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Item 15(b) of the provisional agenda

**Report of the Supervisory Body and guidance 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 details the work undertaken by the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement between 10 October 2024 and 30 October 2025, including information on progress in implementing the mechanism during its fourth year of operation. It provides an opportunity for the Supervisory Body to make recommendations for consideration by and seek guidance from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement at its seventh session.



## Abbreviations and acronyms

A6.4ER	emission reduction under Article 6, paragraph 4, of the Paris Agreement
AEP	Accreditation Expert Panel
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
DNA	designated national authority
DOE	designated operational entity
LDC	least developed country
MEP	Methodological Expert Panel
NDC	nationally determined contribution
PoA	programme of activities
SBM	Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement
SIDS	small island developing State(s)

## I. Introduction

### A. Mandate

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

- (a) Recommendations of the SBM relating to the rules, modalities and procedures for the Article 6.4 mechanism;
- (b) Matters relating to the operation of the Article 6.4 mechanism.

### B. Scope

2. This fourth annual report of the SBM covers the work carried out by it between 10 October 2024 and 30 October 2025. It provides information on progress in implementing the Article 6.4 mechanism and includes recommendations for consideration at CMA 7.

3. The report describes the status of the Article 6.4 mechanism, highlights achievements related to its implementation, and provides information on its governance, management and financial status.

4. Further information relating to the Article 6.4 mechanism and the SBM is available on the Article 6.4 mechanism web pages.<sup>2</sup>

### C. Context

5. The SBM made substantial progress in implementing the Article 6.4 mechanism during the reporting period. After SBM 14 adopted key standards for implementing the mechanism, which were endorsed at CMA 6,<sup>3</sup> the SBM has moved quickly to implement core provisions, with methodological standards adopted related to baseline-setting, demonstration of additionality, treatment of leakages, suppressed demand and treatment of non-permanence and reversals, thus establishing a robust framework for high-integrity carbon credits that aligns with the goals of the Paris Agreement and supports both compliance and voluntary carbon markets.

6. As a result, the framework is enabling work on new methodologies and associated activities to move forward. The SBM is working on key methodologies and methodological tools from the top down, while also considering an increasing number of proposals from stakeholders. The SBM adopted 1 methodology and 5 methodological tools during the reporting period, with around 20 more under consideration. It also accredited 10 DOEs to perform validation and verification of activities under the Article 6.4 mechanism. The SBM expects the number of approved methodologies, registered activities and issued units to grow significantly in 2026.

7. While the SBM focused on delivering robust and credible standards within its mandate during the reporting period, the Article 6.4 mechanism operates as one part of a broader system. Much depends on the decisions of Parties on both the demand and the supply side of the mechanism.

8. On the demand side, it remains to be seen what the demand for A6.4ERs will be, particularly the extent to which Parties and third parties will use the Article 6.4 mechanism as buyers to help meet their NDC targets or other climate commitments. However, the SBM anticipates such demand for A6.4ERs to emerge, driven by the recognition of credits under the Carbon Offsetting and Reduction Scheme for International Aviation and the submission

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<sup>1</sup> Decision [3/CMA.3](#), annex.

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

<sup>3</sup> Decision [5/CMA.6](#), para. 2.

of a new round of NDCs by Parties. It also anticipates that Parties and voluntary actors may choose to use mitigation contribution units to contribute to mitigation efforts.

9. On the supply side, much depends on the choices of Parties seeking investment and their willingness and capacity to approve projects and authorize credits. The SBM considers that significant and targeted capacity-building on the supply side will be necessary to enable Parties to undertake the sorts of assessment necessary to approve projects and/or authorize use of credits.

10. During the reporting period, the SBM oversaw the transition of 14 projects from the CDM to the Article 6.4 mechanism. In this context some Parties that host Article

6, paragraph 4, activities (hereinafter referred to as host Parties) are providing authorizations and approvals for use towards achieving NDCs. The first activities being processed originate in the LDCs, to which the SBM is providing tailored support through technical guidance and capacity-building.

11. The Article 6.4 mechanism is not yet self-financing, as it remains in its build-up phase and the number of approved transition projects is lower than anticipated. As a result, the SBM faces a funding gap, with revenue generation limited at this stage and significant upfront investment still required to develop essential infrastructure. Despite taking contingency measures, reallocating resources and undertaking fundraising, the SBM still faces a substantial gap between available resources and the resources required to deliver on its mandate.

#### **D. Recommendations for the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement**

12. The CMA is recommended to take note of this report and consider the recommendations contained herein, as appropriate.

13. The SBM recommends that the CMA:

(a) Note the progress of the work undertaken by the SBM in response to the mandates in decisions [3/CMA.3](#), [7/CMA.4](#), [5/CMA.6](#) and [6/CMA.6](#) (see chap. II.A below);

(b) Note the adoption by the SBM of the standards “Setting the baseline in mechanism methodologies”,<sup>4</sup> “Demonstration of additionality in mechanism methodologies”,<sup>5</sup> “Addressing leakage in mechanism methodologies”,<sup>6</sup> “Addressing suppressed demand in mechanism methodologies”<sup>7</sup> and “Addressing non-permanence and reversals in mechanism methodologies”,<sup>8</sup> thus establishing a regulatory and operational framework for the Article 6.4 mechanism that enables the development and approval of methodologies and the registration of activities for operationalizing the mechanism;

(c) Note the commitment of the SBM to enhancing the transparency of its decision-making, including its ongoing stakeholder consultations in developing standards, tools and guidelines for operationalizing the Article 6.4 mechanism;

(d) Note that the SBM will continue efforts to enable demand for mitigation outcomes under the Article 6.4 mechanism and to facilitate participation in the mechanism in 2026–2027 with a view to ensuring that the mechanism fulfils its potential as a key tool for achieving the goals of the Paris Agreement;

(e) Consider revisiting the provisions related to the limits on the terms of members and alternate members of the SBM with a view to including the possibility of multiple terms with a mandatory minimum two-year break instead of permanent exclusion following the completion of two terms;

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<sup>4</sup> SBM document A6.4-STAN-METH-004.

<sup>5</sup> SBM document A6.4-STAN-METH-003.

<sup>6</sup> SBM document A6.4-STAN-METH-005.

<sup>7</sup> SBM document A6.4-STAN-METH-006.

<sup>8</sup> SBM document A6.4-STAN-METH-007.

- (f) Note with concern the current gender imbalance in the membership of the SBM;
- (g) Reiterate the importance of ensuring gender-balanced representation in the membership of the SBM and encourage regional groups to ensure gender balance when nominating members and alternate members to the SBM;
- (h) Encourage regional groups to nominate experts to fill vacant seats in the SBM;
- (i) Invite developed country Parties to designate DNAs for the Article 6.4 mechanism and nominate a co-chair representing developed countries for the DNA Forum;
- (j) Invite Parties to consider reinforcing targeted capacity-building efforts with a view to enabling Parties to undertake the necessary analysis to make an informed choice about participation in the Article 6.4 mechanism;
- (k) Invite Parties to indicate, as part of their NDC implementation plans, whether they intend to use the Article 6.4 mechanism as buyers, sellers or both, recognizing that many Parties may not yet have clarity on their intended role;
- (l) Encourage Parties to consider using the Article 6.4 mechanism, whether as buyers or sellers, to support the achievement of their NDCs;
- (m) Note the prudent management by the SBM of its limited resources, including its implementation of contingency measures and ongoing fundraising efforts in 2025 to address funding constraints.

14. The SBM urges the CMA to:

- (a) Undertake proactive efforts to secure the additional essential resources needed to expedite the full operationalization of the Article 6.4 mechanism. The SBM, with the support of the secretariat, remains committed to advancing its efforts to operationalize the mechanism in line with CMA guidance;
- (b) Consider allocating funding from other sources to cover the critical shortfall in funding needed to cover the activities of the SBM for the next biennium, as was done previously.<sup>9</sup>

## II. Work undertaken during the reporting period

15. The SBM develops annual workplans to address mandates from the CMA and plan activities to be considered at each meeting. Its workplan for 2025<sup>10</sup> was approved at SBM 15.

16. During the reporting period, the SBM prioritized responding to the mandates from the CMA that are to be delivered on by the time of CMA 7. This chapter details the progress of the SBM in responding to those mandates, as well as its ongoing work on developing standards, tools and guidelines for operationalizing the Article 6.4 mechanism and facilitating the approval of methodologies and registration of activities under the mechanism.

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

#### 1. Operational support and expertise

17. CMA 6 requested the SBM and the secretariat to ensure that adequate technical and scientific expertise is available, including through engagement with independent experts, local communities and Indigenous Peoples, to support work on methodologies, removals and related operational elements under the Article 6.4 mechanism.<sup>11</sup> It also requested the

<sup>9</sup> See decision [2/CMP.16](#), para. 18.

<sup>10</sup> SBM document A6.4-INFO-GOV-019.

<sup>11</sup> Decision [6/CMA.6](#), paras. 1–2.

secretariat to strengthen and reinforce its capacity to support the SBM, particularly in its work related to standard-setting and methodological matters.<sup>12</sup>

18. To address the mandate from the CMA to ensure availability of technical and scientific expertise, SBM 15 selected additional experts to join the roster of experts on methodologies, increased the number of members of the MEP and the frequency of its meetings, and commissioned subject matter consultants and academic institutions to provide technical input to its work. The secretariat strengthened its capacity to support the SBM, particularly in its standard-setting and methodological work.

19. To fulfill the request of the CMA to expand the pool of experts, SBM 16 asked the secretariat to identify and implement measures to expand the pool of experts available to support the work of the SBM, including under existing capacity-building programmer and initiatives. The secretariat reported on its efforts in an information note, “Governance issues of the expert panels”,<sup>13</sup> which was presented at SBM 17, with the progress reported therein taken note of by the SBM at the same meeting.

20. To support the mandate for stakeholder engagement and inclusion of Indigenous Peoples, the SBM held two webinars.<sup>14</sup> The first, on upholding high integrity in work under the Article 6.4 mechanism, was held on 22 July 2025 and provided an overview of SBM work in the first half of the year and ways for stakeholders to engage therein. The second, on engaging Indigenous Peoples and local communities in SBM work, was held on 28 October 2025, organized in collaboration with the Facilitative Working Group of the Local Communities and Indigenous Peoples Platform.

21. In response to the requests of CMA 6 for the SBM to consider relevant international environmental agreements when carrying out its work, to ensure continuous improvements to its work to reflect the best available science and to maintain regulatory stability by avoiding frequent substantive revisions to its adopted standards, tools and procedures,<sup>15</sup> SBM 15 adopted the procedure “Periodic structured legal and editorial review of system of the Article 6.4 Supervisory Body’s regulatory documents”<sup>16</sup> and a workplan for limiting substantive revisions and prioritizing essential updates to, and planning revision cycles for, its standards, tools and procedures.

## 2. Methodological standards

22. CMA 6 noted that the SBM will report on its progress in implementing its standards “Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies”<sup>17</sup> and the “Requirements for activities involving removals under the Article 6.4 mechanism”.<sup>18, 19</sup> It encouraged the SBM to expedite its work, in relation to methodologies under the Article 6.4 mechanism, on further standards, tools and guidelines relating to baselines, downward adjustment, standardized baselines, suppressed demand, additionality and leakage, as well as non-permanence and reversals, including aspects of post-crediting period monitoring, reversal risk assessments and remediation measures.<sup>20</sup> It requested the SBM to accelerate its revision of the baseline and monitoring methodologies in use for the CDM so that they can be applied, as appropriate, for activities under the Article 6.4 mechanism.<sup>21</sup>

23. To clarify the relationship between the methodological and removal standards adopted by the SBM, the SBM undertook a review of the applicability of removal standard to emission

<sup>12</sup> Decision [6/CMA.6](#), para. 4.

<sup>13</sup> SBM document A6.4-SBM017-AA-A03.

<sup>14</sup> See <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body/webinars>.

<sup>15</sup> Decision [6/CMA.6](#), paras. 3 and 6.

<sup>16</sup> SBM document A6.4-PROC-GOV-008.

<sup>17</sup> SBM document A6.4-STAN-METH-001.

<sup>18</sup> SBM document A6.4-STAN-METH-002.

<sup>19</sup> Decision [5/CMA.6](#), para. 3.

<sup>20</sup> Decision [6/CMA.6](#), para. 8.

<sup>21</sup> Decision [6/CMA.6](#), para. 9.

reduction activities and vice versa. The SBM considered a concept note<sup>22</sup> prepared by the MEP, which aimed to ensure consistency and coherence across methodological and removal standards. The MEP will use the analysis in this concept note and guidance from the SBM to update key standards and review and recommend methodologies and tools for SBM approval.

24. The SBM undertook significant work on developing further standards and tools relating to baseline-setting, additionality, leakage and suppressed demand, as well as non-permanence and reversals, and revising and expanding methodologies and tools for the Article 6.4 mechanism. This work highlights the efforts of the SBM to ensure the credibility and environmental integrity of the carbon market under Article 6, paragraph 4, of the Paris Agreement. The following paragraphs detail the action taken in response to specific mandates.

25. To address the mandate from the CMA to establish robust baseline methodologies, the SBM adopted the standard “Setting the baseline in mechanism methodologies”,<sup>23</sup> which defines how to estimate emissions in the absence of a project, includes provisions for an initial downward adjustment to ensure ambition and introduces a minimum 1 per cent reduction over time across all baseline approaches. This represents a significant step in aligning the Article 6.4 mechanism with net zero objectives and in preventing overcrediting.

26. In response to the request of the CMA for guidance on suppressed demand, the SBM adopted the standard “Addressing suppressed demand in mechanism methodologies”,<sup>24</sup> which sets out how to identify and monitor suppressed demand in climate crediting, ensuring consistent recognition of unmet basic needs and baseline conditions throughout the crediting period.

27. Further, to fulfil the mandate from the CMA to provide standards for additionality and leakage, the SBM adopted the standards “Demonstration of additionality in mechanism methodologies”<sup>25</sup> and “Addressing leakage in mechanism methodologies”<sup>26</sup> respectively. To further support the assessment of additionality, the SBM adopted a methodological tool for common practice analysis and investment analysis. These standards and the tool set out clear requirements for proving that emission reductions are additional and for assessing and managing leakage risks in activities under Article 6, paragraph 4, of the Paris Agreement.

28. In addition, in response to the request of the CMA for guidance on non-permanence and reversals, the SBM adopted the standard “Addressing non-permanence and reversals in mechanism methodologies”<sup>27</sup> and agreed on elements related to non-permanence and reversals for inclusion in relevant regulatory documents.<sup>28</sup>

29. SBM 19 adopted the first methodology under the Article 6.4 mechanism, “Flaring or use of landfill gas”.<sup>29</sup> The methodology establishes clear procedures, requirements and guidelines for designing and monitoring activities under Article 6, paragraph 4, of the Paris Agreement that capture and/or use landfill gas generated in solid waste disposal sites, ensuring robust accounting of associated A6.4 ERs. The SBM also adopted the following methodological tools, which provide standardized approaches for quantifying emissions from activities involving flaring or use of landfill gas:

- (a) “Emissions from solid waste disposal sites”,<sup>30</sup>
- (b) “Activity emissions from flaring”,<sup>31</sup>
- (c) “Mass flow of a greenhouse gas in a gaseous stream”.<sup>32</sup>

<sup>22</sup> MEP document A6.4-MEP007-A03.

<sup>23</sup> SBM document A6.4-STAN-METH-004.

<sup>24</sup> SBM document A6.4-STAN-METH-006.

<sup>25</sup> SBM document A6.4-STAN-METH-003.

<sup>26</sup> SBM document A6.4-STAN-METH-005.

<sup>27</sup> SBM document A6.4-STAN-METH-007.

<sup>28</sup> SBM document A6.4-INFO-METH-002.

<sup>29</sup> SBM document A6.4-SBM019-A02.

<sup>30</sup> SBM document A6.4-SBM019-A03.

<sup>31</sup> SBM document A6.4-SBM019-A04.

<sup>32</sup> SBM document A6.4-SBM019-A05.

30. The SBM continues to develop additional standards, methodologies, tools and guidelines. Details of ongoing work and future priorities are provided in chapter II.A.2 below.

### **3. Article 6, paragraph 4, mechanism registry**

31. In response to the request of CMA 6 for the SBM and the secretariat to expedite the establishment of the Article 6.4 mechanism registry,<sup>33</sup> SBM 15 adopted a procedure for the operation of the mechanism registry.<sup>34</sup> To provide immediate functionality while the full registry software is under development, the SBM launched an interim registry solution.

32. While work on procuring the registry software continues, an interim offline solution was made operational in 2025 to all Parties participating in the mechanism. The interim mechanism registry enables Parties and authorized entities to:

- (a) Issue, hold and transfer A6.4ERs and mitigation contribution units;
- (b) Open accounts and initiate transactions;
- (c) Receive reports on account activity.

33. Certain functions of the mechanism registry, such as the automatic transfer of the share of proceeds for adaptation and cancellation for overall mitigation in global emissions, are currently performed manually by the registry administrator. These processes remain manual pending the completion of a broader procurement exercise for developing the full registry system, which will involve integration of these features and enable interoperability with the international registry for cooperative approaches under Article 6, paragraph 2, of the Paris Agreement and centralized reporting platforms.

34. The interim registry does not currently support post-issuance authorization, automated attribution of first transfer to authorized A6.4ERs or direct interoperability with other registries. These limitations reflect the transitional nature of the interim mechanism registry and the need for further technical development, including its integration with systems under Article 6, paragraph 2, of the Paris Agreement.

35. The SBM is prioritizing the development of the full registry. Procurement for the mechanism registry is under way with support from the United Nations Development Programme. The vendor is expected to be selected by the end of 2025 to build the registry and establish the associated interoperability arrangements.

36. SBM 15 initiated discussions on the potential incorporation of a ‘know your customer’ (identity verification) process within the Article 6.4 mechanism regulations and agreed to continue consideration of this matter at a future meeting. An information note<sup>35</sup> thereon was presented at SBM 17, which sets out options and comparisons of best practices for building an effective identity verification process.

37. The SBM will continue to update Parties and stakeholders on its progress in implementing the registry, ensuring that all required functions are integrated and automated in line with CMA guidance.

### **4. Authorization**

38. To ensure that A6.4ERs can be used towards the achievement of NDCs or for other international mitigation purposes, CMA 6 clarified the required content of authorization statements and set out the process for the authorization by host Parties of A6.4ERs before their transfer in or out of the Article 6.4 mechanism registry.<sup>36</sup>

39. CMA 6 requested the SBM to consider and determine whether a time limit should apply for submitting authorization statements.<sup>37</sup> The SBM will explore this issue and develop a recommendation once it has practical experience of the matter.

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<sup>33</sup> Decision [5/CMA.6](#), para. 5.

<sup>34</sup> SBM document A6.4-PROC-REGS-001.

<sup>35</sup> SBM document A6.4-SBM017-AA-A04.

<sup>36</sup> Decision [6/CMA.6](#), paras. 10–12.

<sup>37</sup> Decision [6/CMA.6](#), para. 13.

40. In response to the request of CMA 6 for clear guidelines and templates,<sup>38</sup> the SBM revised its activity standards, validation and verification standards and activity cycle procedures for projects and PoAs<sup>39</sup> to include provisions for the authorization process. These were updates to previously adopted documents, ensuring that authorization requirements are now integrated into the operational framework.

41. The SBM is continuing work to develop the necessary guidelines and operationalize the process for submitting authorization statements. The registry requires further development and integration with systems under Article 6, paragraph 2, of the Paris Agreement to enable the identification of authorized A6.4ERs. Further analysis and consultation are planned to address these gaps and inform recommendations thereon to the CMA.

## **5. Special circumstances of the least developed countries and small island developing States with respect to the share of proceeds for adaptation**

42. In response to the decision of CMA 6 to exempt activities under Article 6, paragraph 4, of the Paris Agreement in the LDCs and SIDS from the share of proceeds for adaptation,<sup>40</sup> the SBM revised the activity cycle procedures<sup>41</sup> accordingly, also giving the LDCs and SIDS the option not to apply this exemption.

## **6. Transition of clean development mechanism activities**

43. In response to the decision of the CMA to allow afforestation and reforestation project activities and PoAs registered under the CDM to transition to the Article 6.4 mechanism under certain conditions,<sup>42</sup> SBM 15 adopted revisions to the standard “Transition of CDM activities to the Article 6.4 mechanism”<sup>43</sup> and the procedure of the same name,<sup>44</sup> which set out the procedural basis for the transition.

# **B. Regulatory and other matters considered by the Supervisory Body**

44. In addition to fulfilling the mandates received from CMA 6, the SBM continued to progress in operationalizing the Article 6.4 mechanism.

## **1. Governance**

45. The SBM undertook a series of governance improvements during the reporting period to strengthen oversight of, enhance stakeholder engagement in and ensure the effective operation of the Article 6.4 mechanism. For example, it supported host Parties in exercising their roles and responsibilities and improved the access of DNAs to and their participation in the mechanism.

46. SBM 16 adopted the revised procedure “Direct communication with stakeholders”,<sup>45</sup> which includes a provision on how host Parties are to communicate their approach to ensuring the equitable sharing of mitigation benefits between participating Parties.

47. To support host Parties in navigating the activity cycle processes, the secretariat prepared the manual for host Parties’ participation in the Article 6.4 mechanism.<sup>46</sup> The SBM

<sup>38</sup> Decision [6/CMA.6](#), paras. 14–15.

<sup>39</sup> SBM documents A6.4-STAN-AC-002, A6.4-STAN-AC-003, A6.4-STAN-AC-004, A6.4-STAN-AC-005, A6.4-PROC-AC-002 and A6.4-PROC-AC-003.

<sup>40</sup> Decision [6/CMA.6](#), para. 20.

<sup>41</sup> SBM documents A6.4-PROC-AC-002 and A6.4-PROC-AC-003.

<sup>42</sup> Decision [6/CMA.6](#), para. 21.

<sup>43</sup> SBM document A6.4-STAN-AC-001.

<sup>44</sup> SBM document A6.4-PROC-AC-001.

<sup>45</sup> SBM document A6.4-PROC-GOV-007.

<sup>46</sup> Available at <https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism/national-authorities#HP-Manual>.

requested the secretariat to keep the manual up to date and ensure consistency between the manual and the relevant web page.<sup>47</sup>

48. SBM 17 requested the secretariat to prepare, in consultation with the co-chairs of the Forum for DNAs for the Article 6.4 mechanism, an information note proposing options for improving the access of such DNAs to and their participation in the Article 6.4 mechanism, including through consultations on the manual for host Parties' participation in the Article 6.4 mechanism and the experience of host Parties in reporting on participation requirements, as well as by leveraging peer-to-peer learning and reflecting identified capacity-building needs.

49. SBM 17 requested the secretariat to update the manual on the basis of the consultations referred to in paragraph 48 above, in particular with reference to the experience of DNAs in preparing reports on participation requirements and in implementing approval and authorization requirements.

50. SBM 18 proposed to make the role of host Parties a standing agenda item for SBM meetings. The SBM decided to consider developing a procedure outlining host Parties' roles and responsibilities.

51. The SBM enhanced stakeholder engagement by welcoming observers to interact with the SBM, soliciting public input and operationalizing the procedure "Appeal and grievance processes under the Article 6.4 mechanism".<sup>48</sup> A call for experts on appeal and grievance issued by the secretariat resulted in the selection of 30 members for the roster, in accordance with the appeal and grievance procedure. No appeal or grievance cases were submitted to the secretariat during the reporting period.

52. To ensure that operationalization of the Article 6.4 mechanism is supported by sufficient expertise, the SBM expanded its expert rosters and streamlined its procedures for selecting and evaluating the performance of MEP and AEP members. These changes, together with the decision to increase the frequency of meetings of both the MEP and the AEP, have improved the capacity of the SBM to address methodological and accreditation matters in a timely manner.

53. As agreed at SBM 15,<sup>49</sup> the SBM decided to replace the terms "chair" and "vice-chair" with the term "co-chair" for its expert panels with a view to promoting shared leadership and collaboration. Following its decision to increase the number of MEP members, the SBM revised both the selection and evaluation procedures,<sup>50</sup> as well as the terms of reference,<sup>51</sup> to reflect the updated composition of the MEP (see chap. III.B below).

54. SBM 18 revised its terms of reference "Article 6.4 experts"<sup>52</sup> with a view to establishing a new roster of specialized reviewers. The experts will assess requests received by the SBM pertaining to registration, issuance and post-registration changes, including those related to the sustainable development tool for the Article 6.4 mechanism.

55. The SBM undertook a legal and structural review of its approved regulations and procedures and used the findings to guide specific amendments.

## **2. Accreditation**

56. SBM 18 adopted the revised "Article 6.4 accreditation standard"<sup>53</sup> and "Article 6.4 accreditation procedure".<sup>54</sup> The SBM clarified and enhanced accreditation requirements and processes, drawing on lessons learned from implementation and initial accreditation assessments.

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<sup>47</sup> <https://manual-for-hpp-in-pacm.my.canva.site/>.

<sup>48</sup> SBM document A6.4-PROC-GOV-006.

<sup>49</sup> SBM document A6.4-PROC-GOV-003.

<sup>50</sup> SBM document A6.4-PROC-GOV-004.

<sup>51</sup> SBM document A6.4-PROC-GOV-003.

<sup>52</sup> SBM document A6.4-PROC-GOV-001.

<sup>53</sup> SBM document A6.4-STAN-ACCR-001.

<sup>54</sup> SBM document A6.4-PROC-ACCR-001.

### 3. Activity cycle

#### (a) Transition of clean development mechanism activities

57. The SBM made three targeted revisions to its standard<sup>55</sup> and procedure<sup>56</sup> for the transition of CDM activities in order to:

(a) Establish the procedural basis for the transition of CDM afforestation and reforestation project activities and PoAs to the Article 6.4 mechanism, in response to CMA decision;<sup>57</sup>

(b) Extend the deadline, until 31 December 2026, for submitting additional documentation following host Party approval of CDM activities for which transition to the Article 6.4 mechanism has been requested, to address the need to apply additional requirements set out in the document “Article 6.4 sustainable development tool”;<sup>58</sup>

(c) Clarify requirements pertaining to the fraction of non-renewable biomass and leakage discount factors, ensuring environmental integrity for activities with non-permanence risks.

#### (b) Activity standards and validation and verification standards for projects and programmes of activities

58. The SBM updated several of its standards and procedures relating to participants in activities under Article 6, paragraph 4, of the Paris Agreement and DOEs<sup>59</sup> to include:

(a) Requirements established in newly adopted methodological standards;

(b) Clarification of the eligibility date for the start date of activities under the Article 6.4 mechanism;

(c) Provisions for alternative monitoring and deviation processes for activity participants in cases of irremediable negative impacts;

(d) Provisions for deviating from elements and criteria set out in the document “Article 6.4 sustainable development tool”.

#### (c) Sustainable development tool

59. SBM 14 adopted the sustainable development tool for activities under Article 6, paragraph 4, of the Paris Agreement to provide a means for activity participants to demonstrate compliance with mandatory requirements for identifying and addressing social and environmental risks. The tool supports the assessment and enhancement of activities’ contributions to sustainable development, in line with host Party priorities and the Sustainable Development Goals.

60. SBM 17 considered a concept note on the development of additional criteria for safeguards and guiding questions to be applied to carbon dioxide removal and land use, land-use change and forestry activities in the Article 6.4 sustainable development tool.<sup>60</sup> It requested the secretariat to revise appendix 1 to the draft tool, which was presented at SBM 11, in order to include the additional criteria and guiding questions, specifically for carbon dioxide removal methods with a technology readiness level of 8 (indicating technologies that are fully developed and ready for deployment). The revised appendix will also incorporate stakeholder input and relevant standards, and will be considered as part of the planned 2026 review of the tool.

<sup>55</sup> SBM document A6.4-STAN-AC-001.

<sup>56</sup> SBM document A6.4-PROC-AC-001.

<sup>57</sup> Decision [6/CMA.6](#), para. 21.

<sup>58</sup> SBM document A6.4-TOOL-AC-001.

<sup>59</sup> SBM documents A6.4-STAN-AC-002, A6.4-STAN-AC-003, A6.4-STAN-AC-004 and A6.4-STAN-AC-005.

<sup>60</sup> SBM document A6.4-SBM017-AA-A05.

#### 4. Methodological standards

61. Supported by the MEP, the SBM developed methodological standards, tools and guidelines to facilitate the development of emission reduction and removal activities for registration under the Article 6.4 mechanism.

62. Stakeholders submitted four proposals for new methodologies for consideration by the SBM and the MEP.<sup>61</sup> The proposals are currently being assessed for potential recommendation and approval.

63. The SBM approved five methodological standards, on baseline-setting, additionality demonstration, leakage treatment, suppressed demand and the treatment of non-permanence and reversals respectively. In addition, the SBM approved one methodology covering flaring or use of landfill gas and five methodological tools, three of which relating to the methodology covering flaring or use of landfill gas and two relating to common practice and investment analysis. The MEP published 10 draft documents for stakeholder input.

#### 5. Rulings

##### (a) Accreditation

64. The SBM accredited 10 DOEs,<sup>62</sup> for five years, authorizing them to perform validation, verification and certification functions under the Article 6.4 mechanism. This significantly expanded auditor capacity for the mechanism. Additional DOE applications are under review.

##### (b) Registration

65. The SBM received 19 requests for the transition of CDM activities to the Article 6.4 mechanism, of which it approved 14.<sup>63</sup>

##### (c) Issuance

66. No requests for issuance were received.

#### 6. Other matters

67. The SBM received a request for information from the secretariat of the International Civil Aviation Organization to enable recognition of credits under the Carbon Offsetting and Reduction Scheme for International Aviation and provided its response.<sup>64</sup>

### III. Governance and management

#### A. Supervisory Body

##### 1. Membership

68. In accordance with the rules of procedure of the SBM,<sup>65</sup> new members and alternate members of the SBM signed the oath of service and made their curriculum vitae publicly available, and they provided statements regarding any conflicts of interest for each meeting.

69. Half of the current members and alternate members of the SBM were elected at CMA 6 for a term of two years. The seats for the other half of the current members and

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<sup>61</sup> Available at <https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-64-pacm/methodologies#submissions>.

<sup>62</sup> See <https://unfccc.int/process-and-meetings/the-paris-agreement/article-6/article-64-pacm/accreditation#DOEs>.

<sup>63</sup> See [https://unfccc.int/process-and-meetings/the-paris-agreement/paris-agreement-crediting-mechanism/CDM\\_transition/transition-list](https://unfccc.int/process-and-meetings/the-paris-agreement/paris-agreement-crediting-mechanism/CDM_transition/transition-list).

<sup>64</sup> See <https://unfccc.int/process-and-meetings/the-paris-agreement/paris-agreement-crediting-mechanism/letters-sbm#Engagement-with-International-Organizations>.

<sup>65</sup> Decision 7/CMA.4, annex II.

alternate members will be up for re-election at CMA 7. The composition of the SBM in 2025 is presented in table 1.

70. During the reporting period, Helen Finney resigned as an alternate member of the SBM, effective as of 9 January 2025.

Table 1

**Members and alternate members of the Supervisory Body in 2025**

<i>Member</i>	<i>Alternate member</i>	<i>Group/constituency</i>
Maria AlJishi <sup>a</sup>	Duan Maosheng <sup>a</sup>	Asia-Pacific States
Eduardo Calvo <sup>b</sup>	German Obando Vargas <sup>b</sup>	Latin American and Caribbean States
Benedict Chia <sup>a</sup>	Kishan Kumarsingh <sup>a, c</sup>	SIDS
El Hadji Mbaye Diagne <sup>a</sup>	Tirivanhu Muhwati <sup>a</sup>	African States
Piotr Dombrowicki <sup>b, d</sup>	Imre Bányász <sup>d</sup>	Eastern European States
Gebru Jember Endalew <sup>b</sup>	Olivier Ishimwe <sup>b</sup>	LDCs
Olga Gassan-zade <sup>a, e</sup>	Vacant <sup>a, e, f</sup>	Eastern European States
Martin Hession <sup>a</sup>	Angela Friedrich <sup>a, g</sup>	Western European and other States
Felipe Rodrigues Gomes Ferreira <sup>a</sup>	Charles Hamilton <sup>a</sup>	Latin American and Caribbean States
Jacqui Ruesga <sup>b</sup>	Simon Fellermeier <sup>b</sup>	Western European and other States
Mkhuthazi Steleki <sup>b</sup>	Alick Muvundika <sup>b</sup>	African States
Zulfiqar Younas <sup>b</sup>	Kentaro Takahashi <sup>b</sup>	Asia-Pacific States

(a)

<sup>a</sup> Two-year term ending prior to the first meeting of the SBM in 2026.

<sup>b</sup> Two-year term ending prior to the first meeting of the SBM in 2027.

<sup>c</sup> Kristin Qui resigned effective 12 November 2024.

<sup>d</sup> Nomination pending from CMA 6. Current member remains in office until nomination is received.

<sup>e</sup> Nomination pending from CMA 5. Current member remains in office until nomination is received.

<sup>f</sup> Maia Tskhvaradze resigned effective 1 September 2023.

<sup>g</sup> Helen Finney resigned effective 9 January 2025.

71. At SBM 15 Martin Hession and Maria AlJishi were elected as Chair and Vice-Chair respectively of the SBM. Their tenures in these roles will end just before the first meeting of the SBM in 2026.

## 2. Gender considerations

72. At SBM 8 it was agreed to regularly report on gender-balanced representation and how the SBM has considered gender in its work. As at 2025, four women were serving on the SBM. During the reporting period, the SBM actively considered gender balance when selecting chairs, co-chairs and expert panel members. As a result, two of six chair roles are currently held by women, but representation of women among the expert panel members remains low. The SBM agreed to recommend that the CMA reiterate the importance of gender-balanced representation and encourage regional groups to ensure gender balance when nominating members and alternative members to the SBM.

## 3. Meetings

73. At SBM 17, the SBM agreed to hold an additional virtual meeting of the SBM in 2025 to cover methodologies and tools recommended by the MEP to the SBM and revised the calendar of meetings accordingly.

74. During the reporting period, the SBM therefore held five meetings. The annotated agendas for the meetings, information under consideration, on-demand webcasts and reports

containing all agreements adopted by the SBM are publicly available on the web page for SBM meetings.<sup>66</sup> Table 2 lists all meetings of the SBM in 2025.

Table 1  
**Meetings of the Supervisory Body in 2025**

<i>Meeting</i>	<i>Date</i>	<i>Location</i>
SBM 15	10–14 February	Thimphu
SBM 16	12–16 May	Bonn
SBM 17	4–8 August	Bonn
SBM 18	6–10 October	Bonn
SBM 19	29–30 October	Virtual

## B. Expert panels

75. SBM 10 established the MEP<sup>67</sup> and the AEP<sup>68</sup> to assist in operationalizing the Article 6.4 mechanism. The workplans of those panels for 2025 were approved at SBM 15.<sup>69</sup>

76. At SBM 15, El Hadji Mbaye Diagne and Simon Fellermeier were elected as Co-Chairs of the MEP, with their tenures in these roles to end immediately before the first meeting of the SBM in 2026.

77. Owing to the increased workload of the MEP, SBM 15 decided to increase:

- (a) The number of MEP meetings in 2025 from four to six;
- (b) The number of MEP members from 10 to 14 for a term of one year starting 1 April 2025.

78. At the same meeting, Angela Friedrich and Mkhuthazi Steleki were elected as Co-Chairs of the AEP, with their tenures in these roles also to end immediately before the first meeting of the SBM in 2026.

79. At SBM 17, the SBM agreed to hold an additional virtual meeting of the MEP with a view to advancing work on methodologies.

80. SBM 18 elected the members of the AEP and the MEP effective 1 April 2026 for a term of two years. It considered the applications received for the roster of experts in accreditation, methodologies and climate policy specialization and selected members for the roster with terms of service of two years starting 1 April 2026.

81. During the reporting period, the MEP<sup>70</sup> met seven times and the AEP<sup>71</sup> four times. The annotated agendas for the meetings, information under consideration and reports are publicly available on the relevant web pages. Tables 3–4 list all meetings of the panels in 2025.

Table 2  
**Meetings of the Methodological Expert Panel in 2025**

<i>Meeting</i>	<i>Date</i>	<i>Location</i>
MEP 4	27–31 January	Bonn
MEP 5	7–11 April	Bonn

<sup>66</sup> <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body/meetings-of-the-supervisory-body>.

<sup>67</sup> See SBM document A6.4-INFO-GOV-015.

<sup>68</sup> See SBM document A6.4-INFO-GOV-014.

<sup>69</sup> SBM documents A6.4-INFO-GOV-015 and A6.4-INFO-GOV-014.

<sup>70</sup> See <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body/mep/meetings>.

<sup>71</sup> See <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body/aep/meetings>.

MEP 6	26–30 May	Bonn
MEP 7	7–11 July	Bonn
MEP 8	1–5 September	Bonn
MEP 9	12–13 October	Virtual

Table 3  
**Meetings of the Accreditation Expert Panel in 2025**

<i>Meeting</i>	<i>Date</i>	<i>Location</i>
AEP 3	3 February	Bonn
AEP 4	2–3 July	Bonn
AEP 5	11–12 September	Bonn

### C. Host Parties

82. During the reporting period, 21 Parties designated their national authority for the Article 6.4 mechanism and communicated them to the secretariat, bringing the total number of DNAs to 116 as at 29 October 2025. As at 30 October 2025, 32 Parties had submitted information in relation to fulfilling the host Party participation requirements.

83. Following the agreement at SBM 10 to establish a forum for DNAs for the Article 6.4 mechanism,<sup>72</sup> the inaugural meeting of the DNA Forum was held on the margins of Climate Week in May 2025 in Panama.

84. The Forum was attended by more than 130 registered participants, including representatives of DNAs, United Nations entities and multilateral development banks and the Chair and members of the SBM. The Forum provides a space for participants to exchange views and information while identifying best practices for and common challenges that DNAs may face in operationalizing the Article 6.4 mechanism.

85. The terms and reference for the Forum were adopted, which provide the governance framework for its operations, and Cristina Figueroa Vargas (Chile) was elected as the co-chair representing developing countries. The seat for the co-chair representing developed countries will remain vacant until a candidate is nominated and elected at the Forum.

### D. Transparency and interaction with stakeholders

#### 1. Capacity-building programme

86. In consultation with the SBM, the secretariat continued with the implementation of the five-year capacity-building work programme for implementing Article 6 of the Paris Agreement,<sup>73</sup> both directly and through its regional collaboration centres and other partners. The secretariat provides updates to the SBM twice a year and prepared a detailed information note for consideration at CMA 6 on capacity-building activities undertaken.<sup>74</sup>

87. An update on the capacity-building programme covering November 2024 to May 2025 was provided by the secretariat at SBM 16. At the same meeting, the SBM invited the secretariat to enhance the visibility of its capacity-building activities and products, including its manual for host Parties' participation in the Article 6.4 mechanism. It requested the secretariat to systematically assess the impact of those activities and products, including by compiling disaggregated data on reach, target groups and activity and product types. It

<sup>72</sup> See SBM document A6.4-SB010, para. 38.

<sup>73</sup> See <https://unfccc.int/process-and-meetings/the-paris-agreement/A6-capacity-building/work-programme>.

<sup>74</sup> FCCC/PA/CMA/2025/INF.2.

encouraged broader engagement with partners and stakeholders, and invited the development of ‘train the trainers’ courses and e-learning modules to expand the programme’s reach.

88. An additional update on the capacity-building programme was provided by the secretariat at SBM 18. At the same meeting, the SBM invited the secretariat to continue tracking the impact of its capacity-building activities and products by stakeholder group, to record feedback explicitly linked to those groups and to include key performance indicators across the three broad categories of knowledge products, training and direct country support. The SBM underlined the importance of continued provision of support to Parties and DNAs for the Article 6.4 mechanism with a view to enhancing their understanding of and readiness to engage in the mechanism.

## **2. Communications and outreach**

89. The SBM continues to prioritize access, accountability and transparency in its communications about the Article 6.4 mechanism. During the reporting period, the SBM shared information through the Paris Agreement Crediting Mechanism newsletter, the Article 6 LinkedIn group and UNFCCC social media channels, as well as by reaching out to media, including through press releases. The aim was to provide timely information updates, encourage stakeholder engagement and ensure accountability and build trust in the mechanism.

90. The SBM held a side event during the sixty-second sessions of the subsidiary bodies on the topic “Trust and Transparency in Carbon Markets: The Paris Agreement Crediting Mechanism”. The event included discussion on the key features of the Article 6.4 mechanism, stakeholder perspectives on operationalization of the mechanism and next steps. SBM 18 agreed to hold a second side event at the thirtieth session of the Conference of the Parties with a view to, inter alia, gathering feedback from stakeholders on the work of the SBM in 2025.

91. The SBM welcomed registered observers to follow the proceedings of its meetings in person or virtually and made time for interaction with them (in person and virtually) during the meetings.

92. Observers continued to show considerable interest in the meetings of the SBM. On average, 10 observers per meeting were registered. A list of registered observers is made publicly available as part of the documentation for each meeting.

93. The SBM considered public inputs received on matters relating to the agendas for its meetings held during the reporting period. In addition, the SBM called for inputs from stakeholders on topics and issues to assist in its deliberations.<sup>75</sup>

## **E. Financial status of the mechanism established by Article 6, paragraph 4, of the Paris Agreement**

94. SBM 16 took note of the shortfall in funds for covering the cost of operation of the Article 6.4 mechanism in 2025–2026 and agreed to adjust downward the planned expenditure for 2025 and aim to implement only 72.8 per cent of the initial budget. The SBM invited the CMA to assist in fundraising and to request the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol for additional fund allocations from any available surpluses in the trust fund for the clean development mechanism.

95. SBM 17 adopted the Article 6.4 mechanism business and resource allocation plan 2026–2027,<sup>76</sup> outlining the revised strategic vision and goals of the SBM, as well as the minimum operational capacity needed to support essential activities and infrastructure development. The plan reflects a cautious approach to resource allocation, taking into account resource constraints. Despite early progress, the SBM noted an ongoing significant shortfall in funding and invited the CMA to assist it in mobilizing resources and requested the

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<sup>75</sup> See <https://unfccc.int/process-and-meetings/the-paris-agreement/article-64-mechanism/calls-for-input>.

<sup>76</sup> SBM document A6.4-INFO-GOV-024.

secretariat to assist the Chair and Vice-Chair of the SBM in fundraising efforts, emphasizing the importance of communications and outreach in this regard.

96. During the reporting period, the SBM received income of USD 151,472. Table 5 presents the expenses incurred by the SBM between 1 January and 30 September 2025.

Table 4

**Expenditure of the Supervisory Body between 1 January and 30 June 2025**

(United States dollars)

<i>Item</i>	<i>Amount</i>
Staff and other personnel costs	5 003 446
Contractual services	4 733 888
Travel	697 360
Operating and other direct costs	1 329 871
United Nations programme support costs	1 529 393
<b>Total</b>	<b>13 293 959</b>

97. Table 6 presents the expected balance of the income and expenditure of the SBM as at 31 December 2025. The projected 2025 expenses of USD 14.4 million will be fully met from the existing balance. However, the year-end projected balance of USD 1.1 million will not be sufficient to cover the estimated resource needs for 2026–2027.

Table 6

**Projected balance of the income and expenditure of the Supervisory Body as at 31 December 2025**

(United States dollars)

<i>Item</i>	<i>2024</i>	<i>2025</i>
Carry-over from previous year	25 915 250	15 403 621
Add: income to 30 June 2025	–	151 472
Less: expenses	10 511 629	14 432 466 <sup>a</sup>
<b>Total: previous year's carry-over plus income and less projected expenses</b>	<b>15 403 621</b>	<b>1 077 255</b>

<sup>a</sup> Projected.