

**DRAFT TEXT**  
**on**

**SBSTA 62 agenda item 11**  
**Matters relating to the operation of the clean development mechanism**

**Version 18/6/2025 21:50**

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**Draft conclusions proposed by the Chair**

1. The Subsidiary Body for Scientific and Technological Advice (SBSTA) continued consideration of matters relating to the operation of the clean development mechanism (CDM).

*Option 1*

2. The SBSTA agreed to continue consideration of this matter at SBSTA 63 (November 2025) with a view to recommending a draft decision thereon for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol at its twentieth session (November 2025).

*Option 2*

3. The SBSTA recommended a draft decision for consideration and adoption by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol its twentieth session (November 2025) (for the text of the draft decision, see document FCCC/SBI/2025/L.X/Add.X).

## Annex

### [Draft decision -/CMP.20]

#### **I. Functioning of the clean development mechanism beyond the end of the second commitment period of the Kyoto Protocol**

1. The SBSTA agreed to recommend to the CMP deadlines for the phased discontinuation of the operations, processes and institutions under the CDM as follows:

*Issuance, transfer and cancellation of CERs:*

(a) For submitting requests for issuance of certified emission reductions for CDM project activities or programmes of activities: 31 December 2026;

(b) For submitting requests for transfer of certified emission reductions to the registry for the mechanism established by Article 6, paragraph 4, of the Paris Agreement pursuant to paragraph 18 of annex I to decision 7/CMA.4: 31 December 2027;

(c) For cancelling certified emission reductions and any other transactions in the CDM registry: 31 December 2027;

*Post-registration changes:*

(d) For submitting requests for the approval of post-registration changes: 31 December 2026;

*Approval of and revisions to, and issues related to, methodologies and methodological tools:*

(e) For submitting proposals for new CDM methodologies and requests for revisions to CDM methodologies and methodological tools under the bottom-up process in accordance with the relevant procedures: 31 December 2025;

(f) For submitting requests for the approval of and revisions to CDM methodologies and methodological tools under the top-down process in accordance with the relevant procedures: the earlier of 31 December 2026 or the approval by the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement of a methodology, or methodological tool covering the same scope;

(g) For submitting requests for clarification of approved CDM methodologies and methodological tools: 31 December 2026;

(h) For submissions from DNAs on automatic additionality of microscale technologies and for recognition of a special underdeveloped zone: 31 December 2025;

(i) For submissions from DNAs on changes to the definition of forest: 31 December 2025;

*Accreditation of designated operational entities:*

(j) For submitting requests pertaining to the accreditation of designated operational entities (DOEs): 31 December 2025;

*Stakeholder interactions:*

(k) The SBSTA agreed to recommend that the CMP maintain stakeholder interactions related to the operations, processes and institutions under the CDM referred to in paragraph 1(a–j) above for as long as those operations, processes and institutions continue;

2. The SBSTA agreed to recommend that the CMP request the CDM Executive Board to:

(a) Cease receiving the submission of requests for initial accreditation and reaccreditation of DOEs on 31 December 2025;

(b) Cease other operations related to DOE accreditation, including regular surveillance, spot checks and performance monitoring, on 31 December 2027;

(c) Allow DOEs under the mechanism established by Article 6, paragraph 4, of the Paris Agreement to perform validation and verification functions under the CDM, if necessary;

(d) Cease the operation of its panels and working groups as soon as their functions are no longer required in accordance with the timelines set out in paragraph 1(e–g) and (j) above;

(e) Report, in its annual reports to the CMP, on arrangements made relating to the deadlines set out in paragraph 1 above;

(f) Hold its last meeting once all functions and operations, as set out in paragraph 1 above, have been concluded;

3. The SBSTA agreed to recommend that the CMP request:

(a) The administrator of the CDM registry to:

(i) Administratively cancel any certified emission reductions for which no share of proceeds have been paid and that are remaining in pending accounts in the CDM registry on 1 January 2028;

(ii) Disconnect the CDM registry from the international transaction log while maintaining the functions of issuance and cancellation in the CDM registry by no later than 1 July 2026;

(iii) Stop operating the CDM registry once the relevant operations and functions referred to in paragraph 1(a–c) above have been concluded;

(iv) Make arrangements for safeguarding the data from the CDM registry for at least 15 years after its operation is ceased;

(b) The CDM Executive Board to notify project participants, DOEs, designated national authorities, owners of certified emission reductions and other relevant stakeholders of the deadlines and recommendations referred to in paragraphs 1–2 above as soon as possible;

(c) The secretariat to make arrangements for safeguarding regulatory documents and information pertaining to project activities and programmes of activities for at least 15 years after the last meeting of the CDM Executive Board, as referred to in paragraph 2(f) above;

## II. Management of financial resources

4. The CMP recalls its request<sup>1</sup> to the Executive Board and the secretariat to ensure the efficient and prudent use of resources from the trust fund for the clean development mechanism;

5. The SBSTA agreed to recommend that the CMP request the CDM Executive Board to review and reduce its expenditure consistently with the provisions and timelines set out in paragraphs 1–2 above;

6. The SBSTA agreed to recommend that the CMP request the secretariat, following the last meeting of the CDM Executive Board, as referred to in paragraph 2(f) above, to report to the CMP on the arrangements made for the closure of the CDM, including for the resources remaining in the trust fund for the clean development mechanism, for consideration by the CMP;

<sup>1</sup> Decision 2/CMP.17, para. 13.

*Option 1*

7. The SBSTA agreed to recommend that the CMP request the Subsidiary Body for Implementation to authorize a transfer of USD [xx] million from the trust fund for the clean development mechanism [to the Adaptation Fund] [for activities related to Article 6 of the Paris Agreement, including capacity-building activities to support developing countries] [for the implementation of Article 6, paragraph 4, of the Paris Agreement] [for the infrastructure under Article 6 of the Paris Agreement, including the registry for the mechanism established by Article 6, paragraph 4, of the Paris Agreement] [for the enhanced transparency framework under the Paris Agreement, including capacity-building activities for reporting and review thereunder] [potentially to other areas in need of funding];

*Option 2*

8. The SBSTA agreed to recommend that the CMP not make any transfers from the trust fund for the clean development mechanism for use for activities outside of the CDM;

### **III. Operation of the international transaction log**

9. The SBSTA agreed to recommend that the CMP request the administrator of the international transaction log to close the international transaction log shortly after its decoupling from the CDM registry and no later than 31 December 2026;

10. The SBSTA also agreed to recommend that any unspent balances from the trust fund for the international transaction log be transferred in order to operationalize Article 6, paragraph 2, of the Paris Agreement.]

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