

A6.4-INFO-GOV-023

Regular report

Status of Article 6.4 mechanism resource
allocation plan 2024 implementation
(1 January – 31 December 2024)

Version 01.0



United Nations
Framework Convention on
Climate Change

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1. Introduction

1. The Supervisory Body of the mechanism established by Article 6, paragraph 4, of the Paris Agreement (hereinafter referred to as the Article 6.4 mechanism), at its seventh meeting¹, adopted a Resource Allocation Plan (RAP) for 2024 – 2025, which provides a budget for the Supervisory Body to implement its work, as well as other activities deemed essential to operationalize the Article 6.4 mechanism².
2. This document includes and complements the Mid-year review report³ published in October 2024 and describes the status of implementation of the RAP for the period 1 January through 31 December 2024, the activities underway, and the financial and human resources of the secretariat's Mitigation Division, which supports the Supervisory Body and operation of the Article 6.4 mechanism.

2. Progress report on outputs and resources utilized

3. In 2024, the secretariat delivered outputs related to the following areas: (i) strategic coordination and oversight of the Article 6.4 mechanism; (ii) activity cycle; (iii) methodologies; (iv) regulatory management; (v) registry; (vi) governance; (vii) capacity-building; (viii) engagement; (ix) communications; and (x) cross-cutting.

2.1. Status of planned outputs

4. Tables 1-14 below show the status of outputs as of 31 December 2024 against the planned outputs for 2024.

¹ See document A6.4-INFO-GOV-007, paragraph 10, available at: <https://unfccc.int/sites/default/files/resource/A6.4-INFO-GOV-007.pdf>

² Ibid.

³ See document A6.4-SBM014-AA-A02 available at: <https://unfccc.int/sites/default/files/resource/A64-SBM014-AA-A02.pdf>

Table 1. Accreditation system

Outputs	Goals ⁴	Activities	Units	Forecasted volume ⁵	Actual volume ⁶	Approved non-staff costs ⁷ (USD)	Actual
				2024	December 2024	2024	December 2024
Support for entities' assessment	1	Entity administration	Entities	20	41	-	-
	1	Entity assessment planning	Assessments	20	14	-	-
Development of a performance monitoring system	1	Entity performance monitoring system	System	1	1	-	-
	1	Handling of complaints and requests for review	Reports	1	0	-	-
Status of outputs At the tenth meeting of the Supervisory Body (SB 010), the Supervisory Body adopted the “Procedure: Selection and performance evaluation of experts on the Article 6.4 mechanism accreditation roster of experts” and requested the secretariat to support the Accreditation Expert Panel (AEP) to implement the procedure for selection and performance evaluation of experts on the Article 6.4 mechanism accreditation roster of experts (ARoE) and to report the implementation status of the procedure to the Supervisory Body at its eleventh meeting.							

⁴ Description of the goals are included in section 2 “Strategic vision and goals” RAP 2024-25. See document A6.4-INFO-GOV-007 available at: <https://unfccc.int/sites/default/files/resource/A6.4-INFO-GOV-007.pdf>

⁵ The forecasted volume estimates may be further reviewed and updated in the course of implementation of RAP 2024-25.

⁶ Where appropriate, clarifications have been provided in the status of outputs when the actual volume is zero in the reporting period.

⁷ Non-staff costs refer to expenses on consultants, experts, travel, operating expenses and training.

Outputs	Goals ⁴	Activities	Units	Forecasted volume ⁵	Actual volume ⁶	Approved non-staff costs ⁷ (USD)	Actual
				2024	December 2024	2024	December 2024
<p>At SB 010, five members were appointed to the AEP for a term of two years (until 31 March 2026), and the first meeting of the AEP (AEP 001) took place on 25 and 26 April 2024; the AEP 002 took place on 19 September 2024.</p> <p>During AEP 001, the AEP appointed two ARoE evaluators, resulting in the appointment of 26 experts to the ARoE based on their evaluations. At SB 011, the Supervisory Body took note of the report from AEP 001, which included the selection of the ARoE.</p> <p>According to paragraph 32 of the report of the tenth meeting of the Supervisory Body, 30 clean development mechanism (CDM) designated operational entities (DOEs) are authorized to conduct verification and certification of requests for issuance of transitioned activities to the Article 6.4 mechanism. Three CDM DOEs withdrew their CDM accreditation status after the tenth meeting of the Supervisory Body; therefore, 27 CDM DOEs are allowed to verify and certify transitioned CDM activities and their current status has been updated on the Article 6.4 public website. A total of 14 applications for initial accreditation under the Article 6.4 mechanism were received and are currently undergoing processing in accordance with the Article 6.4 mechanism accreditation procedure⁸ adopted at SB 008. Overall, 41 entities are under administration, which is higher than the forecasted value due to the implementation of the SB 008 decision which authorized 30 CDM DOEs to conduct verification and certification of requests for issuance of transitioned activities to the Article 6.4 mechanism without conducting an accreditation assessment. Due to the same decision, the actual value of assessment planning is 14 which is less than the forecasted value. During the reporting period, there were no complaints or requests for review raised in accordance with the Article 6.4 accreditation procedure.</p> <p>The DOE performance monitoring procedure was considered at AEP 002 and subsequently adopted at SBM 014.⁹ Therefore, the performance monitoring system will be implemented once submissions are received.</p>							

⁸ Procedure: Article 6.4 accreditation (A6.4-PROC-ACCR-001) available at <https://unfccc.int/sites/default/files/resource/A6.4-PROC-ACCR-001.pdf>.

⁹ At SB 011, the Supervisory Body adopted 'SBM' (with "M" signifying "of the Mechanism") to refer to its meetings.

Table 2. Entity assessment

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Assessments of operating entities	1	Performance assessments (validation and verification)	Assessments	2	0	-	-
	1	Regular surveillance and spot checks	Assessments	3	0	-	-
	1	Requests for initial accreditation and re-accreditation	Requests	14	3	-	-
Workshops for accreditation experts and designated operational entities (DOEs)	1	Calibration of assessment team leads	Workshops	1	1	-	-
	1	DOE calibration workshop	Workshops	1	1	69 691	36 848
Status of outputs At SB 011, a call for public input was requested for the draft “Standard: Article 6.4 validation and verification standard for programmes of activities” and the draft tool “Article 6.4 sustainable development tool” (A6.4 SD Tool), specifically targeting CDM DOEs and validation and verification bodies from other market mechanisms. In the latter, an information note summarizing the comments was submitted for consideration at SBM 013. Currently, 14 entities have applied for Article 6.4 accreditation at various stages of the process, including two initial accreditation on-site assessments in progress and one initial accreditation on-site assessment completed. Regular surveillance will be conducted after the completion of the initial accreditation on-site assessments. Based on the actual timelines on the accreditation application progress amongst those 14 entities, there was no regular surveillance							

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
conducted during this reporting period. Also, as no transition requests were approved by the Supervisory Body during the reporting period, verification for the transition activities has not started and therefore no performance assessments were launched during the reporting period.							
The calibration workshop of assessment team leads (AT calibration workshop) and the DOE calibration workshop were held on 3–4 and 16–17 September 2024, respectively.							
The DOE performance monitoring procedure was considered at AEP 002 and subsequently adopted at SBM 014. Therefore, the performance monitoring system will be implemented once submissions are received.							

Table 3. Activity assessments

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Assessments of activity submissions	1	Requests for direct communication, renewal of crediting period, and review	Requests	10	0	75 000	11 000
	1	Requests for programmes of activities (PoA) issuance covering component activities (CAs)	Requests	10	0	-	-
	1	Requests for PoA post-registration change (PRC)	Requests	6	0	-	-
	1	Requests for PoA registration	Requests	50	2	-	-
	1	Requests for activity issuance	Requests	75	0	-	-
	1	Requests for activity PRC	Requests	30	0	-	-
	1	Requests for activity registration	Requests	825	0	-	-

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
	1	PoA post-registration CA inclusion requests	CA inclusions	540	0	-	-
Status of outputs During the reporting period, two submissions for transition request to Article 6.4 mechanism were received (in October and December 2024) for two PoAs located in Myanmar. These two submissions have been processed. The validation of new activities under the Article 6.4 mechanism has not started as there are no available Article 6.4 methodologies. Once the host Party approvals and subsequent submission of transition requests are received, the secretariat will process these cases, which shall include assessments on sustainable development and non-permanence carried out by the project proponents without the DOE's intervention; this may extend the preparation time for the transition submission requests. The secretariat will also process requests for registration, renewal and inclusion once received.							

Table 4. Activity cycle

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Article 6.4 mechanism information system	2	Development and operation of the Article 6.4 mechanism information system (MIS)	IT system	1	1	2 575 000	2 161 282
	2	Workflow support for activity cycle	Tasks	3 200	3195	-	-

Status of outputs

During the reporting period, the secretariat prepared the technical requirements for the Article 6.4 mechanism information system (MIS), which will enable designated national authorities (DNAs), DOEs, UNFCCC staff and project participants to interact under the Article 6.4 mechanism.

The vendor responsible for the development of the MIS has been contracted and workstreams have been initiated. Additionally, several interim solutions to the MIS were defined and developed to meet the deadlines proposed by the Supervisory Body and support submissions made in 2024 and early 2025.

On the development side:

- Technical and non-technical requirements were thoroughly prepared, laying a strong foundation for the project.
- Around 1,000 user stories were developed in areas such as methodologies, accreditation, transition, fee processing, prior consideration, issuance, modality of communication, registration, and access management, guiding the development teams.
- An interim vendor was contracted to develop the first workflow based on Camunda technology, the central infrastructure of the Article 6.4 mechanism, for the CDM transition and to train staff during the procurement process.
- The final vendor was onboarded in October 2024, and since then significant progress has been made, including defining architecture, onboarding the latest Camunda version, implementing scalable workflow solutions, starting the development of the final version of the transition process, and designing user-friendly interfaces for different platforms to ensure a smooth and intuitive experience.

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
<p>On the operational side:</p> <ul style="list-style-type: none">• The secretariat addressed over 2,000 submissions and resubmissions for transitioning from the CDM to the Article 6.4 mechanism, handling changes to modalities of communication, technical issues, completeness checks, and general inquiries through a dedicated portal created as an interim solution.• Documentation from nearly 100 DNAs was received, reviewed, stored and published within the expected timeframes. Over 600 prior consideration notifications were processed and published using dedicated workflows and interfaces for PoAs and project activities.• Twelve accreditation entities submitted documentation using a dedicated interface.• Front ends for prior considerations, transition, DNAs, and methodologies were created to provide the expected transparency to the process. <p>During the reporting period, 1,379 Project Cycle – Project Activities (PC-PA), 67 Project Cycle – Programmes of Activities (PC-PoA), 15 Project Cycle – Component Project Activities (PC-CPs) and 1,624 transition requests were submitted, analysed, responded to, and published. Additionally, 10 Party approvals for transitioning CDM activities were processed and made publicly available.</p> <p>To facilitate these activities, solutions, interfaces, and public webpages were developed and utilized for efficient submission management.</p>							

Table 5. Methodologies

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Methodologies, standards and tools	2	Processing of requests for clarification, deviation, revision, and new submissions	Requests	30	0	-	-
Technical documents, procedures and guidelines on methodological aspects, including removals	2	Processing of submitted standardized baselines	Evaluation of submissions	5	0	-	-
	2	Scientific editors/technical writers: support for methodological work and other technical documents		-	-	78 000	39 600
	2	Analysis and revision of existing methodologies and standardized baselines	Revisions	25	20	12 081	357 945
Support for methodologies-related clarifications and inquiries	2	Development of technical procedures and guidelines on methodological aspects	Procedures and guidelines	15	19 ¹⁰	-	-

¹⁰ See items with “Work in progress” status in Tables 2 and Table 3 of the MEP 003 meeting report, available at: <https://unfccc.int/sites/default/files/resource/A6.4-MEP003%20meeting%20report.pdf>

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
	2	Methodological requests from the Supervisory Body	Requests	-	-	-	-
On-site support to projects	3, 4	Regional Collaboration Centre (RCC) on-site support for the implementation of Article 6.4 mechanism activities	On-site support	6	25	177 795	0
	3, 4	RCC support to bottom-up standardized baselines	Standardized baselines	30	2	-	-

Status of outputs

In the reporting period, no requests were submitted for clarification, deviation, revision or new methodologies, nor were submissions and processing of standardized baselines carried out. Submissions of new methodologies are expected to start in 2025, following the approval by the Supervisory Body and endorsement of the Methodologies and Removal Standards¹¹ by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA). Requests for clarification, deviation from, and revision of methodologies will commence once CDM methodologies transition to the Article 6.4 mechanism, tentatively scheduled to start in 2025.

At its first meeting (MEP 001), the Methodologies Expert Panel (MEP) considered 29 items¹² and launched a call for public input on the revision of two CDM methodologies and a methodological tool¹³ for their application under the Article 6.4 mechanism. During MEP 001, the MEP agreed to launch a call for public

¹¹ See Standard “Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies <https://unfccc.int/sites/default/files/resource/A6.4-STAN-METH-001.pdf> and the Standard “Requirements for activities involving removals under the Article 6.4 mechanism” <https://unfccc.int/sites/default/files/resource/A6.4-STAN-METH-002.pdf>.

¹² See the MEP 001 meeting report available at <https://unfccc.int/sites/default/files/resource/A6.4-MEP001.pdf>.

¹³ ACM0001: Flaring or use of landfill gas, ACM0002: Grid-connected electricity generation from renewable sources, and TOOL07.

inputs on “ACM0002: Grid-connected electricity generation from renewable sources” and “TOOL07: Tool to calculate the emission factor for an electricity system” to gather stakeholder feedback for potential revisions applicable to the Article 6.4 mechanism. The MEP will continue to consider revisions to the methodology and TOOL07 based on stakeholder feedback at the next meeting in 2025. Additionally, it launched a call for public input on “ACM0001: Flaring or use of landfill gas”.

During its second meeting (MEP 002), the MEP considered 31 items¹⁴ and launched a call for public input on the standard for demonstration of additionality in mechanism methodologies.¹⁵ The MEP also prioritized work on the standards for setting the baseline in mechanism methodologies; demonstration of additionality in mechanism methodologies; and addressing leakage in mechanism methodologies. MEP 003 also prioritized developing a concept note on large-scale crediting methodologies, and revision of 12 CDM methodologies and tools. The guidance developed under these standards and tools could potentially impact the further development of other products.

During its third meeting (MEP 003), the MEP considered 20 items¹⁶ and the MEP finalized the draft “Standard: Setting the baseline in mechanism methodologies” and agreed to launch a call for public inputs. The MEP will update the aforementioned baseline standard, taking into account the inputs received, with the aim to make a recommendation to the Supervisory Body at a future meeting in 2025.

At SB 011, an update on the preparations related to engaging with Parties and stakeholders during the UNFCCC sessions in June 2024 in Bonn was discussed to facilitate the work on documents developed by the Supervisory Body at SB 009, namely, A6.4-SB009-A01: “Requirements for the development and assessment of Article 6.4 mechanism methodologies” and A6.4-SB009-A02: “Activities involving removals under the Article 6.4 mechanism”. Guidance was provided by the Supervisory Body to the secretariat in this regard.

At SBM 012, the Supervisory Body considered the information notes “Compilation and analysis of stakeholder inputs on the requirements for Article 6.4 methodologies” and “Compilation and summary of stakeholder inputs on activities involving removals under Article 6.4 mechanism.” The secretariat was requested to update these notes based on inputs received at the Supervisory Body’s engagement event at the sixtieth session of the Subsidiary Bodies (SB 60) and feedback provided during SBM 012. Subsequently, an information note was prepared for SBM 013.

Regarding support for methodological work and other technical documents, non-staff costs included increased support from consultants to draft Article 6.4 mechanism methodologies and revise CDM methodologies.

¹⁴ See the MEP 002 meeting report available at <https://unfccc.int/sites/default/files/resource/A6.4-MEP002.pdf>.

¹⁵ See the call for input available at <https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism/calls-for-input/2024-demonstration-additionality>.

¹⁶ See the MEP 003 meeting report available at <https://unfccc.int/sites/default/files/resource/A6.4-MEP003%20meeting%20report.pdf>.

RCCs provided onsite support to 25 project developers (four in Asia-Pacific, seven in East and Southern Africa, five in Latin America, five in Middle East and North Africa, and four in West and Central Africa) regarding transition to the Article 6.4 mechanism, the role and responsibilities of Article 6.4 DNAs, and corresponding adjustments for Article 6.4 activities. The number of on-site support instances was four times higher than anticipated, underscoring the heightened demand from stakeholders.

RCC West and Central Africa has been supporting the renewal of the grid emission factor for West African Power Pool (ASB0034-2021). RCC Latin America also supported updating grid emission factor for the electricity system of Honduras (ASB0042-2019). Plans to engage standardized baselines developers to renew their standardized baselines for use under the Article 6.4 mechanism via the RCCs, were limited pending finalization of Article 6.4 mechanism methodologies.

Table 6. Registry

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Article 6.4 mechanism registry	1, 2	Changes to modalities of communication and transactions	Transactions	-	-	-	-
	1	Registry reports	Reports	-	-	-	-
	1	IT systems requirements support, testing and acceptance		-	-	1 500 000	58 256

Status of outputs

At SB 010, the secretariat presented a concept note on the operation of the Article 6.4 mechanism registry and informed the Supervisory Body of the expected delivery timing of the mechanism registry. The secretariat also highlighted the possible need for an interim solution in case of any administrative delays related to the procurement process. The Supervisory Body requested the secretariat to prepare a procedure for the mechanism registry covering certain elements.

At SB 011, the Supervisory Body considered the draft procedure “A6.4 mechanism registry” and requested the secretariat to evaluate and incorporate the following aspects: (a) Transaction rules; (b) Provisions for real-time transparency and interoperability of publicly accessible information, based on best practices; (c) Options for the fee schedule; (d) Improvements to document consistency and references, including the necessary references to CMA 3 and CMA 4 guidance; (e) Identification of areas pending guidance from the CMA and/or the Supervisory Body, as applicable; (f) Tabular, graphical and other visual representations of the transaction rules, accounts and unit life cycles (including the treatment of mitigation contribution units and authorized A6.4 emission reductions that are user-friendly).

The draft procedure for operation of the Article 6.4 mechanism registry was considered again by the Supervisory Body at its thirteenth meeting, and it requested the secretariat to further develop the draft procedure for consideration at a future meeting, taking into account the guidance provided at the meeting. The secretariat continued to further develop this draft and the final adoption of the procedure is planned at the SBM 015 in February 2025.

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
<p>The Supervisory Body also considered the concept note “Terms and conditions for entities using the mechanism registry” and requested the secretariat to proceed with developing terms and conditions for authorized account holders. Additionally, the secretariat was requested to prepare a document for Party account holders, outlining their roles and responsibilities, for consideration at a future meeting. Finally, the Supervisory Body took note of the concept note titled “Repurposing the CDM voluntary cancellation platform to serve the Article 6.4 mechanism” and agreed to revisit this matter at a future meeting in 2025.</p> <p>Work on developing the final solution for the mechanism registry is ongoing, and the procurement process and IT development work will continue in 2025 taking into account the outcomes of CMA 6.</p>							

Table 7. Regulatory management

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Regulatory standards and procedures, clarifications, guidelines and forms	2	Regulations and procedures		-	-	50 000	79 997
	2	Develop and maintain regulatory documents		-	-	-	-

Status of outputs

In the reporting period, eight regulations and procedures were considered at the four Supervisory Body meetings and in total 61 regulatory documents were developed.

At SB 011, the Supervisory Body adopted the procedure “Selection and performance evaluation of experts on the Article 6.4 mechanism accreditation roster of experts”.

During the reporting period, the Supervisory Body considered the information note “Compilation of the public inputs on appeal and grievance and additional analysis of issues mandated by the eighth meeting of the Supervisory Body”¹⁷ and the draft procedure “Appeal and grievance processes under the Article 6.4 mechanism” and based on the analysis and public inputs, provided guidance for further revision of the draft procedure. At SB 011, the Supervisory Body finalized and adopted the procedure “Appeal and grievance processes under the Article 6.4 mechanism”, reinforcing the protection of environmental and social human rights. The Supervisory Body further requested the secretariat to elaborate a user-friendly explanatory note on the application of the adopted procedure “Appeal and grievance processes under the Article 6.4 mechanism” and to make it publicly available on the UNFCCC website.

At SB 011, the Supervisory Body considered the draft tool “Article 6.4 sustainable development tool” (A6.4 SD tool) and requested the secretariat to work further on the draft tool in consultation with the informal working group for this matter between that meeting and SBM 013 with the aim of adopting the draft

¹⁷ See document here https://unfccc.int/sites/default/files/resource/a64_SB010_aa_an03.pdf.

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
<p>tool at SBM 013, and to launch a focused call for inputs on the draft A6.4 SD tool, particularly from the CDM DOEs and the validation and verification bodies of other market mechanisms.</p> <p>At SBM 013, the Supervisory Body considered the draft A6.4 SD tool and requested the secretariat to further work on the draft tool in consultation with an informal working group for this matter. At SBM 014, the Supervisory Body adopted the “Article 6.4 sustainable development tool” and requested the secretariat to prepare the respective forms referred to in the A6.4 SD tool, e.g. A6.4 Environmental and Social Safeguards Risk Assessment Form; A6.4 Sustainable Development Tool Form; and A6.4 Environmental and Social Management Plan Form. The Supervisory Body agreed that the A6.4 SD tool shall become mandatory to apply to CDM project activities, or PoAs and component project activities, or PoAs and Clean Production Agreements therein, that may transition to the Article 6.4 mechanism when the forms are made publicly available on the website.</p> <p>At SB 011, the Supervisory Body also considered the concept note “Development of activity standard, validation and verification standard, and activity cycle procedure for programmes of activities”, the draft procedure “Article 6.4 activity cycle procedure for programmes of activities”, the draft standard “Article 6.4 activity standard for programmes of activities” and the draft standard “Article 6.4 validation and verification standard for programmes of activities”, and provided guidance to these draft regulatory documents for PoAs. Subsequently, the Supervisory Body launched a call for public inputs on the aforementioned draft procedure and standards, and requested the secretariat to revise the documents, taking into account the public inputs. At SBM 013, the Supervisory Body adopted the procedure and standards for PoAs thus establishing the regulatory framework for programmes of activities under the Article 6.4 mechanism.¹⁸</p> <p>At SBM 013, the Supervisory Body adopted the revised procedure for transition of the CDM activities to the Article 6.4 mechanism in order to provide flexibility for the transition of multi-country CDM PoAs to the Article 6.4 mechanism and provisions for revising and withdrawing a transition request.</p> <p>At SBM 014, the Supervisory Body adopted the procedure “Direct communication with stakeholders” that replaces the “Procedure: Consideration of unsolicited letters to the Supervisory Body”, which was adopted by the Supervisory Body at SB 004.</p> <p>At SBM 014, the Supervisory Body adopted the procedure “Performance monitoring of the Article 6.4 designated operational entities” and noted that the secretariat will publish the DOE performance monitoring reports in accordance with the timelines as specified in the procedure. In addition, the Supervisory</p>							

¹⁸ See documents here <https://unfccc.int/sites/default/files/resource/A6.4-PROC-AC-003.pdf>, <https://unfccc.int/sites/default/files/resource/A6.4-STAN-AC-004.pdf> and <https://unfccc.int/sites/default/files/resource/A6.4-STAN-AC-005.pdf>

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
<p>Body established the electronic automation workflow to calculate the required performance monitoring indicators and to generate the DOE performance monitoring reports.</p> <p>The secretariat initiated the initial structured legal and editorial review of the regulations and procedures approved by the Supervisory Body to ensure consistency among the regulations, including with regard to its Rules of Procedure, as mandated by the Supervisory Body at SB 010.</p> <p>The secretariat developed and published on the UNFCCC website a total of 59 forms related to: Governance: Host Party participation requirements for the Article 6.4 mechanism, as envisaged in the procedure “Article 6.4 Activity cycle procedure for projects” and the procedure “Article 6.4 procedure for programmes of activities;”</p> <p>Activity cycle: All required forms for Article 6.4 projects as envisaged in the procedure “Article 6.4 Activity cycle procedure for projects”; CDM activity transition to the Article 6.4 mechanism: CDM activity transition to the Article 6.4 mechanism approval form, Request for review of transition request of CDM project activities and CDM programmes of activities forms, and Addendum to design document for CDM activity transition request, as envisaged in the procedure “Transition of CDM activities to the Article 6.4 mechanism”;</p> <p>Accreditation: All required forms for the process of the accreditation of operational entities, as envisaged in the procedure “Article 6.4 accreditation”; Methodologies and methodological tools: Forms required for submitting new methodologies or methodological tools under the Article 6.4 mechanism, as envisaged in the procedure “Development, revision, and clarification of methodologies and methodological tools”.</p>							

Table 8. Market and policy analysis

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Analytical reports	3, 5	Public policy analysis, development, and reports	Reports	1	2	50 000	0
Status of outputs At SB 010, the Supervisory Body took note of the update provided by the secretariat on the latest developments in carbon markets, including information on current data and trends in the sources of demand for mitigation outcomes and sources of supply, as well as information on policy developments relating to carbon markets. At SBM 014, the Supervisory Body took note of the analysis of the alignment of independent crediting standards with the requirements of the Article 6.4 mechanism provided by the secretariat.							

Table 9. Servicing of regulatory body

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Support to the constituted body meetings	2	Legal support		-	-	50 000	43 400
	2	Support to the Supervisory Body, including preparation of meetings	Meetings	5	5	726 417	354 866
Establishment, maintenance and support to the roster of external experts	2	Governance matters related to the Supervisory Body		-	-	31 616	1 476
	2	Management of the support structure of the Supervisory Body (e.g., panels, as appropriate), development of terms of references, call for and selection of membership		-	-	-	-
	2	Maintenance and management of assignments for rosters of experts		-	-	-	-
	2	Documents management for the Supervisory Body and support structure		-	-	-	-

Status of outputs

A dedicated legal officer participated in all Supervisory Body meetings and provided legal advice, when needed. The legal officer also reviewed documents submitted for Supervisory Body meetings and provided legal reviews of approved standards and procedures as mandated.

Support was provided to the Supervisory Body, including preparation for the following five meetings:

- SB 010 (26 February – 1 March 2024);
- SB 011 (29 April–2 May 2024);
- SBM 012 (22–23 May 2024 (virtual));
- SBM 013 (15–18 July 2024);
- SBM 014 (5–9 October 2024).

At SB 010, the Supervisory Body agreed to:

Establish the MEP and AEP and select the AEP and the MEP members for a term of two years and one year, respectively;

Include the shortlisted candidates, who applied to the panels, in the existing roster of experts. The full list of candidates was included as the roster of experts;

Launch a call for A6.4 methodology roster of experts from the least developed countries, small island developing States and Eastern European States.

The Supervisory Body approved the following workplans:

- Workplan of the Supervisory Body 2024 (at SB 010);
- Workplan of the Accreditation Expert Panel (at SB 011);
- Workplan of the Methodological Expert Panel (at SB 011).

At SB 011, the Supervisory Body took note of the updates to its workplan for 2024.

The secretariat ensured that the mandates of the Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement, Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol and the constituted bodies were delivered by developing a yearly workplan for the Supervisory Body and its expert panels. Accordingly, agendas, annotations, documents and reports were prepared on time for the official meetings of the Supervisory Body and its expert panels.

Table 10. Servicing of panels/working groups

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Operationalization of Accreditation Expert Panel and Methodological Expert Panel	2	Support to the Accreditation Expert Panel, including preparation of meetings	Meetings	-	-	361 783	27 539
	2	Support to the Methodological Expert Panel, incl. preparation of meetings	Meetings	-	-	437 645	267 606
	2	Maintaining and managing assignments – roster of experts		-	-	-	-

Status of outputs

At SB 010, the Supervisory Body agreed to:

- Establish the MEP with a tenure until 31 March 2025, and the AEP with a tenure until 31 March 2026;
- Include the shortlisted candidates who applied to the panels in the existing roster of experts. The full list of candidates was included as the roster of experts;
- Launch a call for the A6.4 methodology roster of experts from the least developed countries, small island developing States and Eastern European States.

AEP 001 was held 25–26 April 2024; AEP 002 was held on 19 September 2024.

At SB 011, the Supervisory Body:

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
<ul style="list-style-type: none">Approved the workplan of the AEP;Received an update on the report of the first meeting of the AEP, summarizing its work, including the selection of the Article 6.4 mechanism accreditation roster of experts. <p>MEP 001 was held 15–19 April 2024; MEP 002 was held 24–28 June 2024; MEP 003 was held 9–13 September 2024. At SB 011, the Supervisory Body:</p> <ul style="list-style-type: none">Approved the workplan of the MEP;Received an update on the first meeting of the MEP and approved the recommendations contained in the report. The report summarized the work of the MEP, including the activities related to requirements for the methodologies, activities involving removals, and revision of CDM methodologies and tools.							

Table 11. Capacity-building

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Workshops / trainings Knowledge products Partnerships	4	Coordination and delivery of Article 6.4 capacity-building activities, including preparation of training materials, knowledge products and engagement of experts		-	-	290 814	0
Status of outputs <p>At SB 010, the Supervisory Body considered the information note “Roles and responsibilities of host Parties”.</p> <p>At SB 011, an update on the capacity-building activities related to the A6.4 mechanism was presented. The Supervisory Body highlighted the need for enhanced visibility through the website, improved communication and training products (including videos), and regular updates on the Capacity-Building Workplan. At SBM 013, an update on the capacity building activities for the period December 2023 – November 2024 was presented.</p> <p>With the designated Article 6 capacity-building team in place since March 2024, the work on streamlined capacity-building in support of enhancing the substantive and operational knowledge of Parties and Stakeholders about Article 6-related areas is underway. Work on developing the Article 6 capacity-building web page and new training products that cater to specialized and broader audiences is underway, with their launch expected in 2025.</p> <p>During 2024, five subregional workshops on Article 6 and Carbon Pricing were delivered in South Asia, Latin America, Pacific, Caribbean, and Western and South Africa. Other capacity-building activities,¹⁹ including webinars, country support, workshops, and training sessions, were organized across different regions.</p> <p>Targeted capacity-building support, including through RCCs, in the form of webinars, in-country support, and event presentations has focused on various aspects of Article 6 operationalization and engagement, roles and responsibilities of Parties and DNAs, framework and strategy development, and</p>							

¹⁹ For details of activities, see information note available at https://unfccc.int/sites/default/files/resource/cma2024_inf01.pdf.

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
project/programme development under Article 6. The Article 6 Capacity Building Team, together with the other substantive teams, developed a user-friendly manual ²⁰ for host Parties' participation in the Article 6.4 mechanism. The manual was finalized in December 2024 and will be launched in early 2025.							
Furthermore, to reduce fragmentation of capacity-building efforts and synergize for greater operational efficiency and impact, various partnerships for implementing capacity-building programmes have been developed. A strategic collaboration has been established with the Institute for Global Environmental Strategies under the “Article 6 Implementation Partnership”. Efforts are also underway to establish similar partnerships with other stakeholders, including United Nations University, Africa Carbon Markets Initiative and the World Bank, among others, to leverage technical expertise and knowledge in delivering regional workshops on Article 6 and Carbon Pricing planned in 2025, and other capacity-building products developed by the secretariat.							

²⁰ For more information, see document A6.4-SBM015-AA-A04 available at <https://unfccc.int/sites/default/files/resource/A64-SBM015-AA-A04.pdf>.

Table 12. Secretariat interactions with stakeholders

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Dissemination of information to stakeholders, including clarifications	3, 4	External queries	Transactions	200	218	-	-
Stakeholders' interactions	3	Calls for input and feedback to stakeholders	Transactions and reports	40	176	-	-
Capacity-building of designated national authorities (DNAs) and DOEs	3	Regional DNA forums	Events	-	-	186 747	0
Provision of technical support	3	Nairobi Framework Partnership coordination and regional activities with a focus on Africa, least developed countries and small island developing States		-	-	-	-
	3, 4, 5	Support to stakeholders and capacity-building of DOEs	Interactions	11	0	0	-

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
	3, 4, 5	External engagement activities (technical support to stakeholders and regional engagement)		-	-	-	-
	3, 4, 5	RCC support to activities	Activities	120	139	-	-

Status of outputs

During the reporting period, more than 218 inquiries were processed. Issues included both general and substantive inquiries addressed to the secretariat and Supervisory Body. Topics covered transitions of CDM activities to the Article 6.4 mechanism, clarifications on rules and regulations adopted by the Supervisory Body, prior notifications consideration, and fulfilment of host Party participation requirements, among others. Additionally, five unsolicited letters were considered during the SB 011, namely: (a) two from Parties and groups of Parties: Honduras (on behalf of the Coalition of Rainforest Nations) and Zambia; (b) one from a UNFCCC constituted body: a letter from the co-chairs of the Standing Committee on Finance; and (c) two from other stakeholders: C-Quest Capital²¹ and 44-Moles.²² Furthermore, the secretariat responded to one letter from a stakeholder regarding the handling of inputs related to the draft Sustainable Development Tool and draft Appeal and Grievance procedure.

Twenty-eight observers, including Parties, were registered to interact with the Supervisory Body during the tenth, eleventh, thirteenth and fourteenth meetings on issues included in the annotated agenda and related annexes of each of its meeting.

During the reporting period 13 calls for inputs were launched on various topics, resulting in a total of 176 inputs received from a wide range of stakeholders. At SB 010, the Supervisory Body agreed to establish a forum of the Article 6.4 DNAs, to support the implementation of the Article 6.4 mechanism, and to facilitate a dialogue with host Parties. As part of the mandate to organize regular interaction with the Article 6.4 DNAs, the secretariat held a webinar on the Article 6.4 implementation update for DNAs on 21 May 2024, which focused on providing updates on the work of the Supervisory Body, regulatory frameworks for projects, transition and roles and responsibilities of host Parties.

²¹ See <https://cquestcapital.com> for more information.

²² See <https://44moles.com> for more information.

As part of the secretariat interactions with stakeholders, the secretariat reached out twice to all Parties to the Paris Agreement to designate and communicate their national authority for the Article 6.4 mechanism. Accordingly, 97 Parties have designated their national authority thus far.

In addition, the secretariat communicated all eligible CDM activities, including more than 1,600 projects and PoAs that have requested transition, to relevant DNAs, copying UNFCCC national focal points, along with the request to fulfil the requirements related to the host Party participation and host Party approval for these projects. Ten Parties – Benin, Bhutan, Dominican Republic, Ghana, India, Mali, Morocco, Myanmar, Togo and Uganda – have communicated their host Party participation requirements to the Supervisory Body.

With the adoption of the procedure “Direct communication with stakeholders”, the Supervisory Body continued to enhance its engagement with stakeholders. In addition, based on the mandate from the SBM 013, the secretariat is currently developing a user-friendly manual on the roles and responsibilities of host Parties to facilitate their engagement in the Article 6.4 mechanism.

As for the Nairobi Framework Partnership coordination and technical support to stakeholders and regional engagement, as well as capacity-building of DOEs, the related activities are scheduled to commence in Q1 and Q2 2025.

The RCCs continued identifying and assessing key regional actors that support capacity-building, training, and knowledge-sharing activities related to Article 6. This mapping efforts help to understand existing initiatives, gaps, and opportunities for collaboration, ensuring more effective partnerships. A total of 139 interactions took place, on the margins of 98 capacity-building events on Article 6 organized by the secretariat or external stakeholders. These interactions included 41 responses to queries on methodological and procedural issues, mainly related to the transition from the CDM to the Article 6.4 mechanism and revision of modalities of communication. RCCs continued sharing knowledge on Article 6 in their respective regions, including through their bi-monthly newsletters, web pages and LinkedIn group, including a campaign relating to transition of CDM projects and PoAs to the Article 6.4 mechanism.

Table 13. Cross-cutting

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Strategic guidance, coordination and oversight, including supervision of deliverables	1–5	Regular engagement with the Supervisory Body	Meetings	5	5	-	-
	3	Strategy development and implementation		-	-	-	-
	1–5	Ensuring consistency, coherence, and quality of outputs across workstreams					1–5
Communication Strategy Strategic and external communications Media-related activities (blogs, social media, etc.) Communication products and media relationship	3, 5	Communications		-	-	155 302	89 048
Quality management system	2	Quality management		-	-	-	-

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Websites, extranets and repositories Catalogue of decisions and taxonomy Records management	1, 3, 4	Information and knowledge management		-	-	58 725	19 200
Secretariat-wide responsibilities	1–5	Secretariat-wide responsibilities		-	-	-	-
Data gathering, analysis and reports	2	Data management		-	-	-	-
Status of outputs <p>During the reporting period the secretariat supported five Supervisory Body meetings (SB 010 – SBM 0014) and convened a strategy session on 26 February 2024 to advance operationalization of the Article 6.4 mechanism. The secretary to the Supervisory Body, Mitigation Division managers and Team Leads regularly briefed the Chairs of the Supervisory Body on upcoming meeting agendas and strategies. At the SB 011, the UNFCCC Executive Secretary Simon Stiell attended one session, reaffirming the secretariat's support for the Supervisory Body and the Article 6.4 mechanism. To ensure timely and high-quality outputs, measures such as strategic planning, review processes, and quality assurance were implemented, fostering consistency, coherence, and continuous improvement across workstreams.</p> <p>At SB 010, the Supervisory Body agreed to refer to the Article 6.4 mechanism as the “Paris Agreement Crediting Mechanism” in external communications, following thorough due diligence process. Subsequently, at SB 011, after the secretariat's analysis of formal or informal name changes to avoid confusion with the acronym ‘SB,’ the Supervisory Body adopted ‘SBM’ (with “M” signifying “of the Mechanism”). No CMA decision was required for this change.</p> <p>During the reporting period, communication efforts significantly broadened engagement with the Article 6.4 community. Communication products delivered included:</p>							

- **Quarterly communication evaluations:** Three comprehensive evaluation reports for Q1, Q2 and Q3 2024 were prepared and shared with the Supervisory Body;
- **Newsletters:** 14 newsletters (20,000 total reads) were sent to the Article 6.4 community, with a subscriber base that increased from 1,720 in January 2024 to 2,563 by December 2024 (49 per cent increase);
- **Press releases and media monitoring:** Four press releases were issued and featured on the UN Climate Change website, including a section on Article 6 outcomes in the UNFCCC closing press release for COP29. Five media monitoring reports were compiled to assess coverage, supplementing daily media monitoring that informed the UNFCCC Communications and Engagement Division's daily communications updates. In total, 183 pieces of media coverage related to Article 6 were monitored and recorded in 2024;
- **Media briefings:** One background media briefing on Article 6 was held prior to COP29, with the Mitigation Director and the Article 6.4 Supervisory Body Vice-Chair providing background information. Thirteen journalists from top-tier publications attended. During COP29, the Chair and Vice-Chair of the Article 6.4 Supervisory Body joined the Executive Secretary, the COP29 Lead Negotiator, and the COP29 Champion to brief the press and answer questions on the newly agreed Article 6.4 standards;
- **Media training:** Seven members/alternate members of the Article 6.4 Supervisory Body received media training in 2024, preparing them to serve as spokespersons on behalf of the Body, as required;
- **Understanding audiences:** The secretariat engaged in audience mapping work, to better understand various stakeholders and their communication needs ahead of COP29;
- **Messaging:** Article 6 key messages were incorporated into Executive Secretary speeches throughout the year, including for the opening and closing speeches of COP29, contributing to increased media coverage;
- **Social media content:** Social media content promoting Article 6 achieved substantial reach and engagement. Thirty-three LinkedIn posts in the Article 6 LinkedIn Group, which has over 5,000 members, generated a total of 120,500 views. Six posts on the UN Climate Change LinkedIn page and one on the Executive Secretary's LinkedIn page collectively attracted 137,200 views. In addition, three posts on the UN Climate Change Instagram account reached 104,900 views, and two posts on X published during COP29 accumulated 52,800 views. One of these X posts featured a video spotlighting the Day 1 agreement of Article 6.4 standards and co-produced influencer content.

These initiatives underscore the Article 6.4 Supervisory Body's commitment to transparency and community outreach and engagement.

Progress in information and knowledge management during the reporting period has supported the Supervisory Body's efforts to enhance public information access and overall information accessibility. Key achievements include:

- Creation of 53 new web pages in 2024, bringing the total number of web pages for the A6.4 mechanism to 126. These web pages support the Supervisory Body's efforts to enhance overall information accessibility for the public and enable stakeholders to stay engaged with the Supervisory Body and the progress of the Article 6.4 mechanism's process;
- Development and maintenance of 10 web pages for meetings of the of SBM, MEP and AEP, with 148 meeting documents uploaded, ensuring that documents and meeting presentations and other information are available to the public;
- Development and maintenance of 13 call-for-input web pages to facilitate the Supervisory Body and its supporting panels in seeking views of stakeholders on specific topics or issues and fostering inclusive engagement with stakeholders. In 2024, a total of 176 submissions were collected and posted on the web pages, ensuring that diverse perspectives are heard and considered by the SBM and its supporting expert panels;
- Creation and maintenance of "Mechanism Processes" web pages, which ensure that stakeholders and the public have access to the latest information on projects that are in "prior consideration notifications for Article 6.4 activities" and "transition of CDM activities to the A6.4 mechanism". Under the mechanism's accreditation process, nine dedicated web pages were created for application entities undergoing the global stakeholder consultation process. These web pages provide centralized access to application details, supporting documents, and submission information, ensuring transparency and stakeholders' participation;
- Creation and maintenance of the "Rules and Regulations" web pages that serve as a centralized and comprehensive resource offering access to over 100 regulatory documents that support the operationalization of the Article 6.4 mechanism. The web pages includes forms that enable various stakeholders to participate in the Article 6.4 mechanism and adhere to its regulatory requirements;
- Implementation of the "Decision and Document Framework," which establishes a clear document hierarchy and has promoted transparency and facilitated public access to key decisions and documents. In addition, the Document Symbol Numbering System for Article 6.4 Mechanism Regulatory Documents was established, supporting efficient reference, citation and retrieval of information;
- Development and maintenance of three Article 6.4 mechanism SharePoint extranet sites for Supervisory Body, MEP and AEP members, offering secure platforms for collaboration and accessing membership documentation;
- Cataloguing and processing of 148 documents and 95 forms, ensuring consistency in documentation classification and facilitating efficient data collection and information retrieval;
- Development and maintenance of an Article 6.4 taxonomy, simplifying the organization and retrieval of information for both internal teams and external users. This taxonomy will continue to evolve with the mechanism;
- Provision and maintenance of 10 Article 6.4 mechanism external email accounts that support efficient communication with stakeholders for various processes in the Article 6.4 mechanism.

These outputs reinforce the Supervisory Body's commitment to transparency, openness and accessibility, ensuring that the public has access to essential information.

The secretariat-wide responsibilities included providing substantive inputs on Article 6.4 for requests from the Executive Office and Programme Coordination. Specifically, the Mitigation Division responded to requests for inputs to speaking points and briefing notes for senior management during the reporting period. Additionally, to build support for operationalizing the Article 6.4 mechanism, the secretariat participated in Article 6.4-related events during sessions of the Subsidiary Bodies and CMA, as well as other forums.

Regarding data management, 3 surveys for panels, 12 web data extractors for analysing voluntary markets, 4 databases, the mandate tracking system, and different automatizations were developed during the reporting period. All mandatory reports and automatic communications were produced and sent monthly.

Table 14. Cross-cutting: internal administration

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Recruitments and contract management	1–5	Human resources, skill development, and learning and materials		-	-	50 000	15 579
Financial management and reporting	1–5	Finance (including budget, expert payments, fee payments, and procurement)		-	-	-	-
Business Plan and Resource Allocation Plan (RAP) development	1–5	Intra-secretariat engagement agreement		-	-	10 000	5 792
Mid-year and end-year review reports on the status of RAP 2024–2025 implementation	1–5	Planning, monitoring and reporting		-	-	-	-
Development and monitoring of service-level framework agreements (information technology, communications, legal services)	1–5	Travel management		-	-	100 000	86 919
	1–5	Management and meetings		-	-	-	-
	1–5	Supplies and subscriptions		-	-	89 188	6 808

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non-staff costs (USD)	Actual
				2024	December 2024	2024	December 2024
Status of outputs							
<p>At SB 011, an update was provided on the RAP for 2023, and the Supervisory Body welcomed the efforts by the secretariat to expedite the recruitment for vacant positions included in the RAP 2024--2025.</p>							
<p>During the reporting period, recruitment was completed for 43 of the 52 approved positions, recruitment for 8 positions is at final stages in the process, and 1 position is to be advertised. The secretariat has continued to prudently manage and monitor the resource allocation against priority areas of work to ensure the full utilization of available staff in delivering high-quality products on time.</p>							
<p>Inputs on the Article 6.4 budget were provided during the reporting period for the secretariat’s budget performance report 2022–2023 and work programme 2024–2025.</p>							
<p>In Q3 2024, the Internal Service Agreement between the Mitigation and Information and Communication Technology (ICT) divisions was signed. The agreement covers the ICT services to support a wide range of activities under the Supervisory Body’s workplan, including ICT services for Supervisory Body meetings, stakeholder interactions, MIS, and Article 6.4 Registry for 2024 and 2025.</p>							
<p>The information note “Status of Article 6.4 mechanism Resource Allocation Plan 2024-25 implementation (1 January – 30 June 2024)” was submitted to the Supervisory Body at SBM 014. In Q4 2024, work began to finalize the end-year review report covering the period 1 January – 31 December 2024 on the status of implementation of the RAP 2024–2025.</p>							
<p>Actual subscriptions include online portals offering recent intelligence on carbon pricing and climate change policies, as well as newsletter online services for Article 6.4 communications.</p>							
<p>In accordance with paragraph 16 of the UNFCCC financial procedures contained in Annex I of decision 15/CP.1, and further to decision 7/CMA.4, paragraph 27, at the beginning of 2024, the secretariat took steps to establish a separate trust fund for the receipt of the shares of proceeds to cover expenses relating to the administration of the Article 6.4 mechanism and to administer other contributions, including the share of proceeds to assist developing country Parties that are particularly vulnerable to the adverse effects of climate change to meet the costs of adaptation. The Paris Agreement Crediting Mechanism Trust Fund has been established by the United Nations Secretary-General. It will be administered in conformity with the UNFCCC Financial procedures and the United Nations Financial Regulations and Rules and will be managed by the Executive Secretary of the UNFCCC secretariat.</p>							

2.2. Budget and expenditure

5. Table 15 shows the breakdown of the budget and expenditure by the different cost categories.

Table 15. Comparison of budget and expenditure from 1 January to 31 December 2024 (USD)

Expense	Budget 2024 (a)	Expenditure (Jan–Dec 2024) ^(m) (b)	Difference to 2024 budget (a–b) = (c)	Per cent rate of expenditure against 2024 budget (b/a) = (d)
Staff^(a)	8 339 371	5 060 174	3 279 197	60.7
Consultants^(b)	524 136	733 812	- 209 676	140.0
Expert fees^(c)	471 279	128 518	342 761	27.3
Expert travel^(d)	303 488	177 007	126 481	58.3
Travel of representatives^(e)	338 917	—	338 917	—
Travel of representatives -Supervisory Body^(f)	511 849	203 664	308 185	39.8
Travel of staff^(g)	404 818	147 275	257 543	36.4
Training^(h)	50 000	9 616	40 384	19.2
Operating expenses⁽ⁱ⁾	463 089	141 947	321 142	30.7
Total cost of ownership (TCO) ^(j)	948 258	578 990	369 268	61.1
Engagement agreement (IT)^(k)	4 068 498	2 121 323	1 947 175	52.1
Subtotal	16 423 703	9 302 326	7 121 377	56.6
Programme support costs (PSC) ^(l)	2 135 081	1 209 302	925 779	56.6
Total	18 558 784	10 511 629	8 047 155	56.6

(a) Staff costs include staff, general temporary assistance and related costs such as salaries, overtime payments, dependency allowance, education grants, rental subsidies, home-leave travel, travel on appointment, separation and after-service health insurance, among other costs.

(b) Consultant costs include consultants and individual contractor fees and travel costs.

(c) Expert costs include panels' attendance fees and case fees.

(d) Expert travel includes ticket costs and daily subsistence allowance (DSA) of panel members.

(e) Travel of representatives includes ticket cost and DSA for participants in meetings and workshops.

(f) Travel of representatives (Supervisory Body) includes travel costs such as ticket costs and DSA.

(g) Travel of staff costs includes ticket cost, DSA, terminal expenses and miscellaneous expenses.

(h) Training costs include staff and Supervisory Body members and consultant costs for training, ticket costs and DSA.

(i) Operating expenses include rental of equipment, shipping and transport costs, maintenance costs and other logistics costs.

(j) Total cost of ownership (TCO) – Service programmes in the secretariat (Information and Communication Technology, Conference Affairs and Administrative Services) render services to all secretariat activities funded from both core and non-core sources of funding. The purpose of TCO charges is to ensure the allocation of costs of these support services to the sources of funding to which they relate.

(k) Engagement agreement (IT) includes IT-related costs, including the development and operation of the Article 6.4 registry and MIS.

^(l) Programme support costs (PSC) – In accordance with the financial procedures of the United Nations, 13 per cent of overhead charges are payable on all trust funds of UNFCCC to cover administrative services provided by the United Nations Office at Geneva and the UNFCCC secretariat.

^(m) Includes obligations.

6. Column (d) in table 15 shows the rate of expenditure as a percentage against the 2024 budget for each cost category. The total rate of expenditure (56.6 per cent) is below the linear rate of expenditure (100 per cent) for the reporting period.
7. Staff costs amount to 60.7 per cent of the 2024 budget for this object of expenditure which is significantly lower than the linear rate of 100 per cent. The lower rate is due to the timing between the selection and onboarding of recruited staff and due to prudent resource management including capitalizing on the synergies with human resources supporting other areas of work.
8. Consultant costs amount to 140.0 per cent of the projected 2024 budget for this object of expenditure, which is higher than the projected rate of expenditure (100 per cent). The higher expenditure rate is due to obligations (48 per cent of the total consumed USD 733, 812) for which the services are to be received in 2025.
9. The expert fees amount to 27.3 per cent of the projected 2024 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (100 per cent). This reflects the fees for the two meetings of the AEP and three meetings of the MEP processed in the period.
10. Expert travel amounts to 58.3 per cent of the projected 2024 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (100 per cent). This represents travel costs of the in-person meetings of the panels and working groups in 2024.
11. With regard to travel of representatives, there were no meetings, workshops or other events during the reporting period.
12. Travel of Supervisory Body members amounts to 39.8 per cent of the projected 2024 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (100 per cent). This represents the cost of the in-person meetings of the regulatory body.
13. Travel of staff amounts to 36.4 per cent of the 2024 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (100 per cent). The lower expenditure reflects reduced staff participation in events outside of Bonn, due to prudent resource management.
14. Training costs amount to 19.2 per cent against the projected 2024 budget, which is significantly lower than the linearly projected rate of expenditure (100 per cent). The lower rate is due to prudent resource management.
15. Operating expenses amount to 30.7 per cent of the projected 2024 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (100 per cent). This is due to fewer meetings held throughout the year than anticipated.
16. Engagement agreement costs, IT-related, costs amount to 52.1 of the 2024 budget for this object of expenditure, which is lower than the projected rate of expenditure (100 per cent).

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