

A6.4-SB005

Meeting report

Fifth meeting of the Article 6.4 mechanism Supervisory Body

Version 01.0

Date of meeting: 31 May to 3 June 2023

Place of meeting: Bonn, Germany



United Nations
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Climate Change

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Agenda item 1. Agenda and meeting organization

Agenda item 1.1. Opening

1. Ms. Olga Gassan-zade, Chair of the Supervisory Body, opened the meeting and asserted that the quorum requirement was met.
2. The table 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; those present virtually are indicated in italics.

Table. Attendance

Members	Alternates
Mr. Benedict Chia^a	Ms. Kristin Qui^a
<i>Mr. Felipe De León Denegri^b</i>	Mr. Eduardo Calvo^b
Mr. El Hadji Mbaye Diagne^a	Mr. Tirivanhu Muhwati^a
Mr. Piotr Dombrowicki^b	Mr. Imre Bányász^b
Ms. Olga Gassan-zade^a	Ms. Maia Tskhvaradze^a
Mr. Charles Hamilton^a	Mr. Derrick Oderson^a
Mr. Martin Hession^a	Ms. Emily Mathias^a
Mr. Gebru Jember^b	Mr. Manjeet Dhakal^b
<i>Mr. Duan Maosheng^a</i>	Ms. Maria AlJishi^a
Mr. Daegyun Oh^b	Mr. Kazuhisa Koakutsu^b
Ms. Molly Peters-Stanley^b	Mr. Simon Fellermeier^b
Mr. Mkhuthazi Steleki^b	Mr. Alick Muvundika^b

^(a) Term: two years, i.e. ending immediately before the first meeting in 2024.

^(b) Term: three years, i.e. ending immediately before the first meeting in 2025.

Agenda item 2. Adoption of the agenda

3. The Supervisory Body adopted the agenda of the meeting, which was published as document A6.4-SB005-AA.¹

Agenda item 3. Governance and management matters

Agenda item 3.1. Membership issues

4. The Supervisory Body took note of the oaths of service of members and alternate members of the Body.

¹ See <https://unfccc.int/sites/default/files/resource/a64-sb005-aa.pdf>.

5. Members and alternate members of the Supervisory Body made available statements of actual, potential or perceived conflicts of interest with respect to the issues on the agenda of this meeting, as reflected on the UNFCCC website.²

Agenda item 3.2. Strategic planning and direction

6. The Supervisory Body took note of the update on the status of the work of the Body, noting the changes in its workplan for 2023.
7. The Supervisory Body worked on the development of a strategic vision and on the development of a communication strategy for the Article 6.4 mechanism.

Agenda item 3.3. Matters related to the Article 6.4 mechanism

8. The Supervisory Body considered the draft “Standard and procedure for transition of the Clean Development Mechanism (CDM) activities to the Article 6.4 mechanism”, as contained in annex 2 of the annotated agenda, and agreed to start the process of receiving requests for transition from project participants on 30 June 2023; the Supervisory Body also requested the secretariat to operationalize the submission interface on the UNFCCC website on that date. The Supervisory Body further requested the secretariat to revise the draft transition standard and procedure, based on the following guidance for consideration at its next meeting:
 - (a) Present divergent views expressed by the members and alternate members of the Supervisory Body at this meeting as options on the applicability and/or application of the following requirements in the rules, modalities and procedures (RMPs) for the Article 6.4 mechanism³ to transitioning activities, taking into account paragraph 73(d) of the RMPs:
 - (i) Demonstration of long-term benefits related to climate change;
 - (ii) Minimizing the risk of non-permanence of emission reductions over multiple Nationally Determined Contribution (NDC) implementation periods and addressing reversals if they occur;
 - (iii) Minimizing and avoiding negative environmental and social impacts;
 - (iv) Demonstration of additionality;
 - (v) Global stakeholder consultation;
 - (b) Postpone developing provisions specific to the transition of afforestation and reforestation CDM activities until the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) provides guidance on activities involving removals under the Article 6.4 mechanism.
9. The Supervisory Body considered the draft procedure “Article 6.4 mechanism activity cycle procedure for projects”, as contained in annex 3 of the annotated agenda, and requested the secretariat to revise the draft procedure, based on the following guidance for its consideration at the next meeting, with an aim to conclude at its seventh meeting:

² See <https://unfccc.int/event/Supervisory-Body-5>.

³ Decision 3/CMA.3, annex.

- (a) Clarify the roles and responsibilities of the host Party in the activity cycle, including in assessing the implications of hosting the activities under consideration on the implementation of their NDCs;
 - (b) Provide options on the process for approval of the project by the host Party that provide sufficient information of the project and time for the host Party to decide on the approval and convey the decision;
 - (c) Provide options on the sequencing and the deadline for requesting issuance to allow sufficient flexibility to activity participants to address the practical issues that they may face, while ensuring the integrity, transparency and predictability of monitoring activities and issuance of A6.4ERs;
 - (d) Provide options on the restrictions on the selection of designated operational entities (DOEs) for validation and verification for the same project to ensure availability of DOEs as well as to allow a fair competition among DOEs;
 - (e) Provide options on the timing of global stakeholder consultation to allow opportunities for activity participants to address comments;
 - (f) Provide a reference to the appeals and grievance processes in the activity cycle procedure.
10. The Supervisory Body further requested the secretariat to prepare a concept note on the appeals and grievance procedure for consideration by the Supervisory Body at its seventh meeting.
11. The Supervisory Body requested the secretariat to prepare a presentation identifying the various roles and responsibilities of the host Party in a holistic manner covering all the elements included in the RMPs, including the fulfilment of participation requirements, communication with different stakeholders, specifying activity types, methodological approaches and conditions on crediting periods.
12. The Supervisory Body considered, based on the presentation by the secretariat, key issues for developing the Article 6.4 mechanism activity standard for projects, and provided guidance on possible means to prevent or address double registration and double issuance for inclusion in the activity standards and validation and verification standards.
13. The Supervisory Body agreed to conduct focused and inclusive stakeholder interactions on the draft activity standards, validation and verification standards and activity cycle procedures prior to their adoption.
14. The Supervisory Body considered the concept note "Development of Article 6.4 mechanism accreditation standards and procedures" (version 02.0), as contained in annex 4 of the annotated agenda, and requested the secretariat to:
- (a) Prepare the draft accreditation standard and procedure for the Article 6.4 mechanism based on the recommendations contained in the concept note for consideration by the Supervisory Body at its seventh meeting, taking into account the following feedback:

- (i) Further consider additional competence requirements such as the assessment of sustainable development (SD) tool while collecting information on other mechanisms and independent standards.
 - (b) Develop a concept note on temporary solutions to address the lack of DOEs for the Article 6.4 mechanism for consideration by the Supervisory Body at its sixth meeting, taking into account the following feedback:
 - (i) Further elaborate options to increase clarity on how the proposed options in the concept note “Development of Article 6.4 mechanism accreditation standards and procedures” (version 02.0) would be operationalized;
 - (ii) Provide pros and cons of and justification for the proposed options.
- 15. The Supervisory Body considered the draft procedure “Development, revision and clarification of baseline and monitoring methodologies and methodological tools”, as contained in annex 5 of the annotated agenda, and requested the secretariat to update the draft procedure for consideration by the Supervisory Body at its sixth meeting, taking into account the feedback provided at this meeting, including, but not limited to:
 - (a) More elaborate stakeholder consultation during the methodology development process;
 - (b) Criteria for the prioritization of development of methodologies and methodological tools including taking into account host Party priorities;
 - (c) Facilitation of a methodology development process (e.g. publication of background documentation and status of submissions on all methodologies and methodological tools, enabling a broad range of stakeholders to submit methodologies besides activity participants, further clarity on elements of project design document (PDD) required along with the submission);
 - (d) Regular review and update of approved methodologies and methodological tools;
 - (e) Examples of methodological tools that may be developed (e.g. additionality tool and best available technology tool).
- 16. The Supervisory Body considered the draft procedure “Development, revision, clarification and update of standardized baseline development”, as contained in annex 6 of the annotated agenda, and requested the secretariat to update the draft procedure for consideration by the Supervisory Body at its sixth meeting, taking into account the feedback provided at this meeting, including but not limited to:
 - (a) Options for and facilitation of preparation of assessment report by a DOE;
 - (b) Technical support to designated national authorities (DNAs) through capacity-building for development of standardized baselines;
 - (c) Types and examples of standardized baselines;
 - (d) Criteria for the prioritization of development of standardized baselines;
 - (e) Development of further guidance on standardized baselines for a group of Parties.

17. The Supervisory Body considered the information note “Draft elements for the recommendation on requirements for the development and assessment of mechanism methodologies”, as contained in annex 7 of the annotated agenda, and the information note “Compilation of public inputs in response to the ‘public consultation: Requirements for the development and assessment of mechanism methodologies and related literature”, as contained in annex 8 of the annotated agenda. The Supervisory Body thanked the stakeholders for providing very useful inputs to the work of the Supervisory Body.
18. The Supervisory Body requested the secretariat to further work on the draft elements for the recommendation on requirements for the development and assessment of mechanism methodologies taking into account guidance from the Supervisory Body at this meeting. In particular, the Supervisory Body requested the secretariat to prepare a draft recommendation for consideration at its next meeting, including:
 - (a) Proposals to frame, implement or operationalise the elements discussed at the meeting, taking into account the inputs of members;
 - (b) Options to reflect different views expressed by members of the Supervisory Body at this meeting as options to address the requirements;
 - (c) Proposals for potential consolidation or grouping of options to implement the different elements through a common option.
19. The Supervisory Body requested the secretariat, in conducting the above tasks, to prepare and present a concept note on proposals and options to implement or operationalize elements in line with guidance and questions elaborated by the Supervisory Body at its fifth meeting, as contained in [annex 1](#) to this meeting report, drawing on previous work, reflecting concerns expressed by members and alternate members, and taking into account previous public input.
20. The Supervisory Body considered the information notes “Removal activities under the Article 6.4 mechanism” and “Summary of the views submitted by Parties and observers on activities involving removals”, as contained in annexes 9 and 10 of the annotated agenda and agreed to launch a call for structured public consultation based on the information note “Guidance and questions for further work on removals”, as contained in [annex 2](#) to this meeting report. The call will be open from 5 to 19 June 2023, taking into account the proximity of the sixth meeting of the Supervisory Body. Late submissions will be accepted as referred to paragraph 23 below.
21. The Supervisory Body requested the secretariat to prepare a compilation of all public inputs received so far on activities involving removals, as well as to produce an information note on the elements in annex 10 of the annotated agenda, Part II, according to the mode of work specified in the introduction to that annex.
22. Likewise, the Supervisory Body agreed that the informal working group on removals will follow that same mode of work to consider the compilation of the inputs and to support the development of the information note. To support balance, clarity, and accuracy in the development of an information note on elements, the Supervisory Body agreed that the note will be published one week prior to the sixth meeting of the Supervisory Body, at the latest, to allow for a thorough review.
23. The Supervisory Body further requested the secretariat to compile the public inputs to be received in response to the structured public consultation mentioned in paragraph 20

above when these are available. This compilation will supplement the compilation referred to in paragraph 21 above. Where not possible to incorporate inputs into the information note on elements prior to the sixth meeting of the Supervisory Body given time constraints, inputs received will be summarized in line with the same mode of work applied to the inputs to the annotations.

24. The Supervisory Body identified a few elements in the guidance and questions for further work on removals that required attention in order to continue to advance the work and reflect on the views expressed by a wide range of stakeholders and by Supervisory Body members. These included elements for accounting and crediting for removals and addressing reversals.
25. With regards to “tonne-year” accounting, members acknowledged the persistent concerns and questions raised, including within the scientific community, regarding its underpinning methods and assumptions, and ecological implications, and insufficient confidence in its suitability for international applications and effectiveness at addressing reversals in line with the mandate for this work. In light of this, the Supervisory Body agreed to focus on measures that address reversals on a tonne-for-tonne basis, and not on a tonne-year basis, in developing recommendations for activities involving removals for CMA 5.
26. The Supervisory Body agreed to continue its work on elements that are generally applicable to all removal activities, and potentially also on activity type- or category-specific elements, where necessary. Members also agreed to recommend to CMA 5 that further technical requirements, in some cases activity type- or category-specific, are necessary to operationalize some core elements, including for the avoidance of negative environmental and social impacts, and for the measure for addressing reversals.
27. The Supervisory Body considered the information note “Progress report on the implementation of the work programme on capacity-building for Article 6.4 mechanism”, as contained in annex 11 of the annotated agenda, and appreciated the efforts undertaken so far in delivering the capacity-building program and provided the following additional feedback for consideration in the capacity building programme:
 - (a) Emphasized the importance of promoting country-level capacity-building activities in addition to sub-regional, regional, and global levels;
 - (b) Focus areas on the capacity-building to include (i) simplified explanation of decisions taken by the CMA and Article 6.4 mechanism Supervisory Body; (ii) fulfilment of the participation requirements; (iii) support in development of baselines and collection of relevant data; (iv) transition of CDM activities; (v) reporting;
 - (c) Highlighted the importance of having extensive interaction with the DNA and convene regional dialogue on host country participation requirements within the capacity-building programme;
 - (d) Recognized the significance of forging strategic partnerships and synergizing with other actors both within and outside of UNFCCC to deliver effective capacity-building activities;
 - (e) Make available relevant materials used to deliver the capacity-building by the secretariat accessible and retrievable in both online and offline mode whenever possible;

- (f) Expand the coverage of the existing regional collaboration centres (RCCs) to also countries that are not currently supported (e.g. Eastern Europe);
 - (g) Inputs on the contents of the future information note to include where possible (i) description of events; (ii) use of dynamic digital tools to view dates of future events; (iii) impacts on delivery of the capacity building program beyond the identified current key performance indicators; (iv) feedback received from participants.
28. The Supervisory Body further requested the secretariat to publish information, including dates and location, on capacity-building events related to Article 6.4 mechanism on the UNFCCC website.
29. The Supervisory Body requested the secretariat to prepare a concept note on the establishment of the Article 6.4 DNA forum for its consideration at its future meeting.
30. The Supervisory Body took note of the update on the status of recruitments in support of the implementation of the Article 6.4 mechanism resource allocation plan.

Agenda item 4. Relation with stakeholders

31. The Supervisory Body requested the secretariat to organize two webinars with the broad participation of stakeholders to be held prior to and after the publication of the annotated agenda for the sixth meeting of the Supervisory Body.
32. The Supervisory Body considered public comments on the documentation of this meeting, which were made publicly available on the UNFCCC website, and thanked stakeholders for their comments.⁴
33. The Supervisory Body met with registered observers for an informal interaction on the last day of the meeting. The observers presented views in relation to items on the agenda of this meeting. The Supervisory Body took note of the inputs and thanked the observers for the interaction.
34. The Supervisory Body thanked registered observers for following the proceedings of this meeting as well as all. The list of the registered observers to this meeting is contained in annex 3 to this report.
35. Observers to the sixth meeting of the Supervisory Body shall register with the secretariat by 19 June 2023. Any change to this date will be communicated as appropriate.

Agenda item 5. Other matters

36. The Supervisory Body took note that 40 DNAs were established as of 3 June 2023.
37. The Supervisory Body agreed to the provisional agenda for its sixth meeting, to be held in Bonn, Germany, from 10 to 13 July 2023, as contained in annex 4 to this report.

⁴ See <https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism/calls-for-input>.

Agenda item 6. Conclusion of the meeting

38. The Chair summarized the main conclusions and closed the meeting.
39. The proceedings of the open sessions of the meeting can be accessed via on-demand broadcast.⁵

⁵ <https://unfcc-events.azureedge.net/Article64fifthmeeting>.

Annexes to the report

- Annex 1 - Guidance and questions on further work on the methodologies requirements (version 01.0)
- Annex 2 - Information note: Guidance and questions for further work on removals (version 02.0)
- Annex 3 - List of registered observers at the fifth meeting of the Supervisory Body (version 01.0)
- Annex 4 - Provisional agenda: Supervisory Body sixth meeting (version 01.0)

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