



Subsidiary Body for Implementation

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**Arrangements for funding infrastructure, processes and capacity-
building for implementing the guidance on cooperative approaches
referred to in Article 6, paragraph 2, of the Paris Agreement**

Options for funding the activities related to the infrastructure and processes under Article 6, paragraph 2, of the Paris Agreement

Technical paper by the secretariat

Summary

This updated technical paper provides information on the need for sufficient and stable financing for the infrastructure and the technical expert reviews and capacity-building activities (collectively referred to as processes) under Article 6, paragraph 2, of the Paris Agreement. The paper explores and compares funding options, including core and supplementary funding and user and usage-based fees.



Abbreviations and acronyms

A6.4ER	emission reduction under Article 6, paragraph 4, of the Paris Agreement
Article 6.2 infrastructure	infrastructure under Article 6, paragraph 2, of the Paris Agreement
Article 6.2 infrastructure and processes	infrastructure and processes, namely Article 6 technical expert reviews and capacity-building activities, under Article 6, paragraph 2, of the Paris Agreement
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
COP	Conference of the Parties
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
ITL	international transaction log
ITMO	internationally transferred mitigation outcome
NDC	nationally determined contribution
participating Party	Party participating in cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement and in decision 2/CMA.3
RSA	registry system administrator
RSA Forum	Registry System Administrators Forum
SBI	Subsidiary Body for Implementation
TERT	technical expert review team

I. Introduction

A. Mandate

1. CMA 7 requested the secretariat to update the technical paper on options for funding the activities related to the infrastructure and technical expert review under Article 6, paragraph 2, of the Paris Agreement¹ to serve as input to the consideration at SBI 64 of the sufficiency and stability of funding for the:²

- (a) Operation and maintenance of the Article 6.2 infrastructure;
- (b) Article 6³ technical expert reviews;
- (c) Capacity-building activities in respect of Article 6, paragraph 2.

B. Scope

2. This paper presents an overview of the secretariat's activities in relation to the Article 6.2 infrastructure and processes mandated by the CMA; a high-level budgetary breakdown for the development and implementation as well as the operation and maintenance of the infrastructure and processes; and options for the provision of sufficient and reliable financing for the infrastructure and processes, together with a comparison of those options.

C. Possible action by the Subsidiary Body for Implementation

3. The SBI may wish to consider the elements identified in this technical paper and to provide guidance, as appropriate, on facilitating sufficient and stable funding for the development and implementation as well as the operation and maintenance of the Article 6.2 infrastructure and processes.

II. Mandated activities

4. An overview of the mandated components of the Article 6.2 infrastructure and processes agreed in decisions relating to Article 6, paragraph 2, is presented in table 1.

Table 1

Mandated components of the infrastructure and processes under Article 6, paragraph 2, and their functions

<i>Component</i>	<i>Mandate (decision number and reference)</i>	<i>Functions and activities</i>
Article 6 database	2/CMA.3 , annex, chapter VI.B	<p>Record and compile quantitative information on ITMOs from reports submitted by participating Parties</p> <p>Record corresponding adjustments applied by participating Parties and resulting emissions balances</p> <p>Notify participating Parties of any inconsistencies identified in the information reported by them</p> <p>Provide information relevant to participating Parties' cooperative approaches to the Article 6 TERTs</p> <p>Publish non-confidential information stored in the database, including in relation to the results of the consistency check</p> <p>Record any amendments to the information recorded in the database to reflect information in the submissions of participating Parties</p>

¹ [FCCC/TP/2023/1](#).

² Decision [19/CMA.7](#), paras. 27–28.

³ Articles referred to in this technical paper are Articles of the Paris Agreement.

<i>Component</i>	<i>Mandate (decision number and reference)</i>	<i>Functions and activities</i>
Centralized accounting and reporting platform	6/CMA.4 , annex I, chapter III	<p>Record unique identifiers for ITMOs contained in participating Parties registries by receiving those identifiers via the agreed electronic format</p> <p>Enable the compilation of annual information submitted by participating Parties for inclusion in the format for the structured summary required as part of the biennial transparency report</p> <p>Automate the consistency check</p> <p>Enable a pre-submission consistency check option for draft annual information for voluntary use</p>
	4/CMA.6 , section VII.A	<p>Generate consistency check synthesis reports, user-friendly summary tables and disaggregated tables with information on inconsistencies found</p>
	2/CMA.3 , annex, chapter VI.C	<p>Publish the information submitted by participating Parties</p> <p>Maintain public information on cooperative approaches and ITMOs</p> <p>Maintain links to the publicly available information submitted by participating Parties on the cooperative approaches in which they participate</p> <p>Generate, automatically, information as an input to the annual report to the CMA, including information on recorded ITMOs, corresponding adjustments and emissions balances</p>
	6/CMA.4 , paragraph 13, and annex I, chapter II	<p>Provide templates for tables and outlines for information to be reported by participating Parties</p> <p>Provide a submission portal for participating Parties to submit information</p> <p>Provide workflows for processing submissions and safe storage for submitted information</p> <p>Provide an area for each participating Party to support the preparation of its submissions and communication with the secretariat and the relevant Article 6 TERT</p> <p>Provide an area for Article 6 TERTs to access information relevant to reviews assigned to them and to support communication with the secretariat and Parties</p> <p>Provide a public interface for the platform</p> <p>Enable the management of a common list of values (common nomenclatures) for specific information attributes required for participating Parties' reporting of the required annual information for recording in the Article 6 database, including providing unique identifiers for cooperative approaches</p>
	4/CMA.6 , sections I.E, IV and VII	<p>Provide a public repository for each participating Party's statements and/or copies of authorization</p> <p>Enable the generation of summary tables and disaggregated tables from information submitted by participating Parties in the agreed electronic format</p> <p>Publish the results of the consistency checks</p> <p>Publish consistency check synthesis reports, user-friendly summary tables and disaggregated tables with information on inconsistencies found</p> <p>Make publicly available the status of each of the Article 6 technical expert reviews and significant and persistent inconsistencies identified in Article 6 technical expert review reports</p>

<i>Component</i>	<i>Mandate (decision number and reference)</i>	<i>Functions and activities</i>
		Publish any cases of persistent inconsistencies and/or non-responsiveness by a participating Party in a disaggregated manner in respect of each participating Party
International registry	2/CMA.3 , annex, paragraph 30 6/CMA.4 , annex I, chapter I.C	Implement an international registry for participating Parties that do not have, or do not have access to, a registry Develop and maintain the international registry software, change management procedures, operational level agreements, hosting and synchronization of nomenclature, procedures for corrective actions, standards and procedures for interoperability, and procedures for implementing interoperability Assist the least developed countries and small island developing States that use the international registry, subject to financial resources Enable the automatic pre-filling of the agreed electronic format and of other quantitative information Enable the production and dissemination of reports to the designated RSAs of participating Parties on the history of holdings and actions Provide a publicly accessible user interface Connect the Article 6, paragraph 4, mechanism registry to the international registry Connect a participating Party's registry to the international registry, if applicable
	4/CMA.6 , section IX	Provide registry connections that enable the ability to pull and view data and information on holdings and the action history of authorized A6.4ERs and enable the transfer of authorized A6.4ERs as ITMOs to the international registry, consistent with interoperability arrangements and registry functions Provide, as an additional service for Parties that request it, registry services through which a Party may issue mitigation outcomes as units, the use of which it has authorized or intends to authorize Assist Parties, particularly developing country Parties, at their request, in implementing a national registry
RSA Forum	6/CMA.4 , paragraphs 32 and 34–35 19/CMA.7 , paragraph 17	Facilitate cooperation among RSAs Operate a platform for knowledge exchange and an online platform for information exchange and to support the RSA Forum in identifying topics of interest and relevant activities Provide input to the further development and implementation of the Article 6.2 infrastructure and recommended practices and communication standards Seek inputs from the RSA Forum on the procedure “International registry and additional registry services” ^a
Standards and recommended practices	6/CMA.4 , paragraph 32	Develop, publish and periodically update standards and recommended practices for the electronic recording of data and information related to ITMOs, as well as communication standards for interoperability and transactions with ITMOs
Article 6 technical expert review	2/CMA.3 , annex, chapter V 2/CMA.3 , paragraph 13 6/CMA.4 , annex II,	Review the information submitted by participating Parties pursuant to chapter IV.A and C of the annex to decision 2/CMA.3 , in accordance with guidelines adopted by the CMA Prepare a report on each Article 6 technical expert review Prepare annually a compilation and synthesis of the results of the Article 6 technical expert review Facilitate annual meetings of the Article 6 lead reviewers

<i>Component</i>	<i>Mandate (decision number and reference)</i>	<i>Functions and activities</i>
Capacity-building	chapters X and XI, and annex IV	Develop and implement the training programme for technical experts participating in the Article 6 technical expert reviews, including annual instructor-facilitated online training courses Maintain and update the UNFCCC roster of experts in order to support the selection of members for Article 6 TERTs
	19/CMA.7 , section I	Organize an informal interactive dialogue on the results of the Article 6 technical expert reviews
	2/CMA.3 , paragraph 12	Design and implement a capacity-building programme, including through the regional collaboration centres, to assist Parties intending to participate in cooperative approaches Support the development of institutional arrangements, including in relation to reporting, in order to enable Parties to engage in cooperative approaches Help Parties to ensure that the cooperative approaches in which they participate support ambition Assist the least developed countries and small island developing States in meeting the requirements for participating in cooperative approaches
	6/CMA.4 , paragraph 22	Develop and regularly update a manual to facilitate Parties' understanding of how to report information pertaining to initial reports, annual information and regular information
	4/CMA.6 , paragraph 56	Organize a dialogue for interested participating Parties and observers to exchange information on and experience in how cooperative approaches in which they participate support ambition
	19/CMA.7 , chapter III	Identify capacity-building needs and provide capacity-building support in areas of inconsistency identified by the Article 6 TERTs during the reviews Incorporate relevant training materials into the mandated capacity-building activities for Article 6, paragraph 2, where themes in inconsistencies have been identified in relation to the reporting Regularly update the <i>Article 6.2 Reference manual for the accounting, reporting and review of cooperative approaches</i> ^b

^a Available at <https://unfccc.int/documents/648104>.

^b UNFCCC. 2025. *Article 6.2 Reference manual for the accounting, reporting and review of cooperative approaches*. Bonn: UNFCCC. Available at <https://unfccc.int/documents/634354>.

III. Budget estimates for mandated activities

5. CMA 7 expressed concern about the estimated USD 8.0 million shortfall in resources for mandated tasks relating to Article 6, paragraph 2, in the biennium 2024–2025 and noted the estimated USD 14.1 million needed for the work relating to Article 6, paragraph 2, in the biennium 2026–2027.⁴

6. Budgetary requirements for implementing mandated activities under Article 6, paragraph 2, were first introduced into the supplementary budget following the adoption of decision [2/CMA.3](#) in 2021. Budgets were subsequently approved for this purpose as follows:

⁴ Decision [19/CMA.7](#), para. 29.

(a) For the biennium 2022–2023, a budget of EUR 7.6 million (USD 8.9 million⁵) was approved.⁶ The available funds during the biennium amounted to EUR 0.7 million (USD 0.8 million⁵);

(b) For the biennium 2024–2025, a budget of EUR 8.1 million (USD 9.5 million⁵) was approved.⁷ The available funds during the biennium amounted to EUR 1.9 million (USD 2.2 million⁵);

(c) For the biennium 2026–2027, a budget of EUR 10.7 million (USD 12.5 million⁵) was approved.⁸

7. As a result of insufficient contributions received in the bienniums 2022–2023 and 2024–2025, the development and implementation of the Article 6.2 infrastructure and processes could not be completed. Accordingly, the remaining infrastructure- and process-related activities and associated resource requirements have been included in the approved budget for the biennium 2026–2027.

8. In decision [19/CMA.7](#), paragraphs 15–16, the CMA noted with concern the status of the infrastructure for recording and tracking and requested the secretariat to implement the infrastructure under Article 6, paragraph 2, expeditiously. However, in the bienniums 2022–2023 and 2024–2025, the budget for implementing mandated activities under Article 6, paragraph 2, was funded exclusively through voluntary contributions. In the biennium 2026–2027, a portion of the approved UNFCCC core budget will be allocated to support those activities. While the introduction of a core budget allocation contributes to a more predictable and supportive funding base, additional resources will continue to be required to meet the full scope of mandated activities.

A. Development and implementation

9. Table 2 contains the disaggregated estimated budget⁹ related to the development and implementation of the Article 6.2 infrastructure and processes presented in the programme budget for the biennium 2026–2027.¹⁰

Table 2

Budget estimates for the development and implementation of the infrastructure and processes under Article 6, paragraph 2, for the biennium 2026–2027

<i>Component</i>	<i>Estimated budget for development and implementation (EUR)^a</i>
Article 6 database	583 502
Centralized accounting and reporting platform	694 293
International registry	602 262
RSA Forum	118 363
Standards and recommended practices	64 594
Article 6 technical expert review	841 673
Capacity-building	613 544
Total	3 518 231

^a Estimates include staff and non-staff costs and standard programme support costs of 13 per cent. The estimates are indicative and may be revised as cost assumptions continue to evolve.

⁵ Applying the United Nations operational rate of exchange as of 1 May 2026 of 0.854.

⁶ Decision [22/CP.26](#), table 4.

⁷ Decision [19/CP.28](#), table 4.

⁸ Decision [20/CP.30](#), table 3.

⁹ Referred to as category 3 (temporary or short-term) activities in the programme budget.

¹⁰ [FCCC/SBI/2025/8](#).

B. Operation and maintenance

10. Table 3 contains the disaggregated estimated budget¹¹ related to the operation and maintenance of the Article 6.2 infrastructure and processes presented in the programme budget for the biennium 2026–2027.

Table 3

Budget estimates for the operation and maintenance of the infrastructure and processes under Article 6, paragraph 2, for the biennium 2026–2027

<i>Component</i>	<i>Estimated budget for operation and maintenance (EUR)^a</i>
Article 6 database	165 285
Centralized accounting and reporting platform	135 922
International registry	406 276
RSA Forum	983 302
Standards and recommended practices	128 492
Article 6 technical expert review	2 599 016
Capacity-building	2 805 785
Total	7 224 078

^a Estimates include staff and non-staff costs and standard programme support costs of 13 per cent. The estimates are indicative and may be revised as cost assumptions continue to evolve.

IV. Options for funding mandated activities

A. Development and implementation

11. The development and implementation of the Article 6.2 infrastructure and processes requires immediate funding to ensure a prompt start to the remaining activities and to enable a stage of progress to be reached wherein either the infrastructure and processes become self-financing or another adequate, reliable funding source is identified.

12. To date, the primary modality of financing for development and implementation has been to request supplementary funding from Parties. However, the available funds have remained significantly below the approved budgets for this purpose, reflecting the reliance on voluntary contributions that have proved insufficient.

13. While the core budget allocation from the biennium 2026–2027 onward represents an important step towards improved funding predictability, the level of core funding remains substantially below the resources required to finalize the development and implementation of the Article 6.2 infrastructure and processes and ensure their continued operation and maintenance over time.

14. Accordingly, additional resources, adequate in amount and sustained in nature, will be necessary to support the completion of outstanding development and implementation work and the long-term functionality, reliability and integrity of the Article 6.2 infrastructure and processes.

15. Funding requirements for the Article 6.2 infrastructure and processes for the biennium 2026–2027 are principally to be provided by voluntary contributions to the trust fund for supplementary activities. Given the inadequate funding provided through this means in previous bienniums, Parties may wish to consider alternative approaches for addressing the funding requirements for the Article 6.2 infrastructure and processes for the biennium 2026–2027.

¹¹ Referred to as category 2 (long-term or recurring) activities in the programme budget.

B. Operation and maintenance

16. The secretariat has identified the following four options, which are not mutually exclusive, for financing activities related to the operation and maintenance of the Article 6.2 infrastructure and processes:

- (a) Core funding in future biennium programme budgets;
- (b) Supplementary funding;
- (c) Usage-based fees;
- (d) User fees levied on participating Parties.

1. Option 1: core funding in future biennium programme budgets

17. Funding operational activities from the core budget would improve funding predictability and could be justified in the future as 92 per cent of Parties have the potential to make use of the Article 6.2 infrastructure in order to use ITMOs towards the achievement of their NDCs and/or for other international mitigation purposes (see the annex). Those Parties meet one or both of the following criteria:

(a) Submission of an NDC by 15 May 2026, with information therein indicating the Party's intention to use or possibly use at least one type of voluntary cooperation under Article 6;

(b) Voluntary participation in CORSIA from 1 January 2026 or mandatory participation in CORSIA from 1 January 2027 under International Civil Aviation Organization rules, for participating Parties with aeroplane operators attributed to them for CORSIA purposes under International Civil Aviation Organization rules.¹²

2. Option 2: supplementary funding

18. This option is a continuation of the status quo in funding arrangements under Article 6, paragraph 2. Under this approach, only Parties that are in a position and willing to contribute would provide funding for operational activities, which would mean potentially not achieving the robust, stable financing needed for the long-term sustainability of the Article 6.2 infrastructure and processes.

19. The funds made available for implementing the Article 6.2 infrastructure and processes during 2022–2025 amounted to EUR 2.6 million (see para. 6 above). Of this amount, EUR 1.0 million originated from the allocation of remaining balances from joint implementation projects, while only EUR 1.6 million was received through voluntary contributions from Parties for the secretariat's work on mandated activities relating to Article 6, paragraph 2.

20. This level of funding is insufficient to meet overall resource requirements under Article 6, paragraph 2, highlighting the need for enhanced, sustained funding in future bienniums to complete outstanding development and implementation activities and support the effective operation and maintenance of the Article 6.2 infrastructure on a long-term basis.

3. Option 3: usage-based fees

21. Under this approach, participating Parties would be charged fees for using the Article 6.2 infrastructure and processes. The fees would be set on the basis of the

¹² See *CORSIA States for Chapter 3 State Pairs* (ICAO. 2025. *CORSIA States for Chapter 3 State Pairs*. 6th ed. ICAO. Available at <https://www.icao.int/CORSIA/corsia-states-chapter-3-state-pairs>), the international total (scheduled and non-scheduled) revenue tonne-kilometres for 2018 (available at https://www.icao.int/sites/default/files/environmental-protection/CORSIA/Documents/Background%20Information/International-RTK-rankings_2018_SIDS_LDC_LLDC.pdf) and *CORSIA Aeroplane Operator to State Attributions* (ICAO. 2024. *CORSIA Aeroplane Operator to State Attributions*. 9th ed. ICAO. Available at <https://www.icao.int/CORSIA/Aeroplane-Operator-to-State>).

component(s) of infrastructure used and the extent of such use or on the service required. Examples of usage-based fees include:

(a) Component-based charging: flat ‘per-user’ fees could be charged for the use of certain components of the Article 6.2 infrastructure; for example, participating Parties using or connecting to the international registry could be subject to account, transaction and/or connection fees;

(b) Volume-based charging: fees could be calculated proportionally to, for example, the number of transactions made by a Party in the international registry,¹³ the number of entries in the annual information submitted in the agreed electronic format or the number of cooperative approaches that require review in initial and regular reports;

(c) Effort-based charging: a scale of fees could be set on the basis of the effort required of the secretariat to provide a requested service; examples of fees include a review fee charged to a participating Party, with its amount determined by the number of cooperative approaches that require review in initial and regular reports submitted; fees for conducting consistency checks for annual information; and fees for publishing and updating authorizations on the centralized accounting and reporting platform.

22. If usage-based fees were the only option chosen for funding, a scale of fees would need to be developed and agreed for the costs of providing each specific service. Such fees would need to be collected up front, with the service performed by the secretariat only upon payment of the fee.

23. Usage-based fees would need to be set realistically in order to ensure sufficient funds are collected to meet operational costs, which are constant, in a stable and reliable manner, taking into consideration also that accurate usage data become available only after the fact.

24. In addition, elements of other funding options may still be required under this option as it may be difficult to calculate and collect usage-based fees in respect of capacity-building activities that the secretariat is mandated by the COP and the CMA to conduct.

4. Option 4: user fees levied on participating Parties

25. Under the user fee option, the costs of funding operation and maintenance activities would be recovered from payments made by Parties according to a scale of contributions based on their participation in and benefit from the Article 6.2 infrastructure and processes.

26. There are two primary approaches to establishing such user fees:

(a) All participating Parties pay the same amount;

(b) Participating Parties pay an amount that is calculated proportionally on the basis of the UNFCCC scale of Party contributions,¹⁴ which would be amended to include only participating Parties.

27. An example of how both approaches could be reflected as individual Party contributions is contained in the annex.

28. As with option 3 (see paras. 21–24 above), provisions would need to be developed for addressing the non-payment of fees by a participating Party, as well as situations in which a Party becomes a participating Party part way through an NDC implementation period. Such provisions would help to avoid unintended incentives to delay participation and ensure equitable and consistent contributions by all participating Parties.

C. Establishment of a trust fund

29. In respect of options 1 and 2 in chapter IV.A above and options 3 and 4 in chapter IV.B above, it may be necessary to establish a dedicated trust fund for managing

¹³ This approach could place a significant burden on Parties that do not have access to a national registry, the majority of which are likely to be developing country Parties.

¹⁴ See document FCCC/SBI/2023/10/Add.1, pp.20–24, for the indicative scale of contributions for Parties to the Convention for 2024–2025 recommended at SBI 58 for adoption at COP 28.

contributions, funds and/or fees related to the Article 6.2 infrastructure and processes, particularly if the infrastructure and processes are envisioned to become self-financing.

30. A trust fund offers the possibility of customizing aspects of its financial management, such as determining the size of the operating reserve, establishing rules for carrying over funds from one biennium to the next, enabling the secretariat to address shortages using savings accumulated in the trust fund and, notably, setting individual Party contributions when customized fees or contributions are necessary.

31. Decision [15/CP.1](#) provides that, subject to the approval of the COP, the Secretary-General of the United Nations may establish trust funds, provided they are consistent with the objective of the Convention, and that, should a fund established result in additional liability to the core administrative budget, that liability must be quantified and approved in advance by the COP.

32. Several UNFCCC trust funds have been established – the trust fund for supplementary activities, the trust fund for the clean development mechanism, the trust fund for the core budget of the UNFCCC, the trust fund for the international transaction log, the trust fund for participation in the UNFCCC process, the trust fund for the Paris Agreement crediting mechanism, and the trust fund for the special annual contribution from the Government of Germany (also known as the Bonn Fund) – setting a precedent and providing management experience.

V. Comparison of funding options for operation and maintenance activities

A. Approach

33. The four options for funding the operation and maintenance of the Article 6.2 infrastructure and processes presented in chapter IV.B above were compared with respect to the following criteria:

(a) Adherence to the ‘user pays’ principle: the costs of the Article 6.2 infrastructure and processes should be borne by the Parties or authorized entities that use or directly benefit from the relevant infrastructure or process component(s), rather than being subsidized or paid for, in whole or in part, by all Parties;

(b) Stability of funding: the budget for the Article 6.2 infrastructure and processes should provide for a reliable and consistent source of income given that stable funding, including predictable and consistent income, is crucial for smooth operation and long-term viability of the operation and maintenance of the Article 6.2 infrastructure and processes;

(c) Self-financing: the components of the Article 6.2 infrastructure and processes should generate revenue themselves, rather than relying on external sources such as contributions or fees from Parties, with these self-generated revenues to be used to fund operation and maintenance expenses;

(d) Administrative overheads: the funding option should minimize the ongoing operation and maintenance expenses incurred in supporting the regular activities and functions related to the Article 6.2 infrastructure and processes.

34. The four criteria are based on those that were used to compare the options in methodologies for collecting ITL fees.¹⁵ Those criteria were based on Parties’ inputs¹⁶ and the experience of the secretariat in gathering fees for the ITL prior to 2010.

¹⁵ [FCCC/TP/2010/1](#).

¹⁶ See document [FCCC/SBI/2009/MISC.3](#) and [Add.1](#) and document [FCCC/SBI/2010/MISC.4](#) for the submissions from Parties.

B. Assessment

1. Option 1: core funding in future biennium programme budgets

35. This option:

(a) Does not adhere to the ‘user pays’ principle as Parties that do not participate in cooperative approaches referred to in Article 6, paragraph 2, and in decision [2/CMA.3](#) would be required to contribute to financing the Article 6.2 infrastructure and processes;

(b) Provides for the stability of funding as the core budget is a consistent source of income;

(c) Does not allow for self-financing because contributions from Parties would be relied upon to cover operation and maintenance expenses;

(d) Entails minimal administrative overheads as the funding would be part of the secretariat’s regular core budget cycle.

2. Option 2: supplementary funding

36. This option:

(a) Does not fully adhere to the ‘user pays’ principle as only participating Parties that are willing and able would be relied upon to provide funding, but all participating Parties would benefit from the Article 6.2 infrastructure and processes;

(b) Does not provide for the stability of operation and maintenance funding as contributions for supplementary activities are notoriously unpredictable;

(c) Does not allow for self-financing as covering the operation and maintenance expenses would depend solely on receiving voluntary contributions from Parties;

(d) Entails low administrative overheads as the funding would be part of the secretariat’s regular budget cycle. However, insufficient contributions could lead to significant overheads due to the effort required to mobilize the necessary resources.

3. Option 3: usage-based fees

37. This option:

(a) Adheres to the ‘user pays’ principle as participating Parties and/or authorized entities would be required to pay for their use of the Article 6.2 infrastructure and processes. Fees would be determined by factors such as the components accessed, the level of support required and the resources needed for transaction processing. Parties and/or authorized entities would be exempt from funding any components that they do not use;

(b) Does not provide for the stability of funding because future use of the infrastructure and processes is uncertain, but costs are anticipated to remain largely the same. This could lead to fluctuations in income, which may not adequately cover operation and maintenance expenses. In addition, costs might have to be borne by fewer Parties, resulting in potentially significant budget variations between cycles;

(c) Has the potential to allow for self-financing, particularly if usage fees must be paid up front as costs for services will not be incurred by the secretariat until the corresponding fees have been paid. However, certain fixed costs would need to be met regardless of usage level to ensure that the corresponding service can be provided when called upon, thus a ‘minimum service level’ may need to be funded through other means;

(d) Entails potentially substantial administrative overheads, depending on the method chosen for determining the usage-based fees for Parties. For example, a dedicated fee billing process would need to be operationalized and, particularly if authorized entities are paying fees, that process would need to be fully automated for efficient fee management.

4. Option 4: user fees levied on participating Parties

38. This option:

(a) Adheres to the ‘user pays’ principle as participating Parties would be required to pay a fixed fee to use the Article 6.2 infrastructure and processes, while other Parties (that do not participate) would not pay any fee;

(b) Provides for the stability of funding as all participating Parties would be required to pay a fee and failure to contribute would result in the suspension of the concerned Party’s access to the Article 6.2 infrastructure and processes;

(c) Does not allow for self-financing as covering the operation and maintenance expenses would depend solely on participating Parties paying the levied user fees;

(d) Would require a medium level of administrative support owing to the need to administer user fees, the scale and methodology for collection of which would need to be established and reviewed periodically by the CMA.

C. Results

39. Table 4 summarizes the results from the comparison of funding options.

Table 4

Comparison of the options for funding operation and maintenance activities associated with the infrastructure and processes under Article 6, paragraph 2: summary of results

<i>Option</i>	<i>Adherence to the ‘user pays’ principle</i>	<i>Stability of funding</i>	<i>Self-financing</i>	<i>Administrative overheads</i>
Core funding	No	High	No	Low
Supplementary funding	No	Low	No	Low
Usage-based fees	Yes	Low	Yes	High
User fees	Yes	High	No	Medium

VI. Conclusion

40. Parties may wish to consider the elements identified in this technical paper and to provide guidance, as appropriate, on facilitating sufficient and reliable financing for the secretariat’s mandated activities in developing, implementing, maintaining and operating the Article 6.2 infrastructure and processes.

Annex

Indicative contributions under the options for funding the operation and maintenance of the infrastructure and processes under Article 6, paragraph 2, for the biennium 2026–2027

<i>Party</i>	<i>Indicative scale of assessment under Article 6, paragraph 2 (%)</i>	<i>Operation and maintenance user fees levied on participating Parties based on a scale of assessment under option 4 (EUR)</i>	<i>Operation and maintenance user fees levied on participating Parties based on a fixed, equal fee under option 4 (EUR)</i>
Afghanistan	0.007	506	40 814
Albania	0.013	939	40 814
Andorra	0.005	361	40 814
Angola	0.013	939	40 814
Antigua and Barbuda	0.003	217	40 814
Armenia	0.009	650	40 814
Australia	2.709	195 700	40 814
Austria	0.831	60 032	40 814
Azerbaijan	0.045	3 251	40 814
Bahamas	0.020	1 445	40 814
Bahrain	0.066	4 768	40 814
Bangladesh	0.013	939	40 814
Barbados	0.009	650	40 814
Belarus	0.057	4 118	40 814
Belgium	1.026	74 119	40 814
Belize	0.001	72	40 814
Bhutan	0.001	72	40 814
Bolivia (Plurinational State of)	0.024	1 734	40 814
Bosnia and Herzegovina	0.019	1 373	40 814
Botswana	0.017	1 228	40 814
Brazil	1.874	135 379	40 814
Brunei Darussalam	0.025	1 806	40 814
Bulgaria	0.094	6 791	40 814
Burkina Faso	0.007	506	40 814
Burundi	0.001	72	40 814
Cabo Verde	0.001	72	40 814
Cambodia	0.011	795	40 814
Cameroon	0.019	1 373	40 814
Canada	3.377	243 957	40 814
Chad	0.007	506	40 814
Chile	0.497	35 904	40 814
China	22.000	1 589 296	40 814
Colombia	0.262	18 927	40 814
Comoros	0.001	72	40 814
Congo	0.007	506	40 814
Costa Rica	0.084	6 068	40 814
Côte d'Ivoire	0.032	2 312	40 814

<i>Party</i>	<i>Indicative scale of assessment under Article 6, paragraph 2 (%)</i>	<i>Operation and maintenance user fees levied on participating Parties based on a scale of assessment under option 4 (EUR)</i>	<i>Operation and maintenance user fees levied on participating Parties based on a fixed, equal fee under option 4 (EUR)</i>
Croatia	0.117	8 452	40 814
Cuba	0.162	11 703	40 814
Cyprus	0.046	3 323	40 814
Czechia	0.457	33 014	40 814
Democratic Republic of the Congo	0.013	939	40 814
Denmark	0.705	50 930	40 814
Dominica	0.001	72	40 814
Dominican Republic	0.092	6 646	40 814
Ecuador	0.086	6 213	40 814
Egypt	0.242	17 482	40 814
El Salvador	0.017	1 228	40 814
Equatorial Guinea	0.011	795	40 814
Estonia	0.060	4 334	40 814
Eswatini	0.003	217	40 814
Ethiopia	0.013	939	40 814
European Union	2.500	180 602	40 814
Fiji	0.004	289	40 814
Finland	0.513	37 060	40 814
France	5.122	370 017	40 814
Gabon	0.015	1 084	40 814
Gambia	0.001	72	40 814
Georgia	0.012	867	40 814
Germany	7.557	545 924	40 814
Ghana	0.033	2 384	40 814
Greece	0.372	26 874	40 814
Grenada	0.001	72	40 814
Guatemala	0.061	4 407	40 814
Guinea	0.005	361	40 814
Guinea-Bissau	0.001	72	40 814
Guyana	0.015	1 084	40 814
Haiti	0.008	578	40 814
Holy See	0.001	72	40 814
Honduras	0.013	939	40 814
Hungary	0.296	21 383	40 814
Iceland	0.046	3 323	40 814
India	1.469	106 122	40 814
Indonesia	0.769	55 553	40 814
Iraq	0.174	12 570	40 814
Ireland	0.627	45 295	40 814
Israel	0.809	58 443	40 814
Italy	3.735	269 819	40 814
Jamaica	0.009	650	40 814
Japan	9.201	664 686	40 814

<i>Party</i>	<i>Indicative scale of assessment under Article 6, paragraph 2 (%)</i>	<i>Operation and maintenance user fees levied on participating Parties based on a scale of assessment under option 4 (EUR)</i>	<i>Operation and maintenance user fees levied on participating Parties based on a fixed, equal fee under option 4 (EUR)</i>
Jordan	0.028	2 023	40 814
Kazakhstan	0.174	12 570	40 814
Kenya	0.049	3 540	40 814
Kiribati	0.001	72	40 814
Kuwait	0.295	21 311	40 814
Kyrgyzstan	0.004	289	40 814
Lao People's Democratic Republic	0.008	578	40 814
Latvia	0.066	4 768	40 814
Lebanon	0.029	2 095	40 814
Lesotho	0.001	72	40 814
Liberia	0.001	72	40 814
Liechtenstein	0.012	867	40 814
Lithuania	0.108	7 802	40 814
Luxembourg	0.097	7 007	40 814
Madagascar	0.005	361	40 814
Malawi	0.004	289	40 814
Malaysia	0.433	31 280	40 814
Maldives	0.005	361	40 814
Mali	0.007	506	40 814
Malta	0.027	1 951	40 814
Marshall Islands	0.001	72	40 814
Mauritania	0.004	289	40 814
Mauritius	0.013	939	40 814
Mexico	1.510	109 084	40 814
Micronesia (Federated States of)	0.001	72	40 814
Monaco	0.015	1 084	40 814
Mongolia	0.005	361	40 814
Montenegro	0.005	361	40 814
Morocco	0.078	5 635	40 814
Mozambique	0.003	217	40 814
Myanmar	0.013	939	40 814
Namibia	0.009	650	40 814
Nepal	0.013	939	40 814
Netherlands	1.724	124 543	40 814
New Zealand	0.401	28 969	40 814
Nigeria	0.199	14 376	40 814
Niue	0.001	72	40 814
North Macedonia	0.011	795	40 814
Norway	0.867	62 633	40 814
Oman	0.153	11 053	40 814
Pakistan	0.163	11 775	40 814
Palau	0.001	72	40 814
Panama	0.114	8 235	40 814

<i>Party</i>	<i>Indicative scale of assessment under Article 6, paragraph 2 (%)</i>	<i>Operation and maintenance user fees levied on participating Parties based on a scale of assessment under option 4 (EUR)</i>	<i>Operation and maintenance user fees levied on participating Parties based on a fixed, equal fee under option 4 (EUR)</i>
Papua New Guinea	0.012	867	40 814
Paraguay	0.031	2 239	40 814
Peru	0.193	13 942	40 814
Philippines	0.263	18 999	40 814
Poland	1.103	79 682	40 814
Portugal	0.436	31 497	40 814
Qatar	0.325	23 478	40 814
Republic of Korea	3.119	225 319	40 814
Republic of Moldova	0.008	578	40 814
Romania	0.475	34 314	40 814
Russian Federation	2.781	200 902	40 814
Rwanda	0.004	289	40 814
Saint Kitts and Nevis	0.001	72	40 814
Saint Lucia	0.003	217	40 814
Saint Vincent and the Grenadines	0.001	72	40 814
Samoa	0.001	72	40 814
San Marino	0.003	217	40 814
Sao Tome and Principe	0.001	72	40 814
Saudi Arabia	1.616	116 741	40 814
Senegal	0.009	650	40 814
Serbia	0.053	3 829	40 814
Seychelles	0.003	217	40 814
Sierra Leone	0.001	72	40 814
Singapore	0.636	45 945	40 814
Slovakia	0.198	14 304	40 814
Slovenia	0.102	7 369	40 814
Solomon Islands	0.001	72	40 814
Somalia	0.003	217	40 814
South Africa	0.333	24 056	40 814
South Sudan	0.007	506	40 814
Spain	2.516	181 758	40 814
Sri Lanka	0.050	3 612	40 814
State of Palestine	0.015	1 084	40 814
Sudan	0.011	795	40 814
Suriname	0.003	217	40 814
Sweden	1.092	78 887	40 814
Switzerland	1.366	98 681	40 814
Thailand	0.453	32 725	40 814
Timor-Leste	0.001	72	40 814
Togo	0.003	217	40 814
Trinidad and Tobago	0.044	3 179	40 814
Tunisia	0.024	1 734	40 814
Türkiye	0.910	65 739	40 814

<i>Party</i>	<i>Indicative scale of assessment under Article 6, paragraph 2 (%)</i>	<i>Operation and maintenance user fees levied on participating Parties based on a scale of assessment under option 4 (EUR)</i>	<i>Operation and maintenance user fees levied on participating Parties based on a fixed, equal fee under option 4 (EUR)</i>
Uganda	0.013	939	40 814
Ukraine	0.098	7 080	40 814
United Arab Emirates	0.762	55 047	40 814
United Kingdom of Great Britain and Northern Ireland	5.299	382 804	40 814
United Republic of Tanzania	0.013	939	40 814
Uruguay	0.105	7 585	40 814
Uzbekistan	0.032	2 312	40 814
Vanuatu	0.001	72	40 814
Viet Nam	0.211	15 243	40 814
Zambia	0.008	578	40 814
Zimbabwe	0.009	650	40 814
Total	100.0	7 224 078	7 224 078

Notes: (1) The funding options are described in chapter IV.B of this document and the results of their comparison are provided in chapter V.C; (2) the Parties in the table comprise those that meet one or both of the criteria related to voluntary cooperation under Article 6 and participation in CORSIA (see para. 17 of this document for details); (3) the European Union, Niue and the State of Palestine are Parties to the Convention and the Paris Agreement but not Member States of the United Nations.