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**Conference of the Parties serving as the meeting  
of the Parties to the Paris Agreement**

**Fourth session**

Sharm el-Sheikh, 6–18 November 2022

Item 15 of the provisional agenda

**Rules, modalities and procedures for the mechanism  
established by Article 6, paragraph 4, of the Paris  
Agreement**

**Annual report of the Supervisory Body for the mechanism  
established by Article 6, paragraph 4, of the Paris Agreement  
to the Conference of the Parties serving as the meeting of the  
Parties to the Paris Agreement\***

*Summary*

This report covers the work of the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement between 28 July and 22 September 2022, covering the first two meetings of the Supervisory Body. In this short reporting period, the Supervisory Body prioritized the work mandated by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA) at its third session, working between meetings to advance its work with urgency. In this way the Supervisory Body was able to finalize its rules of procedure and appropriate levels for the share of proceeds for administrative expenses for consideration and adoption at CMA 4, as mandated by decision 3/CMA.3, paragraphs 6(a) and 6(b) respectively. The work of the Supervisory Body from 23 September to 5 November 2022, including the outcomes of the third meeting of the Supervisory Body, will be covered in an addendum to this report. The addendum will provide an update to CMA 4 on the work on removals and methodologies, as mandated by decision 3/CMA.3, paragraphs 6(c) and 6(d) respectively.

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\* This document was submitted after the due date in order to reflect the outcomes of the 2<sup>nd</sup> meeting of the Supervisory Body, held from 19 to 22 September 2022.

## Abbreviations and acronyms

A6.4ER	Article 6, paragraph 4, emission reduction
Article 6.4 mechanism	mechanism established by Article 6, paragraph 4, of the Paris Agreement
CDM	clean development mechanism
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
CO <sub>2</sub> eq	carbon dioxide equivalent

## I. Introduction

### A. Mandate

1. In accordance with the rules, modalities and procedures for the Article 6.4 mechanism,<sup>1</sup> the Supervisory Body for the mechanism is to report annually to the CMA. The CMA provides guidance to the Supervisory Body by taking decisions on, inter alia:

- (a) The rules of procedure of the Supervisory Body;
- (b) Recommendations of the Supervisory Body relating to the rules, modalities and procedures for the mechanism;
- (c) Matters relating to the operation of the Article 6.4 mechanism.

### B. Scope

2. This first annual report of the Supervisory Body, which covers its first two meetings, provides information on progress in implementing the Article 6.4 mechanism in the reporting period from 28 July to 22 September 2022.

3. The work of the Supervisory Body between 23 September and 5 November 2022, including the outcomes of its 3<sup>rd</sup> meeting, will be covered in the addendum to this report.

4. This report and its addendum include recommendations for consideration at CMA 4, describe the status of the Article 6.4 mechanism, highlight achievements related to its implementation and provide information on its governance, management and financial status.

5. Further information is available on the Article 6.4 mechanism web pages,<sup>2</sup> the central repository for all reports and other documentation relating to the mechanism and the Supervisory Body.

### C. Action to be taken by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

6. In taking note of this report, the CMA may wish to:

- (a) Note the progress of the Supervisory Body with regard to the mandates in decision 3/CMA.3 (see chap. II.A below);
- (b) Adopt the draft rules of procedure of the Supervisory Body as contained in annex I (see para. 10 below);
- (c) Adopt the levels for the share of proceeds for administrative expenses as contained in annex II (see para. 11 below);
- (d) Request the secretariat to take the necessary steps to establish a separate trust fund for the receipt of fees, shares of proceeds for the administration of the Article 6.4 mechanism and other contributions (see para. 33 below).

## II. Work in the reporting period

7. The final nominations to the Supervisory Body were received in June 2022, enabling its 1<sup>st</sup> meeting to be held at the end of July 2022. In the initial phase of its work the Supervisory Body focused on putting in place the institutional foundations for operationalizing the Article 6.4 mechanism, including preparing its recommendations for CMA 4 as a priority (on rules of procedure, share of proceeds and methodological issues) and planning its future work.

<sup>1</sup> Decision 3/CMA.3, annex.

<sup>2</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism>.

8. To make best use of the limited time left in 2022, the Supervisory Body agreed to hold three in-person meetings between July and November. In addition, informal working groups composed of Supervisory Body members and alternate members and secretariat staff advanced work between meetings. This enhanced engagement by the Supervisory Body enabled work to be fast-tracked.

#### **A. Mandates from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement**

9. Given the limited time available in 2022 to deliver on the mandates received from CMA 3, the Supervisory Body focused on the deliverables for CMA 4.<sup>3</sup>

10. The Supervisory Body elaborated and agreed on its draft rules of procedure<sup>4</sup> as contained in annex I for consideration and adoption at CMA 4. It also agreed to apply them from its 1<sup>st</sup> meeting on a provisional basis until their formal adoption at CMA 4. Thereafter the members and alternate members of the Supervisory Body will sign the oath of service as contained in the appendix.

11. The Supervisory Body elaborated and agreed on levels for the share of proceeds for administrative expenses and its operation, including in order to enable a periodic contribution to the share of proceeds for adaptation for the Adaptation Fund,<sup>5</sup> as contained in annex II for consideration and adoption at CMA 4. In doing so, due care was taken to ensure that funds raised from the share of proceeds for administrative expenses will balance with expected expenditure, including appropriate operating reserve, and that the levels of the share of proceeds for administrative expenses do not discourage participation in the Article 6.4 mechanism, noting that the levels are to be reviewed periodically in accordance with decision 3/CMA.3, paragraph 8. The Supervisory Body agreed to indicate to the CMA that it will determine a specific level for each fee type included in the recommendation within the maximum level therein when developing procedures for processing requests within the activity cycle under the Article 6.4 mechanism, with the intention to set the fee levels low where appropriate.

12. In addition, the Supervisory Body agreed on the level and process for monetary contributions from individual Article 6.4 mechanism activities to the Adaptation Fund in accordance with the rules, modalities and procedures for the Article 6.4 mechanism,<sup>6</sup> as follows, which may be modified by the Supervisory Body in future on the basis of its review of the implementation of the provision: 3 per cent of the issuance fee paid for each request for issuance of A6.4ERs shall be deducted and the total transferred annually to the Adaptation Fund.

13. Furthermore, the Supervisory Body agreed that the level and frequency of the periodic contribution from the remaining funds received from the share of proceeds for administrative expenses to the Adaptation Fund, after setting aside the operating costs for the mechanism and an operating reserve in accordance with the rules, modalities and procedures for the Article 6.4 mechanism,<sup>7</sup> should not be decided at this stage but determined on the basis of an annual review of the status of those funds.

14. The Supervisory Body worked on elaborating a recommendation for the CMA on activities involving removals.<sup>8</sup> It will continue the work at its 3<sup>rd</sup> meeting and report on progress in the addendum to this report.

15. The Supervisory Body also worked on elaborating a recommendation for the CMA on the application of the requirements referred to in chapter V.B of the annex to decision

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<sup>3</sup> See decision 3/CMA.3, para. 6.

<sup>4</sup> As per decision 3/CMA.3, para. 6(a).

<sup>5</sup> As per decision 3/CMA.3, para. 6(b).

<sup>6</sup> Decision 3/CMA.3, annex, para. 67(b).

<sup>7</sup> Decision 3/CMA.3, annex, para. 67(c).

<sup>8</sup> As per decision 3/CMA.3, para. 6(c).

3/CMA.3.<sup>9</sup> It will continue the work at its 3<sup>rd</sup> meeting and report on progress in the addendum to this report.

16. The plans for implementing the mandates<sup>10</sup> that do not have a specific delivery date and guide the operationalization of the Article 6.4 mechanism are included in the Supervisory Body's workplan for 2022–2023,<sup>11</sup> agreed at its 2<sup>nd</sup> meeting, which translates the mandates into activities, approaches and/or products that the Body is working on for delivery after CMA 4:

(a) Developing activity standards and procedures, and a validation and verification standard;

(b) Reviewing methodologies, standardized baselines, methodological tools and guidelines related to the CDM and other market-based mechanisms as a basis for developing standards for the Article 6.4 mechanism, and establishing procedures for developing methodologies and standardized baselines;

(c) Reviewing the sustainable development tool used under the CDM and other similar tools;

(d) Reviewing the CDM accreditation standards and procedures with a view to applying them with revisions, as appropriate, for the Article 6.4 mechanism.

17. With regard to the mandate in paragraph 5(e) of decision 3/CMA.3, as the accreditation standard and procedures for the Article 6.4 mechanism have not yet been developed, no request for accreditation as a designated operational entity has yet been received by the Supervisory Board.

18. Delivering on the mandates in paragraphs 5(f–i) and 12 of decision 3/CMA.3 is ongoing in the context of operationalizing the Article 6.4 mechanism.

19. In addition to providing mandates to the Supervisory Body, CMA 3 requested the Subsidiary Body for Scientific and Technological Advice to prepare recommendations on various matters for consideration and adoption at CMA 4.<sup>12</sup> An overview of the mandates being addressed by different actors and the breadth of the work being carried out is provided in a concept note<sup>13</sup> published with the annotated agenda for the 1<sup>st</sup> meeting of the Supervisory Body.

## **B. Communications and outreach**

20. The Supervisory Body underlined the importance of strategic communications and agreed to consider this matter at a future meeting of the Body.

## **III. Governance and management**

### **A. Membership and meetings**

21. The first members and alternate members of the Supervisory Body were elected at CMA 3. As this was the initial election of members, half of the members and their alternate members were elected for a term of three years and the other half for a term of two years.<sup>14</sup> The composition of the Supervisory Body in 2022 is presented in table 1.

<sup>9</sup> As per decision 3/CMA.3, para. 6(d).

<sup>10</sup> See decision 3/CMA.3, para. 5(a–d).

<sup>11</sup> See Article 6.4 mechanism document A6.4-SB001-AA-A02, available at <https://unfccc.int/sites/default/files/resource/a64-sb001-aa-a02.pdf>.

<sup>12</sup> Decision 3/CMA.3, para. 7.

<sup>13</sup> As footnote 11 above.

<sup>14</sup> As per decision 3/CMA.3, annex, para. 9.

Table 1  
**Members and alternate members of the Supervisory Body in 2022**

<i>Member</i>	<i>Alternate member</i>	<i>Group/constituency</i>
El Hadji Mbaye Diagne <sup>a</sup>	Tirivanhu Muhwati <sup>a</sup>	African States
Mkhuthazi Steleki <sup>b</sup>	Alick Muvundika <sup>b</sup>	African States
Maria AlJishi <sup>a</sup>	Maosheng Duan <sup>a</sup>	Asia-Pacific States
Kazuhisa Koakutsu <sup>b</sup>	Rajasree Ray <sup>b</sup>	Asia-Pacific States
Olga Gassan-zade <sup>a</sup>	Maia Tskhvaradze <sup>a</sup>	Eastern European States
Piotr Dombrowicki <sup>b</sup>	Imre Bányász <sup>b</sup>	Eastern European States
Charles Hamilton <sup>a</sup>	Derrick Oderson <sup>a</sup>	Latin American and Caribbean States
Felipe De León Denegri <sup>b</sup>	Eduardo Calvo <sup>b</sup>	Latin American and Caribbean States
Martin Hession <sup>a</sup>	Emily Mathias <sup>a</sup>	Western European and other States
Molly Peters-Stanley <sup>b</sup>	Simon Fellermeier <sup>b</sup>	Western European and other States
Gebru Jember <sup>b</sup>	Manjeet Dhakal <sup>b</sup>	Least developed countries
Kristin Qui <sup>a</sup>	Benedict Chia <sup>a</sup>	Small island developing States

<sup>a</sup> Two-year term, ending prior to the first meeting in 2024.

<sup>b</sup> Three-year term, ending prior to the first meeting in 2025.

22. At its 1<sup>st</sup> meeting, the Supervisory Body elected Kristin Qui and Piotr Dombrowicki as its Chair and Vice-Chair respectively. Their tenures in the roles will end just before the first meeting of the Supervisory Body in 2023.

23. In the reporting period the Supervisory Body held two meetings (see table 2). It was possible to hold the 1<sup>st</sup> meeting in July once the final nominations to the Supervisory Body had been received in June. The annotated agendas for the meetings, on-demand webcasts and reports containing all agreements adopted are available on the UNFCCC website.<sup>15</sup>

Table 2  
**Meetings of the Supervisory Body in 2022**

<i>Meeting</i>	<i>Date</i>	<i>Location</i>
1 <sup>st</sup>	25–29 July	Bonn
2 <sup>nd</sup>	19–22 September	Bonn
3 <sup>rd</sup>	3–5 November	Sharm el-Sheikh, Egypt

## B. Transparency and interaction with stakeholders

24. There was considerable interest from observers in attending the inaugural meeting of the Supervisory Body: 19 observers registered for its 1<sup>st</sup> meeting and 10 for its 2<sup>nd</sup>.

25. The Supervisory Body agreed to allow registered observers to follow the proceedings of the meetings in person or virtually and also agreed to hold in-person and virtual interactions during its meetings with registered observers, taking into account time limitations.

<sup>15</sup> <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body/meetings-of-the-article-64-supervisory-body>.

26. Through its draft rules of procedure, interaction with stakeholders and organization of work, the Supervisory Body has shown that it will apply best practices with regard to transparency. The draft rules of procedure provide for avoiding conflicts, such as by declaring conflicts of interest, refraining from decision-making where a conflict of interest exists, and committing to developing provisions on financial disclosure.

27. The Supervisory Body considered stakeholder inputs received on matters on the agenda for its 2<sup>nd</sup> meeting. Furthermore, all information under consideration by the Supervisory Body is made publicly available.

28. The CDM Executive Board and the Supervisory Body exchanged letters during the reporting period. The CDM Executive Board (in a letter dated 8 July 2022) warmly welcomed the designation of the Supervisory Body and offered for its use hard and soft infrastructure that has been built up over many years in support of the CDM. The Supervisory Body welcomed the offer from the CDM Executive Board (in a letter dated 30 August 2022) and will consider it while operationalizing the Article 6.4 mechanism.

29. Underlining the interest in the Article 6.4 mechanism, communications from Parties are being received designating their national authority for the Article 6.4 mechanism.<sup>16</sup>

### C. Financial status of the mechanism

30. The Supervisory Body expresses its appreciation for the transfer of funds from the Trust Fund for the Clean Development Mechanism.<sup>17</sup>

31. The Supervisory Body had no income-generating activities in the reporting period.

32. In operationalizing the Article 6.4 mechanism during the reporting period, the Supervisory Body incurred expenses of USD 196,460 for, among other things, travel and other costs (see table 3), which were met from funds transferred from the Trust Fund for the Clean Development Mechanism.

Table 3

#### **Expenditure of the Supervisory Body in the reporting period**

(United States dollars)

<i>Item</i>	<i>Amount</i>
Travel	91 778
Other (operating, direct, contractual and programme support costs)	104 682
<b>Total</b>	<b>196 460</b>

33. To better organize its financial arrangements, the Supervisory Body will consider a management plan for 2022–2023, which will outline the goals for the biennium and the resources needed. To support its financial management, the Supervisory Body recommends that the CMA request the secretariat to take the necessary steps to establish a separate trust fund for the receipt of fees, shares of proceeds for the administration of the Article 6.4 mechanism and other contributions.

<sup>16</sup> See <https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism/national-authorities>.

<sup>17</sup> Pursuant to decision 2/CMP.16, paras. 18–19.

## **Annex I**

### **Draft rules of procedure of the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement**

#### **I. Scope**

1. These rules of procedure shall apply to all activities of the Supervisory Body for the Article 6.4 mechanism undertaken in accordance with decision 3/CMA.3, including the rules, modalities and procedures for the mechanism contained in the annex thereto, and any other decisions on the mechanism adopted by the CMA.

#### **II. Definitions**

2. For the purpose of these rules of procedure:

(a) “Conflict of interest” refers to any current professional, financial or other interest that could significantly impair the individual’s objectivity in carrying out their duties and responsibilities for the Supervisory Body or create an unfair advantage for any person or organization; circumstances that could lead a reasonable person to question an individual’s objectivity or whether an unfair advantage has been created constitute a potential conflict of interest;

(b) “Secretariat” means the secretariat referred to in Article 17 of the Paris Agreement and paragraph 25 of the rules, modalities and procedures for the Article 6.4 mechanism;

(c) “Stakeholders” mean the entities, groups, forums, communities and individuals that have a role in the implementation of the functions of the Supervisory Body or that may affect or be directly affected by the recommendations and actions of the Body.

#### **III. Membership**

##### **A. Composition**

3. The Supervisory Body shall comprise 12 members from Parties to the Paris Agreement, ensuring broad and equitable geographical representation and striving to ensure gender-balanced representation, as follows:

(a) Two members from each of the five United Nations regional groups;

(b) One member from the least developed countries;

(c) One member from small island developing States (decision 3/CMA.3, annex, para. 4).

##### **B. Nomination and election**

4. The CMA shall elect members and an alternate for each member of the Supervisory Body on the basis of nominations by the respective groups and constituencies (decision 3/CMA.3, annex, para. 5).

5. The nomination by a group or constituency of a candidate member shall be accompanied by a nomination for a candidate alternate member from the same group or constituency.

6. Members and alternate members shall serve in their individual expert capacity (decision 3/CMA.3, annex, para. 6).
7. Members and alternate members shall act in an independent and impartial manner in performing their duties in the Supervisory Body.
8. Members and alternate members shall possess relevant scientific, technical, socioeconomic or legal expertise (decision 3/CMA.3, annex, para. 7).
9. In the absence of a member from a meeting of the Supervisory Body, their alternate shall serve as the member for that meeting.
10. If a member is not available for a period for their duties in between meetings, they may delegate their role as member to their alternate for a specified period by informing the Supervisory Body and the secretariat in advance.
11. Any reference in these rules of procedure to a member shall be deemed to include their alternate when such alternate acts for the member.
12. Participation costs for members and alternate members will be covered by the share of proceeds for administrative expenses (decision 3/CMA.3, annex, para. 14).
13. Funding for participation shall be provided in accordance with the financial regulations of the United Nations and the financial procedures of the UNFCCC.

### **C. Term of membership**

14. Members and alternate members shall serve for a term of two years (decision 3/CMA.3, annex, para. 8).
15. Notwithstanding paragraph 14 above, in the first election of members and alternate members, the CMA shall elect half of the members and their alternate members for a term of three years and the other half for a term of two years. At the expiry of the term of these members and their alternate members and thereafter, the CMA shall elect replacement members and their alternate members for a term of two years. The members and their alternate members shall remain in office until their successors have been elected (decision 3/CMA.3, annex, para. 9).
16. The term of service of a member shall start at the first meeting of the Supervisory Body in the calendar year following their election and shall end immediately before the first meeting of the Supervisory Body in the calendar year in which the term ends (decision 3/CMA.3, annex, para. 10).
17. The maximum number of terms of any individual shall be two terms, whether consecutive or not and including any period as an alternate member (decision 3/CMA.3, annex, para. 11).

### **D. Resignation, suspension and termination of membership**

18. 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 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 (decision 3/CMA.3, annex, para. 12).
19. The Supervisory Body shall request the relevant group or constituency to nominate the new member, or the new alternate member, to be appointed in accordance with paragraph 18 above.
20. Members and alternate members may be suspended, or their membership terminated by the CMA, if:

(a) They fail to comply with paragraph 25 below or the oath of service referred to in paragraph 30 below;

(b) They fail to attend two consecutive meetings without proper justification (decision 3/CMA.3, annex, para. 13).

21. The Supervisory Body may suspend the membership of a particular member or alternate member and recommend to the CMA the termination of their membership for any of the reasons listed in paragraph 20 above or for failing to comply with the provisions in chapter IV below.

22. Any motion calling for the suspension of, and recommendation to the CMA to terminate, the membership of a member or alternate member shall immediately be considered in accordance with chapter VII below. When such a motion and recommendation concern the Chair, the Vice-Chair shall act as Chair until the decision on the motion has been announced.

23. The Supervisory Body shall suspend and recommend termination of the membership of a member or alternate member only after the member or alternate member has been afforded the opportunity of a hearing by the Supervisory Body.

## **IV. Duties and conduct**

24. Members and alternate members shall be bound by these rules of procedure.

### **A. Code of conduct**

25. Members and alternate members shall perform any duties and exercise any authority in an honourable, independent, impartial and conscientious manner as follows:

(a) They shall observe at all times and from the date of their election the highest standards of ethical conduct in the performance of their duties and functions as outlined below. Such duties and functions shall be performed in accordance with the Charter of the United Nations and these rules of procedure;

(b) They shall treat all persons involved in the meetings and processes of the Supervisory Body with dignity and respect and conduct themselves in line with the values of the United Nations;

(c) They shall not abuse their authority or directly or indirectly accept, offer or provide any gift, advantage or reward that can be reasonably perceived as intended to influence the performance of their functions and their independence;

(d) They shall not engage in any form of discrimination or harassment, including sexual harassment.

### **B. Conflict of interest**

26. Members and alternate members shall avoid actual, potential and perceived conflicts of interest and shall:

(a) Declare any actual, potential or perceived conflict of interest at the start of a meeting;

(b) Refrain from participating in any work of the Supervisory Body, including decision-making, in relation to which they have an actual, potential or perceived conflict of interest;

(c) Refrain from behaviour that may be incompatible with the requirements of independence and impartiality (decision 3/CMA.3, annex, para. 15).

27. Members and alternate members shall have no pecuniary or financial interest in any aspect of the Article 6.4 mechanism activity, any designated operational entity or any matters

considered by the Supervisory Body. The Supervisory Body shall take measures to mitigate the risk thereof, such as developing provisions for financial disclosure by members and alternate members.

28. Members and alternate members shall make available their curricula vitae and details of any past and current professional affiliations with the secretariat for publication on the UNFCCC website and shall inform the secretariat of any changes thereto.

### **C. Confidentiality**

29. Members and alternate members shall ensure confidentiality in line with relevant best practice and decisions of the CMA and the Supervisory Body (decision 3/CMA.3, annex, para. 16).

### **D. Oath of service**

30. Members and alternate members shall take a written oath of service witnessed by the Executive Secretary of the UNFCCC or their authorized representative before assuming their duties. The text of the written oath of service is contained in the appendix.

31. Electronic submission of the signed oath of service by members and alternate members is sufficient to fulfil the requirements of these rules of procedure.

## **V. Chair and Vice-Chair**

32. Each year the Supervisory Body shall elect a Chair and a Vice-Chair from among its members. The Chair and the Vice-Chair shall remain in office until their successors have been elected (decision 3/CMA.3, annex, para. 18). In this context, the Supervisory Body shall take fully into account the consideration of regional and gender balance.

33. The secretary of the Supervisory Body shall preside over the opening of the first meeting of a calendar year and conduct the election of the new Chair and Vice-Chair.

34. If the elected Chair is not able to serve in that capacity at a meeting, the Vice-Chair shall serve as Chair. If neither is able to serve in their respective capacity, the Supervisory Body shall elect a member from among those present to serve as Chair for that meeting.

35. If the Chair or the Vice-Chair is unable to complete their term of office, the Supervisory Body shall elect a new Chair or Vice-Chair from among its members for the remainder of the term.

36. In addition to exercising the functions conferred upon the Chair elsewhere in these rules of procedure, the Chair shall declare the opening and closing of meetings, preside over meetings, ensure the observance of these rules of procedure, give the right to speak, put questions to a vote and announce decisions. The Chair shall rule on points of order and, subject to these rules of procedure, have complete control over the proceedings and maintenance of order at meetings.

37. The Chair may propose to the Supervisory Body a limitation on allowed speaking time and the number of times each member or alternate member may speak on a question, the adjournment or closure of the debate or the suspension or adjournment of a meeting.

38. The Chair, the Vice-Chair or any other member or alternate member designated by the Supervisory Body shall represent the Body as necessary, including to report to the CMA at its sessions and to manage the public communications of the Supervisory Body, including with stakeholders.

## **VI. Meetings**

### **A. Dates and location**

39. The Supervisory Body shall meet with the frequency and at the times and locations agreed by it, taking into account the need for efficient use of resources and proximity to the dates of sessions of the UNFCCC governing and subsidiary bodies.
40. The meetings of the Supervisory Body shall take place in the country of the seat of the secretariat unless otherwise decided by the Body and subject to the necessary arrangements being made by the secretariat in consultation with the Chair.
41. At the first Supervisory Body meeting of each calendar year, the Chair shall propose for the approval of the Body a schedule of meetings for that calendar year.
42. If changes to the schedule or additional meetings are required, the Chair shall, after consultation with all members, give notice of any changes to the dates of scheduled meetings and the dates of any additional meetings.
43. The secretariat, in consultation with the Chair, shall give notice of the dates of each meeting of the Supervisory Body not less than eight weeks prior to the meeting.
44. Members and alternate members may participate in meetings in person or virtually. Both means of participation shall confer the same rights and responsibilities at meetings.
45. If all members and alternate members participate in a meeting virtually, any decisions taken by the Supervisory Body shall be deemed to have been taken at the seat of the secretariat in Bonn.

### **B. Quorum**

46. 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 (decision 3/CMA.3, annex, para. 17).
47. The virtual participation of a member or alternate member acting as a member in a meeting counts towards a quorum for the meeting.

### **C. Agenda and documentation for meetings**

48. Additions or changes to the provisional agenda for a meeting may be proposed to the secretariat by any member or alternate member and incorporated into the proposed agenda, provided that the member or alternate member gives notice thereof to the secretariat not less than four weeks before the meeting. The proposed agenda for the meeting shall be transmitted by the secretariat to all those invited to the meeting three weeks before the meeting.
49. The Supervisory Body shall, at the beginning of each meeting, adopt the agenda for the meeting.
50. Any item on the agenda for a meeting of the Supervisory Body, the consideration of which has not been completed at that meeting, shall be included automatically in the provisional agenda for the next meeting, unless otherwise decided by the Supervisory Body.
51. All documentation for a meeting of the Supervisory Body shall be made available to members and alternate members by the secretariat at least two weeks before the meeting unless otherwise decided by the Chair.
52. The Supervisory Body shall receive public comments, including from stakeholders, on meeting documentation up until one week prior to the meeting, unless otherwise decided by the Chair.

## **D. Transparency**

53. Meetings of the Supervisory Body shall be open to the public, including via electronic means, and a recording shall be made available via electronic means unless closed for reasons of confidentiality (decision 3/CMA.3, annex, para. 19).

54. Documents for meetings of the Supervisory Body shall be made publicly available, unless they are confidential (decision 3/CMA.3, annex, para. 20).

55. The Supervisory Body shall ensure transparency of decision-making and make publicly available its decision-making framework and decisions, including standards, procedures and related documents (decision 3/CMA.3, annex, para. 21).

## **E. Participation of observers in meetings**

56. Meetings of the Supervisory Body shall be open to attendance, as observers, by any Party or UNFCCC-admitted observer organization unless closed for reasons of confidentiality.

57. The Supervisory Body may, in the interests of economy and efficiency, decide to limit the in-person attendance of observers at its meetings.

58. Observers may, upon invitation by the Supervisory Body, make presentations relating to matters under consideration by the Supervisory Body at its meetings.

59. The Supervisory Body may invite specific stakeholders to a meeting to seek their views on specific items on the agenda for the meeting.

## **F. Record of meetings**

60. The Supervisory Body shall adopt reports on its meetings and make them publicly available (decision 3/CMA.3, annex, para. 23). The reports may reflect divergent views expressed by members and alternate members on the matters considered at the meetings.

61. The Supervisory Body may, separately from the reports referred to in paragraph 60 above, prepare internal reports containing confidential information relating to the outcomes of its meetings.

62. Before the end of each meeting, the Chair shall present draft conclusions and decisions taken at the meeting for consideration and approval by the Supervisory Body. Any written records of the Supervisory Body or recordings of proceedings shall be kept by the secretariat in accordance with United Nations rules and regulations.

# **VII. Decision-making**

## **A. General**

63. Decisions of the Supervisory Body shall be taken by consensus whenever possible. If all efforts at reaching consensus have been exhausted, decisions shall be put to vote and adopted by a majority of three fourths of the members, including alternate members only when they are acting as members, present and voting (decision 3/CMA.3, annex, para. 22).

64. Alternate members shall participate in all the proceedings of meetings of the Supervisory Body except for the voting referred to in paragraph 66 below.

65. The Chair shall ascertain, in their judgment, whether consensus has been reached. The Chair shall declare that consensus has not been reached if there is a stated objection by a member, or by an alternate member acting as a member, to the proposed decision under consideration.

66. If all efforts at reaching consensus have been exhausted, as a last resort the following voting procedures shall apply:

- (a) The Chair shall announce that the matter will be put to vote and provide a draft decision;
- (b) Each member shall have one vote;
- (c) The phrase “members present and voting” means members present at the meeting at which the voting takes place and casting an affirmative or negative vote;
- (d) Members abstaining from voting shall be considered as not voting for the purpose of determining the three fourths majority;
- (e) An alternate member may cast a vote only if acting as a member;
- (f) The Chair and the Vice-Chair shall retain their right to vote.

## **B. Electronic decision-making**

67. The Supervisory Body may, in writing using electronic means, take decisions between meetings. The following electronic decision-making rules shall apply:

(a) Whenever, in the judgment of the Chair, a decision must be taken by the Supervisory Body that cannot be postponed until its next meeting, the Chair shall transmit to each member a proposed decision with an invitation to approve it by consensus. Together with the proposed decision, the Chair shall provide, subject to the applicable confidentiality requirements, the relevant facts that, in the Chair’s judgment, justify the decision-making by electronic means and the proposed decision;

(b) The proposed decision shall be transmitted in the form of an electronic written message to all members of the Supervisory Body. A quorum of the Supervisory Body is required through confirmation of receipt of the message. Such message shall also be transmitted to alternate members for information;

(c) Members shall be given two weeks from the date of receipt of the proposed decision to provide comments. Alternate members may also provide comments, recognizing that they do not have the right to vote. The comments shall be made available in the form of an electronic written message to all members and alternate members;

(d) At the expiration of the period referred to in paragraph 67(c) above, the proposed decision shall be considered approved if there is no objection by any member. If an objection is raised, the Chair shall include consideration of the proposed decision as an item in the proposed agenda for the next meeting of the Supervisory Body and inform the Body accordingly.

68. Any decision made via the procedure specified in paragraph 67 above shall be included in the report on the Supervisory Body’s next meeting and shall be deemed to have been taken at the seat of the secretariat in Bonn.

69. The Supervisory Body may decide to use different processes for decision-making on specific cases in accordance with relevant procedures adopted by the Body for the activity cycle, accreditation, methodology development and other specific processes for efficiency in operating the Article 6.4 mechanism.

## **VIII. Expert groups**

70. The Supervisory Body may establish expert groups comprising internal or external experts, such as committees, panels, working groups and/or rosters of experts, as required, to assist it in performing its functions and achieving its objectives. The Supervisory Body may draw on the expertise necessary to perform its functions, including from the UNFCCC roster of experts. In this context, it shall take fully into account the consideration of regional and gender balance.

## **IX. Secretariat**

71. Pursuant to Article 17 of the Paris Agreement and in accordance with relevant decisions of the CMA, the secretariat shall serve as the secretariat of the Supervisory Body and perform its functions in the operation of the mechanism in accordance with the rules, modalities and procedures for the mechanism (decision 3/CMA.3, annex, para. 25, editorially modified).

72. The Executive Secretary of the UNFCCC shall arrange for the provision of its staff and services required for the servicing of the Supervisory Body from within available resources. The Executive Secretary shall manage and direct such staff and services and provide appropriate support and advice to the Supervisory Body.

73. An official of the secretariat designated by the Executive Secretary shall serve as the secretary of the Supervisory Body.

74. In addition to the functions specified in the rules, modalities and procedures for the mechanism and/or any subsequent decision of the CMA, the secretariat shall, in accordance with these rules of procedure and subject to the availability of resources:

(a) Make necessary arrangements for meetings of the Supervisory Body, including announcing meetings, issuing invitations and making available documents for the meetings, including but not limited to receiving, reproducing and distributing the documents to members and alternate members;

(b) Maintain meeting records and arrange for the storage and preservation of meeting documents and make them publicly available subject to confidentiality provisions;

(c) Maintain a public web-based system containing all decisions, regulatory documents and any other relevant documents adopted by the Supervisory Body subject to confidentiality provisions;

(d) Perform all other functions that the Supervisory Body may require or that the CMA may mandate with respect to the work of the Body.

75. The rules, regulations, policies and procedures of the secretariat and the United Nations, as applicable, shall apply to all functions performed by the secretariat pursuant to these rules of procedure. In the event of any conflict between such rules, regulations, policies and procedures and these rules of the procedure, the former shall apply.

## **X. Working language**

76. The working language of the Supervisory Body shall be English.

77. Documents for meetings of the Supervisory Body shall be provided in English only.

## **XI. Amendments to these rules of procedure**

78. The Supervisory Body may recommend amendments to these rules of procedure for consideration and adoption by the CMA.

## Appendix

### Written oath of service

The written oath of service shall read as follows:

“I solemnly declare that I shall perform my duties as a member or alternate member of the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement honourably, faithfully, impartially and conscientiously.

I further solemnly declare and promise that I shall have no financial interest in any aspect of the mechanism, including accreditation of operational entities, registration of activities under the mechanism and/or issuance of Article 6, paragraph 4, emission reductions. Subject to my responsibilities to the Supervisory Body, I shall not disclose, even after the termination of my functions, any confidential or proprietary information that is transferred to the Supervisory Body in accordance with the rules, modalities and procedures for the mechanism, or any other confidential information coming to my knowledge by reason of my duties for the Supervisory Body.

I shall disclose to the Executive Secretary of the UNFCCC and to the Supervisory Body any interest in any matter under discussion by the Supervisory Body that may constitute an actual, potential or perceived conflict of interest or might be incompatible with the requirements of integrity and impartiality expected of a member or alternate member of the Supervisory Body, and I shall refrain from participating in any work of the Supervisory Body, including decision-making, in relation to such matter.

I shall act in an independent and impartial manner in performing my duties in the Supervisory Body.

As a member or alternate member of the Supervisory Body, I will, specifically:

- (a) Discharge my duties with honesty, integrity and full regard for my responsibilities as a member or alternate member of the Supervisory Body;
- (b) Respect the confidentiality of all confidential information acquired in my position as a member or alternate member of the Supervisory Body and not make improper use of or disclose such confidential information to third parties;
- (c) Observe the principles of independence and integrity in dealings with other members and alternate members of the Supervisory Body, the UNFCCC secretariat and stakeholders;
- (d) Exercise a conservative approach to deciding whether I have an actual, potential or perceived conflict of interest with respect to any matter under consideration by the Supervisory Body and take appropriate action, which may include remaining silent and/or leaving the room during deliberations and decisions of the Supervisory Body;
- (e) Disclose to the Supervisory Body any actual, potential or perceived conflict of interest of a direct or indirect nature of which I am aware and which I believe could compromise in any way the reputation or performance of the Supervisory Body;
- (f) Make available to the Executive Secretary of the UNFCCC my curriculum vitae and details of past and current professional affiliations and inform the Executive Secretary of any changes thereto.

I shall abide by the code of conduct referred to in paragraph 25 of the rules of procedure of the Supervisory Body”.

## Annex II

### **Recommendation on levels for the share of proceeds for administrative expenses for the mechanism established by Article 6, paragraph 4, of the Paris Agreement**

1. The share of proceeds for administrative expenses shall comprise:
    - (a) The fee to be paid for requesting registration of an activity under the Article 6.4 mechanism (the registration fee), which is:
      - (i) A maximum of USD 2,000 for an activity achieving annual average emission reductions or removals over the (first) crediting period of up to 15,000 t CO<sub>2</sub> eq;
      - (ii) A maximum of USD 6,000 for an activity achieving annual average emission reductions or removals over the (first) crediting period of between 15,001 and 50,000 t CO<sub>2</sub> eq;
      - (iii) A maximum of USD 12,000 for an activity achieving annual average emission reductions or removals over the (first) crediting period of over 50,000 t CO<sub>2</sub> eq or for a programme of activities;
      - (iv) Deemed to be used for processing the request for registration and not deemed an advance payment of the issuance fee referred to in paragraph 1(b) below;
    - (b) The fee to be paid for requesting issuance of A6.4ERs for an activity registered under the Article 6.4 mechanism (the issuance fee), which is a maximum of USD 0.20 per A6.4ER requested for issuance;
    - (c) The fee to be paid for requesting renewal of an activity registered under the Article 6.4 mechanism (the renewal fee), which is at maximum at the level of the registration fee applicable to the activity based on the scale of emission reductions or removals as referred to in paragraph 1(a) above;
    - (d) The fee to be paid for requesting approval of a post-registration change to an activity registered under the Article 6.4 mechanism (the post-registration change fee), which is a maximum of USD 2,000 per request.
  2. All fees referred to in paragraph 1 above shall be waived for activities in the least developed countries and small island developing States.
  3. The Supervisory Body shall determine a specific level for each fee type when implementing the fee structure and levels included in this recommendation, and may modify the specific fee level as appropriate in the future, on the basis of the review of the balance of funds raised from the fees and expenditure, within the respective maximum levels referred to in paragraph 1 above.
  4. The fees shall be paid at submission of the respective requests to initiate their processing within the activity cycle under the Article 6.4 mechanism.
  5. The paid fees shall be reimbursed partially or in full under certain conditions, to be specified by the Supervisory Body.
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