



HOST PARTY CONSIDERATIONS FOR CDM TRANSITION

Host parties have a significant role to play in the CDM transition outlined in the [A6.4 Mechanism Standard](#). With respect to the CDM transition requirements, the host party is responsible for the following:

- *(Optional)* Specifying to the A6.4SB, the baseline and other methodological requirements to be applied for Article 6.4 activities ([Decision 3/CMA.3, annex, para. 27 a](#))
- *(Optional)* Specifying to the A6.4SB, crediting periods to be applied for Article 6.4 activities, including whether the crediting periods may be renewed ([Decision 3/CMA.3, annex, para. 27 b](#))
- Mandating the project proponents to replace currently applied CDM methodology with an approved A6.4M methodology if it does not meet methodological requirements set by the host party.
- Ensuring that CDM activity requesting transition complies with the methodological requirements specified by the host party, thereby ensuring the delivery of long-term benefits related to climate change.
- For successfully transitioned CDM activity, the host party may determine the end of the crediting period under A6.4M (the earlier of the end of the current CDM crediting period or 31 Dec 2025, or other), along with whether the renewals of crediting period under CDM would be carried over to the A6.4M or not.



With respect to the CDM transition procedure, host party obligations typically include facilitating the transition process, ensuring transparency, and adhering to international guidelines and rules. Additionally, the host party is responsible for providing data and information necessary for the transition, including the submission of relevant documents and information necessary for the transition, including the submission of relevant documents and details about the mechanism methodology to be applied. The host party's engagement is crucial to the successful transition of a CDM activities.

The host Party is actively involved in the following stages:

- Prior to approving the transition, the host party must adhere to Article 6.4 participation requirements.
- Submission of Party approval: Evaluation and submission of the approval of the transition request from its A6.4M DNA to the A6.4SB by 31 Dec 2025.
- Requesting review of transition (Optional): Host party may submit a review request after the completion of the substantive check of additional documentation by the UNFCCC Secretariat and before finalising the transition, providing the reasons for such a request.

Under the CDM, a DNA was responsible for authorising and approving participation in CDM projects. The main task of the CDM DNA was to assess potential CDM projects to determine whether they will assist the host country in achieving its sustainable development goals, and to provide a letter of approval to project participants in CDM projects.

A key participation requirement according to [Decision 3/CMA.3, annex, para 26c](#) for the host party of Article 6.4 activities is to designate a national authority for the A6.4M and to communicate that designation to the UNFCCC Secretariat. To fulfil this requirement, parties may choose to appoint existing DNA from the CDM to become the DNA under the A6.4M. The A6.4M DNA is responsible for, inter alia, overseeing and facilitating the transition of CDM projects to the A6.4M.

To communicate the designation of the national authority for Article 6.4, the following information must be submitted to the UNFCCC Secretariat (supervisory-body@unfccc.int):

1. Name of the organisation to act as the national authority
2. Address of the organisation with city and country
3. Full name of the contact person
4. Telephone and E-mail address



Key considerations for a host party before transitioning CDM activities

Before an interested party decide to transition its Clean Development Mechanism (CDM) activities into Article 6.4 activities under the Paris Agreement, there are several pre-steps it can take to evaluate the feasibility and desirability of such a transition. These steps involve careful consideration of policy, regulatory, and practical aspects:

- **NDC alignment:**¹To align CDM projects with a country's NDC, start by thoroughly reviewing the NDC document to understand its specific targets and timelines. Assess how CDM projects can contribute to the NDC's mitigation goals by identifying relevant sectors and activities. Additionally, if there is an NDC implementation plan, analyse it to determine how CDM projects can integrate with the plan's strategies, policies, and available resources to help achieve NDC targets effectively. Projects may also have to be brought into alignment with the context of the host country's NDC. Projects may be subject to revised assessments of additionality and may need to establish new baseline scenarios when they migrate – considering, for example, the BAU and NDC trajectories outlined in the NDC, as well as policies to achieve the NDC targets. A particular challenge in this context relates to the understanding of the host country's NDC, e.g., in terms of scope, stringency and conditionality.
- **Policy and Regulatory Assessment:**²Evaluate the national legal and regulatory framework to determine if any changes or updates are needed to accommodate the transition from CDM to Article 6.4 activities.
- **Stakeholder Consultation and Engagement:**³ Consult with project developers who have implemented CDM activities. Understand their willingness and capacity to transition to new mechanisms and whether they have viable projects to continue under Article 6.4. Also, consult with project developers who have implemented CDM activities. Understand their willingness and capacity to transition to new mechanisms and whether they have viable projects to continue under Article 6.4.
- **Capacity Building:**⁴Evaluate the capacity of relevant institutions, including designated national authorities, to manage and oversee Article 6.4 activities. Identify capacity gaps and plan for capacity-building measures.

¹ This strategic orientation is further detailed in the Information Note *Aligning engagement on Article 6 with a country's NDC* in the Article 6 Page *How to engage strategically?*

² This strategic orientation is further detailed in the Information Note *Mandates and legal foundation* on the Article 6 Page *What is needed for national implementation?*

³ This strategic orientation is further detailed in the Information Note *National stakeholder engagement* on the Article 6 Page *How to engage strategically?*

⁴ This strategic orientation is further detailed in the Information Note *Mapping capacities* on the Article 6 Page *How to engage strategically?*



- **Evaluate Additionality:**⁵ Conduct a comprehensive review of the additionality of CDM projects. Are these projects genuinely additional, meaning they would not have occurred without CDM incentives? The assessment should align with the more ambitious goals of the Paris Agreement.

Checklist 1: Conditions and procedure for a host party transitioning CDM activities

Host country responsibility relevant for CDM transition	Status
<u>Meet Article 6.4 participation requirements</u>	
Be a Party to the Paris Agreement	
Prepare, communicate, and maintain an NDC	
Designate a national authority for A6.4M and communicate the same to the UNFCCC Secretariat	
Indicate to the A6.4SB how participation in A6.4M contributes to sustainable development	
Indicate to the A6.4SB the types of Article 6.4 activities it would consider approving and how these activities will contribute to its NDC achievement, long-term GHG emissions development strategy (if submitted) and the long-term goals of the Paris Agreement	
<i>(Optional)</i> Specify baseline and other methodological requirements applicable to Article 6.4 activities to the A6.4SB	
<i>(Optional)</i> Specify crediting periods to be applied for Article 6.4 activities, including whether the crediting periods may be renewed, to the A6.4SB	
<u>Conditions for transitioning CDM activities</u>	
<i>(Optional)</i> Undertake a pre-assessment to evaluate the feasibility and desirability of CDM transition (See Guidance note x)	
Check if currently applied CDM methodology meets the methodological requirements set by the host party.	
If not, then mandate the project proponents the current CDM methodology with an approved A6.4M methodology.	

⁵ This strategic orientation is further detailed in the Information Note *Determining Additionality on the Article 6 Page What is needed for national implementation?*



Ensure that the CDM activity requesting transition complies with the methodological requirements specified by the host party, thereby ensuring the delivery of long-term benefits related to climate change.

For successfully transitioned CDM activity, determine the end of the crediting period under A6.4M (the earlier of the end of the current CDM crediting period or 31 Dec 2025, or other), along with whether the renewals of crediting period under CDM would be carried over to the A6.4M or not.

CDM transition procedure

Evaluate and submit the approval of the transition request from its A6.4M DNA to the A6.4SB by 31 Dec 2025.

(Optional) Request a review after the completion of the substantive check of additional documentation by the UNFCCC Secretariat and before finalising the transition, providing the reasons for such a request.

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