

**A6.4-SB001**

## Meeting report

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# Article 6.4 Mechanism Supervisory Body First meeting

Version 01.0

Date of meeting: 25 to 28 July 2022

Place of meeting: Bonn, Germany



**United Nations**  
Framework Convention on  
Climate Change

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## Annotations to the proposed agenda

### Agenda item 1. Agenda and meeting organization

#### Agenda item 1.1. Opening

1. Mr. James Grabert, Director of the Mitigation Division of the UNFCCC, opened the first meeting of the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (hereinafter referred to as the mechanism), welcomed members and alternate members and asserted that the quorum requirement was met.
2. The Supervisory Body noted that Mr. Eduardo Calvo and Mr. Simon Fellermeier were unable to attend this meeting and had provided proper justification for their absence.
3. Table 1 below shows the attendance of members and alternate members at this meeting. The names of the members and alternate members present at this meeting in person are indicated in bold print and those present virtually are indicated in italics.

**Table 1. Attendance**

<b>Members</b>	<b>Alternates</b>
<b>Mr. Felipe De León Denegri<sup>b</sup></b>	Mr. Eduardo Calvo <sup>b</sup> (not present)
<b>Mr. El Hadji Mbaye Diagne<sup>a</sup></b>	<b>Mr. Tirivanhu Muhwati<sup>a</sup></b>
<b>Mr. Piotr Dombrowicki<sup>b</sup></b>	<b>Mr. Imre Bányász<sup>b</sup></b>
<b>Ms. Olga Gassan-zade<sup>a</sup></b>	<b>Ms. Maia Tskhvaradze<sup>a</sup></b>
<b>Mr. Charles Hamilton<sup>a</sup></b>	<b>Mr. Derrick Oderson<sup>a</sup></b>
<b>Mr. Martin Hession<sup>a</sup></b>	<b>Ms. Emily Mathias<sup>a</sup></b>
<b>Mr. Gebru Jember<sup>b</sup></b>	<b>Mr. Manjeet Dhakal<sup>b</sup></b>
<b>Ms. Maria Jishi<sup>a</sup></b>	<b>Mr. Duan Maosheng<sup>a</sup></b>
<b>Mr. Kazuhisa Koakutsu<sup>b</sup></b>	<b>Ms. Rajasree Ray<sup>b</sup></b>
<b>Ms. Molly Peters-Stanley<sup>b</sup></b>	Mr. Simon Fellermeier <sup>b</sup> (not present)
<b>Ms. Kristin Qui<sup>a</sup></b>	<b>Mr. Benedict Chia<sup>a</sup></b>
<b>Mr. Mkhuthazi Steleki<sup>b</sup></b>	<b>Mr. Alick Muvundika<sup>b</sup></b>

<sup>(a)</sup> Term: two years, i.e. ending immediately before the first meeting in 2024.

<sup>(b)</sup> Term: three years, i.e. ending immediately before the first meeting in 2025.

#### Agenda item 1.2. Adoption of the agenda

4. The Supervisory Body adopted the agenda of the meeting published as A6.4-SB001-AA<sup>1</sup>.

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<sup>1</sup> See <https://unfccc.int/sites/default/files/resource/a64-sb001-pa.pdf>

## **Agenda item 2. Governance and management matters**

### **Agenda item 2.1. Membership issues**

5. The Supervisory Body elected Ms. Kristin Qui as the Chair and Mr. Piotr Dombrowicki as the Vice-Chair of the Supervisory Body to serve until immediately before the first meeting in 2023.
6. The Supervisory Body noted that members and alternate members had no actual, potential or perceived conflict of interest with respect to the issues on the agenda of this meeting.

### **Agenda item 2.2. Guidance by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA)**

7. Following the request of the CMA, through its decision 3/CMA.3, paragraph 6(a), the Supervisory Body considered the “Draft rules of procedure of the Supervisory Body” as contained in annex 1 to the annotations, and agreed to the draft rules of procedure, as contained in annex 1 to this report. The Supervisory Body further agreed to consider the content of the oath of service at its next meeting to allow sufficient time for an assessment of the legalities associated with the oath of service. The Supervisory Body further agreed to apply these draft rules of procedure immediately on a provisional basis until their formal adoption by the CMA. The signing of the oath of service will occur after the adoption of the rules of procedure by the CMA.
8. The Supervisory Body considered the concept note “Planning the work of the Supervisory Body in 2022–2023”, and requested the secretariat to prepare a workplan of the Supervisory Body until the end of 2023 for consideration at its next meeting. The workplan will contain indicative timelines for the products to be considered, available clean development mechanism (CDM) expertise, indicative human and financial resource implications, and actions to be taken by the Supervisory Body at each meeting to operationalize the mechanism.
9. The Supervisory Body considered the concept note "Support structure of the Supervisory Body" and discussed the options presented in the concept note. The Supervisory Body agreed to consider the support structure and the need for external expertise required with respect to the immediate needs at the next meeting and, for that purpose, requested the secretariat to prepare relevant terms of reference. The Supervisory Body also requested the secretariat to identify the needs for external expertise, taking into account the workplan referred to in paragraph 8 above. The Supervisory Body noted that the discussion on immediate needs may inform the consideration of longer-term arrangements of its support structure at a future meeting.

## **Agenda item 3. Matters relating to rules, modalities and procedures for the Article 6.4 Mechanism**

10. Following the request of the CMA, through its decision 3/CMA.3, paragraph 6(b), the Supervisory Body considered the concept note “Share of proceeds under the mechanism established by Article 6, paragraph 4, of the Paris Agreement”, as contained in annex 4 to the annotations. The Supervisory Body agreed on the following approaches, noting that there are other issues that still need to be discussed:

- (a) The registration fee is to be set as a fixed fee to be consumed at registration. The fee levels are to be multitiered by the scale of the activities or another factor;
  - (b) The issuance fee is to be set as a levy proportional to the amount of Article 6, paragraph 4, emission reductions (A6.4ERs) requested for issuance, the rate of which may be differentiated by the scale of the requested amount of A6.4ERs or another factor;
  - (c) The fees are to be charged for renewal, post-registration change and inclusion of a component project activity in a registered programme of activities;
  - (d) No fees are to be charged for activities in the least developed countries and small island developing States;
  - (e) The fees are to be paid when the requests are submitted, noting that flexibility in the timing of the payment may be needed under certain circumstances;
  - (f) The level and frequency of a periodic contribution from the remaining funds received from share of proceeds for administrative expenses to the Adaptation Fund are not to be decided at this stage, and the status of the funds is to be reviewed annually to determine them.
11. The Supervisory Body requested the secretariat to provide information at its next meeting that would help the Supervisory Body determine appropriate structure and levels of the fees to be charged under the mechanism with a view to forwarding the recommendation on the matter to the CMA at its fourth session (CMA 4) for its consideration and adoption. The information will include an analysis of potential amount of funds to be raised and other comparative data and estimates of administrative costs for the mechanism to be covered by the share of proceeds for administrative expenses based on the experience under the CDM.
12. Following the request of the CMA, through its decision 3/CMA.3, paragraph 6(c), the Supervisory Body considered the concept note "Removal activities under the Article 6.4 Mechanism" contained in annex 5 to the annotations, and agreed that an informal working group on removals comprising its members and alternate members as well as the secretariat staff would work prior to the second meeting of the Supervisory Body to prepare draft recommendations to the CMA, taking into account the inputs provided at this meeting for consideration by the Supervisory Body at its second meeting, with a view to forwarding recommendations to CMA 4. The draft recommendations will not cover the activity cycle for removal activities.
13. The Supervisory Body agreed to provide inputs to the secretariat by 10 August 2022 to facilitate the preparation of the draft recommendations by the informal working group on removals referred to in paragraph 12 above.
14. The informal working group on removals comprises: Mr. Imre Bányász, Mr. Benedict Chia, Mr. El Hadji Mbaye Diagne, Ms. Olga Gassan-zade, Mr. Martin Hession, Mr. Gebru Jember, Ms. Maria Jishi, Mr. Kazuhisa Koakutsu, Ms. Molly Peters-Stanley, Ms. Rajasree Ray and secretariat staff.
15. The informal working group on removals will work closely with the informal working group on methodologies referred to in paragraph 18 below.

16. The Supervisory Body further requested the secretariat to prepare an information note providing technical information on elements in the mandate referred to in decision 3/CMA.3, paragraph 6(c), with respect to each removal type.
17. Following the request of the CMA, through its decision 3/CMA.3, paragraph 6(d), the Supervisory Body considered the concept note “Guidelines for the implementation of methodological principles, approaches and methods for the establishment of baseline and additionality” contained in annex 6 to the annotations, and discussed how the principles included in chapter V.B of the rules, modalities and procedures for the mechanism (RMP) (titled ‘Methodologies’) contained in the annex to decision 3/CMA.3, can be further elaborated as guidance for the development of methodologies for the mechanism. The Supervisory Body recognized that there is a need to look into commonalities with its work related to removals referred to in paragraph 12 above in particular the requirements contained in paragraph 34 of the RMP.
18. The Supervisory Body agreed that an informal working group on methodologies comprising its members and alternate members as well as secretariat staff would work prior to the second meeting of the Supervisory Body to prepare draft recommendations to the CMA, taking into account the inputs provided at this meeting for consideration by the Supervisory Body at its second meeting, with a view to forwarding the recommendations to CMA 4. The Supervisory Body noted that there are capacity-building needs for host Parties to participate in the mechanism, including those relating to methodologies, to deliver higher ambition of the Parties.
19. The Supervisory Body agreed to provide inputs to the secretariat, by 10 August 2022, to facilitate the preparation of the draft recommendations by the informal working group on methodologies referred to in paragraph 18 above.
20. The informal working group on methodologies comprises: Mr. Manjeet Dhakal, Mr. Felipe De León Denegri, Mr. El Hadji Mbaye Diagne, Ms. Olga Gassan-zade, Mr. Martin Hession, Ms. Maria Jishi, Mr. Kazuhisa Koakutsu, Ms. Emily Mathias, Ms. Molly Peters-Stanley, Ms. Rajasree Ray and secretariat staff.

#### **Agenda item 4. Other matters**

21. The Deputy Executive Secretary, Mr. Ovais Sarmad, welcomed members and alternate members of the Supervisory Body and highlighted that the secretariat is ready to support the work of the Supervisory Body and of the mechanism.
22. The Supervisory Body requested the secretariat to prepare an information note related to the secretariat work on capacity building for members and alternate members to provide feedback to the secretariat prior to the second meeting. The note should cover aspects related to the design and implementation of the capacity-building programme to assist Parties wishing to voluntarily participate in the mechanism to, inter alia:
  - (a) Establish the necessary institutional arrangements to implement the requirements contained in the RMP;
  - (b) Develop the technical capacity to design and set baselines for application in host Parties.

23. The Supervisory Body requested the secretariat to invite Parties to designate their national authority for the mechanism and communicate that designation to the secretariat as per paragraph 26(c) of the RMP.
24. The Supervisory Body considered the letter from the Chair and the Vice-Chair of the Executive Board of CDM, and welcomed the offer of support and agreed to consider this offer while operationalizing the mechanism. The Supervisory Body requested the Chair and the Vice-Chair to respond along these lines.
25. The Supervisory Body discussed the treatment of letters sent to the the Supervisory Body and requested the secretariat to provide a proposal on the treatment based on the existing practices of other UNFCCC constituted bodies.
26. The Supervisory Body underlined the importance of strategic communications and requested the secretariat to present a communications plan at a future meeting.
27. The Supervisory Body noted that the secretariat will prepare a draft report from the Supervisory Body to the CMA for consideration at its next meeting.
28. The Supervisory Body agreed on the dates and venues of its meetings in 2022 as follows:
  - (a) Second meeting to be held on 19–22 September 2022 in Bonn, Germany;
  - (b) Third meeting to be held on 3–5 November 2022 in Sharm el Sheik, Egypt.
29. The Supervisory Body considered issues related to registered observers to meetings of the Supervisory Body and agreed to:
  - (a) Allow registered observers to follow the proceedings of the meetings in person or virtually; and
  - (b) Hold interactions with registered observers (in person and virtually) at the end of each meeting, taking into account time limitations. The Supervisory Body agreed to keep this practice under review.
30. Registered observers were permitted to follow the proceedings of this meeting. The list of the registered observers is contained in annex 2 to this report. Observers to the second meeting of the Supervisory Body shall register with the secretariat by 29 August 2022.

## **Agenda item 5. Conclusion of the meeting**

31. The Chair summarized the main conclusions and closed the meeting.
32. The proceedings of the open sessions of the meeting can be accessed via broadcast.<sup>2</sup>

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<sup>2</sup> [https://unfccc-events.azureedge.net/A6\\_4-SB001](https://unfccc-events.azureedge.net/A6_4-SB001).

## Annexes to the report

Annex 1 – Draft Procedure: Rules of procedure of the Supervisory Body

Annex 2 – List of registered observers

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### Document information

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<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	28 July 2022	A6.4-SB001 meeting report. Initial publication.

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Decision Class: Operational  
Document Type: Meeting report  
Business Function: Governance  
Keywords: Article 6.4 Supervisory Body, reporting procedures

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