

AA6.4-SB007-AA

Annotations

Seventh meeting of the Supervisory Body

Version 01.1

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Place of meeting: Singapore, Singapore



United Nations
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Annotations to the agenda

Agenda item 1. Agenda and meeting organization

Agenda item 1.1. Opening

1. ► **Action:** The Chair of the Article 6.4 mechanism Supervisory Body (hereinafter referred to as the Supervisory Body) shall ascertain whether: (a) the members present constitute a quorum; and (b) proper justification has been provided for the absence of any member or alternate member.

Background: Paragraph 46 of the “Rules of procedure of the Supervisory Body” (RoP) stipulates that at least three fourths of the members, including alternate members only when they are acting as members, shall constitute a quorum for meetings of the Supervisory Body.¹

Agenda item 1.2. Adoption of the agenda

2. ► **Action:** The Supervisory Body may wish to adopt the proposed agenda for the meeting.

Background: The proposed agenda for the meeting of the Supervisory Body will be presented for adoption.

Agenda item 2. Governance and management matters

Agenda item 2.1. Membership issues

3. ► **Action:** Members and alternate members of the Supervisory Body may wish to declare whether they have any conflict of interest relating to any issues on the agenda of the meeting.

Background: As per paragraph 26 of the RoP, members and alternate members of the Supervisory Body shall avoid actual, potential and perceived conflicts of interest and shall declare any actual, potential or perceived conflict of interest at the start of a meeting.

4. ► **Action:** The Supervisory Body may wish to take note of the resignation of Ms Maia Tskhvaradze as alternate member of the Body, effective as of 1 September 2023, and may wish to decide to appoint a replacement alternate member from the same constituency to serve the remainder of the term once a nomination from the relevant constituency is received.

Background: As per paragraph 12 of the RoP, if a member or alternate member resigns or is otherwise unable to continue as a member or alternate member, the Supervisory Body may decide, bearing in mind the proximity to the next session of the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA), to appoint a replacement member or replacement alternate member from the same constituency to serve the remainder of the term on the basis of a nomination from the relevant constituency, in which case the appointment shall count as one term.

¹ See decision 7/CMA.4, annex II contained in document FCCC/PA/CMA/2022/10/Add.2.

Agenda item 2.2. Strategic planning and direction

5. ► **Action:** The Supervisory Body may wish to agree to the draft annual report of the Supervisory Body to the CMA, as contained in annex 1 to these annotations.

Background: In accordance with decisions 3/CMA.3, the Supervisory Body reports annually on its activities to the CMA. At its sixth meeting, 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.

6. ► **Action:** The Supervisory Body may wish to take note of the updated “Workplan of the Supervisory Body 2023”, as contained in annex 2 to these annotations.

Background: The Supervisory Body, at its fourth meeting, approved its workplan 2023 and requested the secretariat to include any new mandates arising from meetings in future versions of the workplan for the Supervisory Body to take note of.

7. ► **Action:** The Supervisory Body may wish to:

- (a) Take note of the status of Article 6.4 mechanism Resource Allocation Plan 2023 implementation;
- (b) Approve its Article 6.4 mechanism two-year business and Resource Allocation Plan 2024–2025.

Background: The Supervisory Body, through its workplan, agreed to consider its two-year Business and Resource Allocation Plan 2024–2025 at its seventh meeting. The Supervisory Body, at its third meeting, adopted its Article 6.4 mechanism Resource Allocation Plan 2023 and will have opportunities at the mid-point of the implementation of its RAPs to review and monitor progress and make any adjustments to the allocation of resources as appropriate.

Agenda item 3. Matters related to the Article 6.4 mechanism

8. ► **Action:** The Supervisory Body may wish to consider the revised concept note “Consideration of the special circumstances of LDCs and SIDS”, as contained in annex 3 to these annotations.

Background: The CMA, through decision 3/CMA.3, paragraph 5(f), requested the Supervisory Body to ensure the implementation of the requirements referred to in paragraph 29 of the annex in relation to the least developed countries (LDCs) and small island developing States (SIDS). The Supervisory Body, at its fourth meeting, requested the secretariat to prepare a revised concept note, taking into account the discussions at this meeting, that includes information on existing provisions currently available to LDCs and SIDS in other carbon market standards, including the clean development mechanism (CDM).

9. ► **Action:** The Supervisory Body may wish to consider the concept note “Appeal and grievance processes under the Article 6.4 mechanism”, as contained in annex 4 to these annotations.

Background: As per paragraph 62 of the rules, modalities and procedures (RMPs), stakeholders, activity participants and participating Parties may appeal decisions of the Supervisory Body or request that a grievance be addressed by an independent grievance process. As such, while considering the draft procedure “Article 6.4 mechanism activity

cycle procedure for projects” at its fifth meeting, the Supervisory Body requested the secretariat to prepare a concept note on the appeals and grievance procedure for consideration by the Supervisory Body at its seventh meeting.

10. ► **Action:** The Supervisory Body may wish to provisionally approve the draft “Activity standard for projects”, as contained in annex 5 to these annotations.

Background: The Supervisory Body, at its sixth meeting, considered the draft “Article 6.4 mechanism activity standard for projects” and agreed to continue considering the draft at the next meeting.

11. ► **Action:** The Supervisory Body may wish to consider the draft “Article 6.4 mechanism validation and verification standard for projects”, as contained in annex 6 to these annotations.

Background: The Supervisory Body, at its fifth meeting, 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.

12. ► **Action:** The Supervisory Body may wish to consider the concept note “Development of a sustainable development tool for Article 6.4 of the Paris Agreement”, as contained in annex 7 to these annotations.

Background: The Supervisory Body, at its fourth meeting, considered the concept note “Workplan for developing a sustainable development tool for the mechanism established by Article 6, paragraph 4, of the Paris Agreement” and requested the secretariat to develop a sustainable development tool for the Article 6.4 mechanism.

13. ► **Action:** The Supervisory Body may wish to consider the draft “Article 6.4 mechanism accreditation standard” and the draft “Article 6.4 mechanism accreditation procedure”, as contained in annex 8 and annex 9 to these annotations.

Background: The Supervisory Body, at its fifth meeting, considered the concept note “Development of Article 6.4 mechanism accreditation standards and procedures” and requested the secretariat to 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.

14. ► **Action:** The Supervisory Body may wish to:

- (a) Take note of the information note “Compilation of responses to the call for input titled ‘Structured public consultation: ‘Further input – requirements for the development and assessment of mechanism methodologies’”, as contained in annex 10 to these annotations;
- (b) Take note of the concept note “Methodological elements in the draft recommendation on requirements for the development and assessment of mechanism methodologies” as contained in annex 11 to these annotations;
- (c) Approve the draft recommendation on “Requirements for the development and assessment of mechanism methodologies”, as contained in annex 12 to these annotations.

Background: The Supervisory Body, at its fifth meeting, considered the information note “Draft elements for the recommendation on requirements for the development and assessment of mechanism methodologies” and requested the secretariat to further work

on the draft elements taking into account guidance from the Supervisory Body at that meeting. The Supervisory Body, at its sixth meeting, considered the draft recommendations on “requirements for the development and assessment of mechanism methodologies” and agreed that an informal working group on this matter comprising its members and alternate members as well as the secretariat would to prepare the updated draft recommendation, for consideration of the Supervisory Body at the next meeting. The Supervisory Body also agreed to launch a call for structured public consultation to invite stakeholders to provide comments, based on the draft recommendation prepared by the informal working group, and requested the secretariat to prepare a compilation of all public inputs received.

15. ► **Action:** The Supervisory Body may wish to:

- (a) Take note of the updated information notes “Compilation of the public inputs on removal activities under the Article 6.4 mechanism” and “Draft elements for the recommendations on activities involving removals”, as contained in annexes 13 and 14 to these annotations;
- (b) Approve the “Draft recommendations on activities involving removals under the Article 6.4 mechanism”, as contained in annex 15 to these annotations, with a view to forwarding the recommendations to CMA 5.

Background: The Supervisory Body, at its sixth meeting, considered the information notes “Compilation of the public inputs on removal activities under the Article 6.4 mechanism” and “Draft elements for the recommendation on activities involving removals” and requested the secretariat, in consultation with the co-chairs of the informal working group on removals, to prepare and open a structured call for inputs based on the questions included in the presentation shown at this meeting on 13 July 2023. The Supervisory Body, further requested the secretariat to update these information notes based on inputs received and prepare draft recommendations for consideration at the seventh meeting of the Supervisory Body, based on outputs from the fourth to the sixth meeting of the Supervisory Body, guidance from the sixth meeting of the Body, including Part I and Part II of the written consultation, recommendations on removals from the third meeting of the Supervisory Body, and guidance from the informal working group on removals regarding the preliminary draft recommendations that were shared prior to the seventh meeting of the Supervisory Body.

16. ► **Action:** The Supervisory Body may wish to consider the concept note “Detailed regulatory elements for the transition of CDM activities to the Article 6.4 mechanism”, as contained in annex 16 to these annotations.

Background: The Supervisory Body, at its sixth meeting, adopted the “Standard for the transition of CDM activities to the Article 6.4 mechanism” and the “Procedure for the transition of CDM activities to the Article 6.4 mechanism” and requested the secretariat to present draft detailed regulatory elements and develop the necessary IT infrastructure to support the transition process.

17. ► **Action:** The Supervisory Body may wish to take note of an update on the implementation of the capacity-building programme through regional collaboration centres in consultation with Parties.

Background: The Supervisory Body, at its fourth meeting, considered the concept note “Capacity-building programme to support the transition of eligible CDM project activities and programmes of activities to the Article 6.4 mechanism” and requested the secretariat

to start implementing the capacity-building programme proposed in the concept note to support the transition based on the guidance provided by the Supervisory Body and to report back on the status of its implementation on a regular basis, twice a year.

Agenda item 4. Relation with stakeholders

18. ► **Action:** The Supervisory Body may wish to take note of the 52 designated national authorities established as of 18 August 2023, as listed on the UNFCCC website.²

Background: The CMA, in decision 3/CMA.3, annex, paragraph 26(c), decided that each host Party of Article 6.4 activities shall, prior to participating in the mechanism, ensure that it has designated a national authority for the mechanism and has communicated that designation to the secretariat.

19. ► **Action:** The Supervisory Body may wish to interact with registered observers.

Background: The Supervisory Body, at its first meeting, agreed to interact with registered observers (in person and virtually) at the end of each meeting.

20. ► **Action:** The Supervisory Body may wish to consider public comments on documentation of this meeting.

Background: The Supervisory Body shall receive public comments, including from stakeholders, on meeting documentation until one week prior to the meeting, unless otherwise decided by the Chair.

Agenda item 5. Other matters

21. ► **Action:** The Supervisory Body may wish to consider side-event topics and confirm a topic for its side event at the twenty-eighth meeting of the Conference of the Parties (COP 28).

Background: The Supervisory Body, through its workplan 2023, agreed to hold a side event during COP 28.

22. ► **Action:** The Supervisory Body may wish to consider any other business it deems necessary.

Agenda item 6. Conclusion of the meeting

23. ► **Action:** The Supervisory Body may wish to approve the report of the seventh meeting.

Background: The Chair will summarize the meeting and adopt the report, including references to any decisions taken, as per the RMPs.

² See the webpage <https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism/national-authorities>.

Annexes to the annotations

- Annex 1 - Draft annual report of the Supervisory Body to the CMA
- Annex 2 - Information note: Workplan of the Supervisory Body 2023
- Annex 3 - Concept note: Consideration of the special circumstances of LDCs and SIDS
- Annex 4 - Concept note: Appeal and grievance processes under the Article 6.4 mechanism
- Annex 5 - Draft standard: Article 6.4 mechanism activity standard for projects
- Annex 6 - Draft standard: Article 6.4 mechanism validation and verification standard for projects
- Annex 7 - Concept note: Development of a sustainable development tool for Article 6.4 of the Paris Agreement
- Annex 8 - Draft standard: Article 6.4 mechanism accreditation
- Annex 9 - Draft procedure: Article 6.4 mechanism accreditation
- Annex 10 - Information note: Compilation of responses to the call for input titled “Structured public consultation: ‘Further input – requirements for the development and assessment of mechanism methodologies’”
- Annex 11 - Concept note: Methodological elements in the draft recommendation on requirements for the development and assessment of mechanism methodologies
- Annex 12 - Draft recommendation: Requirements for the development and assessment of mechanism methodologies
- Annex 13 - Information note: Compilation of the public inputs on removal activities under the Article 6.4 mechanism
- Annex 14 - Information note: Draft elements for the recommendations on activities involving removals
- Annex 15 - Draft recommendation: Activities involving removals under the Article 6.4 mechanism
- Annex 16 - Concept note: Detailed regulatory elements for the transition of CDM activities to the Article 6.4 mechanism

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