

CDM-EB123-A03-PROC

Procedure

Submission of requests for transfer of
CERs in accordance with paragraph 11 of
decision 2/CMP.17

Version 01.0



United Nations
Framework Convention on
Climate Change

TABLE OF CONTENTS	Page
1. INTRODUCTION.....	3
1.1. Background.....	3
2. SCOPE, APPLICABILITY, AND ENTRY INTO FORCE.....	3
2.1. Scope.....	3
2.2. Entry into force	4
3. TERMS AND DEFINITIONS	4
4. PROCESS FOR TRANSFER	4
4.1. Submission of a transfer request	4
4.2. Notice to host Parties	5
4.3. Processing the transfer of CERs.....	5
APPENDIX. FORM TO REQUEST TRANSFER OF CERS IN ACCORDANCE WITH PARAGRAPH 11 OF DECISION 2/CMP.17.....	6

1. Introduction

1.1. Background

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), at its seventeenth session, requested the clean development mechanism (CDM) registry administrator, in accordance with paragraph 75(a) of the annex to decision 3/CMA.3, to identify certified emission reductions (CERs) held in the CDM registry that are eligible for transfer to the mechanism registry for the Article 6, paragraph 4, mechanism, referred to in chapter VI (mechanism registry) of the annex to decision 3/CMA.3.¹
2. Further, the CMP decided that the transfer of eligible CERs, in accordance with paragraph 75(b) of the annex to decision 3/CMA.3, shall be effected through administrative cancellation of the eligible CERs in a dedicated administrative cancellation account in the CDM registry, and then the complete set of serial numbers of those cancelled eligible CERs and the details of the receiving account shall be communicated to the mechanism registry to enable their re-creation in the mechanism registry.²
3. The CMP invited the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement to request the Supervisory Body to cooperate with the CDM Executive Board (hereinafter referred to as the Board) on implementing the process for transferring eligible CERs to the mechanism registry.³
4. The CMP requested the Board, in coordination with the Supervisory Body and taking into account the timelines for implementing the mechanism registry and any relevant future decisions of the CMP and the Conference of the Parties, 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 mechanism registry.⁴
5. Further, the CMP requested the Board to develop and implement a procedure that includes provisions for providing to the host Party written notice of the request for transfer and effecting the transfer if no objection from the host Party is received within a time frame specified by the Board.⁵

2. Scope, applicability, and entry into force

2.1. Scope

6. This procedure sets out steps to be followed by project participants, Parties and the Trustee of the Adaptation Fund holding CERs identified in accordance with paragraph 1

¹ See paragraph 8 of decision 2/CMP.17, Guidance relating to the clean development mechanism available at https://unfccc.int/sites/default/files/resource/cmp2022_09a01E.pdf.

² Ibid, paragraph 9.

³ Ibid, paragraph 10.

⁴ Ibid, paragraph 11(a).

⁵ Ibid, paragraph 11(b).

in the CDM registry to request the transfer of such CERs to the mechanism registry, and providing to the host Party written notice of the request for transfer and effecting the transfer if no written objection from the host Party is received.

2.2. Entry into force

7. This version of this procedure enters into force upon approval by the Board on 7 November 2024. It will be applicable once the mechanism registry is operational and capable of receiving CERs.

3. Terms and definitions

8. The following terms apply in this procedure:
 - (a) “Account representatives” shall be read as the authorized account representatives as communicated to the secretariat in the corresponding account opening forms. These apply to representatives of permanent holding accounts, Parties that have an account in the CDM registry and the Trustee of the Adaptation Fund;
 - (b) “Holders of CERs” are project participants⁶, Parties, or the Trustee of the Adaptation Fund holding CERs in the CDM registry;⁷
 - (c) “Receiving account” shall be read as the account in the mechanism registry to which the CERs shall be transferred.

4. Process for transfer

4.1. Submission of a transfer request

9. Holders of CERs identified in accordance with paragraph 1 may submit a request for transfer of such CERs through a dedicated interface on the UNFCCC website, providing the information in the form contained in the Appendix.
10. Holders of CERs identified in accordance with paragraph 1 above shall provide in their transfer requests:
 - (a) The serial numbers of the CERs identified in accordance with paragraph 1 above and requested to be transferred;
 - (b) The details of their receiving accounts in the mechanism registry to which the CERs are to be transferred.

⁶ In accordance with paragraph 42 of the “CDM project cycle procedure for project activities” (version 03.0) and paragraph 33 of the “CDM project cycle procedure for programmes of activities” (version 03.0), the focal point entities designated by the project participants of the CDM project activity or programme of activity (PoA) for scope (a) are granted the authority to communicate on behalf of the project participants with the Board and the secretariat in relation to requests for forwarding of CERs to individual accounts of the project participants.

⁷ See paragraph 11(a) of decision 2/CMP.17, Guidance relating to the clean development mechanism available at https://unfccc.int/sites/default/files/resource/cmp2022_09a01E.pdf.

11. The secretariat shall check the completeness of the information provided in the submitted request for transfer, including that the request relates to CERs identified in accordance with paragraph 1 above, within seven days of the submission of the request for transfer of CERs identified in accordance with paragraph 1 above.
12. If the information provided in the transfer request is found incomplete, the secretariat shall promptly notify the submitter, project participants or account representatives as to the specifics of the incompleteness and shall request them to resubmit within 14 days of the notification. If the resubmission is not received within the deadline the request for transfer will not be processed further. The holder of the CERs identified in accordance with paragraph 1 above may submit a new request for transfer.
13. If the request for transfer of CERs is found complete, the CDM registry administrator shall seek confirmation of the validity of the receiving account from the administrator of the mechanism registry.
14. Upon receiving confirmation from the mechanism registry administrator that the receiving account is valid, the administrator of the CDM registry shall notify the host Party as per provisions in section 4.2 below.
15. If the administrator of the mechanism registry determines that the receiving account is not valid, the secretariat shall not process the request for transfer. The secretariat shall inform the submitter promptly.


4.2. Notice to host Parties

16. Upon receipt of a request for transfer, the secretariat shall provide written notice to the CDM Designated National Entity (DNA) of the host Party of the CDM project activity or PoA that generated the CERs or to the national focal point to the UNFCCC if the DNA is no longer operational, for consideration.
17. If no objection is received within 30 days from the DNA of the host Party of the CDM project, or the national focal point to the UNFCCC if the DNA is no longer operational, the CDM registry administrator shall effect the transfer.
18. If the host Party objects, the CDM registry administrator shall not process the request.
19. A host Party objection should not preclude the project participant or account representatives from resubmitting the request for transfer.

4.3. Processing the transfer of CERs

20. The CDM registry administrator shall effect the administrative cancellation of CERs requested for transfer to the mechanism registry in a dedicated administrative cancellation account in the CDM registry.
21. The CDM registry administrator shall communicate the serial numbers of the CERs cancelled according to paragraph 20 above and the details of the receiving account to the mechanism registry administrator.
22. The secretariat shall publish the serial numbers of the CERs cancelled according to paragraph 20 above on the CDM registry web page.

Appendix. Form to request transfer of CERs in accordance with paragraph 11 of decision 2/CMP.17

 CDM form to request transfer of CERs to the mechanism registry in accordance with paragraph 11 of decision 2/CMP.17^(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)
FORWARDING OF CERs						
SECTION 3: APPROVAL						
<p>I/We hereby approve the transfer of the CERs specified in sections 1 and 2 above.</p> <p>I/We do so in the knowledge that:</p> <p>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).</p> <p>b) Administrative cancellations in the CDM registry are irreversible.</p> <p><i>Focal point/Account representative:</i> _____ <i>Signature:</i> _____</p> <p><i>Family Name:</i> _____</p> <p><i>First Name(s):</i> _____ <i>Date</i> _____</p>						

^(a) This form is to be filled, signed and submitted by the person authorized for scope (a) by the project participants of the clean development mechanism (CDM) project activity or programme of activity (PoA) as indicated in the modalities of communication submitted in accordance with the “CDM project cycle procedure for project activities” or “CDM project cycle procedure for programmes of activities” or by the account representatives for permanent holding accounts and the Adaptation Fund account. The secretariat will convert this form into electronic interface for submission of transfer requests, in which case, the signature will be replaced with electronically secure means of identification.

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