



Carbon Market Watch inputs to the Article 6.4 Supervisory Body ahead of its 10th meeting: Operation of the mechanism registry

Brussels, 14 February 2024

Dear Members and Alternate Members of the Article 6.4 Supervisory Body,

We welcome the opportunity to respond to the call for input ahead of the Article 6.4 Supervisory Body's 10th meeting from 26 February to 1 March 2024. Here, our inputs concern "[A6.4-SB010-AA-A06](#) - Concept note: Operation of the mechanism registry (v01.0)".

The design of the Article 6.4 mechanism registry forms an essential part of the Supervisory Body's (SB) work programme in 2024. It is crucial to get the details right. We have made general comments, followed by specific comments on paragraphs in the concept note.

General comments

Transparency of data must be a key guiding principle in designing the Article 6.4 mechanism registry. The mechanism registry will be a core part of the Article 6 infrastructure, and all activity- and unit-related data must be made accessible to the public in a user-friendly manner. Such data must be viewable in a "live manner" on a public interface of the mechanism registry that is machine-readable and updated in real time (or at regular intervals, e.g. weekly), which is already widely practiced on the voluntary carbon market, rather than the inadequate option currently considered in the concept note to only make such data publicly available in monthly reports.

The mechanism registry's public interface must therefore transparently and publicly disclose **fully disaggregated, machine-readable, and regularly updated data regarding each Article 6.4 mechanism activity**, including but not limited to the following:

- name of activity; unique identifier of activity; UN global region and country of activity; name of activity proponent; unique identifier of activity proponent; mitigation scope (e.g. waste management) and category of activity (e.g. landfill methane); methodology of activity; emission reduction activity or emission removal activity or mixed activity; whether the activity involves a reversal risk (yes/no), and if so, the reversal risk rating; type of activity (PA, PoA);
- status of the activity (e.g. registered, under review); activity registration date; type of crediting period (renewable, fixed); current crediting period (1st, 2nd, 3rd); start date and end date of crediting period; name of DOE (disclosed for each phase: e.g. registration, 1st monitoring report, 2nd monitoring report, etc); link to DOE reports;
- estimated annual emission reductions/removals;
- total issuance and total retirements/cancellations to date, disaggregated by issuance/retirement/cancellation date, vintage, and quantity;
 - this data should also be sortable by authorisation type (NDC, IMP, OIMP, MCU) and first transfer date, as well as retirement/cancellation purpose and related entity (name of entity retiring/cancelling credits and purpose for doing so: e.g. voluntary OMGE, "cancellation towards climate contribution target of company X covering reporting year YYYY", etc.);
- total units forwarded/first transferred to: SOP for adaptation account, mandatory OMGE account, voluntary OMGE account;
- current holdings: name of each entity currently holding units, accompanied by disaggregated data on such units (e.g. quantity, vintage, issuance date, name of previous entities holding the unit (transaction record)).

Most of the data listed above is already publicly disclosed in existing registries (e.g. Verra, Gold Standard, UK Woodland Carbon Code) or was featured to a limited extent on the CDM registry. Several registries also disclose disaggregated data on holdings: [UK Woodland Carbon Code](#), [UK Peatland Carbon Code](#), [Global Carbon Council](#). The Article 6.4 mechanism registry must do the same.

It is also worth noting that the Integrity Council for the Voluntary Carbon Market (ICVCM) requires carbon crediting standards seeking ICVCM-compliance to disclose on their registries the entity on whose behalf a carbon credit was retired and the purpose for the

retirement, among other transparency requirements.¹ Hence, this should be considered to be (or very soon to be) common practice.

Specific comments

Regarding the [concept note itself](#), we have several comments and recommendations, which you can find in the below table.

PARA	TEXT	CMW COMMENTS
19-20	<p>"[19. ...] It is important these reports balance transparency with necessary confidentiality/privacy in accordance with standard practice, which means some information within the reports will need to be disaggregated.</p> <p>20. The Supervisory Body may want to consider providing high-level guidance on the type of information that shall be made available and the appropriate levels of aggregation at which data may be disclosed to different stakeholders and publicly. This issue is dealt with in section 5.6 below."</p>	<p>Data in the mechanism registry concerning activities, the underlying units, and any transactions should be disaggregated and public, by default. There appears to be no obvious basis for confidentiality/privacy regarding the issuance, transfer, retirement/cancellation of units, or in fact regarding most information maintained in registries. The mechanism registry should publicly disclose all the information we listed in the previous section, at the minimum, which is already mostly publicly disclosed on other registries (in the voluntary carbon market and beyond).</p> <p>Information should be public by default. If there were legitimate reasons for confidentiality/privacy for certain types of data, it falls on the UNFCCC Secretariat and Supervisory Body to provide a detailed explanation of the potential considerations and reasons, with specific examples, rather than what is currently noted in paragraph 19 in an unsubstantiated manner without examples (e.g. what does "standard practice" mean?). The current provision could severely hamper transparency in the future registry.</p>
23b	<p>"(b) Whether secondary transfers between accounts in the mechanism registry ("trading") are allowed;"</p>	<p>The Supervisory Body should consider the possibility of limiting the number of transfers of units between accounts in the mechanism registry, e.g. to limit speculative practices.</p> <p>At the very least, the mechanism registry should track, and publicly display, the current ownership of each unit, including</p>

¹ See "criterion 2.1 - effective registries" (p. 55) and "criterion 3.1 - information" (p.56), in the ICVCM's assessment framework: <https://icvcm.org/wp-content/uploads/2024/02/CCP-Section-4-V2-FINAL-6Feb24.pdf>

		the name of the entity currently holding a unit and the name of all previous entities that have held it (transaction record).
23e	“(e) The type of information that shall be made available and the appropriate levels of aggregation at which data may be disclosed to different stakeholders and publicly;”	See our general comments and our specific comments in the first and last cells of this table.
37b	<p>“37. The secretariat recommends preparing the following reports, based on existing practices and experience in the CDM Registry:</p> <p>[...]</p> <p>(b) Public reports: Monthly for all reports other than annual for retirement;</p> <p>(i) Disaggregated: Issuance, mandatory and voluntary cancellation in breakdown by cancellation type and purpose, and retirement;</p> <p>(ii) Aggregated: Holdings per A6.4ER and CER type and vintage;”</p>	<p>As expressed in our general comments, we strongly disagree with the proposal for key registry information to only be disclosed to the public in monthly reports. There should be a public view of the mechanism registry, disclosing at a minimum all the information we have detailed in the previous section: the data should all be fully disaggregated, machine-readable, and available in real-time (or regularly updated, e.g. weekly). Holdings should be disaggregated, which is already done in certain registries (e.g. UK Woodland and Peatland Codes, Global Carbon Council).</p> <p>Providing public data only in monthly reports will hinder transparency in several manners: first, the data will not be updated regularly enough; second, it is unclear in what format such reports would be provided, but if it were not in a machine readable format (e.g. CSV), then it would render analysis of the data extremely cumbersome; third, unless monthly reports disclose historical data as well it will be very difficult to compare the monthly data with historical data.</p> <p>Finally, para 37b seems to indicate that retirement data would only be disclosed on an annual basis, which would be unacceptable. There is no compelling reason why retirement data would only be disclosed on an annual basis. This would severely hamper transparency.</p>

Contact

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