

**A6.4-SB001-AA-A03**

Concept note

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# Support structure of the Supervisory Body

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

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## 1. Procedural background

1. The Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), at its third session, adopted decision 3/CMA.3, containing in its annex the “Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4 of the Paris Agreement”<sup>1</sup> (RMP), setting out principles, key requirements and processes of the mechanism (hereinafter referred to as the A6.4 Mechanism). The aforementioned decision and the RMP contain, inter alia, provisions for the Supervisory Body to advance work related to methodologies, accreditation and the activity cycle. For example:
  - (a) The CMA requested the Supervisory Body to:
    - (i) In the context of developing and approving new methodologies for the mechanism:
      - a. Review the baseline and monitoring methodologies in use for the clean development mechanism (CDM) under Article 12 of the Kyoto Protocol with a view to applying them with revisions, as appropriate, pursuant to chapter V.B of the annex (Methodologies) for the activities under the mechanism (hereinafter referred to as Article 6, paragraph 4, activities);
      - b. Consider the baseline and monitoring methodologies used in other market-based mechanisms as a complementary input to the development of baselines and monitoring methodologies pursuant to chapter V.B of the annex (Methodologies);<sup>2</sup>
    - (ii) Review the accreditation standards and procedures of the CDM with a view to applying them with revisions, as appropriate, for the mechanism by the end of 2023;<sup>3</sup>
    - (iii) Expeditiously accredit operational entities as designated operational entities;<sup>4</sup>
  - (b) The Supervisory Body shall, in accordance with relevant decisions of the CMA [...] establish the requirements and processes necessary to operate the mechanism, relating to, inter alia:
    - (i) The accreditation of operational entities as designated operational entities;

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<sup>1</sup> See decision 3/CMA.3 contained in document FCCC/PA/CMA/2021/10/Add.1 available at: <https://unfccc.int/documents/460950>. The annex to the decision begins on page 29 (English version).

<sup>2</sup> See decision 3/CMA.3, paragraph 5(b)(i) and (ii).

<sup>3</sup> See decision 3/CMA.3, paragraph 5(d).

<sup>4</sup> See decision 3/CMA.3, paragraph 5(e).

- (ii) The development and/or approval of methodologies (hereinafter referred to as mechanism methodologies) and standardized baselines for Article 6, paragraph 4, activities;
  - (iii) The registration of activities as Article 6, paragraph 4, activities, the renewal of crediting periods of registered Article 6, paragraph 4, activities and the issuance of Article 6.4 Emission Reductions;<sup>5</sup>
2. Given these mandates, the Supervisory Body may wish to consider options for a support structure that can assist, on a technical level, its work in relation to matters related to, among other, methodologies, accreditation and the activity cycle. The proposed provision for the Supervisory Body to establish committees, panels, working groups and rosters of experts (support structure) is to be found in the draft Rules of Procedure, as contained in annex 1 to the annotated agenda.
3. In addition, the concept note related to the planning of the work of the Supervisory Body, as contained in annex 2 to the annotated agenda, lists the possibility of the establishment of a support structure as a possible activity. Therefore, the secretariat has developed this concept note to facilitate the Supervisory Body's deliberation on interim arrangements regarding a support structure as well as long term arrangements.

## 2. Purpose

4. The purpose of this concept note is to provide background information on the approaches the Supervisory Body may wish to use for a support structure. The concept note is in two broad parts:
- (a) **Interim arrangements.** Four options are presented for how the Supervisory Body may be supported to move its work forward as soon as possible, while longer term arrangements are developed.
  - (b) **Long-term arrangements.** This will need to be developed in tandem with the accreditation process, methodologies development process, and activity cycle. These processes will determine how the support structure will be involved and partially determine the terms of reference of any support structure.

## 3. Key issues

### 3.1. Rationale for a support structure

5. It is a well-established practice for decision makers of schemes and mechanisms similar to the A6.4 Mechanism to be supported by external technical experts. Examples of these arrangements are provided in Appendix 1.
6. The advantage of such arrangements is that the decision maker may have access to a broader range of technical expertise and experience than is available from within its own permanent structures. Further, such technical expertise can be drawn on as and when needed for a particular task. This gives the decision maker flexibility in the management

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<sup>5</sup> See decision 3/CMA.3, annex, paragraph 24 (a)(i), (ii) and (iii).

of resources. In addition, external technical experts may have greater independence to give the most free and frank advice.

7. This section sets out options for an interim arrangement and requests a mandate to develop a long-term arrangement. The rationale is that there is priority work that would benefit from external expertise in the short term and that a long-term arrangement would not be ready for some time, considering the need to align with the rules of the Supervisory Body (that have yet to be developed). Therefore, in parallel to having an interim arrangement, it is recommended that the Supervisory Body begin work on developing long-term arrangements for a support structure.

### **3.2. Interim arrangements**

8. It will take time to build a long-term support structure (see next subsection). Therefore, the secretariat has looked into several possibilities for interim arrangements. The First Option is to maintain the status quo, that is, to rely on the secretariat and the Supervisory Body itself; the Second Option is to expeditiously form two ad hoc expert groups that can address priority work; the Third Option is to use CDM experts; and the Fourth Option is to draw on the infrastructure of the CDM.
9. According to the concept note related to the planning of the work and general sequencing of tasks, accreditation and methodological processes must be established early. A prerequisite for activity cycle processes (e.g. validation, verification, issuance) is for accreditation and methodological infrastructure and processes to be in place. Therefore, activity cycle related technical expertise is a lower priority at this stage.
10. Any interim arrangement must be available quickly and meet the priority needs of the Supervisory Body. In this context, and drawing on the CMA mandates and the concept note related to the planning of work (as contained in Annex 2 to the annotations) the following work may be most pressing and benefit from external technical input:
  - (a) Review and consideration of methodologies (3/CMA.3, paragraph. 5(b)(i));
  - (b) Review of the CDM accreditation standard and procedure (3/CMA.3, paragraph 5(d));
  - (c) Recommendations on activities involving removals (3/CMA.3, paragraph 6(c)).

#### **3.2.1. Option 1: Maintain Status Quo**

11. The first option is for the Supervisory Body to maintain the status quo and not put interim arrangements in place. This would mean relying on the expertise of the secretariat and the membership of the Supervisory Body to deliver the initial mandates. Given the existing workload of the secretariat and the Supervisory Body, operating without an interim arrangement would place additional burden on all involved.

#### **3.2.2. Option 2: Forming ad-hoc working groups**

12. The CMA, in adopting the RMP, asked the Supervisory Body to also look to the experience of other schemes (in the context of reviewing methodologies). In addition, the Supervisory Body is setting up a new mechanism with its own characteristics. Therefore, the Supervisory Body may wish to consider setting up two new (accreditation and

methodological) technical groups of its own with TORs specific to the upcoming work under the A6.4 Mechanism.

13. This would be an ad hoc arrangement where the membership would only be in place until the long-term arrangements are agreed upon and implemented. As this is an ad hoc arrangement, the TORs, the call for members, selection process and appointment would be streamlined, giving the secretariat flexibility to determine a practical approach.
14. To guide the secretariat on a continuous basis during the establishment phase, it is proposed that two Supervisory Body members be appointed per ad hoc working group to be established. The same members would then continue on to be the first chair and vice-chair of the ad-hoc working group they supported to set up.
15. Key elements of an ad hoc working group would be:
  - (a) Five members (accreditation) and 10 members (methodologies);
  - (b) Public call posted on the UNFCCC website;
  - (c) Members to be familiar with Article 6.4 or similar mechanisms;
  - (d) Members to have at least eight years of relevant technical experience.
  - (e) Geographic and gender balance to the extent possible;
  - (f) Appointment by the Supervisory Body;
  - (g) Meetings to be in physical, hybrid and/or virtual settings to advance work rapidly;
  - (h) Meetings to be chaired by two members of the Supervisory Body (chair and vice-chair model).
16. If the Supervisory Body decides for this option, the secretariat would strive to have a shortlist of candidates ready for appointment at the first Supervisory Body meeting of 2023. This would also be the first possible meeting at which the Supervisory Body would consider the process for implementing the transition of activities from the CDM to the A6.4 mechanism.<sup>6</sup>

### 3.2.3. Option 3: Using CDM Experts

17. For details on the support structure of the CDM Executive Board, see Appendix 1 and the published TOR.<sup>7</sup>
18. Under the CDM, accreditation and methodological processes have long been supported by the CDM Accreditation Panel (CDM-AP), Methodologies Panel (MP), Afforestation and Reforestation Working Group (A/R WG), Carbon Dioxide Capture and Storage Working Group (CCS WG) and the Small-Scale Working Group (SSC WG). In 2017 the SSC WG was merged into the MP.

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<sup>6</sup> See decision 3/CMA.3 paragraph 7(b).

<sup>7</sup> See "Procedure: Terms of reference of the support structure of the CDM EB" available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20170830141008834/Panels\\_Proc02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20170830141008834/Panels_Proc02.pdf)

19. This is a variation of Option 4, whereby CDM infrastructure is relied upon to a lesser extent. Under Option 3, experts from the CDM-AP, MP, A/R WG, and CCS WG would be called upon to give input on specific products. For example, for the review of a methodology, two experts could be assigned. One from the MP and one from the A/R WG, dictated by the nature of the methodology and expertise required.
20. To guide the implementation of this solution, it is proposed that Supervisory Body members be appointed to guide the secretariat in working with the experts. Two Supervisory Body members for working with accreditation experts and two for working with methodologies experts.
21. In addition, this solution may be guided by the procedures developed by the CDM Executive Board. In relation to this option, and Option 4, recall that the Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP) requested the CDM Executive Board to make available hard and soft infrastructure under the CDM to facilitate the expedited implementation of the A6.4 Mechanism.<sup>8</sup>

#### **3.2.4. Option 4: Drawing on the CDM infrastructure**

22. This option is for the Supervisory Body to make use of the CDM-AP membership (to meet as the A6.4 AP) and a newly constituted A6.4 MP, on an interim basis.
23. To better address the mandates of the Supervisory Body, it is proposed that a new ad hoc A6.4 MP of 10 members be constituted drawing on the membership of the MP, A/R WG and CCS WG. This would allow the Supervisory Body to bring in specific expertise on removals, which will be an important part of the work in the initial phase.
24. Meetings of the A6.4 AP and A6.4 MP could be chaired by two members of the Supervisory Body (chair and vice-chair model). The resultant recommendations of the A6.4 AP and A6.4 MP would then be forwarded to the Supervisory Body for consideration.
25. The performance of A6.4 AP and A6.4 MP members would be monitored by applying the "Procedure: Selection and performance evaluation of members of panels and working groups under the CDM Executive Board".<sup>9</sup> This is important as the selection of the members was not undertaken by the Supervisory Body and it would ensure that members of the A6.4 AP and A6.4 MP meet minimum performance standards whilst serving the Supervisory Body. It also builds up data on members' performance that maybe useful to the Supervisory Body should such members go on to apply to any committee, panel, working group or roster of the Supervisory Body in future.
26. To ensure separation of work between the CDM Executive Board and the Supervisory Body, agendas of meetings (including annexes), meeting reports (including annexes) and performance monitoring data would be kept completely separated, and with their own numbering convention and archiving/publishing.

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<sup>8</sup> See decision 2/CMP.16, para 10 and 11, available at: <https://unfccc.int/documents/460957>.

<sup>9</sup> See "Procedure: Selection and performance evaluation of members of panels and working groups under the CDM Executive Board" available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20170830141042123/Panels\\_Proc04.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20170830141042123/Panels_Proc04.pdf).

27. As this is only an interim solution, practical questions of implementing this solution may be guided by the procedures developed by the CDM Executive Board and the chair and vice-chair of the respective panel.

### **3.3. Long term arrangements**

28. While the Supervisory Body elaborates its detailed rules on accreditation, methodologies and the activity cycle, it may wish to consider how to structure its committees, panels, working groups and rosters for the long term. This process should run approximately in parallel to the elaboration of the detailed rules, as the future rules will prescribe the level of decision making (ie. at the level of the Supervisory Body or devolved) and indicate where an expert may be required to provide input.
29. Based on the experience of the CDM, the secretariat recommends that this work be initiated by drafting the TORs for a body that supports methodologies and another for a body that supports accreditation. As the work of the Supervisory Body evolves, it may be necessary to establish other bodies. The following are key considerations to be included in a TORs for a methodologies body and an accreditation body:
- (a) Roles of panels, and working groups;
  - (b) Role of the secretariat;
  - (c) Modalities of work;
  - (d) Functional guidelines for committees, panels and working groups.
30. While the CDM experience may provide a useful guide for those activities that are similar to the activities of the Supervisory Body, the Supervisory Body has been invested with new responsibilities vis-à-vis the CDM Executive Board and therefore will need to develop a new approach in these areas. One such area is the approval and supervision of national arrangements of host Parties in regard to:
- (a) Accreditation;
  - (b) Methodological requirements (e.g. baseline approaches, additionality);
  - (c) Crediting period.
31. The approval and supervision of host Party arrangements may well benefit from external independent technical expertise. This is an example of where it will be necessary to further develop the rules of the Supervisory Body before committing to a particular support structure, if any.

## **4. Impacts**

32. An effective support structure will be crucial to supporting the work of the Supervisory Body. Given the expectations of the A6.4 Mechanism and the urgency of the mandates, an interim support structure will be important for the Supervisory Body to quickly and effectively advance its work. An interim support structure is expected to supply the Supervisory Body with timely and expert recommendation and advice that will help to facilitate the quick start of the A6.4 Mechanism.



33. Longer term, having a fully-fledged support structure will enable the Supervisory Body to focus on strategic decision-making while a technical support structure will be able to augment the expertise of the secretariat on technical issues.

## 5. Subsequent work and timelines

34. As outlined above, the interim arrangement, depending on the option selected could be up and running in Q2 of 2023 at the latest. The interim arrangement would be in place until a long-term arrangement is agreed upon and implemented.
35. The establishment of the long-term arrangement will need to be aligned with the development of accreditation, methodologies and activity cycle processes. Entry points for accreditation, methodologies and registration/issuance expertise will be determined by the processes that the Supervisory Body eventually adopts. Some of these processes will first require CMA guidance – for example, for the transition of CDM activities to the A6.4 Mechanism.

## 6. Recommendations to the Supervisory Body

36. The secretariat recommends that the Supervisory Body:
- (a) On **interim** arrangements:
    - (i) Select an option above or agree on an alternative option;
    - (ii) Provides guidance to the secretariat on the option selected;
    - (iii) Depending on the option agreed, appoints, from its own membership, two members who will guide the work of the support structure on accreditation and two members who will guide the work of the support structure on methodologies;
  - (b) On **long-term** arrangements:
    - (i) Request the secretariat to develop the TORs for a body that will support the Supervisory Body on methodologies and another for a body that supports accreditation;
    - (ii) Provide initial guidance to the secretariat on key considerations for such TORs.

## Case studies

### Support structure of the CDM Executive Board

1. This is an example of a support structure for a mechanism that is similar to the A6.4 Mechanism. In accordance with decision 3/CMP.1, annex, paragraph 18, the CDM Executive Board established the Accreditation Panel (CDM-AP), Methodologies Panel (MP), Afforestation and Reforestation Working Group (A/R WG), Carbon Dioxide Capture and Storage Working Group (CCS WG), and Small Scale Working Group (SSC WG). In practice, due to the slow-down in work, only the CDM-AP and the MP meet regularly. The members<sup>1</sup> of the panels and the working groups are appointed by the Executive Board based on applications received following public calls for experts<sup>2</sup> and functions under the guidance of the Executive Board.
2. The CDM-AP is composed of five members and supports the establishment and implementation of standards and procedures for accreditation of operational entities that conduct validations and verifications regarding CDM project activities and programmes of activities.
3. The MP supports the Executive Board in the creation of methodological standards, guidelines, clarifications and other methodological matters applicable to proposed and registered CDM project activities and programmes of activities. The MP is composed of 12 members, while the A/R WG, CCS WG and SSC WG have five members each.
4. The Executive Board is also supported by rosters of experts who provide technical input to the Board, the CDM-AP and the MP. The roster of experts is updated every two years following a public call for experts on the UNFCCC CDM website. The experts provide services in three key areas:
  - (a) The CDM Accreditation roster of experts, from which experts are drawn for the assessments of applicant entities and designated operational entities within the process of accreditation, reaccreditation, and other activities in accordance with the CDM accreditation procedure. Selection, appointment, and performance evaluation of experts on the Accreditation Roster of Experts system are undertaken in line with the "Terms of Reference of the CDM rosters of experts".<sup>3</sup>
  - (b) The Registration and Issuance Team (RIT), from which experts are drawn to assist the Board in the consideration of requests for registration of proposed project activities and programmes of activities and requests for issuance of certified

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<sup>1</sup> Membership information for the panels and working groups is available at: <https://cdm.unfccc.int/Panels/index.html>.

<sup>2</sup> The most recent appointments to the CDM-AP and MP were in 2019 (EB 109). The most recent appointments to the A/R WG and CCS WG were in 2015 (EB85).

<sup>3</sup> See "Procedure: Selection and performance evaluation of experts on the CDM accreditation roster of experts" available at: [http://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20140602150305884/Panels\\_proc05.pdf](http://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20140602150305884/Panels_proc05.pdf).

emission reductions by providing independent assessments of the requests placed under review. Experts for the RIT roster are selected by the Board;

- (c) The Methodologies roster of experts (Meth roster), managed by the secretariat and from which experts are drawn to assist the secretariat and the methodological bodies (i.e. the MP, the A/R WG and the CCS WG) in the development, revision and clarification of methodologies, methodological tools and standardized baselines by providing technical input. Experts for the Meth roster are selected by the secretariat.<sup>4</sup>
5. For further information, see “Terms of reference of the support structure of the CDM Executive Board”.<sup>5</sup>

### Support structure of the Technology Executive Committee

6. This is an example of a support structure for another constituted body of the UNFCCC. The Technology Executive Committee (TEC) and the Climate Technology Centre and Network (CTCN) facilitate the implementation of the Technology Mechanism, under the guidance of the Conference of the Parties. Created in 2010, the TEC is the policy arm of the Technology Mechanism, and it identifies policies that can accelerate the development and transfer of low-emission and climate-resilient technologies. It works closely with the CTCN which is the implementation arm of the Technology Mechanism and addresses technology development and transfer issues.
7. The TEC consists of 20 technology experts who represent both developing and developed countries but serve in their personal capacities. The TEC meets at least twice a year and holds climate technology events that support efforts to address key technology-related policy issues. The committee elects a chair and vice-chair annually among its members.
8. The TEC has established task forces to support the implementation of its rolling workplan. These task forces consist of TEC members and may include stakeholder representatives from business and industry non-governmental organizations (BINGOs), environmental non-governmental organizations (ENGOs), youth non-governmental organizations (YOUNGOs), research-oriented and independent organizations non-governmental organisations (RINGOs); and international governmental organizations (IGOs). There are currently eight task forces:
- (a) **Ad-hoc task force on new TEC workplan:** This task force supports TEC work in preparing its new rolling workplan and liaising closely with the joint taskforce TEC-CTCN. Its membership includes TEC members and representatives from BINGOs, ENGOs and RINGOs;

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<sup>4</sup> See “Procedure: Selection and performance evaluation of experts on the CDM registration and issuance team and methodologies rosters of experts” available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20170830141051859/Panels\\_Proc06.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20170830141051859/Panels_Proc06.pdf).

<sup>5</sup> See “Procedure: Terms of reference of the support structure of the CDM Executive Board” available at: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20170830141008834/Panels\\_Proc02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20170830141008834/Panels_Proc02.pdf).

- (b) **Joint TEC-CTCN:** This taskforce is composed of TEC members and CTCN Advisory Board Members and supports TEC work on the production of the joint publication on Technology & NDCs;
  - (c) **Innovation:** The membership of this taskforce includes TEC members, and representatives from observer organizations and United Nations organizations and bodies. It supports TEC work on innovation and research, development and demonstration, addressing both adaptation and mitigation;
  - (d) **Implementation:** This taskforce supports actions to facilitate the implementation of collaborative technology development and transfer of mitigation and adaptation action identifies using planning tools and processes such as NDCs, Technical Needs Assessments, National Action Plans and other relevant policies. Its membership is also composed of TEC members, observer organizations and United Nations organizations and bodies;
  - (e) **Enabling environment and capacity-building:** This taskforce supports TEC work on the creation and enhancement of an enabling environment, including policy and regulatory environments, and strengthen the capacity of countries to effectively address various challenges. Membership includes TEC members and observer organizations;
  - (f) **Collaboration and stakeholder engagement:** This taskforce supports TEC collaboration with constituted bodies and stakeholders as well as engagement in relevant Convention processes. Its membership includes TEC members and representatives from observer organizations;
  - (g) **Support:** This taskforce facilitates the provision and mobilization of various types of support coming from a wide variety of sources to enhance cooperative action on technology development and transfer. Its membership consists of TEC members, observer organizations, and United Nations organizations and bodies;
  - (h) **Global Stocktake:** This taskforce supports the preparation of a TEC synthesis report on technology development and transfer as input for the global stocktake. Its membership includes TEC members and observer organizations.
9. The TEC also establishes panels and working groups, if required, to provide, inter alia, expert advice to assist the TEC in its work.
10. The TEC also draws upon expertise, including from the UNFCCC roster of experts and the CTCN, to provide advice/inputs on specific issues at its meetings. It can also seek inputs from other key partners and stakeholders, including ENGO's, RINGOs and BINGOs, experts and academia, intergovernmental and United Nations organizations and countries to develop inclusive policy recommendations. The TEC engages these stakeholders through various means, including calls for inputs, and invitations to take part in meetings, task forces, workshops, thematic dialogues, expert meetings, and side events.

11. For more information, see “Rules and procedures of the Technology Executive Committee”.<sup>6</sup>

## Support structure of the Gold Standard

12. This is an example of a support structure of a voluntary mechanism that has similarities to the A6.4 Mechanism. Gold Standard’s (GS) own words:

*“The Gold Standard is a governance framework established by the NGO community in 2003 to define, demonstrate and drive best practice within carbon markets. It does this by certifying the emission savings generated by low carbon, sustainable development projects. The Gold Standard is the only ‘compliance grade’ certification standard also operating in the voluntary market and the only carbon standard under which every project is monitored for its CO2 emissions reductions and sustainable development claims.”*

13. The GS is governed by the GS Foundation Board that oversees the strategic and organizational development of the GS. The GS Foundation Board is composed of seven members with at least half of them recruited from the GS NGO supporter community.
14. The GS Foundation Board is supported by the Technical Governance Committee<sup>7</sup> which is composed of independent experts appointed by the GS Foundation Board to oversee all technical aspects related to standards, assurance, and certification. In addition, there is the GS secretariat which provides support to the GS Foundation Board and its support structure.
15. Following the GS secretariat’s recommendation or on a needs basis, the Technical Governance Committee can establish and mandate Technical Advisory Committees<sup>8</sup> (TAC) to make decisions following the GS Standards Setting Procedure. The GS TACs are composed of independent technical experts, selected by the GS secretariat in cooperation with the TAC Chair and Vice-Chair.
16. The two key responsibilities of the Technical Advisory Committee are project registration/credit issuance and standards development including approval of new standards, standards updates, rule changes and clarifications.
17. The Technical Advisory Committees are set up on a permanent or semi-permanent basis. Two permanent TAC bodies are in operation with the responsibility to oversee and administer Technical Governance:
  - (a) Energy Committee for Energy projects
  - (b) Land-use Committee for Land use portfolio of projects

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<sup>6</sup> See “Rules of procedures of the Technology Executive Committee” available at: [https://unfccc.int/ttclear/misc/\\_StaticFiles/gnwoerk\\_static/TEC\\_Members\\_doc/c1847aac6c5c486e862121ee1dac8214/bca1374f763f4b06845aabb1cffc0d5f.pdf](https://unfccc.int/ttclear/misc/_StaticFiles/gnwoerk_static/TEC_Members_doc/c1847aac6c5c486e862121ee1dac8214/bca1374f763f4b06845aabb1cffc0d5f.pdf).

<sup>7</sup> See Technical Governance Committee TORs here: <https://globalgoals.goldstandard.org/000-3-gov-terms-of-references-tgc/>.

<sup>8</sup> See TAC TORs here: <https://globalgoals.goldstandard.org/000-3-gov-terms-of-references-tac/>.

18. In addition, Working Groups can be established on a temporary basis following the secretariat's recommendation to deliver specific objectives.
19. The GS Foundation Board is also supported by the Gold Standard NGO Supporter Network that is composed of a diverse selection of NGOs ranging from large international organizations to smaller technically or regionally focused NGOs. This network helps with advocacy, ensuring transparency and a contribution to sustainable development. To join this network, NGOs fill in a supporter form available on the GS website.

### Support structure of Verra

20. This is an example of a support structure of a voluntary mechanism that has similarities to the A6.4 Mechanism. Verra's own words:

*"Verra was founded in 2007 by environmental and business leaders who saw the need for greater quality assurance in voluntary carbon markets. We now serve as a secretariat for the various standards we develop and programs we manage, as well as an incubator of new ideas that can generate meaningful environmental and social value at scale. The strategic direction of Verra is set by both staff and the Verra Board of Directors. Our headquarters are in Washington, DC, and we have staff working remotely in various parts of the world. Verra is a tax-exempt organization under Section 501(c)(3) of the U.S. Internal Revenue Code and is registered as a nonprofit corporation under the laws of the District of Columbia (Washington, DC, USA)."*

21. Verra is a non-profit and governed by a Board of Directors (BOD). The BOD works through committees to oversee specific tasks, including the finances of the organization. It also works with Verra staff to guide the direction of Verra and is involved in specific strategic efforts. The committees usually include one or more directors.
22. Advisory Groups and Steering Committees can be formed to provide strategic and/or technical advice to Verra's standards, programs, and initiatives. The following are examples of Advisory Groups and Steering Committees formed by Verra:
  - (a) **Voluntary Carbon Standard (VCS) Program Advisory Group:** This advisory group supports the development of the VCS program. The multi-stakeholder group includes representatives from project developers, Voluntary Carbon Unit sellers and buyers, intergovernmental organizations, standards organizations, and auditors. This advisory group<sup>9</sup> is composed of 15 members who are selected annually through calls for applications. The members participate in four to six (60–90 minutes) conference calls annually and provide guidance via Email.
  - (b) **Validation and Verification Bodies (VVB) Working Group:** This group is a multi-stakeholder group made up of six members representing validation/verification bodies, the American National Standards Institute, the private sector and other voluntary standards. The group provides input to the development of the Validation and Verification Manual. VVB's functions are similar to those of the CDM designated operational entities (The VCS program accepts CDM accreditation and International Accreditation Forum accreditation).

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<sup>9</sup> See "Verified Carbon Standard (VCS) Program Advisory Group Terms of Reference" available at: <https://verra.org/wp-content/uploads/2018/11/VCS-Program-Advisory-Group-ToR-FINAL-posted.pdf>.

- (c) Verra can also establish ad hoc groups for various aspects of VCS programme development; membership in these groups is drawn from the advisory groups and other stakeholders based on the needs, and participant interest, availability and expertise.

23. For further information, see “Amended and Restated Bylaws of Verra, 2019”<sup>10</sup>.

### **Support structure of California Air Resources Board in regard to the Compliance Offset Program**

24. This is an example of a support structure focused on standard setting under a compliance mechanism that has some similarities to the A.6.A Mechanism. California Air Resource Board’s (CARB) own words:

*“The Compliance Offsets Program is an important cost-containment element within the broader Cap-and-Trade Program. The California Air Resources Board issues ARB Offset Credits to qualifying projects that reduce or sequester greenhouse gases (GHG) pursuant to six Board-approved Compliance Offset Protocols. Compliance offsets are tradable credits that represent verified GHG emissions reductions or removal enhancements from sources not subject to a compliance obligation in the Cap-and-Trade Program. In addition to their climate and other environmental benefits, offset credits provide important cost containment and compliance flexibility for covered entities.”*

25. The CARB consists of 16 members: 12 appointed by the Governor and confirmed by the State Senate. The remaining four include two representatives from the environmental justice communities (one appointed by the Senate and the other by the assembly) and two nonvoting members appointed for Legislative oversight (one each from the Senate and Assembly. The CARB is supported by a staff of scientists, engineers, economists, lawyers and policy makers.

26. For the Compliance Offsets Protocol, the CARB is supported by the Compliance Offsets Protocol Task Force.<sup>11</sup> CARB’s own words:

*“The Compliance Offsets Protocols Task Force (Task Force) is established (Health and Safety Code section 98591.1) by Assembly Bill 398 (AB 398; Chapter 135, Statutes of 2017) as one of several provisions on a post-2020 cap-and-trade program “to provide guidance to the state board in approving new offset protocols for a market based mechanism for the purpose of increasing offset projects with direct environmental benefits in the state while prioritizing disadvantaged communities, Native American or tribal lands, and rural and agricultural regions”*

27. Members of the Task Force are appointed through calls for application and represent the following stakeholder groups: scientists; air pollution control and air quality management districts; carbon market experts; tribal representatives; environmental justice advocates; labour and workforce representatives; forestry experts; agriculture experts; environmental

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<sup>10</sup> See “Amended and Restated Bylaws of Verra (Effective as of 2 May 2019)” available at: <https://verra.org/wp-content/uploads/2019/07/Verra-Amended-and-Restated-Bylaws-2-MAY-2019.pdf>.

<sup>11</sup> For more information on the Task Force see: <https://ww2.arb.ca.gov/our-work/programs/compliance-offset-program/compliance-offset-protocol-task-force>.



advocates; conservation advocates and dairy experts. The CARB can also appoint up to two Task Force members from outside the statutory stakeholder groups (e.g. from the public) who demonstrate substantial experience that is beneficial to the work of the Task Force.

28. The Task Force meets twice a year, and the meetings are public and conducted in accordance with the applicable public meeting rules and regulations. The meetings can be attended by Board members, members of the California Legislature, and Executives from CARB and other state agencies.
29. The Task Force recommendations are advisory only and limited to providing input on potential new Compliance Offset Protocols for the 2021–2030 compliance period identified in AB 398. Within a year of convening the Task Force shall prepare a final written report that identifies potential new Compliance Offset Protocols.
30. Task Force members may be assigned by the Task Force Chair to participate in subgroups responsible for drafting portions of the final report, subject to open meeting law requirements.
31. Formal consideration and approval of any new recommended Compliance Offset Protocols are conducted by the CARB at its discretion, pursuant to applicable state laws on adopting new regulatory requirements.

### **Support structure of the Forest Stewardship Council**

32. This is an example of a support structure of a voluntary sustainability standard that has several similarities to the A6.4 Mechanism. The Forest Stewardship Council (FSC) develops voluntary standards for the responsible management of forests. An independent organization then audits the forest or supply chain to ensure that it meets the FSC standard. The final step is ‘certification’ which then permits the use of a logo. In this regard it has similarities to the Supervisory Body as there is a standard setting aspect (methodologies) and an accreditation aspect. In FSC’s own words:

*“FSC has over 26 years of experience in setting the gold standard for sustainable forest management around the world. FSC’s unique democratic standard-setting process enables forest owners, communities and businesses to jointly make decisions on issues impacting forests today and in the future. This ensures inclusivity in finding the best solutions. Through our global standard, unrivalled stakeholder engagement and support from businesses and NGOs, we are the world’s most credible solution for sustainable forest management; trusted to secure better outcomes for the markets, communities and forests for today and future generations”.*

33. The supreme body of FSC is the ‘General Assembly’ which is a multi-stakeholder forum consisting of FSC’s members (representing social, environmental and economic “chambers”). The day-to-day running of FSC is handled by FSC International (akin to a secretariat), which is based in Bonn and overseen by a Board of Directors.
34. FSC develops standards (and revisions) by constituting ad hoc working groups of 6, 12 or 18 members representing the three chambers equally (called Chamber balanced Working Groups). The working groups are constituted through a call to the FSC membership and the selection of members is done by the secretariat based on the TORs. The TORs are



- written for each working group, based on the standard to be developed by the working group.
35. The activities of the working group may be aided by ‘technical experts’ or a ‘technical working group’. For further information, see “Development and Revision of FSC Normative Documents”.<sup>12</sup>
  36. Accreditation responsibilities of FSC are devolved to a wholly owned private company, Assurance Services International (ASI). ASI has its own separate structure, with a Board of Directors and secretariat, keeping the accreditation functions separate from the standard-setting undertaken by FSC. As a private company, ASI actively markets itself to other voluntary sustainability standards conducting accreditation for other schemes – for example ASC, MSC and RSPO.<sup>13</sup>
  37. ASI is supported in its activities by an ASI Accreditation Committee (AC) responsible for making accreditation decisions for each Conformity Assessment Body on granting, renewing, extending and reducing technical scope, and suspending and withdrawing accreditation. The AC is made up of four accreditation and standard system members who possess the expertise necessary to make accreditation decisions. Appointments to the AC are made by the Managing Director of ASI. In addition, there is a roster of technical experts (external and internal) who, inter alia, carry out surveillance and performance assessments. Appointments to the roster are made by ASI management.

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### Document information

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<sup>12</sup> See FSC-PRO-01-001 V3-1 EN, “The Development and revision of FSC normative documents” available at: <https://fsc.org/en/document-centre/documents/retrieve/b4b7177b-0387-417d-9483-4f718d6fd73e>.

<sup>13</sup> Aquaculture Stewardship Council, Marine Stewardship Council and Roundtable on Sustainable Palm Oil