

A6.4-SBM018-AA-A10

Information note

Revision of regulatory documents for
Transition of CDM activities to the
Article 6.4 mechanism

Version 01.0



1. Procedural background

1. Paragraph 27 of Procedure: Transition of CDM activities to the Article 6.4 mechanism (hereinafter referred to as the transition procedure) states that if the project participant continues to apply the currently applied CDM (Clean Development Mechanism) methodology to the transitioning CDM project activity, or PoA (programme of activities) and CPAs (component project activity) therein, in accordance with the relevant provisions in the transition standard, the project participant shall submit to the secretariat, through a dedicated interface on the UNFCCC website, an addendum to the respective project design document (PDD), or PoA design document (PoA-DD) and CPA design documents (CPA-DDs): within 180 days for emission reduction projects and PoAs of the publication of the host Party approval of transition and before 31 December 2025 for CDM A/R projects and PoAs.
2. With the submission of the additional documentation, the project participants are to attest that the CDM project activity, or PoA and CPAs therein, have been implemented in accordance with the registered PDD, or PoA-DD and CPA-DDs, as well as to demonstrate the compliance with additional requirements for registration under the Article 6.4 mechanism in accordance with the relevant provisions in “Standard: Transition of CDM activities to the Article 6.4 mechanism” (hereinafter referred to as the transition standard).
3. As stipulated in paragraphs 35 and 36 of the transition standard, once the Article 6.4 Sustainable Development Tool (hereinafter referred to as A6.4 SD Tool) forms are made publicly available – i.e., A6.4 Environmental and social safeguards risk assessment form (A6.4-FORM-AC-015), A6.4 Environmental and social management plan form (A6.4-FORM-AC-016) and A6.4 Sustainable development impact form (A6.4-FORM-AC-017)¹, the project participants are required to analyse environmental and social impacts and sustainable development benefits of their operation, and provide a summary of the analysis and a monitoring plan of such impacts and planned remedial measures of negative impacts, if any, during the operation of the activity, in accordance with the requirements of the A6.4 SD Tool.
4. The Supervisory Body, at its seventeenth meeting, clarified that as part of the re-evaluation of the fraction of non-renewable biomass values (fNRB) and leakage factors, activity participants may consider the following:
 - (a) For the fNRB, use the latest available default values, such as from revised “TOOL33: Default values for common parameters”, which was recently adopted by the CDM Executive Board at its 125th meeting. Activity participants may also propose new methodological approaches for calculation of fNRB values for consideration of the Supervisory Body;
 - (b) For the discount factor for addressing leakage, apply the latest available default values, such as the net to gross adjustment of 0.95 as that contained in the applicable CDM methodologies or conduct ex-post surveys for determining the leakage factor. The Supervisory Body further noted that the above approaches are

¹ The Article 6.4 Sustainable Development Tool forms (A6.4 Environmental and social safeguards risk assessment form (A6.4-FORM-AC-015), A6.4 Environmental and social management plan form (A6.4-FORM-AC-016) were published on the UNFCCC website on 11 February 2025.

applicable until such time that the Supervisory Body adopts relevant tools or values under the Article 6.4 mechanism.

5. The Supervisory Body, at its seventeenth meeting, further clarified that for provisional requests for issuance of CDM project activities and PoAs that successfully transition to Article 6.4 applying the CDM methodologies with risk of non-permanence:
 - (a) No new verification is required if the activity participants use default values for the fNRB and the discount factor for addressing leakage;
 - (b) A new verification is required if the activity participants choose to re-calculate the values of fNRB and leakage factor using new methodological approaches and ex-post surveys, respectively, for the fNRB and the discount factor for addressing leakage.

2. Purpose

6. The main purpose of the revisions of the “Procedure: Transition of CDM activities to the Article 6.4 mechanism” (transition procedure) and “Standard: Transition of CDM activities to the Article 6.4 mechanism” (transition standard), as contained in Appendix 1 and Appendix 2 respectively, is to:
 - (a) Provide flexibility to transition projects to apply an extended deadline for submitting additional documentation;
 - (b) Incorporate the clarification provided by the Supervisory Body for transition activities applying CDM methodologies with risks of non-permanence that shall re-evaluate the fNRB and discount factor for addressing leakage with respect to verification requirements.

3. Key issues and proposed solutions

3.1. Deadline for submission of additional documentation

7. Paragraph 27 of the transition procedure requires project participants of activities continuing to apply CDM methodologies at transition to submit to the secretariat, through the designated interface on the UNFCCC website, an addendum to the relevant PDD, PoA-DD, and, where applicable, CPA-DDs.
 - (a) For CDM emission reductions (ER) activities and PoAs, the addendum must be submitted within 180 days of the publication of the host Party’s approval (decision made at SBM 006).
 - (b) For afforestation and reforestation (A/R) projects and PoAs, the addendum must be submitted no later than 31 December 2025 (decision made at SBM 015).
8. Since the adoption of the 180-day deadline for ER activities, additional requirements have been introduced under Article 6.4 mechanism, including the adoption of the A 6.4 SD Tool and its associated forms (A6.4 Environmental and social safeguards risk assessment form (A6.4-FORM-AC-015), A6.4 Environmental and social management plan form (A6.4-FORM-AC-016) and A6.4 Sustainable development impact form (A6.4-FORM-AC-017)). Following the publication of these three A6.4 SD Tool forms on 11 February 2025 their

application and submission together with the additional information for transition projects and PoAs became mandatory.

9. Transitioning PoAs are required to submit the addendum and the assessment undertaken in accordance with A6.4 SD Tool, as well as the information in the completed relevant A6.4 SD Tool forms (A6.4 Environmental and social safeguards risk assessment form, A6.4 Environmental and social management plan form and A6.4 Sustainable development impact form) for each CPA which will be transitioned in conjunction with or subsequent to the transition of the PoA.
10. Prior to publication of the A6.4 SD Tool forms, in accordance with paragraph 36 of the transition standard, the activity participants were required to prepare a “Sustainable development co-benefits description report” in accordance with the “Sustainable development co-benefits tool” developed under the CDM. In accordance with the A6.4 SD Tool, they are now required to analyse environmental and social impacts and sustainable development benefits of their operation and provide a summary of the analysis and a monitoring plan of such impacts and planned remedial measures of negative impacts, if any, during the operation of the activity, in accordance with the A6.4 SD Tool. Compared to the previous requirements, the new A6.4 SD Tool forms demand significantly more detailed information and analysis. Since participants generally lack prior experience with the comprehensive assessments required under the A6.4 SD Tool, this may pose a substantial challenge.
11. The adoption of the A6.4 SD Tool and its associated forms (A6.4-FORM-AC-015, A6.4-FORM-AC-016, and A6.4-FORM-AC-017) has introduced requirements that are considerably more comprehensive than those envisaged when the 180-day deadline was established. As a result, particularly for transitioning PoAs, the preparation of the addendum and the completion of the SD Tool assessment impose substantial technical burden, significantly increasing the time and resources required for compliance.
12. With respect to A/R transitioning activities, the 31 December 2025 deadline for A/R activities presents unresolved dependencies on standards and tools required for several key assessments, including: identification of the risk of reversals; reversal risk assessment; development of a reversal risk mitigation plan; remediation of reversals; and preparation of a post-crediting period monitoring plan.
13. These requirements for A/R activities are contingent on the approval of the Non-permanence/Reversal Standard and the Reversal Risk Assessment Tool, both of which are still under development. In the absence of finalized guidance for these assessments, significant uncertainty remains, rendering compliance with the current deadline impracticable. Consequently, meeting the existing procedural deadline is not feasible.
14. Extending the deadline would provide project participants of transitioning CDM projects and PoAs with a more reasonable timelines to carry out the required assessments as per the requirements of the A6.4 SD Tool and to prepare the required documentation including the completion of the A6.4 SD Tool associated forms (A6.4-FORM-AC-015, A6.4-FORM-AC-016, A6.4-FORM-AC-017). Extending the deadline, together with the anticipated development of the required regulatory documents for A/R project assessments, would enable A/R projects to align the necessary submissions with the new non-permanence requirements. Furthermore, aligning deadlines for ER and A/R activities would ensure procedural consistency, fairness and feasibility.

15. A unified end-date set as the deadline, would provide a more realistic timeframe for project participants to comply with the expanded set of requirements.

3.2. Analysis of transition activities pipeline

16. As of 19 September 2025, a total of 93 activities have initiated transition from CDM to Article 6.4 as host Party approval for the transition has been provided. Of these, 11 activities have already successfully transitioned to A6.4 mechanism, while another 11 are at various stages of assessment (e.g., substantive check completed, assessment in progress, transition fee pending). The remaining 71 activities are pending submission of additional documentation following host Party approval. Notably, 35 host Party approvals were received between 12 August and 25 August 2025; 1 was received on 15 September 2025 and published shortly after that, hence these cases are not yet approaching their respective deadlines and they are excluded from the statistics below.
17. The table below presents an excerpt of the transition activities pipeline, showing the activities that have not yet submitted the required additional documentation, and the time elapsed between the publication of the host Party approval and 19 September 2025. It includes only those projects, from the 71 pending submissions, that have either missed the deadline or are approaching it soon.

Table. Excerpt of the transition activities pipeline

Activity: Number and Type	Host Party(ies)	Publication date of host Party Approval	Time elapsed from publication of host Party approval until 19/09/2025 (in days)	Requested extension
7359 PoA	Madagascar, Ethiopia, Kenya, Malawi, Mozambique, Nigeria, Uganda, Zambia, Chad, Dominican Republic, Côte d'Ivoire, Liberia, Rwanda, Sierra Leone, Namibia, Zimbabwe, Ghana, South Africa, Somalia	27/08/2024	388	Yes
2765 PoA	Bangladesh	6/1/2025	256	
10512 PoA	Bangladesh	6/1/2025	256	
6085 PoA	Bangladesh	6/1/2025	256	
5125 PoA	Bangladesh	6/1/2025	256	
9948 PoA	Rwanda, Uganda, Nigeria, Kenya	28/02/2025	203	Yes
7997 PoA	India, Kenya, Uganda	28/02/2025	203	Yes
10341 PoA	Kenya, Uganda	28/02/2025	203	
10030 PoA	Myanmar, Timor-Leste, Cambodia, Lao PDR, Kenya, Uganda	28/02/2025	203	
10349 PoA	Malawi, Uganda	28/02/2025	203	
10312 P	Uganda	28/02/2025	203	
10648 P	Myanmar	8/4/2025	164	Yes
10651 P	Myanmar	8/4/2025	164	Yes

18. A total of 11 activities have exceeded the 180-day deadline for submitting additional documentation, of which five have formally requested an extension of the deadline. In addition, two activities are nearing their respective deadlines.
19. Experience to date indicates that all missed deadlines have been associated with projects from least developed countries (LDCs). This could demonstrate that capacity limitations hinder the ability of project participants to comply with the current strict deadlines.
20. Furthermore, the statistics of transition activities indicate that delays predominantly affect PoAs. Communications with affected stakeholders indicate that, for multi-country PoAs, there may be a misinterpretation of the requirements and a misconception that the documentation requirements apply to all CPAs at the same time when the transition of the PoA by one country is provided. This is inconsistent with paragraph 22 of the transition procedure, which specifies that if the proponent wishes to transition any of the CPAs specified in the transition request subsequent to the transition of the CDM PoA, the proponent shall prepare the additional documentation for each such transition request of CPAs. Furthermore, the deadline for submission of additional documentation applies from the first publication of approval of the host Party and in many cases the PoA may not have active CPAs in that host Party.
21. It is worth noting that, of the 22 activities that submitted additional documentation, 15 have submitted CDM “Sustainable development co-benefits tool”, while only seven of them submitted additional documentation that includes assessment in accordance with A6.4 SD Tool, along with the three associated forms completed.
22. The data presented in the table above demonstrates that transitioning PoAs and projects are experiencing challenges complying with the 180-day deadline for submission of additional documentation.

3.3. Extension of the deadline for submitting additional documentation

23. To address the challenges faced by activity participants in submitting additional documentation for transition activities, a unified deadline of 31 December 2026 for both A/R and ER activities is proposed for submission of the additional documentation.
24. This new deadline would cover all projects experiencing delays, ensuring that no activity is disadvantaged due to the timing of host Party approval. While it provides a longer timeframe for activities that received approvals at an earlier stage, it also promotes administrative consistency and simplified tracking of compliance. Moreover, a unified deadline enhances procedural effectiveness by allowing the secretariat to manage submissions in a coordinated manner.
25. The unified deadline is more practical and feasible, particularly considering the anticipated development of regulatory documents addressing non-permanence for A/R activities, as it allows sufficient time to make the regulatory documents available and to provide project participants with time to comply with the new requirements while ensuring consistent application across all projects.

3.4. Clarification on the updated values for fNRB and leakage for transition projects applying CDM methodologies with risks of non-permanence

26. The revised standard and procedure incorporate the clarification provided by the Supervisory Body at its seventeenth meeting for the re-evaluation of the fNRB values and

leakage factors. The clarification provides project participants with the options to consider the following:

- (a) For fNRB: Use the latest available default values, such as from revised “TOOL33: Default values for common parameters” which was recently adopted by the CDM Executive Board at its 125th meeting, or propose new methodological approaches for calculation of fNRB values for consideration of the Supervisory Body;
 - (b) For leakage discount factor: Apply the latest available default values, such as the net to gross adjustment of 0.95 as contained in the applicable CDM methodologies or conduct ex-post surveys for determining the leakage factor.
27. The Supervisory Body further clarified that the provisions above are applicable until such time as the Supervisory Body adopts relevant tools or values under the Article 6.4 mechanism which will provide a clear way forward for activity participants.
28. The revision of the procedure also clarifies the situation when a new verification is required. The Supervisory Body, at its seventeenth meeting, clarified that a new verification is required if the activity participants choose to re-calculate the values of fNRB and leakage factor using new methodological approaches and ex-post surveys, respectively. Conversely, no new verification is required if the activity participants use default values for the fNRB and the discount factor for addressing leakage as specified in paragraph 27 above.

4. Impacts

29. The requested deadline extension addresses practical challenges faced by activity participants, as well as equity concerns, particularly given that the regulatory framework of the mechanism is not yet finalized. Adoption of the newly proposed deadline would balance the need for timely submission with the recognition of the expanded requirements and capacity limitations faced by project participants.
30. The extension of the deadline is essential to ensure:
- (a) Procedural alignment with the Article 6.4 framework;
 - (b) Practical feasibility for project participants;
 - (c) Fairness and equity, particularly for activities in LDCs;
 - (d) Integrity and effectiveness of the transition process.

5. Subsequent work and timelines

31. The secretariat will inform the project participants about the new requirements and will proceed with the assessment as per the new requirements.

6. Recommendations to the Supervisory Body

32. The secretariat recommends that the Supervisory Body consider and adopt the revised “Procedure: transition of CDM activities to the Article 6.4 mechanism” and “Standard: Transition of CDM activities to the Article 6.4 mechanism” as presented with any due modifications.

7. Appendixes

33. List of Appendices:

- (a) Appendix 1. A6.4-SBM018-AA-A11. Draft Procedure Transition of CDM activities to the Article 6.4 mechanism
- (b) Appendix 2. A6.4-SBM018-AA-A12. Draft Standard Transition of CDM activities to the Article 6.4 mechanism

Document information

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