Agenda item 3.3.

Paragraph 12 of the annotated agenda, Annexes 5−9

Revision of activity standards and validation and verification standards for projects and programmes of activities

Article 6.4 Supervisory Body – 18th meeting

Bonn, Germany, 6 to 10 October 2025

UNFCCC Secretariat

Mitigation Division

Key issues and proposed solutions

Text of paras of the Appendix of Baseline standard	**Text of the Activity standard for projects**
Paragraph 20 Double counting may occur if an Article 6.4 activity reduces emissions or enhances removals that are covered by a mandatory domestic mitigation scheme (e.g. an emissions trading system). This risk could, for example, be addressed in mechanism methodologies by:	**Section 8.4 AS-P:** Avoidance of double counting due to overlap with mandatory domestic mitigation scheme
Paragraph 20(a) Excluding activities or not issuing Article 6.4 ERs for emission reductions or removals that are subject to such overlap; or	<u>**Paragraph 127ter.**</u> When full or partial impact of the activity is covered under mandatory domestic mitigation scheme and counted towards the achievement of targets and obligations under mandatory domestic mitigation scheme, the relevant share of the <u>impact shall be deducted by the activity participants from the amount requested for issuance</u>
Paragraph 20(b) Requiring that measures are in place to ensure that any relevant impacts of the activity (e.g., inter alia the GHG emission reductions achieved or the kilowatt-hours of renewable electricity produced) <u>are not counted towards the achievement of targets or obligations under the mandatory domestic mitigation scheme</u> (e.g., inter alia by cancelling allowances from the emissions trading system before issuing carbon credits).	<u>**Paragraph 127bis.**</u> The activity participants shall confirm that the reported GHG emission reductions or net GHG removals for which they intend to request issuance of A6.4ERs are either not covered by a mandatory domestic mitigation scheme (e.g. an emissions trading scheme) or, if they are covered by a mandatory domestic mitigation scheme, that measures are in place to ensure that any relevant impacts of the activity (e.g. the GHG emission reductions achieved or the kilowatt-hours of renewable electricity produced) are not counted towards the achievement of targets or obligations under the mandatory domestic mitigation scheme (e.g. by cancelling allowances from the emissions trading system before issuing carbon credits), providing appropriate evidence and justification.

Key issues and proposed solutions

Text of paras of the Appendix of Baseline standard	Text of the Activity standard for projects
Paragraph 21 Double counting may occur if the mitigation outcomes achieved by an Article 6.4 activity are also claimed in other frameworks or environmental markets (e.g. guarantees of origin for renewable electricity generation, green hydrogen schemes, low carbon fuel standards, etc.). Note that this only holds if mitigation outcomes (e.g., emission reductions, removal enhancements, renewable energy generation, energy efficiency improvements, etc.) are claimed in other frameworks or environmental markets, but not where other outcomes (e.g., air contaminant reductions or social impacts) are claimed	**Section 8.5** Avoidance of double counting due to overlap with frameworks or environmental markets **Paragraph 127quater.** The activity participants shall confirm that mitigation outcomes (e.g. emission reductions, removal enhancements, renewable energy generation, energy efficiency improvements, etc.) for which they intend to request issuance of A6.4ERs are not also claimed in other frameworks or environmental markets (e.g. guarantees of origin for renewable electricity generation, green hydrogen schemes, low-carbon fuel standards), providing appropriate evidence and justification. Claiming other outcomes (e.g., air contaminant reductions or social impacts) does not constitute double counting (text in green is an addition to the current revision if agreed).
Paragraph 22 This risk could, for example, be addressed in mechanism methodologies by: (a) Excluding activities or not issuing Article 6.4 emission reductions for emission reductions or removals that are subject to such overlap; or (b) Requiring that the Article 6.4 activity does not claim the same mitigation outcomes in the relevant other environmental markets or accounting frameworks	

Examples: Mandatory Domestic Mitigation Scheme

Mandatory ETS covering power sector with a target for gird connected electricity production

- **Double counting:** due to allocation of allowances to grid connected power plants and credits issued to renewable grid connected plants.

Double claim: At the emissions reduction level: The RE project lowers grid emissions, which is already **reflected** under the ETS cap. The same reduction is then also quantified and credited separately under the A6.4 mechanism.

- **Means for avoidance of double counting:**

1. Cancellation of allowances in the ETS;
2. Deducting /not issuing credits for the impact of the project counted towards the mandatory ETS.

Examples: Other frameworks or environmental markets

Green hydrogen/ low carbon fuel standards:

- **Double counting :** due to green claims on behalf of the producer and/or user and credits issued to the producer

Double issuance: If both **a guarantee of origin and a carbon credit** are issued for the same reduction

Double claim: the hydrogen buyer claims to use zero-carbon hydrogen (e.g., to reduce Scope 2/3 emissions), and a carbon credit buyer claims the same reduction toward their offset targets.

- **Means for avoidance of double counting:**

1. Deducting /not issuing credits for the impact of the project counted towards the green claim