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# CONDITIONS FOR TRANSITIONING CERS

[Decision 2/CMA.3](#) established specific conditions for the use of CERs issued under the CDM to contribute to NDCs, outlining criteria such as registration dates and transfer requirements. The Sharm El-Sheikh decision expanded on this, specifying how Parties can utilise CERs for their NDCs, including the need for corresponding adjustments, while also noting the cessation of CDM operations after June 30, 2023, with certain implications for CERs.

As per [Decision 3/CMA.3](#) decision in 2021, CERs issued under the CDM may be used towards achievement of an NDC under the following conditions:

- The CDM project activity or PoA was registered on or after 1 January 2013
- CERs shall be transferred to and held in the Article 6.4 mechanism registry and identified as pre-2021 emission reductions
- CERs may be used towards achievement of the first NDC only
- The CDM host Party shall not be required to apply a corresponding in respect of the CERs and not be subject to the share of proceeds (SOPs)
- CERs not meeting the conditions above may only be used for achievement of an NDC in accordance with a relevant future decision of the CMA
- Temporary CERs and long-term CERs shall not be used towards NDCs.

The Sharm El-Sheikh decision further specifies that Parties can use CERs transferred to the Article 6.4 mechanism registry towards achievement of their first or first updated NDCs by retiring the CERs ([Decision 7/CMA.4, annex I, para. 22](#)). Parties using the CERs towards their first or first updated NDC are required to apply corresponding adjustments, while host parties are not required to apply



corresponding adjustments ([Decision 7/CMA.4, annex I, para. 23](#)). Furthermore, the using Parties are required to ([Decision 7/CMA.4, annex I, para. 23](#)):

- Report the amount of CERs used for each year of the NDC implementation period in the structured summary table 4 presented in [Decision 5/CMA.3, annex II, table 4](#).
- Provide information on corresponding adjustments in the structured summary table 4 presented in [Decision 5/CMA.3, annex II, table 4](#).

On 30 June 2023, CDM ended its operations implying that there would be no more registration, renewal of crediting period, and issuance of CERs for period after 2020, as well as corresponding submissions for PoAs. CERs could be transferred for Kyoto compliance only until 9 September 2023. However, CERs can still be cancelled in and transferred from the CDM registry thereafter.

Authors: Ximena Samaniego, Arnav Trivedi (Perspectives Climate Group)

