



CDM TRANSITION REQUIREMENTS AS AGREED BY THE A6.4SB

CDM projects and PoAs can transition to the Paris Agreement crediting mechanism, PACM (A6.4M) under the following conditions ([Decision 3/CMA.3, annex, para. 73](#)):

- Transition request must have been made to both the UNFCCC Secretariat and the CDM host Party by no later than 31 December 2023;
- The approval for such transition is provided to the Article 6.4 Supervisory Body (A6.4SB) by the CDM host Party by no later than 31 December 2025;
- The activity may continue to apply its current approved CDM methodology until the earlier of the end of its current crediting period or 31 December 2025, following an approved A6.4M methodology must be applied;
- The activity requesting transition complies with the rules, modalities and procedures (RMPs) of the A6.4M, the requirement of applying corresponding adjustment, relevant requirements adopted by the A6.4SB and any further relevant decisions of the CMA.

In Sharm El-Sheikh, the CMA requested the A6.4SB to develop and operationalise a procedure for requesting transition by June 2023 as well as the transition process ([Decision 7/CMA.4, para. 23](#)). The process of submission of transition request to the UNFCCC Secretariat has been effective since 30 June 2023. In July 2023, the A6.4SB adopted the Standard and Procedure for the transition of CDM activities, which will be effective from 01 January 2024. The Standard for the transition of CDM activities to the A6.4M outlines the activity design and other attributes of project activities, PoAs and component project activities (CPAs) that



can transition to the A6.4M. These requirements are presented in the Table below.

Table 1: Components of CDM projects and PoAs Along with transition requirements

Elements of CDM projects and PoAs	Transition requirements
Crediting Period/PoA Period	<ul style="list-style-type: none"> • Project activity (not afforestation/reforestation) with crediting period that would have been active as of 1 January 2021 had the crediting period under the CDM continued. • PoA with PoA period that would have been active as of 1 January 2021 had the PoA period under the CDM continued. Same for CPAs. • For successfully transitioned CDM project activity with renewable crediting period and PoAs, the crediting period under A6.4M starts on 1 January 2021 and ends at the end of the current CDM CP/PoA period or 31 Dec 2025 (whichever is earlier) or as specified by the host party. • Renewals of crediting period under CDM will be carried over to the A6.4M, unless specified otherwise by the host party. <p>For successfully transitioned CDM projects with fixed crediting period, the crediting period under A6.4M starts on 1 January 2021 and ends when the crediting period would have ended had the CDM continued or as specified by the host party.</p>
Activity Type	<p>CDM project activity, or PoA and the CPAs therein, are among those indicated publicly by the host Party to the A6.4SB.</p>
Methodology	<ul style="list-style-type: none"> • May continue to apply currently applied CDM methodology until end of crediting/PoA period or 31 Dec 2025 (whichever is earlier). • Currently applied CDM methodology to be replaced with an approved A6.4M methodology if it does not meet methodological requirements set by the host party. • May voluntarily replace the methodology at transition by submitting revised project/PoA/CPA design documents (PDD/PoA-DD/CPA-DDs).



- For a PoA that continues applying CDM methodology at transition, no new CPAs can be included until PoA period is renewed.
- Additionality demonstration requirement is deemed fulfilled if CDM methodology is continued to be applied. If the CDM methodology is replaced with an A6.4M methodology, then additionality must be demonstrated.

Global Warming Potential

Apply the 100-year time-horizon global warming potentials from the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR5).

Activity Design

- The CDM project/PoA/CPAs complies with the requirement of **delivering long-term benefits related to climate change** if the host Party approves the transition and the activity complies with the methodological requirements specified by the host party.
- The CDM project/PoA/CPAs complies with the requirement to address **non-permanence risk** unless it is one of the activity types that the A6.4SB has specified has having such risk. For these, the compliance should be demonstrated in accordance with specific guidance to be developed by the A6.4SB.
- The CDM project/PoA/CPAs shall undergo **an analysis of 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, together with remedial measures of negative impacts. This should be done in accordance with the “Article 6.4 mechanism sustainable tool” or the “Sustainable development co-benefits tool” developed under the CDM, if the former is unavailable.

Source: [UNFCCC \(2023a\)](#)

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

