A6.4-SBM016

Meeting report

Sixteenth meeting of the Article 6.4 mechanism Supervisory Body

Version 01.1

Date of meeting: 12 to 16 May 2025

Place of meeting: Bonn, Germany

AGENDA ITEM 7.

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Agenda item 1. Agenda and meeting organization

Agenda item 1.1. Opening

- 1. Mr. Martin Hession, Chair of the Supervisory Body of the mechanism established by Article 6, paragraph 4, of the Paris Agreement (Article 6.4 mechanism), opened the meeting and asserted that the quorum requirement was met.
- 2. The Supervisory Body noted that all members and alternate members attended this meeting.
- 3. The table below shows the attendance of members and alternate members at this meeting.¹

Table. Attendance

Members	Presence	Alternates	Presence
Ms. Maria AlJishi ^a	In-person	Mr. Duan Maosheng ^a	Virtual
Mr. Eduardo Calvo ^b	In-person	Mr. German Obando Vargas ^b	In-person
Mr. Benedict Chia ^a	In-person	Mr. Kishan Kumar Singh ^{a,1}	In-person
Mr. El Hadji Mbaye Diagne ^a	In-person	Mr. Tirivanhu Muhwati ^a	In-person
Mr. Piotr Dombrowicki b, 2	In-person	Mr. Imre Bányász ^{b, 2}	In-person
Mr. Gebru Jember Endalew ^b	In-person	Mr. Olivier Ishimwe ^b	In-person
Ms. Olga Gassan-zade ^{a, 3}	In-person	VACANT a, 3, 4	
Mr. Felipe Ferreira ^a	In-person	Mr. Charles Hamilton ^a	In-person
Mr. Martin Hession ^a	In-person	Ms. Angela Friedrich ^{a, 5}	In-person
Ms. Jacqui Ruesga ^b	In-person	Mr. Simon Fellermeyer ^b	In-person
Mr. Mkhuthazi Steleki ^b	In-person	Mr. Alick Muvundika b	In-person
Mr. Zulfiqar Younas ^b	In-person	Mr. Kentaro Takahashi b	In-person

⁽a) Term: 2 years, i.e. ending prior to the first meeting in 2026.

Agenda item 1.2. Adoption of the agenda

4. According to paragraph 46 of the Rules of procedure, the Supervisory Body received two requests for additions to the agenda for its sixteenth meeting. The agenda of the meeting,

⁽b) Term: 2 years, i.e. ending prior to the first meeting in 2027.

¹ Ms. Kristin Qui resigned effective 12 November 2024.

Nomination pending from CMA 6 (Baku). Current member remains in office until nomination is received.

Nomination pending from CMA 5 (Dubai). Current member remains in office until nomination is received.

⁴ Ms. Maia Tskhvaradze resigned effective 1 September 2023.

⁵ Ms. Helen Finney resigned effective 9 January 2025.

For detailed information on nominations and agreements made within each regional group, please refer to the United Nations Framework Convention on Climate Change (UNFCCC) election and membership page, available at https://unfccc.int/process-and-meetings/bodies/election-and-membership.

which was published as document A6.4-SBM016-AA,² was adopted with the following additions:

- (a) Establishment of a whistle blower mechanism to protect information of a sensitive nature transmitted to the secretariat and/or the Supervisory Body;
- (b) Approaches for preventing double issuance for clean development mechanism (CDM) project activities and programmes of activities requesting transition.

Agenda item 2. Governance and management matters

Agenda item 2.1. Membership issues

5. Members and alternate members of the Supervisory Body made available statements of actual, potential or perceived conflicts of interest with respect to the issues on the agenda of this meeting, as reflected on the UNFCCC website.³

Agenda item 2.2. Strategic planning and direction

- 6. The Supervisory Body took note of the preparation of its annual report to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its seventh session (CMA 7).
- 7. The Supervisory Body took note of the update on carbon markets and carbon crediting standards and requested the secretariat to continue monitoring developments in the evolving carbon markets and provide further updates.
- 8. The Supervisory Body took note of the update on the analysis of standards aligning with Article 6.4 of the Paris Agreement and requested the secretariat to integrate the analysis into the carbon market updates referenced in paragraph 7 above.

Agenda item 2.3. Performance management

- 9. The Supervisory Body took note of the status of the Article 6.4 mechanism two-year business and resource allocation plan 2024–2025, noting there is shortfall in funds to adequately cover costs of operations in 2025. The Supervisory Body appreciate the prudent management of resources to cover the operations within available funds. However, even with current prudent financial management practices, there is still an anticipated shortfall in funds by the end of the year which will not cover costs of operations in 2026. The Supervisory Body agreed to adjust downward the planned expenditures for 2025 and aim to implement only 72.8 % of the initial budget, thereby ensuring that the available funds are not fully exhausted by the end of 2025. The Supervisory Body also agreed to undertake actions to address this matter through enhanced communication and outreach in order to raise awareness with Parties of the current funding situation, as well as to indicate the shortfall in funds and include a recommendation on the funding in its annual report to the CMA 7.
- 10. The Supervisory Body took note of the update of its workplan for 2025, and requested the secretariat to include any new mandates arising from its meetings in future versions of the workplan, and to provide an update on the status of work on a regular basis.

² See https://unfccc.int/sites/default/files/resource/A64-SBM016-AA.pdf.

³ Sixteenth meeting of the Article 6.4 Supervisory Body, available at https://unfccc.int/event/Supervisory-Body-16.

- 11. The Supervisory Body took note of the update of the workplan of the Accreditation Expert Panel (AEP) for 2025 and requested the secretariat to include any new mandates from the Supervisory Body in future versions of the AEP workplan, and to provide an update on the status of work on a regular basis.
- 12. The Supervisory Body took note of the update of the workplan of the Methodological Expert Panel (MEP) for 2025 and requested the secretariat to include any new mandates from the Supervisory Body in future versions of the MEP workplan, and to provide an update on the status of work on a regular basis.
- 13. Further, considering there are a significant number of programmes of activities (PoAs) transitioning to the Article 6.4 mechanism, the Supervisory Body requested the MEP to consider expediting the work to propose a revision to the "Standard: Setting baseline in mechanism methodologies", and "Standard: Addressing leakage in mechanism methodologies" and "Standard: Demonstration of additionality in mechanism methodologies" to cover methodological requirements for programmes of activities, noting that the current versions of these standards only apply activities implemented at the project level.

Agenda item 2.4. Matters related to the Supervisory Body and its support structure

14. The Supervisory Body took note of the report of the fifth meeting of the MEP and welcomed its recommendations on the draft "Standard: Setting baseline in mechanism methodologies" and the draft "Standard: Addressing leakage in mechanism methodologies". The report summarized the work of the MEP, including the products related to requirements for the methodologies, activities involving removals, and the revision of CDM methodologies and methodological tools.

Agenda item 2.5. Designated national authorities

15. The Supervisory Body took note that 105 designated national authorities (DNAs) were established as of 16 May 2025, and 16 countries have submitted information on the fulfilment of the host Party participation requirements.⁵

Agenda item 3. Regulatory and procedural matters

Agenda item 3.1. Governance

- 16. The Supervisory Body took note of the information note "Initial legal and editorial review of the regulations and procedures approved by the Supervisory Body".
- 17. The Supervisory Body adopted the draft "Procedure: Periodic structured legal and editorial review system of the Article 6.4 Supervisory Body's regulatory documents", as contained in annex 1 to this report.
- 18. The Supervisory Body adopted the revised "Procedure: Direct communication with stakeholders", as contained in <u>annex 2</u> to this report.
- 19. The Supervisory Body adopted the revised "Procedure: Selection and performance evaluation of members of Article 6.4 expert panels" and the revised "Terms of reference: Article 6.4 expert panels", as contained in annexes 3 and 4 to this report.

⁴ See https://unfccc.int/sites/default/files/resource/MEP005_Meeting_report.pdf.

⁵ See https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism/national-authorities.

20. Further, the Supervisory Body requested the secretariat to prepare an information note on governance issues of the expert panels including issues related to continuity of the members serving on the expert panels and highlighting ways to increase the pool of available experts through existing capacity-building programmes/initiatives undertaken by the Supervisory Body.

- 21. The Supervisory Body adopted the revised "Terms of Reference: Article 6.4 experts", as contained in <u>annex 5</u> to this report.
- 22. The Supervisory Body took note of the information note "Article 6.4 manual for host Parties' participation in the mechanism" and requested the secretariat to report to the Supervisory Body at a future meeting on the use of the manual, while continuously updating it considering the feedback provided at this meeting including but not limited to:
 - (a) Delineating roles and responsibilities related to authorization in a separate section including its implications for host Parties' NDC accounting;
 - (b) Engaging with DNAs, including through the Article 6.4 DNA Forum and relevant capacity-building activities, in order to receive feedback and enhance the visibility of rules and regulations of the Article 6.4 mechanism by sharing and utilizing the updated manual;
 - (c) Revising the user-friendly manual (webpage format⁶) to maintain consistency between the webpage format and the manual.
- 23. The Supervisory Body considered the information on a proposed whistle blower mechanism to enable the confidential submission of sensitive information relevant to project assessments. The Supervisory Body requested the secretariat to prepare an information note exploring options for introducing whistle blower mechanism taking into account resources constraints, for its consideration at a future meeting.

Agenda item 3.2. Accreditation

24. The Supervisory Body noted that no regulatory and procedural matters related to accreditation were considered at this meeting.

Agenda item 3.3. Activity cycle

- 25. The Supervisory Body considered and adopted the revisions to the "Standard: Article 6.4 activity standard for projects" (AS-P), the "Standard: Article 6.4 activity standard for programmes of activities"(AS-PoA), the "Standard: Article 6.4 validation and verification standard for projects" (VVS-P) and the "Standard: Article 6.4 validation and verification standard for programmes of activities" (VVS-PoA), as contained in annexes 6, 7, <a href="mailto:8 and 9 to this report. The revisions:
 - (a) Incorporate relevant elements that must be followed by activity participants to develop and monitor Article 6.4 projects and programmes of activities 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";

Article 6.4 Manual for host Parties` participation in the Paris Agreement Crediting Mechanism (PACM). Available at: https://manual-for-hpp-in-pacm.my.canva.site/.

- (b) Clarify the eligibility date for the start date of Article 6.4 activities;
- (c) Elaborate aspects related to alternative monitoring and deviation processes for activity participants in case of irremediable negative impacts have been detected; and
- (d) Reflect the outcomes of the structured editorial and legal review.
- 26. The Supervisory Body requested the secretariat to revise, for its consideration at a future meeting, the AS and VVS for projects to reflect the provisions relevant to activity participants and DOEs contained in the "Standard: Setting the baseline in mechanism methodologies" and the "Standard: Addressing leakage in mechanism methodologies", adopted at this meeting as per paragraph 29 and 31 below.
- 27. The Supervisory Body requested the secretariat to incorporate relevant provisions from the appendix of the "Standard: Setting the baseline in mechanism methodologies" addressing double counting when preparing revisions to the activity standard and the activity cycle procedure for projects.
- 28. The Supervisory Body adopted a revised "Standard: Transition of CDM activities to the Article 6.4 mechanism" and "Procedure: Transition of CDM activities to the Article 6.4 mechanism" reflecting these changes, as contained in <u>annexes 10</u> and <u>11</u> to this report. The revisions 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 (fNRB) and the discount factor for the leakage for activities using CDM methodologies that have a risk of non-permanence of emission reductions.

Agenda item 3.4. Methodologies

- 29. The Supervisory Body adopted the "Standard: Setting the baseline in mechanism methodologies", as contained in <u>annex 12</u> to this report.
- 30. The Supervisory Body noted that the MEP will continue to elaborate on elements of the standard including further guidance on the estimation of lifetime of equipment, approaches for determining BAT, and specific quantitative methods for downward adjustment.
- 31. The Supervisory Body adopted the "Standard: Addressing leakage in mechanism methodologies" as contained in <u>annex 13</u> to this report.
- 32. The Supervisory Body noted that the provisions in the standard including particularly requirements pertaining to paragraph 87 of the "Standard: Application of the requirements of Chapter V.B (Methodologies)" (methodologies standard) should not be interpreted as precluding elaboration of further requirements in respect of the relevant activities, including those implemented at other scales (e.g. programmes or large-scale crediting). In this regard, the Supervisory Body also noted the MEP is mandated to elaborate the requirements in paragraph 83 (f), paragraphs 85 (c) through (e) of the methodologies standard in the "Standard: Addressing leakage in mechanism methodologies".

Agenda item 3.5. Registry

- 33. The Supervisory Body took note of the information note "Terms and conditions for entity account holders" and requested the secretariat to make it available on the registry website.
- 34. The Supervisory Body took note of the information note "Compilation of stakeholder inputs received on issues of ownership or control and security interests in the mechanism registry" document.

Agenda item 3.6. Policy matters

35. The Supervisory Body noted that no policy matters were considered at this meeting.

Agenda item 4. Rulings

Agenda item 4.1. Accreditation

36. The Supervisory Body noted that no recommendations were received from the AEP to be considered at this meeting.

Agenda item 4.2. Registration

- 37. In accordance with the procedure "Transition of CDM activities to the Article 6.4 mechanism", the Supervisory Body decided to approve the requests for transition with modifications to the additional documentation related to project activities listed below. In particular, the DOE undertaking first verification post-transition shall confirm compliance with the applicability of the methodology, AM0023, version 4, and the registered monitoring plan.
 - (a) "Reducing Gas Leakages within the Titas Gas Distribution Network in Bangladesh" (10077),
 - (b) "Reducing Gas Leakages within the Bakhrabad Gas Distribution Network in Bangladesh" (10559),
 - (c) "Reducing Gas Leakages within the Karnaphuli Gas Distribution Network in Bangladesh" (10560),
 - (d) "Reducing Gas Leakages within the Jalalabad Gas Distribution Network in Bangladesh" (10561),
 - (e) "Reducing Gas Leakages within the Pashchimanchal Gas Distribution Network in Bangladesh" (10562).
- 38. In accordance with the procedure "Transition of CDM activities to the Article 6.4 mechanism", the Supervisory Body decided to approve the requests for transition with modifications to the additional documentation related to PoA "Man and Man Enterprise Improved Cooking Stoves CDM Programme in Ghana supported by Republic of Korea" (10430), in particular, the re-evaluation of values related to the fraction of non-renewable biomass (fNRB) (0.9884) and discount factor to address leakage (0.95) considering that these were determined and fixed ex-ante during registration of the PoA, in May 2018. In doing so, the activity participant is requested to re-evaluate and apply the values of fNRB and leakage based on the latest available information including under the Article 6.4 mechanism at the time of the request for issuance.
- 39. In accordance with the procedure "Transition of CDM activities to the Article 6.4 mechanism", the Supervisory Body decided to approve the requests for transition with modifications to the additional documentation related to PoA "Improved cookstove program in Bangladesh supported by the Republic of Korea" (10431), in particular, the reevaluation of values related to the fNRB (0.843) and discount factor to address leakage (0.95) considering that these were determined and fixed ex-ante during registration of the PoA, in June 2018. In doing so, the activity participant is requested to re-evaluate and apply the values of fNRB and leakage based on the latest available information including under the mechanism at the time of the request for issuance. In doing so, the activity participant is requested to re-evaluate and apply the values of fNRB and leakage based

on the latest available information including under the Article 6.4 mechanism at the time of the request for issuance.

Agenda item 4.3. Issuance

40. The Supervisory Body noted that no issuance rulings were considered at this meeting.

Agenda item 4.4. Other rulings

41. The Supervisory Body noted that no other rulings were considered at this meeting.

Agenda item 5. Relation with forums and other stakeholders

- 42. The Supervisory Body took note of the activities undertaken in relation to DNAs, as well as the planned activities concerning DNAs, including the first Article 6.4 Global DNA Forum, scheduled to take place in Panama in May 2025, and requested the secretariat to update the Supervisory Body on the outcomes of the Forum at a future meeting.
- 43. The Supervisory Body took note of the engagement with the Local Communities and Indigenous Peoples Platform and its Facilitative Working Group, and of the planned engagement, in particular a webinar to be held with wider local communities and Indigenous Peoples stakeholders prior to the seventeenth meeting.
- 44. The Supervisory Body took note of the work of the capacity-building programme undertaken by the secretariat and invited the secretariat to make the capacity-building events and products, including the "Article 6.4 manual for host Parties' participation in the mechanism", more visible. It further noted updates on the evaluation results of the events conducted by the secretariat on Article 6 capacity-building. The Supervisory Body requested the secretariat to actively evaluate the impact of the capacity-building activities, including disaggregated data on the program reach, target group, and activity type in its future updates to provide feedback on all program components (including products, country support, events). In addition, the Supervisory Body recommended the secretariat to further broaden its engagement with partners and a diversity of stakeholders to position and leverage its capacity-building efforts on Article 6.
- 45. The Supervisory Body requested the secretariat to consider "train the trainers"- and e learning modules to further multiply the reach of the capacity-building. In addition, it invited the secretariat to further broaden its engagement with partners and a diversity of stakeholders in delivering the capacity-building programme.
- 46. The Supervisory Body took note of the preparation of the side-event to be held in Bonn at the sixty-second sessions of the Subsidiary Bodies (SB 62).
- 47. The Supervisory Body met with registered observers for an informal interaction during the meeting. The observers presented views in relation to items on the agenda of this meeting. The Supervisory Body took note of the inputs and thanked the observers for their interaction. The list of registered observers to this meeting is contained in annex 14 to this report.
- 48. The Supervisory Body did not receive any letters to be considered at this meeting.
- 49. The Supervisory Body considered public comments on the documentation of this meeting, which were made publicly available on the UNFCCC website, and thanked stakeholders for their comments.⁷

⁷ See https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism/calls-for-input.

50. Observers to the seventeenth meeting of the Supervisory Body shall register with the secretariat three weeks before the start of that meeting. Any change to the meeting date will be communicated as appropriate.

Agenda item 6. Other matters

- 51. The Supervisory Body took note of the information related to oath of service, confidentiality, conflict of interest, and the roles of chairs in managing the process. It also decided to make applicable for expert panels, an adapted version of the oath of service form currently applicable for the Supervisory Body. The revised oath of service is included in the appendix of the "Procedure: Terms of reference of the Article 6.4 mechanism expert panels" as referred to paragraph 19 above.
- 52. The Supervisory Body agreed to the provisional agenda for its seventeenth meeting, to be held in Bonn, from 4 to 8 August 2025, as contained in annex 15 to this report.

Agenda item 7. Conclusion of the meeting

- 53. The Chair summarized the main conclusions of the meeting.
- 54. The proceedings of the open sessions of the meeting can be accessed via on-demand broadcast.8

See https://www.youtube.com/playlist?list=PLBcZ22cUY9RKGmT38Au-ucwSR_7nCXal1.

Annexes to the report

- Annex 1 Procedure: Periodic structured legal and editorial review system of the Article 6.4 Supervisory Body's regulatory documents
- Annex 2 Procedure: Direct communication with stakeholders
- Annex 3 Procedure: Selection and performance evaluation of members of Article 6.4 expert panels
- Annex 4 Terms of Reference: Article 6.4 expert panels
- Annex 5 Terms of Reference: Article 6.4 experts
- Annex 6 Standard: Article 6.4 activity standard for projects
- Annex 7 Standard: Article 6.4 activity standard for programmes of activities
- Annex 8 Standard: Article 6.4 validation and verification standard for projects
- Annex 9 Standard: Article 6.4 validation and verification standard for programmes of activities
- Annex 10 Standard: Transition of CDM activities to the Article 6.4 mechanism
- Annex 11 Procedure: Transition of CDM activities to the Article 6.4 mechanism
- Annex 12 Standard: Setting the baseline in mechanism methodologies
- Annex 13 Standard: Addressing leakage in mechanism methodologies
- Annex 14 List of registered observers
- Annex 15 Provisional agenda SBM 017

List of documents that have been edited or issued since the last meeting

Regulatory documents

- Procedure: Transition of CDM activities to the Article 6.4 mechanism (version 04.3)
- Procedure: Transition of CDM activities to the Article 6.4 mechanism (version 04.2)
- Procedure: Transition of CDM activities to the Article 6.4 mechanism (version 04.1)
- Standard: Demonstration of additionality in mechanism methodologies (version 01.2)
- Standard: Demonstration of additionality in mechanism methodologies (version 01.1)

Regular report

 Status of Article 6.4 mechanism resource allocation plan 2024 implementation (1 January – 31 December 2024) (version 01.0)

Forms

- Addendum to design document for CDM activity transition request (version 02.0)
- Appeal submission form (version 01.0)
- Appeal eligibility form (version 01.0)
- Appeal review and ruling form (version 01.0)
- CDM transition to Article 6.4 mechanism approval form (version 02.0)
- Grievance submission form (version 01.0)
- Grievance eligibility form (version 01.0)
- Grievance recommendation form (version 01.0)
- Host Party authorization of the use of Article 6.4 emission reductions form for Article 6.4 programmes of activities (version 01.1)
- Host Party authorization of the use of Article 6.4 emission reductions form for Article 6.4 programmes of activities (version 01.0)
- Host Party authorization of the use of Article 6.4 emission reductions form for Article 6.4 projects (version 01.0)
- Host Party participation requirements for Article 6.4 mechanism (version 02.0)

Meeting report: Sixteenth meeting of the Article 6.4 mechanism Supervisory Body

Version 01.1

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