

A6.4-SBM014-AA-A02

Information note

Status of Article 6.4 mechanism resource allocation plan 2024–2025 implementation (1 January – 30 June 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 and 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 describes the status of implementation of the RAP for the period from 1 January through 30 June 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 the first half of 2024, the secretariat delivered outputs related to the following areas: (i) accreditation system; (ii) entity assessment; (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 and resources

4. Table 1 shows the status of outputs and resources as of 30 June 2024 against the planned outputs for 2024.

¹ See document A6.4-SB007, paragraph 10 available at https://unfccc.int/sites/default/files/resource/a64-sb007_0.pdf.

² See document A6.4-INFO-GOV-007 available at <https://unfccc.int/sites/default/files/resource/A6.4-INFO-GOV-007.pdf>.

Table 1. Status of outputs and resources from 1 January to 30 June 2024

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
Accreditation system	Support for entities' assessment	1	Entity administration	Entities	20	30	-	-
		1	Entity assessment planning	Assessments	20	3	-	-
	Development of a performance monitoring system	1	Entity performance monitoring system	System	1	0	-	-
		1	Handling of complaints and requests for review	Reports	1	0	-	-
	<i>Status of outputs⁷</i> At its tenth meeting, 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							

³ 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>.

⁴ The forecasted volume estimates may be further reviewed and updated in the course of implementation of RAP 2024-25.

⁵ Where appropriate, clarifications have been provided in the status of outputs when the actual volume is zero in the reporting period. The status will also be reported in the end-of-year report.

⁶ Non-staff costs refer to expenses on consultants, experts, travel, operating expenses and training.

⁷ As at 30 June 2024.

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)	
					2024	June 2024	2024	June 2024	
	<p>performance evaluation of experts on the Article 6.4 mechanism accreditation roster of experts (ARoE) and to report the implementation status to the Supervisory Body at its eleventh meeting.</p> <p>At the tenth meeting of the Supervisory Body, five members were appointed to the AEP for a term of two years (until 31 March 2026), and the first meeting (AEP 001) took place on 25 and 26 April 2024.</p> <p>During AEP 001, the AEP appointed two ARoE evaluators, resulting in the appointment of 26 ARoEs based on their evaluations. At its eleventh meeting, 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. Their status has been updated on the A6.4 public website.</p> <p>Three applications for initial accreditation under the Article 6.4 mechanism were received and are undergoing processing in accordance with the A6.4 mechanism accreditation procedure⁸ adopted at the eighth Subsidiary Body meeting.</p> <p>As per the AEP workplan 2024⁹, the DOE performance monitoring procedure is to be considered at AEP 002 and subsequently at the Supervisory Body of the Article 6.4 mechanism, at the fourteenth meeting of the Supervisory Body. Thereafter, the performance monitoring system will be developed.</p>								
	Entity assessment	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	Requests	14	3	-	-

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 Accreditation Expert Panel workplan 2024 (A6.4-INFO-GOV-014) available at <https://unfccc.int/sites/default/files/resource/A6.4-INFO-GOV-014.pdf>.

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
			and re-accreditation					
	Workshops for accreditation experts and designated operational entities (DOEs)	1	Calibration of assessment team leads	Workshops	1	0	-	-
		1	DOE calibration workshop	Workshops	1	0	69 691	0
	<p>Status of outputs</p> <p>At the eleventh meeting of the Supervisory Body, 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 the thirteenth meeting of the Supervisory Body.</p> <p>Currently, three entities have applied for Article 6.4 initial accreditation, and subsequently, three initial accreditation assessments are in progress. Performance assessment and regular surveillance will be conducted after the completion of the initial accreditation assessments.</p> <p>The calibration workshop for assessment team leads and the DOE calibration workshop are scheduled to be held in September 2024.</p>							
Activity assessments	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	Requests	10	0	-	-

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
			component activities (CAs)					
		1	Requests for PoA post-registration change (PRC)	Requests	6	0	-	-
		1	Requests for PoA registration	Requests	50	0	-	-
		1	Requests for activity issuance	Requests	75	0	-	-
		1	Requests for activity PRC	Requests	30	0	-	-
		1	Requests for activity registration	Requests	825	0	-	-
Activity assessments (<i>cont.</i>)	Assessments of activity submissions (<i>cont.</i>)	1	PoA post-registration CA inclusion requests	CA inclusions	540	0	-	-
Activity cycle	Article 6.4 mechanism information system	2	Development and operation of the Article 6.4 mechanism information system	IT system	1	0	2 575 000	945 284
		2	Workflow support for activity cycle	Tasks	3 200	0	-	-

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
	<p><i>Status of outputs</i></p> <p>In the absence of an Article 6.4 approved methodology and A6.4 SD Tool, no transition requests were submitted during the reporting period, and the validation of new activities under the Article 6.4 mechanism has not started. Once 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 DOE 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.</p> <p>The vendor selection for the Article 6.4 mechanism information system (MIS) is still ongoing, and an interim vendor has been contracted to advance the development of foundational infrastructure for the MIS. During the reporting period, the following interim solutions were developed: portals to support the processing of submitted methodologies and handle accreditation requests; a submission page for processing transition requests; and another for processing prior consideration requests. Additionally, a designated national authority (DNA) portal has been created along with communication protocols with Host Parties.</p> <p>Over 1,100 valid prior consideration requests have been received for the period between 2021 and 2023. These submissions will undergo analysis and subsequent publication. Once approved, the submissions for prior consideration will progress through the next steps in the process.</p> <p>Furthermore, over 2,500 transition submissions and resubmission requests have been received, with close to 1,500 deemed valid. The process of data migration for these nearly 1,500 valid transition requests has been initiated.</p> <p>User stories and requirements for registration, issuance, methodologies and accreditation have been compiled.</p> <p>Two countries, Morocco and Togo, have published their participation requirements.</p>							
Methodologies	Methodologies, standards and tools	2	Processing of requests for clarification, deviation, revision, and new submissions	Requests	30	0	-	-
	Technical documents,	2	Processing of submitted	Evaluation of submissions	5	0	-	-

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
	procedures and guidelines on methodological aspects, including removals		standardized baselines					
		2	Scientific editors/technical writers: support for methodological work and other technical documents		-	-	78 000	39 600
Methodologies (cont.)	Technical documents, procedures and guidelines on methodological aspects, including removals (cont.)	2	Analysis and revision of existing methodologies and standardized baselines	Revisions	25	20	12 081	335 895
	Support for methodologies-related clarifications and inquiries	2	Development of technical procedures and guidelines on methodological aspects	Procedures and guidelines	15	11	-	-
		2	Methodological requests from the Supervisory Body	Requests	-	-	-	-
	On-site support to projects	3, 4	Regional Collaboration	On-site support	6	18	177 795	0

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
			Centre (RCC) on-site support for the implementation of Article 6.4 mechanism activities					
Methodologies (cont.)	On-site support to projects (cont.)	3, 4	RCC support to bottom-up standardized baselines	Standardized baselines	30	1	-	-
	<p>Status of outputs</p> <p>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 will become possible after the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) approves the methodology guidelines and the guidelines on removal. 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.</p> <p>At its first meeting (MEP 001), the Methodologies Expert Panel (MEP) considered 29 items¹⁰ and launched a call for public input on the revision of two CDM methodologies and a methodological tool¹¹ for their application under the Article 6.4 mechanism.</p> <p>During its second meeting (MEP 002) the MEP considered 31 items¹² and launched a call for public input on the standard for demonstration of additionality in mechanism methodologies¹³. 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. The MEP also prioritized developing a concept note on</p>							

¹⁰ See the MEP 001 meeting report available at <https://unfccc.int/sites/default/files/resource/A6.4-MEP001.pdf>.

¹¹ ACM0001: Flaring or use of landfill gas, “ACM0002: Grid-connected electricity generation from renewable sources”, and TOOL07.

¹² See the MEP 002 meeting report available at <https://unfccc.int/sites/default/files/resource/A6.4-MEP002.pdf>.

¹³ 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>.

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
	<p>large-scale crediting methodologies, and 12 CDM methodologies and tools. The guidance developed under these standards and tools could potentially impact the further development of other products.</p> <p>At the eleventh meeting of the Supervisory Body, 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 its ninth meeting, 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 in this regard.</p> <p>At the twelfth meeting of the Supervisory Body 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” were considered. The secretariat was requested to update these notes based on inputs received at the Supervisory Body’s engagement event at SB 60 and feedback provided during the twelfth meeting of the Supervisory Body. Subsequently, an information note was prepared for the thirteenth meeting of the Supervisory Body.</p> <p>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 revised CDM methodologies.</p> <p>During MEP 001, the MEP agreed to launch a call for public 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. Additionally, a call for public input was launched on “ACM0001: Flaring or use of landfill gas”.</p> <p>During its second meeting, the MEP agreed to seek public input on the draft standard “Demonstration of Additionality in Mechanism Methodologies” (version 01.0).</p> <p>RCCs provided onsite support to 18 project developers (five in Asia-Pacific, five in East and Southern Africa, three in Latin America, four in Middle East and North Africa region, and one 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 6.2 and Article 6.4 activities.</p> <p>RCC West and Central Africa has been supporting the renewal of the grid emission factor for West African Power Pool (ASB0034-2021). In the second half of 2024, the RCC plans to engage standardized baselines developers for the renewal of standardized baselines for use under the Article 6.4 mechanism.</p>							
Registry	Article 6.4 mechanism registry	1, 2	Changes to modalities of communication and transactions	Transactions	-	-	-	-

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
		1	Registry reports	Reports	-	-	-	-
		1	IT systems requirements support, testing and acceptance		-	-	1 500 000	0
	<p>Status of outputs</p> <p>At the tenth meeting of the Supervisory Body, 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.</p> <p>At the eleventh meeting the draft procedure “A6.4 mechanism registry” was considered and the Supervisory Body 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 (AERs)) that are user-friendly.</p> <p>During the reporting period, the draft procedure for operation of the Article 6.4 mechanism registry was considered by the Supervisory Body. The secretariat will continue to further develop this draft for future consideration at a subsequent meeting, incorporating guidance provided by the Supervisory Body.</p> <p>The Supervisory Body also requested information from the secretariat regarding elements of the terms and conditions for users, for consideration at its thirteenth meeting. The Supervisory Body 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.</p> <p>Work on developing the registry is ongoing, aiming to operationalize an interim solution by the end of 2024. Therefore, during the reporting period, no activities were conducted for “Changes to modalities of communication and transactions and registry reports” and “IT systems requirements support, testing and acceptance”.</p>							

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
	The Supervisory Body also took note of the concept note “Repurposing the CDM voluntary cancellation platform to serve the Article 6.4 mechanism” and agreed to revisit this matter at a future meeting.							
Regulatory management	Regulatory standards and procedures, clarifications, guidelines and forms	2	Regulations and procedures		-	-	50 000	49 225
		2	Develop and maintain regulatory documents		-	-	-	-
	<p>Status of outputs</p> <p>At the tenth meeting the Supervisory Body adopted the procedure “Selection and performance evaluation of experts on the Article 6.4 mechanism accreditation roster of experts”. During this reporting period, it 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” and the draft procedure “Appeal and grievance processes under the Article 6.4 mechanism” and provided guidance for further revision of the draft procedure.</p> <p>At the eleventh meeting the Supervisory Body considered the draft tool “Article 6.4 sustainable development tool” and requested the secretariat to work further on the draft tool in consultation with the informal working group for this matter, comprising its members and alternate members between this meeting and the 13th meeting, with the aim of adopting the draft tool at its 13th meeting, and to launch a focused call for inputs on the draft tool, particularly from the CDM DOEs and the validation and verification bodies of other market mechanisms.</p> <p>At the eleventh meeting the Supervisory Body also adopted the draft 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.</p> <p>At the eleventh meeting 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 and activities” and the draft standard “Article 6.4 validation and verification standard for programmes of</p>							

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
	<p>activities”, and provided guidance to the draft regulatory documents for PoAs. Furthermore, the Supervisory Body launched a call for public input on 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 requested the secretariat to revise the documents, taking into account the public inputs.</p> <p>The secretariat initiated the initial structured legal and editorial review of the regulations and procedures approved by the Supervisory Body, in order to ensure consistency among the regulations, including with regard to its Rules of Procedure, as mandated by the Supervisory Body at its tenth meeting.</p> <p>The secretariat developed and published on the UNFCCC website a total of 26 forms related to:</p> <ul style="list-style-type: none">a) Activity cycle: Prior consideration notification form for projects and Host Party participation requirements for the Article 6.4 mechanism, as envisaged in the Procedure: A 6.4 Activity Cycle procedure for projects;b) CDM activity transition: CDM activity transition to the Article 6.4 mechanism approval form, as envisaged in the Procedure: Transition of CDM activities to the Article 6.4 mechanism;c) Accreditation: All required forms for the process of the accreditation of operational entities, as envisaged in the Procedure: Article 6.4 accreditation.							
Market and policy analysis	Analytical reports	3, 5	Public policy analysis, development and reports	Reports	1	1	50 000	0
	<p>Status of outputs</p> <p>At the tenth meeting 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.</p>							
Servicing of regulatory body	Support to the constituted body meetings	2	Legal support		-	-	50 000	25 898
		2	Support to the Supervisory Body, including preparation of meetings	Meetings	5	3	726 417	253 687

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
Servicing of regulatory body (<i>cont.</i>)	Establishment, maintenance and support to the roster of external experts	2	Governance matters related to the Supervisory Body		-	-	31 616	0
		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		-	-	-	-

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
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	<p><i>Status of outputs</i></p> <p>A dedicated legal officer participates in all Supervisory Body meetings and provides legal advice, when needed. The legal officer also reviews documents to be submitted for Supervisory Body meetings and provides legal reviews of approved standards and procedures as mandated.</p> <p>Support was provided to the Supervisory Body, including preparation for the following three meetings:</p> <ul style="list-style-type: none">a) Tenth meeting of the Supervisory Body held 26 February – 1 March 2024;b) Eleventh meeting of the Supervisory Body held 29 April – 2 May 2024;c) Twelfth meeting of the Supervisory Body held 22 – 23 May 2024 (virtual). <p>At the tenth meeting the Supervisory Body agreed to:</p> <ul style="list-style-type: none">a) Establish the MEP and the AEP and select their members for a term of one year and two years respectively;b) Include the shortlisted candidates who applied to the panels in the existing roster of experts;c) Adopt the procedure “Selection and performance evaluation of experts on the Article 6.4 mechanism accreditation roster of experts” and agree to make it effective from 31 March 2024;d) Launch a call for Article 6.4 methodology roster of experts from the least developed countries, small island developing States and Eastern European States. <p>The Supervisory Body approved the following workplans:</p> <ul style="list-style-type: none">a) Workplan of the Supervisory Body 2024 (at the tenth meeting of the Supervisory Body);b) Workplan of the Accreditation Expert Panel (at the eleventh meeting of the Supervisory Body);c) Workplan of the Methodological Expert Panel (at the eleventh meeting of the Supervisory Body). <p>At the eleventh meeting the Supervisory Body took note of the updates to its workplan for 2024.</p> <p>The secretariat ensures that the mandates of the CMA/CMP and the constituted bodies are 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.</p>							

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					2024	June 2024	2024	June 2024
Servicing of panels/working groups	Operationalization of Accreditation Expert Panel and Methodological Expert Panel	2	Support to the Accreditation Expert Panel, incl. preparation of meetings		-	-	361 783	13 934
		2	Support to the Methodological Expert Panel, incl. preparation of meetings		-	-	437 645	95 561
		2	Maintaining and managing assignments – roster of experts		-	-	-	-
	<p>Status of outputs</p> <p>At the tenth meeting the Supervisory Body agreed to:</p> <ul style="list-style-type: none"> a) Establish the MEP with a tenure until 31 March 2025, and the AEP with a tenure until 31 March 2026; b) Include the shortlisted candidates who applied to the panels in the existing roster of experts; c) Adopt the procedure “Selection and performance evaluation of experts on the Article 6.4 mechanism accreditation roster of experts” and agreed to make it effective from 31 March 2024; d) Launch a call for the A6.4 methodology roster of experts from the least developed countries, small island developing States and Eastern European States. <p>The first meeting (AEP 001) was held 25 – 26 April 2024.</p> <p>At the eleventh meeting of the Supervisory Body, the Supervisory Body:</p> <ul style="list-style-type: none"> a) Approved the workplan of the AEP; b) 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. 							

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					2024	June 2024	2024	June 2024
	<p>The first meeting (MEP 001) was held 15 – 19 April 2024; The second meeting (MEP 002) was held 24 – 28 June 2024.</p> <p>At the eleventh meeting the Supervisory Body:</p> <ul style="list-style-type: none">a) Approved the workplan of the MEP;b) 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: (1) requirements for the methodologies; (2) activities involving removals; and (3) revision of CDM methodologies and tools.							
Capacity-building	Workshops / trainings	4	Coordination and delivery of Article 6.4 capacity-building activities, including preparation of training materials and, knowledge products, and engagement of experts		-	-	290 814	0
	Knowledge products							
	Partnerships							
	<p>Status of outputs</p> <p>At the tenth meeting the Supervisory Body considered the information note “Roles and responsibilities of host Parties”.</p> <p>At the eleventh meeting of the Supervisory Body, 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.</p>							

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
	<p>With the designated Article 6 team in place since March 2024, the work on the Capacity Building Portal and the Article 6 web page is underway. During this period, a partnership for implementing capacity-building programmes has been established with Institute for Global Environmental Strategies (IGES), 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 for the second half of 2024, including RCCs. In addition to in-person workshops and webinars, efforts are ongoing to develop explainers, micro-learning and other knowledge resources on the forthcoming Article 6 Capacity-Building Portal.</p> <p>Targeted capacity-building support, including RCCs, in the form of webinars, in-country support and event presentations have focused on various aspects of Article 6 operationalization and engagement, roles and responsibilities of Parties and DNAs, framework and strategy development, and project/programme development under Article 6. One of the primary knowledge products developed during this period is the Article 6.2 Technical Expert Review Training Manual, which will be used to train a pool of at least 45 reviewers for Article 6.2 in August 2024.</p>							
Secretariat interactions with stakeholders	Dissemination of information to stakeholders, including clarifications	3, 4	External queries	Transactions	200	77	-	-
	Stakeholders' interactions	3	Calls for input and feedback to stakeholders	Transactions and reports	40	82	-	-
	Capacity-building of designated national authorities (DNAs) and DOEs	3	Regional DNA forums	Events	-	-	186 747	0

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
Secretariat interactions with stakeholders (cont.)	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	-	-
		3, 4, 5	External engagement activities (technical support to stakeholders and regional engagement)		-	-	-	-
		3, 4, 5	RCC support to activities	Activities	120	62	-	-

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
	<p><i>Status of outputs</i></p> <p>During the reporting period, more than 77 inquiries were processed. These 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 fulfillment of host Party participation requirements, among others. Additionally, five unsolicited letters were considered during the eleventh meeting of the Supervisory Body: (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 Capital¹⁴ and 44-Moles¹⁵. Furthermore, the secretariat responded to one letter from stakeholder regarding the handling of inputs related to the draft Sustainable Development Tool and draft Appeal and Grievance procedure.</p> <p>Twelve registered observers interacted with the Supervisory Body members during the tenth meeting and the eleventh meeting of the Supervisory Body regarding agenda items.</p> <p>During the reporting period, nine calls for inputs were launched on various topics, resulting in a total of 82 inputs received from a wide range of stakeholders.</p> <p>The tenth meeting of 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 (21 May 2024) a webinar on the Article 6.4 implementation update for DNAs, which focused on providing updates on the work of the Supervisory Body, regulatory frameworks for projects, transition and roles and responsibilities of host Parties.</p> <p>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 mechanism. Accordingly, 84 Parties have designated their national authority thus far.</p> <p>As for the Nairobi Framework Partnership coordination and technical support to stakeholders and regional engagement, the related activities are scheduled to commence in Q3 and Q4 2024. In regard to stakeholders and capacity-building of DOEs, the DOE calibration workshop is planned in September 2024.</p> <p>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. Benin, Morocco and Togo have communicated their host Party participation requirements to the Supervisory Body.</p> <p>The RCCs continued mapping activities and working in partnership with key regional actors that support capacity-building, training and knowledge-sharing activities on Article 6. A total of 62 interactions took place, including 25 capacity-building events on Article 6, and 37 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, webpages and LinkedIn group, including a campaign relating to transition of CDM projects and PoAs to the Article 6.4 mechanism.</p>							

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
Cross-cutting	Strategic guidance, coordination and oversight, including supervision of deliverables	1–5	Regular engagement with the Supervisory Body	Meetings	5	3	-	-
		3	Strategy development and implementation		-	-	-	-
		1–5	Ensuring consistency, coherence, and quality of outputs across workstreams		-	-	-	-

¹⁴ See <https://cquestcapital.com>.

¹⁵ See <https://44moles.com>.

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
Cross-cutting (cont.)	Communication Strategy	3, 5	Communications		-	-	155 302	74 102
	Strategic and external communications							
	Media-related activities (e.g. blogs, social media)							
	Communication products and media relationship							
	Quality management system	2	Quality management		-	-	-	-
	Websites, extranets and repositories	1, 3, 4	Information and knowledge management		-	-	58 725	0
	Catalogue of decisions and taxonomy							
	Records management							
	Secretariat-wide responsibilities	1–5	Secretariat-wide responsibilities		-	-	-	-

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
Cross-cutting (cont.)	Data gathering, analysis and reports	2	Data management		-	-	-	-
	<p>Status of outputs</p> <p>During the reporting period, support was provided for three Supervisory Body meetings: tenth meeting, eleventh meeting and twelfth meeting of the Supervisory Body.</p> <p>The Supervisory Body held a strategy session on 26 February 2024 to discuss advancing work in 2024 to operationalize the mechanism. The secretary to the Supervisory Body and managers of the Mitigation Division regularly held briefing sessions with the Chairs of Supervisory Body to prepare for upcoming meetings. They reviewed the meeting agenda and provided advice to the Chairs on meeting strategies. At the eleventh meeting of the Supervisory Body, Mr. Simon Stiell, the UNFCCC Executive Secretary, joined one of the sessions to reaffirm the UNFCCC secretariat's support for the work of the Supervisory Body and the implementation of the A6.4 mechanism. Measures are in place to coordinate the delivery of outputs within respective timelines. These measures include processes for strategizing, planning, reviewing, and ensuring quality of all regulatory documents and outputs. This approach aims to ensure consistent, coherent, and high-quality work across various workstreams, thereby fostering continuous improvement in the quality of deliverables.</p> <p>At the tenth meeting the Supervisory Body agreed to refer to the Article 6.4 mechanism as the "Paris Agreement Crediting Mechanism" in all external communications, following a thorough due diligence process. Subsequently, at the eleventh meeting of the Supervisory Body, after the secretariat analyzed the feasibility of formally or informally changing its name to avoid confusion with the use of the acronym "SB" for both the subsidiary bodies and the Supervisory Body, the Supervisory Body agreed to use the acronym "SBM", with "M" signifying "of the Mechanism". It was noted that no CMA decision is required for this change.</p> <p>During the reporting period, communication efforts for the Article 6.4 community have achieved significant engagement and reach. Key communication products prepared include:</p> <ul style="list-style-type: none"> a) Newsletters: Seven newsletters were sent to the Article 6.4 community, with a subscriber base that increased from 1,332 in September 2023 to 2,227; b) Quarterly communication evaluation: A comprehensive report for Q1 2024 was prepared and shared with the Supervisory Body at the twelfth meeting; c) Press releases: Two press releases were issued to the media and featured on the UN Climate Change website. Additionally, two media monitoring reports were compiled to assess media coverage; d) LinkedIn Posts: 13 posts were made in the Article 6 LinkedIn Group, which has over 4,500 members, and two posts on the UN Climate Change LinkedIn page. 							

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
	<p>These initiatives underscore the A6.4 Supervisory Body's commitment to transparency and community outreach and engagement.</p> <p>Progress in information and knowledge management during the reporting period has supported the Supervisory Body's effort to enhance public information access and overall information accessibility.</p> <p>The implementation of the “Decision and document framework”, which establishes a clear document hierarchy, has promoted transparency and facilitated public access to key decisions and documents. Key achievements include:</p> <ul style="list-style-type: none">a) Development and publication of 28 Article 6.4 mechanism web pages (13 entry pages, 6 event pages, and 9 call for input pages), with a total of 73 web pages managed and maintained. Notably, the “Rules and Regulations” web page serves as a comprehensive resource offering easy access to regulatory information, while the “Mechanism Processes” web page provides access to Article 6.4 operational processes and procedures, ensuring that stakeholders and the public have access to up-to-date information;b) Development and maintenance of three Article 6.4 mechanism SharePoint extranet sites, offering a secure and user-friendly platform for accessing pertinent resources;c) Processing of 70 documents and 25 forms, ensuring consistency in documentation classification and facilitating efficient data collection and information retrieval;d) 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. <p>These outputs reinforce the Supervisory Body's commitment to transparency, openness and accessibility, ensuring that the public has access to essential information.</p> <p>The secretariat-wide responsibilities included providing substantive inputs on Article 6.4 for requests from the Executive Office and Programme Coordination. Specifically, the division responded to requests for inputs to speaking points and briefing notes for the UN Secretary-General and Deputy Secretary-General, the UNFCCC Executive Secretary, and the Senior Director for Programme Coordination 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.</p> <p>Regarding data management, three surveys for panels, ten web data extractors for analysing voluntary markets, four databases, and a mandate tracking system were developed during the reporting period.</p>							

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
Cross-cutting: internal administration	Recruitments and contract management	1–5	Human resources, skill development, and learning materials		-	-	50 000	10 541
	Financial management and reporting	1–5	Finance (including budget, expert payments, fee payments, and procurement)		-	-	-	-
	Business Plan and RAP development							
	Mid-year and end-year review reports on the status of RAP 2024–2025 implementation	1–5	Intra-secretariat engagement agreement		-	-	10 000	5 868
	Development and monitoring of service-level framework agreements (Information technology, communications and legal services)	1–5	Planning, monitoring and reporting		-	-	-	-
		1–5	Travel management		-	-	100 000	33 235
		1–5	Management and meetings		-	-	-	-
		1–5	Supplies and subscriptions		-	-	89 188	2 839
	Status of outputs At the eleventh meeting of the Supervisory Body, 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.							

Area	Outputs	Goals ³	Activities	Units	Forecasted volume ⁴	Actual Volume ⁵	Approved Non-staff costs ⁶ (USD)	Actual Non-staff costs (USD)
					2024	June 2024	2024	June 2024
	<p>During the reporting period, recruitment was completed for 37 of the 52 approved positions; recruitment for 14 positions is ongoing, and administrative work has begun to advertise the remaining one position. All recruitments are scheduled to be finalized in Q3 2024. The secretariat prudently manages and monitors 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 Q2 2024, work commenced on the Internal Service Agreement between the Mitigation and Information and Communication Technology (ICT) divisions. 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 A6.4 Registry.</p> <p>The information note “Status of Article 6.4 mechanism Resource Allocation Plan 2023 implementation (1 January – 31 December 2023)” was finalized and presented at the eleventh meeting of the Supervisory Body.</p> <p>In Q2 2024, work began to finalize the mid-year review report covering the period 1 January – 30 June on the status of implementation of the RAP 2024–2025.</p> <p>Actual subscriptions are related to online portals offering recent intelligence on carbon pricing and climate change policies, as well as newsletter online services for Article 6.4 communications.</p>							

2.2. Budget and expenditure

5. Table 2 shows the breakdown of the budget and expenditure by the different cost categories.

Table 2. Comparison of budget and expenditure from 1 January to 30 June 2024 (USD)

Expense	Budget 2024 (a)	Expenditure (Jan–Jun 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	1 971 192	6 368 179	23.6
Consultants ^(b)	524 136	630 174	106 038	120.2
Expert fees ^(c)	471 279	31 000	440 279	6.6
Expert travel ^(d)	303 488	72 631	230 857	23.9
Travel of representatives ^(e)	338 917	—	338 917	—
Travel of representatives - Supervisory Body ^(f)	511 849	165 983	345 866	32.4
Travel of staff ^(g)	404 818	33 810	371 008	8.4
Training ^(h)	50 000	5 164	44 836	10.3
Operating expenses ⁽ⁱ⁾	463 089	114 519	348 570	24.7
Total cost of ownership (TCO) ^(j)	948 258	238 943	709 315	25.2
Engagement agreement (IT) ^(k)	4 068 498	845 060	3 223 438	20.8
Subtotal	16 423 703	4 108 476	12 315 227	25.0
Programme support costs (PSC) ^(l)	2 135 081	534 102	1 600 979	25.0
Total	18 558 784	4 642 578	13 916 206	25.0

(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 consultant 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 costs and DSA for participants in meetings and workshops.

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

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

(h) Training costs include staff and SBM 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 (ICT, 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 the Article 6.4 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 2 shows the rate of expenditure as a percentage against the 2024 budget for each cost category. The total rate of expenditure (25.0 per cent) is below the linear rate of expenditure (50.0 per cent) for the reporting period.
7. Staff costs amount to 23.6 per cent of the 2024 budget for this object of expenditure which is significantly lower than the linear rate of 50.0 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 120.2 per cent of the projected 2024 budget for this object of expenditure, which is higher than the projected rate of expenditure (50.0 per cent). The higher expenditure rate is due to obligations for which the services are to be received in the second half of the year and Q1 2025.
9. The expert fees amount to 6.6 per cent of the projected 2024 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (50.0 per cent). This is because only one meeting of each panel has been processed in the period.
10. Expert travel amounts to 23.9 per cent of the projected 2024 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (50.0 per cent). This is because the total number of meetings for the regulatory bodies and their supporting panels and working groups is not equally distributed across the year. Expenditure is expected to align more closely with the original projections as the year.
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 32.4 per cent of the projected 2024 budget for this object of expenditure, which is lower than the projected rate of expenditure (50.0 per cent). This is because the total number of meetings for the regulatory bodies and their supporting panels and working groups is not equally distributed across the year. Expenditure is expected to align more closely with the original projections as the year progresses.
13. Travel of staff amounts to 8.4 per cent of the 2024 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (50.0 per cent). The lower expenditure reflects reduced staff participation in events outside of Bonn, due to prudent resource management.
14. Training costs amount to 10.3 per cent against the projected 2024 budget, which is significantly lower than the linearly projected rate of expenditure (50.0 per cent). The expenditures are expected to be more aligned with projections as the year progresses, due to onboarding of staff.
15. Operating expenses amount to 24.7 per cent of the projected 2024 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (50.0 per cent). This is due to fewer meetings held throughout the year than anticipated.
16. Engagement agreement costs (IT) amount to 20.8 percent of the projected 2024 budget for this object of expenditure, which is significantly lower than the projected rate of expenditure (50.0 per cent).

3. Conclusions

17. 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 2024).

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