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

### **Sixth session**

Baku, 11–22 November 2024

Item 15(a) of the provisional agenda

**Matters relating to Article 6 of the Paris Agreement**

**Guidance on cooperative approaches referred to in  
Article 6, paragraph 2, of the Paris Agreement and in  
decision 2/CMA.3**

## **Implementation of the guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement and in decision 2/CMA.3**

### **Report by the secretariat**

#### *Summary*

This is the first annual report by the secretariat on its mandated tasks related to the implementation of the guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement and in decision [2/CMA.3](#). It covers activities undertaken by the secretariat between 1 January and 30 October 2024, as well as information on the status of resources mobilized and needed, and expenditure incurred, by the secretariat for undertaking those activities.



**Abbreviations and acronyms**

Article 6.4 mechanism	mechanism established by Article 6, paragraph 4, of the Paris Agreement
CMA	Conference of the Parties serving as the meeting of the Parties to the Paris Agreement
ITMO	internationally transferred mitigation outcome
SBSTA	Subsidiary Body for Scientific and Technological Advice
TER	technical expert review
TERT	technical expert review team

## **I. Introduction**

### **A. Mandate**

1. CMA 3 adopted the guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement<sup>1</sup> and requested the secretariat to provide an annual report to the CMA on activities related to recording and tracking, as referred to in decision [2/CMA.3](#), annex, chapter VI, including information on recorded ITMOs, corresponding adjustments and emissions balances.<sup>2</sup>
2. CMA 3 requested the secretariat to prepare annually a compilation and synthesis of the results of the Article 6 TERS, including identification of recurring themes and lessons learned, for consideration by the CMA, including in the context of its review of the guidance.<sup>3</sup>
3. CMA 4 also requested the secretariat to report to the SBSTA at each of its sessions on progress in developing the training programme for technical experts participating in the Article 6 TERS referred to in decision [2/CMA.3](#), annex, chapter V, as contained in decision [6/CMA.4](#), annex IV, until development of the training programme has been completed.<sup>4</sup>
4. CMA 4 further requested the secretariat to report regularly on the status of its implementation of the capacity-building programme referred to in decision [2/CMA.3](#), paragraph 12, to the SBSTA and the CMA.<sup>5</sup>

### **B. Scope**

5. This first annual report, prepared in response to the mandates referred to in paragraphs 1–4 above, covers activities undertaken by the secretariat in supporting implementation of the guidance on cooperative approaches between 1 January 2023 and 30 October 2024.
6. The report also includes information on the status of resources mobilized and needed, as well as expenditure incurred, by the secretariat for undertaking its activities related to supporting implementation of the guidance on cooperative approaches.

### **C. Possible action by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement**

7. The CMA may wish to consider the information in this report and provide guidance to the secretariat for implementing its mandated activities aimed at supporting implementation of the guidance on cooperative approaches.

## **II. Activities related to recording and tracking**

### **A. International registry**

8. Pursuant to decision [2/CMA.3](#), annex, paragraph 30, the secretariat shall implement an international registry for Parties participating in a cooperative approach that do not have or do not have access to a registry, with the registry to perform the functions outlined in decision [2/CMA.3](#), annex, paragraph 29. The secretariat has been working to fulfil this mandate; however, progress has been significantly affected by delays and financial constraints.

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<sup>1</sup> Decision [2/CMA.3](#), para. 1. The guidance is contained in the annex to that decision.

<sup>2</sup> Decision [2/CMA.3](#), annex, para. 36(c).

<sup>3</sup> Decision [2/CMA.3](#), para. 13.

<sup>4</sup> Decision [6/CMA.4](#), para. 10.

<sup>5</sup> Decision [6/CMA.4](#), para. 24.

9. In July 2023, the secretariat launched a procurement process for the development of the information technology component of the international registry. However, owing to various factors, including unavailability of funding and the complexity of the selection procedure, this process was delayed by more than one year, thus affecting the secretariat's ability to implement the registry within the intended time frame (i.e. delivery of the initial version of the registry by September 2024).

10. To address the immediate need for Parties without a registry to fulfil their requirements with regard to tracking, the secretariat considered the possibility of identifying and implementing an interim solution. However, owing to the unavailability of funding, this work has not yet been undertaken. Implementation of the international registry remains contingent on the receipt of adequate financial resources.

11. In July 2024, the secretariat invited expressions of interest from Parties to the Paris Agreement in making use of a Party-specific section of the international registry as their participating Party registry or having their own participating Party registry interoperate with the international registry.<sup>6</sup> The secretariat received responses from 38 Parties, of which 21 expressed an interest in using a Party-specific section of the international registry and 19 an interest in having their own participating Party registry interoperate with the international registry. Other responses received expressed a wish to defer the decision on whether and how to use the international registry or raised questions about its capabilities. Many other Parties have requested additional time to respond to the expression of interest and thus the secretariat has extended the timeline for the submission of expressions of interest to the end of 2024.

12. The secretariat plans to hold an information session with those Parties that submitted an expression of interest after the United Nations Climate Change Conference in Baku with a view to providing further details on the features and operational arrangements of the international registry. The session will also provide information on the interoperability standard being developed by the secretariat in consultation with the voluntary forum of Article 6 registry system administrators and technical experts.

13. With regard to next steps in developing and implementing the international registry, the secretariat plans to, subject to the availability of funding:

(a) Complete the final stages of the procurement process for the development of the information technology component of the international registry;

(b) Formalize the service arrangements for the international registry, for use by Parties that expressed an interest in making use of a Party-specific section of the international registry or having their own registry interoperate with the international registry;

(c) Ensure that the registry is made available to all participating Parties as soon as possible, in accordance with the guidance provided in decisions [2/CMA.3](#) and [6/CMA.4](#).

14. While progress in developing and implementing the international registry has been hindered both by delays in completing the final stages of the procurement process and by lack of available funding, the secretariat will continue to prioritize its development and implementation taking into account forthcoming guidance from the CMA on the nature of the interoperability arrangements between the international registry, the Article 6.4 mechanism registry and the registries of participating Parties. The expressions of interest received from Parties provide valuable additional information that will guide the secretariat in further developing and implementing the international registry.

## **B. Centralized accounting and reporting platform**

15. Pursuant to decision [2/CMA.3](#), annex, paragraph 35, the secretariat shall establish and maintain a centralized accounting and reporting platform. The platform is to house or provide:<sup>7</sup>

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<sup>6</sup> In accordance with decision [6/CMA.4](#), annex I, paras. 9–10.

<sup>7</sup> As per decision [6/CMA.4](#), annex I, paras. 27(a–e) and 28.

(a) A submission portal for participating Parties to submit information pursuant to decision [2/CMA.3](#), annex, chapter IV;

(b) Templates for tables and outlines of the information to be reported pursuant to decision [2/CMA.3](#), annex, chapter IV;

(c) Workflows for processing submissions, safe storage for submitted information, and an area for each participating Party to support the preparation of its submissions pursuant to decision [2/CMA.3](#), annex, chapter IV, and to support communication with the secretariat and the Article 6 TERTs;

(d) A common list of values for specific information attributes required for the reporting of annual information in accordance with decision [2/CMA.3](#), annex, chapter IV.B (hereinafter referred to as common nomenclatures).

16. CMA 4 requested the secretariat to provide an interim solution for the submission of information pursuant to decision [2/CMA.3](#), annex, chapter IV, until the centralized accounting and reporting platform and the Article 6 database are released.<sup>8</sup>

17. During the reporting period, the secretariat made available an interim centralized accounting and reporting platform<sup>9</sup> that provides public access to the following:

(a) A submission portal allowing Parties to submit their information pursuant to decision [2/CMA.3](#), annex, chapter IV;

(b) Templates to facilitate the preparation of reports (two templates are currently available);

(c) Submitted reports (six initial reports, as referred to in decision [2/CMA.3](#), annex, chap. IV.A, are currently available);

(d) Information on cooperative approaches (information on six cooperative approaches is currently available);

(e) Information on authorizations (information on two authorizations is currently available);

(f) Information on common nomenclatures (see paras. 20–23 below);

(g) Frequently asked questions regarding the submission of information pursuant to decision [2/CMA.3](#), annex, chapter IV, and other reference documentation.

18. The review reports prepared by the Article 6 TERTs will also be uploaded to the interim platform as they become available. At that point, the scope of the interim solution can be considered finalized.

19. Owing to resource constraints, the secretariat is currently unable to initiate the procurement process for, and finalize the development and implementation of, the centralized accounting and reporting platform. Critical elements missing from the interim solution that need to be addressed in the finalized solution include the workflows for processing submissions (between the platform and the Article 6 database, and between the platform and the Article 6 TERTs) referred to in paragraph 15(c) above, which could impede the efficient processing of submissions.

### **Common nomenclatures**

20. SBSTA 60 requested the secretariat, as the administrator of the centralized accounting and reporting platform, to develop an initial list of common nomenclatures, to develop a process for requesting the establishment of and changes to common nomenclatures, pursuant to decision [6/CMA.4](#), annex I, chapter II.B, and to report on its progress in its annual report to the CMA.<sup>10</sup>

<sup>8</sup> Decision [6/CMA.4](#), para. 28.

<sup>9</sup> Available at <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement/cooperative-implementation/centralized-accounting-and-reporting-platform>.

<sup>10</sup> [FCCC/SBSTA/2024/7](#), para. 131.

21. In October 2024, the secretariat made available on the centralized accounting and reporting platform a draft document on the processes for managing common nomenclatures and a draft list of common nomenclatures. These documents are expected to be amended periodically on the basis of change requests received from Parties and/or the need for further improvement.

22. Given that the common nomenclatures are expected to be used by many Parties in preparing their annual information pursuant to decision 2/CMA.3, annex, chapter IV.B, and in developing their tracking registries and by the secretariat in its role as administrator of the international registry, the Article 6.4 mechanism registry, the centralized accounting and reporting platform and the Article 6 database, as well as by other systems, it is crucial that:

(a) Common nomenclatures are both machine- and human-readable, with the human-readable format being an exact representation of the machine-readable version;

(b) The process for managing common nomenclatures adheres to strict workflows and versioning protocols, ensuring that all change requests are documented and properly managed.

23. To streamline the process of, and enhance transparency in, managing common nomenclatures, the secretariat intends to use a public version control system, which will facilitate efficient implementation of the reporting requirements pursuant to decision [2/CMA.3](#) across all relevant systems by enabling the automated production of a human-readable version of the common nomenclatures using the machine-readable format. A discussion on these matters is expected to take place at the second forum of Article 6 registry system administrators (see para. 28 below).

### **C. Article 6 database**

24. The functions of the Article 6 database shall include:<sup>11</sup>

(a) Recording quantitative information on ITMOs, corresponding adjustments and emissions balances included in information submitted by participating Parties;

(b) Enabling the compilation of annual information submitted by a participating Party for inclusion in the format of the structured summary required as part of the biennial transparency report;

(c) Automating the detection of inconsistencies in submitted annual information (consistency check);

(d) Making non-confidential information in the consistency check publicly available on the centralized accounting and reporting platform.

25. Owing to a shortage of resources, the secretariat did not initiate the procurement process for or the development of the Article 6 database during the reporting period.

26. The secretariat also noted that the continuation of long-standing negotiation issues relating to the automated detection of inconsistencies and to the finalization of the agreed electronic format referred to in decision 2/CMA.3, annex, chapter IV.B, would prevent the complete development of the Article 6 database.

27. It would nevertheless be beneficial at this stage, and with a view to reducing future delays, for the secretariat to proceed with a detailed technical design, including architectural, testing and security features, of the software components of the Article 6 database. This is currently not possible given the shortage of resources referred to in paragraph 25 above.

### **D. Forum of Article 6 registry system administrators**

28. CMA 4 requested the secretariat to establish a voluntary forum of Article 6 registry system administrators and technical experts of participating Parties to facilitate cooperation

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<sup>11</sup> Pursuant to decisions [2/CMA.3](#), annex, chap. VI.B; and [6/CMA.4](#), annex I, chap. III.

among them, including sharing knowledge and experience in the context of implementing and operating the infrastructure under Article 6, paragraph 2, of the Paris Agreement, and to provide input to the further development and implementation of infrastructure, as necessary; it also requested the secretariat to establish an online platform for information exchange and to support the forum in identifying topics of interest and relevant activities, including for public engagement.<sup>12</sup> SBSTA 58 recalled the request for the secretariat to establish the forum and to provide input to the further development and implementation of infrastructure, as necessary, and requested the secretariat to expedite the implementation of that mandate.<sup>13</sup>

29. Participation in the forum is open to all registry system administrators and technical experts who have been nominated by their respective national focal points, the Article 6.4 mechanism registry administrator, and other relevant experts who can contribute to the subjects under discussion.

30. The activities of the forum, which involve developing inputs to infrastructure, communication standards and recommended practices for tracking registries, are conducted through working groups established by the forum as needed, with each working group focusing on a specific topic, issue or document.

31. In July 2023, the secretariat published a concept note<sup>14</sup> aimed at establishing a solid foundation for the work of the forum going forward.

32. The first meeting of the forum took place in hybrid format on 23 October 2023, attended by around 120 participants. Presentations and discussions at the forum covered:

- (a) The concept note for the forum;
- (b) Infrastructure under Article 6, paragraph 2, of the Paris Agreement;
- (c) Interoperability between registry systems;
- (d) The organization of working groups, following which initial working groups were established on communication standards and interoperability; information security and fraud prevention; contact management; and change management.

33. Between February and April 2024, the secretariat worked on developing an online platform to support the work under the forum, which is ready to be used but is not yet operational owing to lack of human resources, as mentioned in paragraph 34 below.

34. The secretariat was unable to organize a second meeting of the forum or meetings of its working groups during the reporting period owing to a shortage of human resources. Key human resources with expertise in the technical design and implementation of registry systems, including their security and interoperability, were unavailable, hindering the preparation of substantive documents and presentations on these topics, which would have served as key inputs to those meetings. Additionally, the secretariat lacked the human resources needed to operate the online platform referred to in paragraph 28 above. In October 2024, the secretariat secured the support of consultants with expertise in registry systems and is now planning to hold a second meeting of the forum before the end of 2024.

## **E. Standards and recommended practices**

35. CMA 4 requested the secretariat to develop, publish and periodically update, for participating Parties opting to apply the guidance referred to in decision [6/CMA.4](#), annex I, chapter I.B, standards and recommended practices for electronic recording of data and information related to ITMOs, and communication standards for interoperability and transactions with ITMOs, including record-keeping arrangements, data security protocols, risk management and disaster recovery procedures, and other practices, as necessary, including with inputs from the forum of Article 6 registry system administrators.<sup>15</sup>

<sup>12</sup> Decision [6/CMA.4](#), paras. 34–35.

<sup>13</sup> [FCCC/SBSTA/2023/4](#), para. 99.

<sup>14</sup> Available at [https://unfccc.int/sites/default/files/resource/A6RSAF-Concept\\_Note.pdf](https://unfccc.int/sites/default/files/resource/A6RSAF-Concept_Note.pdf).

<sup>15</sup> Decision [6/CMA.4](#), para. 32.

36. The communication standards are intended primarily for use by Parties engaged in cooperative approaches using interoperable registries for ITMO transfers, but their use may also prove beneficial, in whole or in part, for other Parties and non-Party stakeholders.

37. Owing to a shortage of resources, the secretariat was not able to develop the standards and recommended practices or the communication standards during the reporting period, noting that its ability to do so is significantly affected by long-standing issues related to the infrastructure under Article 6, paragraph 2, of the Paris Agreement, which remain unresolved by Parties.

### **III. Activities related to the Article 6 technical expert reviews**

#### **A. Training programme for technical experts participating in the Article 6 technical expert reviews**

##### **1. First online training course and training materials**

38. The secretariat conducted the first online training course of the training programme for technical experts participating in Article 6 TERs from 13 to 16 August 2024, facilitated by an instructor. The training course was divided into two segments, each conducted over a two-day period, to enable broad participation of experts across different time zones. A total of 86 participants attended the course across the two segments. The training course comprehensively addressed the guidelines for the Article 6 TER.<sup>16</sup>

39. The experts who attended the training consisted of 32 women and 48 men, of which 33 from Asia and the Pacific, 20 from Africa, 11 from Latin America, 8 from the Middle East and North Africa, 5 from Europe and 3 from North America.

40. As part of the training programme, and building on the reference manual for the accounting, reporting and review of cooperative approaches<sup>17</sup> and training materials developed for the first online training course, the secretariat is planning to develop self-paced online learning products. This will involve converting the training materials developed for the first online training course into a course that interested experts can complete at their own pace, followed by an examination, which they will be required to pass before being considered to join a TERT. This course is under development and will be made available on the centralized accounting and reporting platform by mid-2025. Until that time, the reference manual and existing training materials will remain available on the centralized accounting and reporting platform.

##### **2. Status of the roster of experts**

41. All participants in the first online training course for technical experts participating in Article 6 TERs were either nominated to or in the process of being nominated to the roster of experts by a Party or intergovernmental organization.

42. A total of 80 participants sat the mandatory examination between 19 and 27 August 2024, of which 63 successfully passed the examination and, upon verification of their nomination status, were certified to participate in Article 6 TERs and added to the roster. Participants who did not successfully complete the examination were given the option of retaking the examination between 14 and 28 October 2024, which resulted in an additional five additional experts being added to the roster, bringing the total number of qualified experts on the roster to 68 as at 30 October 2024.

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<sup>16</sup> Contained in annex II to decision [6/CMA.4](#).

<sup>17</sup> <https://unfccc.int/documents/634354>



### 3. Confidentiality

43. As requested by SBSTA 60,<sup>18</sup> the secretariat developed the Article 6 Code of Practice,<sup>19</sup> which was published in August 2024. The Code sets out procedures for treating, classifying and reviewing information designated by participating Parties as confidential under Article 6, paragraph 2, of the Paris Agreement. It also outlines the roles and responsibilities of the secretariat, participating Parties, members of Article 6 TERTs and consultants in supporting the Article 6 TER process.

### B. Status of Article 6 technical expert reviews

44. On 26 August 2024, the secretariat commenced the first round of Article 6 TERs of the initial reports referred to in decision [2/CMA.3](#), annex, chapter IV.A, namely those of Ghana, Guyana, Suriname, Switzerland, Thailand and Vanuatu.<sup>20</sup> The reviews were ongoing at the time of preparation of this report and the outcomes will be made publicly available on the centralized accounting and reporting platform once completed.<sup>21</sup>

### C. Compilation and synthesis of the results of the Article 6 technical expert reviews

45. As mentioned in paragraph 44 above, the first round of Article 6 TERs of the initial reports submitted by participating Parties is ongoing. Therefore, the compilation and synthesis of the results of the Article 6 TERs has not yet been prepared.

## IV. Capacity-building programme

46. CMA 3 requested the secretariat to design and, following consultation with Parties, implement a capacity-building programme, including through its regional collaboration centres, to assist Parties, particularly developing country Parties, intending to participate in cooperative approaches, including to:<sup>22</sup>

(a) Support the development of institutional arrangements, including in relation to reporting, in order to enable Parties to engage in cooperative approaches;

(b) Help Parties ensure that cooperative approaches in which they participate support ambition;

(c) Assist the least developed countries and small island developing States in meeting the participation requirements as set out in decision [2/CMA.3](#), annex, chapter II.

47. CMA 4 requested the secretariat to develop and regularly update a manual containing illustrative elements of information for the initial report, updated initial report and annex 4 to the biennial transparency report to facilitate Parties' understanding of how to report information pertaining to decision [2/CMA.3](#), annex, paragraphs 18–22, noting that the illustrative elements of information to be included in the manual have no formal status, are for voluntary use and shall not be used or referred to in the Article 6 TER.<sup>23</sup>

48. SBSTA 58 requested the secretariat, in developing the manual referred to in paragraph 47 above, to consider including therein, as relevant, explanations of key terms and concepts, illustrative elements of information, templates, examples and case studies that are not country-specific, and questions and answers on elements of the guidance on cooperative approaches related to reporting requirements and the evolving reporting practice; it also

<sup>18</sup> [FCCC/SBSTA/2024/7](#), para. 133.

<sup>19</sup> Available at <https://unfccc.int/documents/640303>.

<sup>20</sup> Available at <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement/cooperative-implementation/carp-submission-portal/submitted-reports#Initial-and-updated-reports>.

<sup>21</sup> As per decision [2/CMA.3](#), annex, para. 28.

<sup>22</sup> Decision [2/CMA.3](#), para. 12.

<sup>23</sup> Decision [6/CMA.4](#), para. 22.

requested the secretariat to regularly update the manual on the basis of ongoing work on and experience with the implementation of the guidance on cooperative approaches.<sup>24</sup>

49. The first version of the manual was made available to Parties in December 2023. An updated document was published on the centralized accounting and reporting platform in August 2024, which included revisions made on the basis of relevant discussions and outcomes at CMA 5. The manual will be periodically updated as needed, and the secretariat will provide information on those updates accordingly.

50. CMA 4 requested the secretariat to provide, as part of the capacity-building programme, capacity-building on reporting on Article 6 activities, particularly in relation to the completion and submission of initial reports.<sup>25</sup>

51. In 2025, the secretariat will continue the training programme on the accounting, reporting and review of cooperative approaches, which will be followed by a mandatory examination. This is designed to ensure that an adequate pool of experts is available to review the increasing number of cooperative approaches submitted by Parties.

52. Further details on other capacity-building activities undertaken by the secretariat together with the regional collaboration centres and other partners in the context of implementing Article 6 of the Paris Agreement are presented in document FCCC/PA/CMA/2024/INF.1.

## V. Status of resources

53. The budget for the biennium 2024–2025 for staff and non-staff working on activities related to Article 6, paragraph 2, of the Paris Agreement amounts to EUR 8.0 million.

54. The table below presents the budget for staff and non-staff working on activities related to Article 6, paragraph 2, of the Paris Agreement and the expenditure incurred between 1 January and 30 September 2024, which shows an expenditure rate of only 3.4 per cent.

### **Budget for the biennium 2024–2025 and expenditure between 1 January and 30 September 2024 in relation to implementation of activities related to Article 6, paragraph 2, of the Paris Agreement**

	<i>Staff</i>	<i>Non-staff<sup>a</sup></i>	<i>Total</i>
Budget for the biennium 2024–2025 (EUR)	2 160 260	5 855 850	8 016 110
Expenditure between 1 January and 30 September 2024 (EUR)	83 506 <sup>b</sup>	185 073	268 579
Expenditure as a percentage of the budget (%)	3.9	3.2	3.4

<sup>a</sup> Includes 13 per cent for programme support costs.

<sup>b</sup> Includes consultants.

55. The budget shown in the table above for staff (eight posts) and non-staff costs pertains, inter alia, to activities related to the development, deployment and maintenance of the international registry and the centralized accounting and reporting platform; implementation of the guidance on cooperative approaches and preparation of the annual report thereon; and the development and delivery of TER training, maintenance of the roster of experts, delivery of TERs, and organization of lead reviewer meetings and workshops.

56. The available funding to date amounts to approximately EUR 2.2 million, of which approximately EUR 1.0 million comes from the residual financial resources remaining from the joint implementation project under the trust fund for supplementary activities<sup>26</sup> and the

<sup>24</sup> [FCCC/SBSTA/2023/4](#), para. 95.

<sup>25</sup> Decision [6/CMA.4](#), para. 23.

<sup>26</sup> See decision [2/CMP.18](#), para. 3.

rest has been received through voluntary contributions. This leaves a shortfall of approximately EUR 5.8 million needed to raise the budget for the biennium 2024–2025.

57. Between 1 January and 30 September 2024, total expenditure amounted to approximately EUR 0.27 million, which includes costs for only one staff member, excluding future obligations in relation to the staff member's employment contract. Further, the expenditure includes costs related to the hybrid technical workshop on Article 6, paragraph 2, and Article 6, paragraph 4, of the Paris Agreement held from 2 to 4 October 2024 in Baku, as well as a small portion of costs related to the development and deployment of the international registry and the centralized accounting and reporting platform. The remaining available balance is insufficient for employing additional staff members or for launching the necessary procurement processes for the international registry, centralized accounting and reporting platform and Article 6 database, for which funding needs to have been received in order to enter into the respective contractual agreements.

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