the information submitted pursuant to chapter IV A and C above (Reporting) in accordance with guidelines adopted by the CMA. To the extent possible, information submitted by all the participating Parties on a cooperative approach shall be reviewed as part of the review.
26. The Article 6 technical expert review team shall prepare a report on its review pursuant to paragraph 25 above, which may include recommendations to the participating Party on how to improve consistency with this guidance and relevant decisions of the CMA, including on how to address inconsistencies in quantified information that is reported under sections B and C of chapter IV above (Reporting) and/or identified by the secretariat as part of the consistency check.
27. The Article 6 technical expert review team shall forward its reports for consideration by the technical expert review referred to in chapter VII of the annex to decision 18/CMA.1 in accordance with the guidelines

referred to in paragraph 25 above and the reports shall be made publicly available in the centralized accounting and recording platform.

VI. Recording and tracking

A. Tracking

28. Each participating Party shall have, or have access to, a registry for the purpose of tracking and shall ensure that such registry records, including through unique identifiers, as applicable: authorization, first transfer, transfer, acquisition, cancellation [[for overall mitigation in global emissions][or][as contributions of ITMOs towards adaptation finance [through a share of proceeds]]], use towards NDCs, authorization for use towards other international mitigation purposes, and voluntary cancellation, and shall have accounts as necessary.
29. The secretariat shall implement an international registry for participating Parties that do not have or do not have access to a registry. The international registry shall be able to perform the functions set out in paragraph 28 above.
30. The international registry shall be part of the centralized accounting and reporting platform referred to in chapter VI.C below (Centralized accounting and reporting platform).

B. Article 6 database

31. For transparency in relation to cooperative approaches, to record and compile the information submitted by participating Parties pursuant to chapter IV sections B and C above (Reporting) and to support the review referred to in chapter V above (Review), the secretariat shall implement an Article 6 database as part of and integrated with the centralized accounting and reporting platform referred to in chapter VI.C below (Centralized accounting and reporting platform). The Article 6 database shall enable the following:
 - (a) Recording of corresponding adjustments and emissions balances and information on ITMOs first transferred, transferred, acquired, held, cancelled [[for overall mitigation of global emissions][or] as contributions of ITMOs towards adaptation finance [through a share of proceeds]]] and/or used by participating Parties, through identification of ITMOs by unique identifiers that identify at the minimum, the participating Party, vintage of underlying mitigation, activity type and sector(s);
 - (b) Identifying inconsistencies to be notified to the participating Party or participating Parties, as applicable.
32. The secretariat shall:
 - (a) Check the consistency of information reported by a participating Party pursuant to chapter IV above (Reporting) for recording in the Article 6 database, with the requirements of this guidance and including across the participating Parties in a cooperative approach (consistency check);
 - (b) Notify the participating Party(ies) of any inconsistencies identified in the information reported by the Party, including as compared to information reported by another participating Party;
 - (c) Provide information relevant to the participating Party's cooperative approach(es) (and other participating Parties, as relevant), including the consistency check to the Article 6 technical expert review team in accordance with the guidelines referred to in paragraph 25 above.
 - (d) Make non-confidential information in the consistency check publicly available on the centralized accounting and reporting platform.
33. Any amendments to the information recorded in the Article 6 database, including in response to any inconsistencies raised by the secretariat through the consistency check or as a result of recommendations arising from the Article 6 technical expert review pursuant to chapter V above (Review), shall be submitted by the participating Party to be recorded in the Article 6 database.

C. Centralized accounting and reporting platform

34. For transparency in relation to cooperative approaches and to support the review referred to in chapter V above (Review), the secretariat shall establish and maintain a centralized accounting and reporting platform for publishing information submitted by participating Parties pursuant to chapter IV above (Reporting).
35. The secretariat shall:
 - (a) Maintain public information on cooperative approaches and ITMOs by extracting relevant non-confidential information from the information submitted by participating Parties pursuant to chapter IV above (Reporting);
 - (b) Maintain links to the publicly available information submitted by participating Parties on the cooperative approaches in which they participate;
 - (c) Provide an annual report to the CMA on the activities in relation to this chapter VI, sections A, B and C, including information on recorded ITMOs, corresponding adjustments and emission balances.

VII. [Ambition in mitigation and adaptation actions

36. *Recalling* Article 6, paragraph 1, participating Parties and stakeholders using cooperative approaches, [particularly those cooperative approaches that are baseline and crediting approaches], [[shall] [are strongly encouraged to [commit to]] contribute resources for adaptation [through a share of proceeds]][, primarily through contributions to the Adaptation Fund,] [and to contribute commensurate with the rate delivered under the mechanism established by Article 6, paragraph 4,] to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation.
37. [Each participating Party [shall] [is encouraged to] report as part of their biennial transparency reporting, in accordance with chapter IV.C above (Regular information) on any contributions made pursuant to paragraph 36 above.]
38. Participating Parties and stakeholders [shall] [are strongly encouraged to] cancel ITMOs to deliver an overall mitigation in global emissions [that is commensurate with the scale delivered under the mechanism established by Article 6, paragraph 4,] and that are not counted towards any Party's NDC or for other international mitigation purposes.
39. [Each participating Party [shall][is encouraged to] report as part of their biennial transparency reporting, in accordance with chapter IV.C above (Regular information) on [any] delivery of overall mitigation in global emissions related to its participation in cooperative approaches.]]

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