

Agenda item 4.2.

Paragraph 25 of the annotated agenda, Annex 4

Submission of requests for transfer of CERs in the CDM Registry

CDM EB 123

Baku, Azerbaijan, 6 to 8 November 2024



Procedural background

- The CMP, at its seventeenth session, requested the CDM registry administrator to identify CERs held in the CDM registry that are eligible for transfer to the Article 6.4 mechanism registry (MR).
- The CMP also requested the Board, in coordination with the Supervisory Body, to develop and implement a procedure for project participants and Parties holding eligible CERs in the CDM registry, as well as the Trustee of the Adaptation Fund, to request the transfer of such CERs to the MR and established the conditions for such transfer requests.
- The EB already considered this matter at EB122.
- Information on progress in implementing the procedure will be reported in an addendum to the 2024 EB report to the CMP.



Decision 2/CMP17:

- **Para 8:** CMP requested CDM-R admin. to identify CERs held in the CDM registry eligible for transfer to the Article 6.4 mechanism registry (MR) (ref. to para 75(a) of the annex, dec. 3/CMA3).
- **Para 9:** CMP decided that
 - The transfer is to be effected through **admin. cancellation** in a dedicated admin cancellation account in the CDM Registry → CDM-R.
 - CDM serial numbers + details of receiving accounts in MR communicated from the CDM-R admin to the MR admin to enable **re-creation** of the CERs → CDM-R + MR.
- **Para 10:** CMP invited CMA to request the SBM to cooperate with the EB on **implementing** the process for transferring CERs to the MR.
- **Para 11(a):** CMP requested the EB, in coordination with the SBM, to **develop and implement a procedure** for project participants and Parties holding eligible CERs in the CDM registry, as well as the Trustee of the Adaptation Fund, to request the transfer of such CERs to the MR.



Purpose

- The purpose of the procedure for transferring CERs from the CDM registry to the mechanism registry is to operationalize the process for requesting such transfers pursuant to decision 2/CMP17.



Key issues and proposed solutions


- A formal procedure must be established by the EB for the seamless transfer of CERs to the mechanism registry, outlining steps for project participants, Parties, and the Adaptation Fund Trustee to submit transfer requests, and detailing the secretariat's actions if the host Party does not object within a specified timeframe.



a) Submission of transfer request (2/CMP.17)

- Submission of the form to request transfer of CERs referred to in para 8, by holders of CERs, as per para 11(a).

Appendix. Form to request transfer of certified emission reductions

 CDM form to request transfer of CERs to the mechanism registry^(a) (Version 01.0)						
SECTION 1: TRANSFERRING ACCOUNT						
Transferring account No.:						
Name of transferring account:						
SECTION 2: TRANSFER DETAILS*						
RECEIVING ACCOUNT NUMBER IN A6.4 MECHANISM REGISTRY	ACCOUNT TYPE	NAME OF RECEIVING ACCOUNT IN A6.4 MECHANISM REGISTRY	PROJECT/ PoA NUMBER	AMOUNT OF CERs	AMOUNT OF CERs IN WRITING (E.G. ONE HUNDRED)	SERIAL NUMBER(S)
<u>FORWARDING OF CERs</u>						
SECTION 3: APPROVAL						
I/We hereby approve the transfer of the CERs specified in sections 1 and 2 above. I/We do so in the knowledge that: a) Following the transfer of these CERs to the account(s) specified above, such CERs will be registered in the name of the representatives of that account(s). b) Administrative cancellations in the CDM registry are irreversible.						
Focal point/Account representative:				Signature:		
Family Name:						
First Name(s):				Date		



b) Notice to host Parties (Para 11(b) (i), decision 2/CMP17)

- CDM-R admin to notify the host Party CDM DNAs on a non-objection basis

c) Processing the transfer of CERs (Para 11(b) (ii), decision 2/CMP17)

- If no objection within 30 days, transfer effected through administrative cancellation in the CDM-R (para 23 of draft procedure).

Entry into force

Implementation of the procedure will only be possible once the MR is fully operational and PPs/account holders can open accounts in the MR.

Otherwise, the transfer cannot be requested as a critical part of the form to request the transfer (i.e. receiving account number in the MR) will be missing.



Recommendations to the Board

- EB to approve the draft procedure.



Subsequent work and timelines

- Once adopted, the secretariat should implement the procedure by operationalizing a workflow for processing transfer requests.

