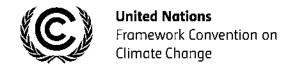
## A6.4-INFO-GOV-025

# Information note

Status of Article 6.4 mechanism resource allocation plan 2024–2025 implementation (1 January – 30 June 2025)

Version 01.0



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Status of Article 6.4 mechanism resource allocation plan 2024–2025 implementation (1 January – 30 June 2025)
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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 meeting, 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 mechanism.<sup>2</sup>
- 2. This document describes the status of implementation of the RAP for the period 1 January through 30 June 2025, the activities underway, and the financial and human resources of the secretariat's Mitigation division, which supports the Supervisory Body and the operation of the Article 6.4 mechanism.

# 2. Progress report on outputs and resources utilized

3. In the first half of 2025, the secretariat delivered outputs related to the following areas: (i) accreditation system; (ii) entity assessments; (iii) activity assessments; (iv) activity cycle; (v) methodologies; (vi) registry; (vii) regulatory management; (viii) market and policy analysis; (ix) servicing of regulatory body; (x) servicing of panels/working groups; (xi) capacity-building; (xii) secretariat interactions with stakeholders; (xiii) cross-cutting; and (xiv) cross-cutting; internal administration.

# 2.1. Status of planned outputs

4. The status of outputs as of 30 June 2025 including actual volume against forecasted volume for 2025 are presented in the sections below.

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

<sup>&</sup>lt;sup>2</sup> Ibid.

## 2.1.1. Accreditation system

Outputs	Goals <sup>(a)</sup>	Goals <sup>(a)</sup> Activities	Units	Forecasted volume (b)	Actual volume <sup>(c)</sup>	Approved non- staff costs <sup>(c)</sup> (USD)	Actual non-staff costs (USD)
				2025	June 2025	2025	June 2025
Support for entities' assessment	1	Entity administration	Entities	42	22	-	-
	1	Entity assessment planning	Assessments	40	4	-	-
Development of a performance monitoring system	1	Entity performance monitoring system	System	1	0	-	-
<b>J</b> ,	1	Handling of complaints and requests for review	Reports	1	0	-	-

<sup>(</sup>a) Description of the goals are included in section 2, "Strategic vision and goals", RAP 2024–2025. See document A6.4-INFO-GOV-007 available at <a href="https://unfccc.int/sites/default/files/resource/A6.4-INFO-GOV-007.pdf.Hhh">https://unfccc.int/sites/default/files/resource/A6.4-INFO-GOV-007.pdf.Hhh</a>

<sup>(</sup>b) The forecasted volume estimates may be further reviewed and updated in the course of implementation of RAP 2024-25.

<sup>(</sup>c) Where appropriate, clarifications have been provided in the status of outputs when the actual volume is zero in the reporting period.

<sup>(</sup>d) Non-staff costs refer to expenses for consultants, experts, travel, operating expenses and training.

#### 2.1.1.1. Status of outputs

- 5. As outlined in paragraph 32 of the report<sup>3</sup> of the tenth meeting of the Supervisory Body (SB 010), 28 clean development mechanism (CDM) designated operational entities (DOEs) were authorized to verify and certify requests for issuance of transitioned CDM activities. Their current status was updated on the Article 6.4 mechanism public website<sup>4</sup> until 30 September 2025.
- 6. In addition, one Article 6.4 DOE was accredited at SBM 015, and 16 applicant entities (AEs) have been undergoing initial accreditation assessments in accordance with accreditation procedure of the Article 6.4 mechanism<sup>5</sup> adopted at SB 008.
- 7. A total of 22 entities were under administration, exceeding the estimated volume for the reporting period. However, only four assessments were undertaken, which is below the estimated volume for the reporting period. This is due to the implementation of the above-mentioned SB 010 decision, which allows 28 CDM DOEs to conduct verification and certification of requests for issuance of transitioned activities under the Article 6.4 mechanism without undergoing additional accreditation assessment.
- 8. During the reporting period, there were no complaints or requests for review raised in accordance with the accreditation procedure of Article 6.4 mechanism.
- 9. The DOE performance monitoring procedure considered at the second meeting of the Accreditation Expert Panel (AEP 002) and adopted at SBM 014 will be implemented once activity submissions requesting registration and issuance under Article 6.4 mechanism are received.

Meeting report available at https://unfccc.int/sites/default/files/resource/SB010\_report.pdf.

https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-64-pacm/accreditation#CDM-DOEs-conducting-verification-of-requests-for-issuance-of-transitioned-activities.

<sup>&</sup>lt;sup>5</sup> Procedure: Article 6.4 accreditation (A6.4-PROC-ACCR-001) available at <a href="https://unfccc.int/sites/default/files/resource/A6.4-PROC-ACCR-001.pdf">https://unfccc.int/sites/default/files/resource/A6.4-PROC-ACCR-001.pdf</a>.

#### 2.1.2. Entity assessment

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
				2025	June 2025	2025	June 2025
Assessments of operating entities	1	Performance assessments (validation and verification)	Assessments	6	0	-	-
•	1	Regular surveillance and spot checks	Assessments	6	0	-	-
	1	Requests for initial accreditation and re-accreditation	Requests	14	8	-	-
Workshops for accreditation experts and designated	1	Calibration of assessment team leads	Workshops	2	0	-	-
operational entities (DOEs)	1	DOE calibration workshop	Workshops	2	0	69 691	0

# 2.1.2.1. Status of outputs

- 10. Currently, eight entities are at the stage of conducting requests for initial accreditation assessment. Regular surveillance will be conducted after the completion of the initial accreditation assessments. Therefore, there was no regular surveillance conducted during this reporting period. Also, as no request for issuance was made for 10 transition requests approved by the Supervisory Body during the reporting period, no performance assessments were launched during the reporting period.
- 11. In the reporting period, the preparations were underway for the assessment team calibration workshop and the AE/DOE calibration workshop, which were planned on 1–2 July and 15–16 July 2025, respectively.

# 2.1.3. Activity assessments

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
				2025	June 2025	2025	June 2025
Assessments of activity submissions	1	Requests for direct communication, renewal of crediting period, and review	Requests	20	0	75 000	19 250
	1	Requests for programmes of activities (PoA) issuance covering component activities (CAs)	Requests	30	0	-	-
	1	Requests for PoA post- registration change (PRC)	Requests	30	0	-	-
	1	Requests for PoA registration	Requests	20	8	-	-
	1	Requests for activity issuance	Requests	300	0	-	-
	1	Requests for activity PRC	Requests	30	0	-	-
	1	Requests for activity registration	Requests	100	10	-	-
	1	PoA post-registration CA inclusion requests	CA inclusions	100	0	-	-

## 2.1.3.1. Status of outputs

- 12. During the reporting period, 18 submissions for transition request to Article 6.4 mechanism were received. Out of these, 10 submissions were for project activities and 8 submissions were for Programme of Activities (PoAs). Their geographical distribution covered Asia (12), Africa (4) and Latin America (2). So far, 10 requests for transition were approved as Article 6.4 activities and 8 requests were in different assessment stages, for example in completeness, substantive or summary note or review stages.
- 13. The validation of new activities under the Article 6.4 mechanism has not started yet, as Article 6.4 methodologies were not available. Also, no request for issuance was submitted for approved transitioned activities. The secretariat will process requests for registration, renewal, inclusion and issuance once received.

#### 2.1.4. Activity cycle

Outputs	Goals	Is Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
				2025	June 2025	2025	June 2025
Article 6.4 mechanism information system	2	Development and operation of the Article 6.4 mechanism information system (MIS)	IT system	1	1	2 700 000	2 656 444
	2	Workflow support for activity cycle	Tasks	1150	1508	-	-

## 2.1.4.1. Status of outputs

- 14. During the reporting period, 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, were defined and, in some cases, reviewed and updated.
- 15. The vendor responsible for the development of the MIS delivered several foundational modules related to user identification, security, front ends, and other capabilities. Additionally, the transition workflow was released to allow focal points to submit documentation related to the transition process.
- 16. On the development side:
  - (a) The work on technical and non-technical requirements was continued as planned;
  - (b) Around 1,235 user stories were developed in areas such as methodologies, accreditation, transition, fee-processing, prior consideration, issuance, modality of communication, registration, and access management, thus guiding the development teams.
- 17. On the operational side:
  - (a) At the end of the reporting period, 107 DNAs had submitted documentation and the secretariat reviewed, stored and published it within the expected timeframes;

- (b) During reporting period, a total of 163 prior consideration notifications were processed and published using dedicated workflows and interfaces for PoAs and project activities. At the end of the reporting period, a total of 1,508 cases had correctly requested transition, and over 1,100 cases notified a prior consideration. All of these cases were integrated into the respective workflows, resulting in a significant workload related to user identity confirmation, as well as documentation validation and assessment;
- (c) Eight accreditation entities submitted documentation using a dedicated interface;
- (d) During the reporting period 35 activities (17 project activities (PAs), 18 PoAs) received host Party project approval and 10 of them were registered (five PAs, and five PoAs).
- (e) To facilitate these activities, solutions, interfaces, and public webpages were developed and utilized for efficient submission management.

# 2.1.5. Methodologies

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
				2025	June 2025	2025	June 2025
Methodologies, standards and tools	2	Processing of requests for clarification, deviation, revision, and new submissions	Requests	45	4	-	-
Technical documents, procedures and guidelines on methodological aspects, including removals	2	Processing of submitted standardized baselines	Evaluation of submissions	10	0	-	-
	2	Scientific editors/technical writers: support for methodological work and other technical documents		-	-	78 000	27 840
	2	Analysis and revision of existing methodologies and standardized baselines	Revisions	26	0	12 081	0
Support for methodologies-related clarifications and inquiries	2	Development of technical procedures and guidelines on methodological aspects	Procedures and guidelines	15	0	-	-
	2	Methodological requests from the Supervisory Body	Requests	25	0	-	-

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
•				2025	June 2025	2025	June 2025
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	23	177 795	0
	3, 4	RCC support to bottom-up standardized baselines	Standardized baselines	30	1	-	-

#### 2.1.5.1. Status of outputs

- 18. In the reporting period, four bottom-down submissions of new<sup>6</sup> methodologies were received. No requests for clarification and deviation were submitted, and no standardized baselines were submitted and processed. Requests for clarification of, deviation from, and revision of methodologies will commence once CDM methodologies transition to the Article 6.4 mechanism, which is tentatively scheduled to start in 2026.
- 19. During the fourth meeting of the Methodological Expert Panel (MEP 004), the MEP considered 18 items. The MEP 004 finalized the "Draft Standard: Setting the baseline in mechanism methodologies" and "Draft Standard: Demonstration of additionality in mechanism methodologies" for submission to the Supervisory Body for its review and consideration for approval and/or further mandate to finalize the standards. The MEP also finalized the "Draft Standard: Addressing leakage in mechanism methodologies" and agreed to launch a call for public inputs on this draft standard. Lastly, the MEP requested mandates from the Supervisory Body to:
  - (a) Initiate work on a methodological tool for "Common practice analysis";
  - (b) Develop a concept note to analyse potential issues related to activities that are supported through a combination of public funding and carbon revenues;

<sup>&</sup>lt;sup>6</sup> https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-64-pacm/methodologies#submissions.

- (c) Initiate work to amend the "Draft Standard: Demonstration of additionality in mechanism methodologies" to include methodology requirements for PoAs; and renewal of the crediting period.
- 20. At MEP 005, the MEP considered 20 items and, based on guidance received at SBM 015, further revised and finalized the "Draft Standard: Setting the baseline in mechanism methodologies" and the "Draft Standard: Addressing leakage in mechanism methodologies" for submission to the Supervisory Body.
- 21. At MEP 006, the MEP considered 14 items and finalized the draft "Standard: Addressing suppressed demand in mechanism methodologies" and the draft "Concept note: Applicability of removal guidance to emission reduction activities and vice versa" and agreed to seek inputs from stakeholders on both documents.
- 22. 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.
- 23. RCCs provided on-site support to 23 project developers (three in Asia-Pacific, two in the Caribbean, five in East and Southern Africa, six in Latin America, and seven in Middle East and North Africa) regarding transition to the Article 6.4 mechanism, the role and responsibilities of Article 6.4 mechanism DNAs, and approval and authorization matters relating to Article 6.4 mechanism activities. The number of on-site support instances was four times higher than anticipated, underscoring the continuation of an increased demand from stakeholders.
- 24. RCC Caribbean was supporting the procedural and methodological clarification on update of electricity grid EF (ASB0015) for Dominican Republic.

#### 2.1.6. Registry

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
				2025	June 2025	2025	June 2025
Article 6.4 mechanism registry	1, 2	Changes to modalities of communication and transactions	Transactions	400	0	-	-
	1	Registry reports	Reports	200	0	-	-
	1 IT systems requirements support, testing and acceptance		-	-	700 000	63 029	

# 2.1.6.1. Status of outputs

- 25. During the reporting period, the Supervisory Body, at its 15<sup>th</sup> meeting, took note of the progress made in the implementation of the interim mechanism registry and acknowledged its readiness for immediate use. The Supervisory Body agreed to launch the interim mechanism registry, enabling its immediate use to support activities under the Article 6.4 mechanism. To support users, the Supervisory Body requested the secretariat to prepare and provide information and guidance to facilitate user interaction with the registry and its administrator.
- 26. At the same meeting, the Supervisory Body adopted the "Procedure: Article 6.4 mechanism registry". This procedure formalizes the operational processes of the mechanism registry, including account opening, transaction rules, and compliance with the guidance of the Conference of the Parties serving as the Meeting of the Parties to the Partie Agreement (CMA).
- 27. The Supervisory Body also took note of the development of the document "Important information about the mechanism registry for Parties", which outlines critical considerations for Party account holders and supports understanding of their roles and responsibilities.
- 28. Also at its 15<sup>th</sup> meeting, the Supervisory Body took note of an information note on "Analysis of the pros and cons related to framing users' rights with regard to control versus confirming ownership of account holdings" and agreed to proceed with the development of the mechanism registry's framing users' rights with regard to control rather than seeking to confirm ownership of account holdings. The Supervisory Body

- requested the secretariat to launch a call for stakeholder input on the information note, and the secretariat presented a compilation of the inputs received to the Supervisory Body at SBM 016.
- 29. The Supervisory Body took note of the information note "Legal, technical and financial implications of providing functionality for the treatment of financial security interests in the A6.4ERs [Article 6.4 Emission Reductions] within the mechanism registry" and, considering the conclusions of the analysis on framing users' rights above, requested the secretariat to continue work on the possibility of providing functionality for security interest arrangements in the mechanism registry through a pledge system. The Supervisory Body also requested the secretariat to launch a call for stakeholder input on the information note, including on the possibility of providing functionality for security interest arrangements in the mechanism registry through a pledge system, and the secretariat presented a compilation of the inputs at SBM 016.
- 30. The Supervisory Body also took note of the information note "Terms and conditions for entity account holders" at its 16<sup>th</sup> meeting and requested the secretariat to make it available on the registry website.
- 31. In the reporting period, no transactions and related reports were processed, as the Article 6.4 mechanism registry is under development. The transactions are tentatively expected before the first quarter of 2026.

#### 2.1.7. Regulatory management

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
				2024	June 2025	2025	June 2025
Regulatory standards and procedures, clarifications, guidelines and forms	2	Regulations and procedures		-	-	-	_
	2	Develop and maintain regulatory documents		-	-	-	-

## 2.1.7.1. Status of outputs

- 32. In the reporting period, eight regulations and procedures were considered at the four Supervisory Body meetings, and in total 67 regulatory documents were developed.
- 33. As outlined in the paragraph 20 and 21 of the meeting report of SBM 014, the secretariat made three forms referred in the A6.4 Sustainable Development (SD) tool, i.e. A6.4 Environmental and Social Safeguards Risk Assessment Form (A6.4-FORM-AC-015), A6.4 Sustainable Development Tool Form (A6.4-FORM-AC-016) and A6.4 Environmental and Social Management Plan Form (A6.4-FORM-AC-016), which have been available since 11 February 2025. Therefore, project participants of CDM activities eligible for transition to the Article 6.4 mechanism should have begun to use the A6.4 SD tool starting from 09:00 CET of 11 February 2025.
- 34. At SBM 015, the Supervisory Body considered and adopted the revision to the "Activity cycle procedure for projects" and "Activity cycle procedure for projects" and "Activity cycle procedure for programmes of activities". The revisions provided procedural background for operationalization of the authorization process and exemption of Article 6.4 mechanism activities hosted in the Least Developing Countries (LDCs) and Small Islands Development States (SIDS) including an option for LDCs and SIDS not to apply this exemption, along with other changes. The Supervisory Body requested the secretariat to elaborate an information note with options for a time limit from the date of issuance to when the host Party shall provide a statement of authorization for post-issuance authorization of the A6.4ERs for consideration at a future meeting of the Supervisory Body based on the experience gained from application of the exemption.

- 35. At SBM 015, the Supervisory Body considered and adopted the revision to "Standard: Transition of CDM activities to the Article 6.4 mechanism" and "Procedure: Transition of CDM activities to the Article 6.4 mechanism" to provide the procedural basis for transition of CDM Afforestation/Reforestation project activities and PoAs. At SBM 016, the Supervisory Body further revised these documents to include provisions on avoidance of double issuance for provisional requests for issuance for transition activities, and provisions which require the use of re-evaluated values for the fraction of non-renewable biomass and the discount factor for the leakage for activities using CDM methodologies that have a risk of non-permanence of emission reductions.
- 36. At SBM 016, the Supervisory Body considered and adopted the revisions to the "Standard: Article 6.4 activity standard for projects", the "Standard: Article 6.4 activity standard for programmes of activities", the "Standard: Article 6.4 validation and verification standard for programmes of activities". The revisions incorporated relevant elements which must be followed by activity participants to develop and monitor Article 6.4 projects and PoAs, and by DOEs to validate and verify Article 6.4 projects and PoAs, contained in the "Standard: Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies", the "Standard: Requirements for activities involving removals under the Article 6.4 mechanism", the "Standard: Demonstration of additionality in mechanism methodologies" and the "Tool: Article 6.4 sustainable development tool". The revisions also clarified the eligibility date for the start date of Article 6.4 activities, elaborated aspects related to alternative monitoring and deviation processes for activity participants in case of irremediable negative impacts detected, and reflected the outcomes of the structured editorial and legal review.
- 37. The secretariat conducted 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. The proposed changes in each document were submitted for consideration and approval by the Supervisory Body. In addition, at SBM 016, the Supervisory Body adopted the procedure "Periodic structured legal and editorial review system of the Article 6.4 Supervisory Body's regulatory documents".
- 38. For regulatory documents related to governance matters, at SBM 015, the Supervisory Body decided to revise the titles from the chair and vice-chair of the expert panels to co-chairs and adopted the revision of "Procedure: Terms of reference of the Article 6.4 mechanism expert panels" and "Procedure: Selection and performance evaluation of members of the expert panels under the Supervisory Body". Further, at SBM 016, the Supervisory Body adopted the revised "Procedure: Selection and performance evaluation of members of Article 6.4 expert panels", "Terms of reference: Article 6.4 expert panels" and "Terms of Reference: Article 6.4 experts."
- 39. The secretariat developed and published on the UNFCCC website a total of 42 forms related to:
  - (a) Governance: Appeal and Grievance forms operationalizing the appeals and grievance process as per the procedure "Appeal and grievance processes under the Article 6.4 mechanism"; approval, authorization and withdrawal forms associated with the 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;"
- (b) Activity cycle: All forms required for Article 6.4 projects, as envisaged in the procedure "Article 6.4 activity cycle procedure for programmes of activities;"
- (c) CDM activity transition to the Article 6.4 mechanism: Revised approval form for CDM activity transition to the Article 6.4 mechanism; addendum to design document for CDM activity transition request; and declaration on avoidance of double issuance for provisional requests for issuance for Article 6.4 transition projects and PoAs, as envisaged in the procedure "Transition of CDM activities to the Article 6.4 mechanism;"
- (d) Methodologies and methodological tools: "Global stakeholder consultation form for proposed new baseline and monitoring methodology or methodological tool," as envisaged in the procedure "Development, revision, and clarification of methodologies and methodological tools."

#### 2.1.8. Market and policy analysis

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
				2025	June 2025	2025	June 2025
Analytical reports	3, 5	Public policy analysis, development and reports	Reports	1	2	50 000	0

## 2.1.8.1. Status of outputs

40. At SBM 016, the Supervisory Body took note of the update on carbon markets and carbon crediting standards, and of the analysis of standards aligning with Article 6.4 of the Paris Agreement, both provided by the secretariat, and requested the secretariat to continue monitoring developments in the evolving carbon markets and provide further updates.

# 2.1.9. Servicing of regulatory body

Outputs	Goals	s Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
-				2025	June 2025	2025	June 2025
Support to the constituted body meetings	2	Legal support		-	2	50 000	21 700
	2	Support to the Supervisory Body, including preparation of meetings	Meetings	4	2	726 417	359 453
Establishment, maintenance and support to the roster of external experts	2	Governance matters related to the Supervisory Body		-	-	31 616	1 364
	2	Managing 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		-	-	-	-

#### 2.1.9.1. Status of outputs

- 41. At its first meeting in 2025, the Supervisory Body agreed to its calendar of meetings for 2025. During the reporting period, the Supervisory Body held two meetings.
- 42. Support was provided to the Supervisory Body, including preparation for the following three meetings:
  - (a) SBM 015 (10–14 February 2025);
  - (b) SBM 016 (12–16 May 2025);
  - (c) SBM 017 (planned on 4–8 August 2025).
- 43. The Supervisory Body approved the following workplans:
  - (a) Workplan of the Supervisory Body 2025 (at SBM 015);
  - (b) Workplan of the Accreditation Expert Panel (at SBM 015);
  - (c) Workplan of the Methodological Expert Panel (at SBM 015).
- 44. At SBM 015, the workplan projected the delivery of 88 products for the SBM, 14 products for the AEP and 143 products for the MEP in 2025. At SBM 016, the Supervisory Body took note of the updates to its workplan for 2025, with additional products incorporated for upcoming meetings, bringing the total number of deliverables for 2025 to 115 for the SBM, 11 for the AEP and 168 for the MEP.
- 45. At SBM 015, the Supervisory Body decided to increase the number of panel members for the MEP and selected 14 members from the roster of experts to serve on the MEP until 31 March 2026. In accordance, the following approved documents were revised:
  - (a) Terms of Reference: Article 6.4 expert panel (SBM 016);
  - (b) Terms of Reference: Article 6.4 experts (SBM 016);
  - (c) Procedure: Selection and performance evaluation of members of Article 6.4 expert panels (SBM 016).
- 46. 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.

47. The secretariat ensured that the mandates of the CMA 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.

# 2.1.10. Servicing of panels/working groups

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
				2025	June 2025	2025	June 2025
Operationalization of Accreditation Expert Panel and Methodological Expert Panel	2	Support to the Accreditation Expert Panel, including preparation of meetings	Meetings	2	1	466 512	21 554
	2	Support to the Methodological Expert Panel, incl. preparation of meetings	Meetings	3	3	437 645	275 634
	2	Maintaining and managing assignments – roster of experts		-	-	-	-

# 2.1.10.1. Status of outputs

- 48. AEP 003 was held on 3 February 2025 and recommended that AE A6.4E-0001 "Carbon Check (India) Private Limited" (CCIPL) be accredited as a DOE for five years for validation, verification and certification functions for sectoral scopes 1–5, 7–10 and 13–16.
- 49. The MEP met three times during the reporting period:
  - (a) MEP 004 (24–31 January 2025);
  - (b) MEP 005 (7–11 April 2025);
  - (c) MEP 006 (26–30 May 2025).

## 2.1.11. Capacity-building

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
					June		June
				2025	2025	2025	2025
Workshops / webinars	4	Coordination and delivery of	Workshops	-	-	290 814	8 436
trainings		Article 6.4 capacity-building	-				
		activities, including	Webinars				
Knowledge products		preparation of training					
		materials, knowledge	Knowledge				
Partnerships		products and engagement of	products				
		experts					

### 2.1.11.1. Status of outputs

- 50. Work on streamlined capacity-building was undertaken in support of enhancing the substantive and operational knowledge of Parties and stakeholders about Article 6.4-related areas. Article 6.4 training products that cater to specialized and broader audiences were under development, with their launch expected in December 2025.
- 51. In the reporting period, three subregional workshops on Article 6 and Carbon Pricing were delivered in South Asia, Middle East and North Africa, and Western and South Africa. An Article 6 implementation laboratory was conducted as part of the implementation forum during the first Climate Week in Panama. During sessions of the Subsidiary Bodies (SB 62), an Article 6 side event and Article 6 capacity-building session were organized for Parties and diverse stakeholders. Other capacity-building activities, including webinars, country support, workshops and training sessions, were organized across different regions.
- 52. Targeted capacity-building support, including through RCCs, in the form of webinars, in-country support, and event presentations, was focused on various aspects of Article 6.4 operationalization and engagement, roles and responsibilities of host Parties and DNAs, framework and strategy development, and project/programme development under the Article 6.4 mechanism. The Article 6 Capacity Building Team, together with the other substantive teams, developed a user-friendly manual<sup>8</sup> for host Parties' participation in the Article 6.4 mechanism.

<sup>&</sup>lt;sup>7</sup> For details of activities, see information note available at <a href="https://unfccc.int/sites/default/files/resource/cma2024\_inf01.pdf">https://unfccc.int/sites/default/files/resource/cma2024\_inf01.pdf</a>.

<sup>&</sup>lt;sup>8</sup> For more information, see document A6.4-SBM015-AA-A04 available at <a href="https://unfccc.int/sites/default/files/resource/A64-SBM015-AA-A04.pdf">https://unfccc.int/sites/default/files/resource/A64-SBM015-AA-A04.pdf</a>.

The manual was launched in early 2025. Additionally, the Article 6 Capacity Building website, along with other knowledge products, such as explainers related to the Article 6.4 host Party participation requirements form, were launched in the first half of 2025.

53. Furthermore, to reduce fragmentation of capacity-building efforts and synergize for greater operational efficiency and impact, various partnerships for implementing capacity-building programmes were developed. Strategic collaborations were established with the Institute for Global Environmental Strategies under the "Article 6 Implementation Partnership", with other global entities such as the Copenhagen Climate Centre, International Renewable Energy Agency, United Nations Environment Programme, World Bank, and regional development banks. Efforts were also undertaken to establish similar partnerships with other stakeholders, including Africa Carbon Markets Initiative and the United Nations University to leverage technical expertise and knowledge in delivering regional workshops on the Article 6.4 mechanism and carbon-pricing planned in 2025, and other capacity-building products developed by the secretariat.

# 2.1.12. Secretariat interactions with stakeholders

Outputs	Goals	Activities	Units	s Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
				2025	June 2025	2025	June 2025
Dissemination of information to stakeholders, including clarifications	3, 4	External queries	Transactions	600	260	-	-
Stakeholders' interactions	3	Calls for input and feedback to stakeholders	Transactions and reports	60	83	-	-
Capacity-building of designated national authorities (DNAs) and DOEs	3	Regional DNA forums	Events	2	2	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	15	0	-	-
	3, 4, 5	External engagement activities (technical support to stakeholders and regional engagement)		-	-	-	-
	3, 4, 5	RCC support to activities	Activities	120	72	-	-

#### 2.1.12.1. Status of outputs

- 54. During the reporting period, more than 258 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, fulfilment of host Party participation requirements, host Party approval, Article 6.4 SD tool, Article 6.4 mechanism registry, mechanism methodologies, authorization, appeal and grievance, validation and verification, transfer of certified emission reductions to the Article 6.4 mechanism, transition fee, finalization of provisional issuance, among others. Additionally, two letters were considered during SBM 015.
- 55. Twenty-three observers, including Parties, were registered to interact with the Supervisory Body during its fifteenth and sixteenth meetings on issues included in the annotated agenda and related annexes of each of its meetings.
- 56. During the reporting period, eight calls for input were launched on various topics. A total of 83 inputs were received from a wide range of stakeholders.
- 57. 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 this mandate, the Article 6.4 DNA Forum inaugural meeting was held as part of the first UNFCCC Climate Week 2025 in Panama on 20–22 May 2025. The meeting was attended by more than 130 registered participants, including DNAs, representatives of multilateral development banks and the United Nations, as well as by the Chair and members of the Article 6.4 Supervisory Body, providing a space for participants to exchange views and knowledge while identifying best practices and common challenges that DNAs may face in operationalizing the Article 6.4 mechanism. The Forum adopted its Terms of Reference, which provided the governance framework for its operations, and elected Ms. Cristina Figueroa Vargas of Chile as the co-chair representing developing countries. However, the co-chair seat for developed countries remains vacant until nomination and election are completed by the A6.4 DNA Forum.
- 58. A teleconference was organized by the secretariat on 9 January 2025 to update A6.4 AEs on the outcomes of relevant Supervisory Body meetings.
- 59. As part of the secretariat interactions with stakeholders, the secretariat reached out to all Parties to the Paris Agreement to designate and communicate their national authority for the Article 6.4 mechanism. Accordingly, 107 Parties designated their national authority.
- 60. In addition, the secretariat communicated to all relevant DNAs and UNFCCC national focal points regarding the fulfilment of the requirements related to host Party participation in and host Party approval for eligible CDM activities. Twenty Parties Bangladesh, Benin, Bhutan, Brazil, Cambodia, Chile, Dominican Republic, Georgia, Ghana, India, Madagascar, Mali, Morocco, Myanmar, Nepal, Pakistan, Rwanda, Sri Lanka, Togo and Uganda communicated their host Party participation requirements to the Supervisory Body.

- 61. With a view to enhance clarity of stakeholders' engagement with the Supervisory Body, the procedure "Direct communication with stakeholders" was revised by the Supervisory Body at SBM 016.
- 62. To support host Parties and other participating Parties in navigating the activity cycle processes, the Supervisory Body, at SBM 016, took note of the "Article 6.4 manual for host Parties' participation in the mechanism" and requested the secretariat to continuously update the manual and ensure consistency between the manual and its webpage format.
- 63. The RCCs continued identifying and assessing key regional actors that support capacity-building, training and knowledge-sharing activities related to Article 6.4. This mapping effort increased understanding of existing initiatives, gaps and opportunities for collaboration, ensuring more effective partnerships. A total of 72 interactions took place, including 23 responses to queries on issues related to the transition from the CDM to the Article 6.4 mechanism and revision of modalities of communication, 10 webinars and 39 in-person workshops. Of these activities, 11 were direct support to countries. RCCs continued sharing knowledge on the Article 6.4 mechanism in their respective regions, including through their bi-monthly newsletters, web pages and LinkedIn group.

# 2.1.13. Cross-cutting

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
				2025	June 2025	2025	June 2025
Strategic guidance, coordination and oversight, including supervision of deliverables	1–5	Regular engagement with the Supervisory Body	Meetings	5	2	-	-
	3	Strategy development and implementation		-	-	-	-
	1–5	Ensuring consistency, coherence and quality of outputs across workstreams		-	-	-	-
Strategic and external communications	3, 5	Communications		-	-	155 302	92 048
Media-related activities (blogs, social media, etc.)  Communication products and media relationship							
Quality management system	2	Quality management		-	-	-	-
Websites, extranets and repositories  Catalogue of decisions and taxonomy	1, 3, 4	Information and knowledge management		-	-	-	-
Records management							

Outputs	Goals	Activities	Units	Forecasted Actual volume		Approved non- staff costs (USD)	Actual non-staff costs (USD)
				2025	June 2025	2025	June 2025
Secretariat-wide responsibilities	1–5	Secretariat-wide responsibilities		-	-	-	-
Data-gathering, analysis and reports	2	Data management		0	2	-	-

#### 2.1.13.1. Status of outputs

- 64. During the reporting period, the secretariat supported two Supervisory Body meetings (SBM 015 and SBM 016) and convened a strategy session on 10 February 2025 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. 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.
- 65. During the reporting period, communication efforts significantly broadened engagement with the Article 6.4 community and beyond. Communication products delivered included:
  - (a) Newsletters: 9 newsletters (16,000 total reads) were sent to the Article 6.4 community between 1 January 2025 and 30 June 2025, with a subscriber base that increased from 2,563 in January 2025 to 2,951 by 30 June 2025 (15 per cent increase);
  - (b) Press releases and media monitoring: One press release was issued and featured on the UN Climate Change website. Six quotes from the Chair and Vice Chair of the Article 6.4 Supervisory Body were issued proactively to media to ensure balanced coverage. In total, 112 pieces of media coverage mentioning the Article 6.4 mechanism<sup>9</sup> were monitored and recorded in the reporting period;
  - (c) Media interviews and op-eds: One co-authored opinion piece by the Chair and Vice Chair of the Article 6.4 Supervisory Body was published in Climate Home News. One background interview was organized between the Chair of the Article 6.4 Supervisory Body and a top-tier media outlet;

<sup>&</sup>lt;sup>9</sup> The term "Paris Agreement Crediting Mechanism (PACM)" is used instead of Article 6.4 mechanism in UNFCCC communications.

- (d) Media training: Six members/alternate members of the Article 6.4 Supervisory Body received media training in the reporting period, preparing them to serve as spokespersons on behalf of the Body, as required;
- (e) Messaging: Article 6.4 key messages were incorporated into Executive Secretary speeches throughout the first half of the year, contributing to increased media coverage;
- (f) Social media content: Social media content promoting the Article 6.4 mechanism achieved substantial reach and engagement. Thirty LinkedIn posts in the Article 6 LinkedIn Group which grew by 20 per cent to 6,141 members by 30 June 2025 generated a total of 74,389 views. Three posts on the UN Climate Change LinkedIn, Instagram and X channels, and one on the Executive Secretary's LinkedIn page, collectively attracted 137,200 views.
- 66. These initiatives underscore the Article 6.4 Supervisory Body's commitment to transparency and community outreach and engagement.
- 67. Progress in information and knowledge management during the reporting period supported the Supervisory Body's efforts to enhance public information access and overall information accessibility. Key achievements included:
  - (a) Creation of a total of 40 new web pages for the Article 6.4 mechanism for the period 1 January through 30 June 2025. 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 process;
  - (b) Development and maintenance of 11 web pages for meetings of the of SBM, MEP and AEP, with 85 meeting documents uploaded, ensuring that documents and meeting presentations and other information are available to the public;
  - (c) Development and maintenance of eight 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. During this reporting period in 2025, a total of 79 submissions were collected and posted on the web pages, ensuring that diverse perspectives were heard and considered by the SBM and its supporting expert panels;
  - (d) Creation of a new web page under the "Mechanism Processes" to ensure that stakeholders and the public have access to the latest information on the Article 6.4 mechanism registry. Furthermore, as part of the transition of CDM activities to the Article 6.4 mechanism, five dedicated web pages were developed for project activities and six for PoAs. These pages provide updates on the status of the transition process, including detailed information on the activities under the Article 6.4 mechanism as well as submission details from host Parties and activity participants;

- (e) Creation and maintenance of the "Rules and Regulations" web pages that serve as a centralized and comprehensive resource offering access to over 150 regulatory documents that support the operationalization of the Article 6.4 mechanism. The web pages include forms that enable stakeholders to participate in the Article 6.4 mechanism and adhere to its regulatory requirements;
- (f) Implementation of the "Decision and Document Framework," which establishes a clear document hierarchy, promotes transparency and facilitates 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 referencing, citation and retrieval of information;
- (g) Enhancement of the Article 6.4 mechanism web presence in line with key user experience principles, including intuitive navigation, consistent and appealing design, clear and accessible content, user-friendly language, and responsiveness across various screen sizes and devices:
- (h) 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 for accessing membership documentation;
- (i) Cataloguing and processing of 148 documents and 95 forms, ensuring consistency in documentation classification and facilitating efficient data collection and information retrieval;
- (j) 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;
- (k) 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.
- 68. These outputs reinforce the Supervisory Body's commitment to transparency, openness and accessibility, ensuring that the public has access to essential information.
- 69. At the first meeting of 2025 (SBM 015), the Supervisory Body dedicated its first day to a strategic session, focusing on how to prioritize its work and enhance efficiency in delivering its work programme. The Body agreed to prioritize finalizing the remaining guidance necessary for registering activities and establishing the essential infrastructure to ensure the operation of the mechanism in 2025.
- 70. 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.

- 71. In the reporting period, the quality assurance activities involved streamlining the administrative processes of the Mitigation division to ensure consistency, transparency and accountability across all operational layers.
- 72. Regarding data management, one survey 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. During the period, two interim dashboards were created (a dashboard for the transition<sup>10</sup> and a dashboard for prior consideration<sup>11</sup>), different automatizations were developed, and products developed in 2024 were maintained or improved. The corresponding pages for individual activities were also created, in line with the expected transparency of the Article 6.4 mechanism. Maintenance of both the transition and prior consideration workflows was carried out effectively and with the expected quality.
- 73. Parties and other stakeholders were provided with sufficient information, through regular reports and communications, to enable effective oversight and management of their portfolios.

<sup>&</sup>lt;sup>10</sup> https://unfccc.int/process-and-meetings/the-paris-agreement/paris-agreement-crediting-mechanism/CDM\_transition/transition-list.

https://unfccc.int/process-and-meetings/the-paris-agreement/paris-agreement-crediting-mechanism/A64\_prior\_consideration/pc-list.

# 2.1.14. Cross-cutting: internal administration

Outputs	Goals	Activities	Units	Forecasted volume	Actual volume	Approved non- staff costs (USD)	Actual non-staff costs (USD)
				2025	June 2025	2025	June 2025
Recruitments and contract management	1–5	Human resources, skill development, and learning and materials		-	-	50 000	5 462
Financial management and reporting  Business Plan and Resource Allocation Plan	1–5	Finance (including budget, expert payments, fee payments, and procurement)		-	-	-	-
(RAP) development	1–5	Intra-secretariat engagement agreement		-	-	10 000	391
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	22 895
	1–5	Management and meetings		-	-	-	-
	1–5	Supplies and subscriptions		-	-	89 188	43

#### 2.1.14.1. Status of outputs

- 74. At SBM 016, the Supervisory Body reviewed the status of the Article 6.4 mechanism RAP 2024–2025. It acknowledged that, while current operations are being managed prudently within available funds, there is still an anticipated shortfall in funds by the end of 2025. In response, the Supervisory Body recognized the efforts to reduce planned 2025 expenditures to 72.8 per cent of the original budget to avoid full depletion of funds and agreed to enhance outreach to raise awareness among Parties and include a recommendation on funding in its annual report to CMA 7.
- 75. During the reporting period, the activities on preparation of the RAP 2026–2027 were initiated with the aim to present it at SBM 017 in August 2025.
- 76. During the reporting period, recruitment was completed for 52 of the 63 approved positions, and recruitment for the remaining 11 positions was at various stages of the recruitment process. The secretariat 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 and in circumstances of budget shortfall.
- 77. During the reporting period, inputs on the Article 6.4 budget were provided for the secretariat's budget performance report 2024 and work programme for 2026–2027.
- 78. The report for Internal Service Agreement 2024–2025 between the Mitigation division and the Information and Communication Technology (ICT) division was finalized. The report covered 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, the MIS, and the Article 6.4 mechanism registry in 2024.
- 79. In the reporting period, work began on finalizing the mid-year review report covering the period 1 January 30 June 2025 on the status of implementation of the RAP 2024–2025.
- 80. To build support for operationalizing the Article 6.4 mechanism, the secretariat organized and participated in Article 6.4-related events during SB 62 in June in Bonn, Germany, as well as other forums. These events attracted a wide range of stakeholders, including governments, intergovernmental organizations, non-governmental organizations and technical experts.
- 81. Actual subscriptions included artificial intelligence tools, graphic and interactive course design tools for Article 6.4 capacity-building activities, as well as online portals offering recent intelligence on carbon-pricing and climate change policies and other interactive software to support activities for operationalization of Article 6.4 mechanism.

# 2.2. Budget and expenditure

82. Table 1 shows the breakdown of the budget and expenditure<sup>12</sup> by the different cost categories.

Table 1. Comparison of budget and expenditure from 1 January to 30 June 2025 (USD)

Expense	Budget <sup>12</sup> 2025 (a)	Expenditure (Jan-June 2025) <sup>(m)(n)</sup> (b)	Difference to 2024 budget (a-b) = (c)	Per cent rate of expenditure against 2025 budget (b/a) = (d)
Staff <sup>(a)</sup>	9 924 161	3 086 409	6 837 752	31.1
Consultants <sup>(b)</sup>	340 411	232 492	107 919	68.3
Expert fees <sup>(c)</sup>	576 008	99 828	476 180	17.3
Expert travel <sup>(d)</sup>	303 488	159 907	143 581	52.7
Travel of representatives <sup>(e)</sup>	338 917	_	338 917	_
Travel of representatives - Supervisory Body <sup>(f)</sup>	511 849	179 650	332 198	35.1
Travel of staff <sup>(g)</sup>	404 818	155 450	249 368	38.4
Training <sup>(h)</sup>	50 000	5 462	44 538	10.9
Operating expenses <sup>(i)</sup>	463 089	144 282	318 807	31.2
Total cost of ownership (TCO)(i)	1 151 457	953 102	198 355	82.8
Engagement agreement (IT)(k)	3 468 498	2 656 444	812 054	76.6
Subtotal	17 532 695	7 673 026	9 859 669	43.8
Programme support costs (PSC) <sup>(l)</sup>	2 279 250	997 493	1 281 757	43.8
Total	19 811 945	8 670 519	11 141 426	43.8

<sup>(</sup>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.

<sup>(</sup>b) Consultant costs include consultant and individual contractor fees and travel costs.

<sup>(</sup>c) Expert costs include panels' attendance fees and case fees.

<sup>(</sup>d) Expert travel includes ticket cost and daily subsistence allowance (DSA) of panel members.

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

<sup>(</sup>f) Travel of representatives (Supervisory Body) includes travel costs such as ticket cost and DSA.

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

<sup>(</sup>h) Training costs include staff and Supervisory Body members and consultant costs for training, ticket cost and DSA.

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

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.

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

<sup>(</sup>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.

<sup>(</sup>m) Includes obligations.

At SBM 016, the Supervisory Body agreed to adjust downward the planned expenditures for 2025 and aim to implement only 72.8 per cent of the initial budget, thereby ensuring that the available funds are not fully exhausted by the end of 2025. Please see document: <a href="https://unfccc.int/sites/default/files/resource/A6.4-SBM016.pdf">https://unfccc.int/sites/default/files/resource/A6.4-SBM016.pdf</a>.

- 83. Column (d) in table 2 shows the rate of expenditure as a percentage against the 2025 budget for each cost category. The total rate of expenditure (43.8 per cent) is below the linear rate of expenditure (50 percent) for the reporting period.
- 84. Staff costs amount to 31.1 per cent of the 2025 budget for this object of expenditure, which is significantly lower than the linear rate of 50 per cent. The lower rate is due to prudent resource management, including capitalizing on the synergies with human resources supporting other areas of work.
- 85. Consultant costs amount to 68.3 per cent of the projected 2025 budget for this object of expenditure, which is higher than the projected rate of expenditure (50 per cent). The higher expenditure rate is due to obligations for which the services are yet to be received.
- 86. The expert fees amount to 17.3 per cent of the projected 2025 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (50 per cent). The expenditure includes the fees for the two meetings of the MEP processed in the period.
- 87. Expert travel amounts to 52.7 per cent of the projected 2025 budget for this object of expenditure, which is slightly higher than the projected rate of expenditure (50 per cent). This represents travel costs of the in-person meetings of the panels and working groups in 2025.
- 88. With regard to travel of representatives, there were no charges during the reporting period.
- 89. Travel of Supervisory Body members amounts to 35.1 per cent of the projected 2025 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (50 per cent). This represents the cost of the in-person meetings of the regulatory body.
- 90. Travel of staff amounts to 38.4 per cent of the 2025 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (50 per cent). The lower expenditure reflects reduced staff participation in events outside of Bonn, due to prudent resource management.
- 91. Training costs amount to 10.9 per cent against the projected 2025 budget, which is significantly lower than the linearly projected rate of expenditure (50 per cent). The lower rate is due to prudent resource management.
- 92. Operating expenses amount to 31.2 per cent of the projected 2025 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (50 per cent). The lower rate is due to prudent resource management.
- 93. Engagement agreement (IT) costs amount to 76.6 per cent of the 2025 budget for this object of expenditure, which is significantly higher than the projected rate of expenditure (50 per cent). The prudent management of resources enabled the secretariat to absorb additional funding needs for continued critical IT development.

# 3. Conclusions

94. The Supervisory Body may wish to take note of the status of the Article 6.4 Mechanism Resource Allocation Plan 2024-2025 implementation (1 January – 30 June 2025).

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A6.4-INFO-GOV-025 Status of Article 6.4 (1 January – 30 June 2025) Version 01.0 mechanism resource allocation plan 2024-2025 implementation

## **Document information**

Version	Date	Description
01.0	22 August 2025	Initial publication.

**Decision Class: Operational** Document Type: Information note
Business Function: Governance
Keywords: A6.4 mechanism, budget, reporting procedures, resources management