Draft decision -/CMA.8

Further guidance for the mechanism established by Article 6, paragraph 4, of the Paris Agreement

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

Recalling Article 6, paragraph 1, of the Paris Agreement,

Also recalling Article 6, paragraph 4, of the Paris Agreement, in which a mechanism to contribute to the mitigation of greenhouse gas emissions and support sustainable development was established, including the aims of the mechanism set out therein,

Further recalling the eleventh preambular paragraph of the Paris Agreement,

Recalling decisions 3/CMA.3, including its annex, 7/CMA.4, including its annexes, 5/CMA.6, 6/CMA.6 and 20/CMA.7,

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

1. *Welcomes* the annual report of the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement for 2026[1] and the progress of the work undertaken by the Supervisory Body in 2026 in responding to its mandates,[2] including progress related to developing methodologies, transitioning activities from the clean development mechanism to the mechanism established by Article[3] 6, paragraph 4, accrediting designated operational entities, developing the registry for the mechanism and implementing capacity-building;

2. *Expresses appreciation* to the Supervisory Body, including its expert panels, and the secretariat for their work in operationalizing the mechanism in 2026;

3. *[Encourages* the Supervisory Body to continue working towards fully operationalizing the mechanism];

4. *Notes* that, in line with the objectives and goals of the business and resource allocation plan of the Supervisory Body for 2026–2027,[4] the work of the Supervisory Body in 2027 will focus on further developing mechanism methodologies, finalizing the core regulatory and infrastructure elements of the mechanism, enhancing participation in the mechanism and supporting the implementation of activities under Article 6, paragraph 4, thereby positioning the mechanism to contribute effectively to efforts aimed at achieving the goals of the Paris Agreement;

5. *Also notes* that, by the deadline of 30 June 2026 referred to in decision 20/CMA.7, paragraph 25, 418 clean development mechanism projects and programmes of activities had

[1] FCCC/PA/CMA/2026/8.
[2] See decisions 3/CMA.3, 7/CMA.4, 5/CMA.6, 6/CMA.6 and 20/CMA.7.
[3] Articles referred to in this decision are Articles of the Paris Agreement.
[4] Contained in Supervisory Body document A6.4-INFO-GOV-024.

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obtained host Party approval for transition to the mechanism established by Article 6, paragraph 4;[5]

I. Governance

6. *Welcomes* the progress towards gender balance in the membership of the Supervisory Body and its expert panels made since its seventh session,[6] while noting with concern that gender balance in membership has not yet been achieved;

7. *Reiterates* the importance of ensuring gender-balanced representation in the Supervisory Body and *encourages* United Nations regional groups to consider gender balance in their nominations of members and alternate members to the Supervisory Body;

8. *Also encourages* United Nations regional groups to nominate experts for any vacant seats in the Supervisory Body;

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9. *Notes* the concerns expressed by the Supervisory Body that the provisions related to the limits on the terms of members and alternate members of the Supervisory Body[7,8] risk impeding its building of institutional memory;

10. *Recalls* its decision to consider the provisions related to the limits on the terms of members and alternate members of the Supervisory Body as part of the review of the rules, modalities and procedures for the mechanism in 2028;[9] [It further agrees to prioritize the consideration of the review in 2028.];

End of option 1

Option 2:

No text.

11. *[Requests* the Supervisory Body to enhance the transparency of its prioritization of work on methodologies, including by providing criteria and rationales for the prioritization in its annual workplans];

12. *Also requests* the Supervisory Body to continue enhancing establish structured opportunities for all stakeholders and to continue enhancing the transparency on how feedback from stakeholders is addressed;

13. *Requests* the secretariat, in supporting the Supervisory Body in preparing its annual reports, to include therein an annex containing information on the status of the mechanism, consolidated in an accessible format and presented against key implementation indicators ;

14. *[Affirms* that the mechanism shall respect the nationally determined nature of contributions under the Paris Agreement [and shall not prescribe national or sectoral mitigation policy pathways];]

II. Designated national authorities

15. *Reiterates* its invitation to developed country Parties to nominate a representative to serve as co-chair of the forum for designated national authorities for the mechanism;[10]

[5] See document FCCC/PA/CMA/2026/8, para. 8.
[6] See document FCCC/PA/CMA/2026/8, paras. 94–95.
[7] See document FCCC/PA/CMA/2026/8, para 18(f).
[8] Set out in the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, as contained in the annex to decision 3/CMA.3.
[9] See decision 20/CMA.7, para. 7.
[10] See decision 20/CMA.7, para. 13.

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16. *Also reiterates* its invitation to Parties that have not already done so to establish designated national authorities for the mechanism;[11]

17. *Further reiterates* its invitation to Parties to complete and submit to the secretariat the "Host Parties participation requirements for Article 6.4 mechanism" form;[12, 13]

III. Participation in the mechanism

18. *Notes with appreciation* the support provided by the secretariat, including through its regional collaboration centres, to Parties for strengthening their national institutional arrangements relevant to participating in the mechanism, including designating national authorities, developing host Party participation requirements and establishing authorization and approval procedures;[14]

19. *Requests* the Supervisory Body to continue making efforts to promote the use of the mechanism established under article 6 paragraph 4 through pursuing all the goals in its two-year business and resource allocation plan;

IV. Methodologies, tools and standards

20. *Welcomes* the adoption by the Supervisory Body of four mechanism methodologies the adoption or revision of 10 methodological tools and 5 methodological standards in 2026;[15,16]

21. *Also requests* the Supervisory Body, in further developing, approving and revising standards, methodologies and tools, to ensure compliance with paragraph 33 of Annex of 3/CMA.3 including through encouraging broad participation;

22. Further requests the Supervisory Body, in prioritizing its work on methodologies, to give appropriate consideration to activities with significant mitigation potential and a high degree of host Party and implementation readiness, while ensuring balanced attention across sectors and scales of activities in order to support a broad range of activities and technologies under the mechanism, consistent with the requirements and principles applicable to the mechanism, including environmental integrity and, in this context, to commence in 2027 its work on large-scale crediting programmes, taking into account other priorities for work on methodologies;

23. *Encourages* the Supervisory Body to give due consideration, as resources allow, to the development of methodologies and standardized baselines for both emission reductions and removals noting that standardized baselines shall be established at the highest possible level of aggregation in the relevant sector of the host Party and be consistent with paragraph 33 Annex of Decision 3/CMA.3;

24. *[Requests* the Supervisory Body to assess the cumulative impact of proposed and approved methodologies, on the quantification of emission reductions and removals under the mechanism with a view to informing the continuous improvement of methodologies in a manner that avoids excessive compounding of conservative adjustments while ensuring environmental integrity;]

25. *[Also requests* the Supervisory Body, when assessing and addressing the risk of emissions reductions or removals being reversed, to ensure that the applicable requirements are based on the best available science and are informed by robust evidence approaches;]

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[11] Ibid.
[12] Supervisory Body form A6.4-FORM-GOV-001.
[13] See decision 20/CMA.7, para. 14.
[14] See document FCCC/PA/CMA/2026/8, paras. 52–53.
[15] All approved mechanism methodologies and tools are available at https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-64-pacm/methodologies.
[16] See document FCCC/PA/CMA/2026/8, para. 71.

V. Share of proceeds and overall mitigation in global emissions

26. Notes the mandate contained in decision 3/CMA.3, paras 8 and 9, acknowledges that, as no emission reductions under Article 6, paragraph 4, have been forwarded to the Adaptation Fund as the share of proceeds for adaptation or cancelled to deliver overall mitigation in global emissions; there is little experience with these elements to date, and notes that the next review of SOP and OMGE shall be in 2031;[17]

27. *Notes* the decision of the Supervisory Body to deem the Adaptation Fund, or its trustee, an authorized entity for the Article 6, paragraph 4, mechanism cooperative approach (CA 0001), thereby avoiding the need for each participating Party to separately authorize the Adaptation Fund, or its trustee, as an authorized entity;[18]

28. *Decides* that Article 6, paragraph 4, emission reductions that are authorized and forwarded to the Adaptation Fund may be acquired, transferred, used or cancelled for any purpose consistent with the applicable decisions of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

29. [*Also decides* that once an authorized Article 6, paragraph 4, emission reduction has been forwarded to the Adaptation Fund, its authorization status shall not subsequently be changed;]

VI. Funding for the operation of the mechanism

30. *Notes with appreciation* the continued prudent management by the secretariat, under the guidance and oversight of the Supervisory Body, of the limited resources available for the Supervisory Body to conduct its mandated activities, including the implementation of contingency measures and fundraising initiatives aimed at addressing funding constraints in 2026;

31. *Notes* that, on the basis of the projected income and expenditure for 2026–2027, the expected flow of revenue and the outcomes of contingency measures implemented, a balance between available funding and expenditure may be achieved for the Supervisory Body through to the end of 2027, however, the sustained, predictable funding needed to enable the Supervisory Body to fully implement all activities planned under its business and resource allocation plan for 2026–2027 has not been secured;

32. *Notes with deep concern* that a critical shortfall in funding required for the mandated activities of the Supervisory Body is projected for 2028 and beyond and that additional resources will be required to support the continued operationalization of the mechanism;

33. *Agrees* to continue to urgently make efforts to secure the additional resources essential for enabling and expediting the full operationalization of the mechanism, noting that the Supervisory Body remains committed to joining those efforts, with the support of the secretariat and in line with guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement;

34. *[Requests* the secretariat to continue exploring possible sources of funding for ensuring the continuity of operations of the Supervisory Body and its expert panels, provide clarity and ensure transparency regarding the financial situation of the mechanism and report on progress in its exploration of funding sources in the annual report of the Supervisory Body for 2027;]

35. [*Notes* with concern that the increasing complexity of the standards, methodologies, and tools requirements under the mechanism creates significant barriers to participation, particularly for activity participants and developing country Parties, potentially limiting the registration of new activities, the issuance of Article 6.4 emission reductions and the mechanism's capacity to generate sustainable revenues;]

[17] This information was included in document FCCC/PA/CMA/2026/8, para. 44, pursuant to decision 20/CMA.7, para. 11.

[18] See document FCCC/PA/CMA/2026/8, para. 79(b)(iv).

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36. *Further requests* the Supervisory Body to take appropriate measures to safeguard the continued operation of the mechanism while continuing to effectively implement its mandates, taking into account updated information on expected income, expenditure and liabilities that may become available in 2027;

37. [Invites Parties and relevant entities to voluntarily support the mechanism to enable its continued operation and financial sustainability while it transitions towards self-financing];

VII. Post-issuance authorization

[Option 1

38. *Decides* that a host Party may authorize, post issuance, a mitigation contribution unit under Article 6, paragraph 4, no later than [two years][X years] following its issuance; It further requests the Supervisory Body and requests the Supervisory Body to continue to review, on the basis of experience with implementation, whether this time limit remains appropriate and to make recommendations for consideration at CMA 9 [2028];

39. *Reiterates* its decision that the respective shares of proceeds for adaptation are comprised of authorized Article 6, paragraph 4, emission reductions rather than mitigation contribution units;[19]

40. Decides, recalling decision 6/CMA.6, paragraph 11(c), that where a host Party Allows mitigation contribution Article 6, paragraph 4, emission reductions to be issued for the underlying activity, while noting that the host Party may authorize the Article 6, paragraph 4, emission reductions at a later stage subject to the provisions referred to in 6/CMA.6, paragraph 12, the host Party shall authorize the 5 per cent share of Article 6, paragraph 4, emission reductions to be issued and transferred to the Adaptation Fund as authorized units and shall comply with the applicable reporting requirements under decision 2/CMA.3;

41. *Decides* that, upon receipt by the secretariat of a valid request for post-issuance authorization of eligible mitigation contribution units, the administrator for the mechanism registry shall:

a) Update, as applicable, the authorization status of the corresponding mitigation contribution units previously forwarded to the account of the Adaptation Fund and still held in that account;

b) Forward to the Adaptation Fund account, from the accounts of the relevant activity participants, as first-transferred authorized Article 6, paragraph 4, emission reductions, a quantity equivalent to the difference between the quantity of corresponding mitigation contribution units previously forwarded to the Adaptation Fund account and the quantity remaining in that account;

c) Update the authorization status of the corresponding mitigation contribution units cancelled for the purpose of delivering overall mitigation in global emissions to authorized Article 6, paragraph 4, emission reductions];

End of option 1

[Option 2:

No text.]

42. *Takes note* of the estimated budgetary implications of the activities to be undertaken by the secretariat referred to in paragraph[s] [X] above;

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

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[19] See decision 6/CMA.6, para. 14(c).

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