

A6.4-SB015-AA-A08

Information note

Further work on the methodological products for the Article 6.4 mechanism

Version 02.0



United Nations
Framework Convention on
Climate Change

COVER NOTE

1. Procedural background

1. The Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (Article 6.4 mechanism), at its fourteenth meeting (SBM 014) requested the secretariat to update the “Information note: Further work on the methodological products for the Article 6.4 mechanism”,¹ taking into account the input provided at that meeting, for its consideration at SBM 015.

2. Purpose

2. The purpose of this information note is to present an update related to the further work on the methodological products necessary to operationalize the Article 6.4 mechanism.

3. Key issues

3. This document includes further work on methodological products for the methodologies expert panel (MEP) and incorporates additional guidance provided by the Supervisory Body at SBM 014, such as its mandate to work on possible exceptions to the application of paragraph 43(b) of the methodologies standard. In the context of removals guidance, guidance² that had been included in the annotated agenda of SBM 014 but excluded in the final removal standard due to its nature of it being a guidance (rather than a standard), has now been replicated in Table 2.

4. Subsequent work and timelines

4. Further work will be carried out based on the guidance that will be received from the Supervisory Body (e.g. prioritization of the work) in accordance with the draft workplan of the Supervisory Body and the MEP for 2025.

5. Recommendations to the Board

5. The Supervisory Body may wish to consider this document and provide guidance for any further work.

¹ Meeting report of the fourteenth meeting of the Article 6.4 Supervisory Body, paragraph 29. Available at: <https://unfccc.int/sites/default/files/resource/A6.4-SBM014.pdf>.

² See (grey text) paragraph 31 from document A6.4-SBM014-AA-A08. Available at: <https://unfccc.int/sites/default/files/resource/A64-SBM014-AA-A08.pdf>.

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1. Introduction

1. The Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (Article 6.4 mechanism), at its fourteenth meeting (SBM 014), **adopted the following documents:**
 - (a) A6.4-STAN-METH-001: Standard “Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies”¹ (hereinafter referred to as the methodologies standard); and
 - (b) A6.4-STAN-METH-002: Standard “Requirements for activities involving removals under the Article 6.4 mechanism”² (hereinafter referred to as the removals standard).
2. The Supervisory Body for the Article 6.4 mechanism (SBM) requested the Methodological Expert Panel (MEP) to continue working on the development of the methodological products listed in paragraphs 10,12 and 15 below³ based on the relevant sections of the methodologies standard and removals standard referred to in paragraph 1 above, taking into account the guidance in this document.
3. Furthermore, the Supervisory Body requested the secretariat to update the “A6.4-SB010-A05 information note: Further work on the methodological products for the Article 6.4 mechanism”, taking into account the inputs provided at that meeting, for its consideration at its 15th meeting.
4. At its sixth session, the Conference of Parties serving as the meeting of Parties to the Paris Agreement (CMA) took note of the adoption by the SBM of the methodologies standard and removals standards and noted that the SBM will expeditiously elaborate on and implement the standards, while striving to ensure regulatory stability, and will report on the progress made on the implementation of those standards in its annual report to the CMA, including on the need for further guidance, if any.
5. The CMA further encouraged the SBM, while noting that it has already developed its preliminary workplan for 2025, to expedite its work on the development of 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 measures⁴.

¹ Document available at: <https://unfccc.int/sites/default/files/resource/A6.4-STAN-METH-001.pdf>

² Document available at: <https://unfccc.int/sites/default/files/resource/A6.4-STAN-METH-002.pdf>

³ See Information note: Preliminary workplan of the Supervisory Body 2025. Available at: <https://unfccc.int/sites/default/files/resource/A6.4-INFO-GOV-016.pdf>

⁴ See paragraph 8, Decision -/CMA.6, “Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement” (Advance unedited version), available at: https://unfccc.int/sites/default/files/resource/CMA_6_agenda%20item15b_AUV_2.pdf

6. The CMA also requested the SBM⁵, recalling decision 3/CMA.3, paragraph 5(b)(i), to accelerate the revision of the baseline and monitoring methodologies in use for the clean development mechanism (CDM) under Article 12 of the Kyoto Protocol with a view to applying them with revisions, as appropriate, pursuant to chapter V.B of the annex to that decision (Methodologies), for activities under the Article 6.4 mechanism.

2. Further work on methodological products

7. This document provides further guidance to the MEP for the development of the methodological products listed below, as also contained in documents A6.4-SB010-A05, and A6.4-SB011-A02, which includes, but are not limited to:
- (a) Products related to requirements for the development and assessment of Article 6.4 mechanism methodologies;
 - (b) Products related to activities involving removals under the Article 6.4 mechanism;
 - (c) Products related to revision of the clean development mechanism (CDM) methodologies to be applicable under Article 6.4 mechanism.
8. As this present document pertains to mandated work on methodological product, it does not elaborate on potential work which may arise from bottom-up submission of methodologies or methodological tools by stakeholders⁶.

2.1. Further work on requirements for methodologies

9. The SBM requested the MEP to develop the products listed Table 1 below, as part of its work plan for 2025, for consideration by the SBM.
10. In undertaking this work, the MEP is to be guided by the directions from the SBM as contained in Table 1 below, taking into account the methodology standard and removals standard.

⁵ See paragraph 9, Decision -/CMA.6, "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement" (Advance unedited version), available at: https://unfccc.int/sites/default/files/resource/CMA_6_agenda%20item15b_AUV_2.pdf

⁶ Forms for the bottom-up submissions of methodologies or methodological tools by stakeholders are available under the Forms section at: <https://unfccc.int/process-and-meetings/bodies/constituted-bodies/article-64-supervisory-body/rules-and-regulations#Methodology>

Table 1. Further work related to requirements for methodologies

	Area of further work	Further mandate/ guidance to the Methodological Expert Panel (MEP)
1	Baseline tools Standard: Setting the baseline in mechanism methodologies (without the requirements for the standardized baselines)	The SBM further requests the MEP when undertaking this work, to consider possible exceptions to the application of paragraph 43(b) of the methodologies standard. If an exception is recommended, the MEP shall include in their recommendation proposals of alternative approach(es) required to address the consistency of the implementation of paragraph 36 of the rules, modalities and procedures for the Article 6.4 mechanism (RMPs) with the requirements of paragraph 33 of the RMP. Any recommendation will be considered by the Supervisory Body of the Article 6.4 mechanism (SBM) at a future meeting ⁷ .
2	Standard: Setting the baseline in mechanism methodologies (with the requirements for the standardized baselines)	No further guidance relating to the development of this work.
3	Standard: Suppressed demand	No further guidance relating to the development of this work.
4	Demonstration of additionality in mechanism methodologies (without the requirements for investment analysis Tool: Investment Analysis	No further guidance relating to the development of this work.
5	Standard: Demonstration of additionality in mechanism methodologies (with the requirements for investment analysis)	No further guidance relating to the development of this work.
6	Standard: Addressing leakage in mechanism methodologies	No further guidance relating to the development of this work.
7	Concept note: Large scale crediting programmes	No further guidance relating to the development of this work.
8	Concept note: Taking account of policies and measures, and relevant circumstances	No further guidance relating to the development of this work.
9	Concept note: Transboundary activities	No further guidance relating to the development of this work.
10	Simplified approaches for additionality (upon request)	No further guidance relating to the development of this work.

⁷ See paragraph 27 of the SBM 014 meeting report. Available at: <https://unfccc.int/sites/default/files/resource/A6.4-SBM014.pdf>

2.2. Transitioning of CDM methodologies

11. The SBM, at its fourteenth meeting, requested the MEP to continue working on the revision of the CDM methodologies as listed in the preliminary workplan of the SBM for 2025,⁸ for consideration and adoption by the SBM. The list is reproduced as follows:

- (a) ACM0002: Grid connected electricity generation from renewable sources;
- (b) AMS-I.D.: Grid connected renewable electricity generation;
- (c) AMS-I.C.: Thermal energy production with or without electricity;
- (d) ACM0001: Flaring or use of landfill gas;
- (e) AMS-II.G.: Energy efficiency measures in thermal applications of non-renewable biomass;
- (f) AMS-I.E: Switch from non-renewable biomass for thermal applications by the user;
- (g) TOOL07: Emission factor for an electricity system;
- (h) TOOL03: Project or leakage CO₂ emissions from fossil fuel combustion;
- (i) TOOL05: Baseline, project and/or leakage emissions from electricity consumption and monitoring of electricity generation;
- (j) TOOL16: Project and leakage emissions from biomass;
- (k) TOOL10: Remaining lifetime of equipment;
- (l) TOOL04: Emissions from solid waste disposal sites;
- (m) TOOL06: Project emissions from flaring;
- (n) TOOL09: Determining the baseline efficiency of thermal or electric energy generation systems;
- (o) TOOL12: Project and leakage emissions from transportation of freight;
- (p) TOOL08: Mass flow of a greenhouse gas in a gaseous stream;
- (q) TOOL30: Calculation of the fraction of non-renewable biomass;
- (r) Standard: Sampling and Surveys for CDM project activities and programmes of activities;
- (s) Guidelines: Sampling and Surveys for CDM project activities and programmes of activities;
- (t) TOOL33: Default values for common parameters.

12. While the above-mentioned CDM methodologies and tools will be prioritized for revision for adoption by the SBM, other CDM methodologies and tools may be added in the later part of the year based on the progress made.

⁸ Available at: <https://unfccc.int/sites/default/files/resource/A6.4-INFO-GOV-016.pdf>

2.3. Further work related to removals

13. The SBM requested the MEP to develop, as part of its work programme for 2025, further guidance be included in the “Standard/Guideline: Addressing non permanence/reversals” for consideration and adoption by the SBM on:

- (a) Post-crediting period monitoring, reporting, and remediation of reversals and post-reversal action;
- (b) Late, incomplete or missing monitoring report submissions, and treatment of activities for which a reversal results in a removals level that falls below baseline;
- (c) Reversal risk assessment;
- (d) Avoidable and unavoidable reversals, and reversal compensation.

14. In undertaking this work, the MEP is to be guided by the directions from the SBM as contained in table 2 below.

Table 2. Further work related to activities involving removals

	Area of further work	Further mandate/ guidance to the Methodological Expert Panel (MEP)
1	<p>Standard: Addressing non-permanence / reversals including:</p> <ul style="list-style-type: none"> (a) Post-crediting period monitoring, reporting, and remediation of reversals, post-reversal action, and Host Party roles; (b) Late, incomplete or missing monitoring report submissions and treatment of activities for which a reversal results in removals level that falls below baseline; (c) Reversal risk assessment; and (d) Avoidable and unavoidable reversals, and reversal compensation 	<p>The Supervisory Body for the Article 6.4 mechanism (SBM) further requests the MEP, when undertaking this work, to take the following into consideration⁹:</p> <ul style="list-style-type: none"> (a) Further requirements and identification of the existing requirements that are applicable during the post-crediting period for the monitoring, reporting, and verification of removals and remediation of reversals, including consideration of options to use methods based on digital technologies and remote-sensing; (b) The time frame for post-crediting monitoring, including factors that inform duration and phasing which provides assurance regarding the permanence of removals, taking into account expert scientific inputs; (c) The submissions for requesting post-crediting monitoring including those on the evidence-based demonstration by the activity participant and on the criteria for consideration and approval given by the SBM to ensure that there is high confidence in the conclusion and that the conclusion remains valid. <p>The SBM will develop further guidance regarding the measures in this section (Reversal-related notifications and actions), including the format and procedures for notifications and reports that may be submitted digitally and to enable notifications from third parties to</p>

⁹ See (grey text) paragraph 31 from document A6.4-SBM014-AA-A08. Available at: <https://unfccc.int/sites/default/files/resource/A64-SBM014-AA-A08.pdf>

	Area of further work	Further mandate/ guidance to the Methodological Expert Panel (MEP)
		<p>the SBM of [observed events that could potentially lead to reversals] [potential reversals]¹⁰.</p> <p>The SBM will develop further guidance and/or procedures in regard to the measures in this section (Remediation of removals) for, inter alia¹¹:</p> <ul style="list-style-type: none"> (a) Review by the SBM of monitoring reports that reflect reversals, including its consideration of whether an event that led to a reversal was avoidable or unavoidable as represented by activity participants, and its response to instances of possible mis-categorization of such events and subsequent notifications of the registry administrator and activity participants; (b) Reversal Risk Buffer Pool use, operation, and composition, including the treatment of uncanceled buffer Article 6.4 emission reductions (A6.4ERs) and options for addressing buffer insufficiency; (c) Direct cancellation of A6.4 ERs from other Article 6.4 activities in lieu of contributing to and using the Reversal Risk Buffer Pool, including the threshold for a reversal risk rating that constitutes a negligible risk of reversal and would qualify an activity to apply these procedures, as well as the basis and procedures for the SBM's initial and periodic review and approval of the sufficient coverage of insurance policies or comparable guarantee products for insuring the activities that apply these procedures; (d) The nature of A6.4 ERs from other Article 6.4 activities that are cancelled to remediate reversals in accordance with the requirements in this section, including whether they are issued in respect of removals and/or emission reductions; (e) The treatment of activities for which a reversal results in calculated removals within the activity boundary that fall below the baseline level.
2	Guidance on: - late, incomplete or missing monitoring report submissions - treatment of activities for which a reversal results in removals level that falls below baseline	<p>The SBM further requests the MEP when undertaking this work, to take the following into considerations:</p> <ul style="list-style-type: none"> (a) Guidance on and procedures for addressing late, incomplete, or missing monitoring report submissions including remedial measures to address situations where monitoring is stopped prematurely (i.e., prior to the conclusion of the crediting period(s) and fulfilment of requirements for post-crediting period monitoring);

¹⁰ See (grey text) paragraph 52 from document A6.4-SBM014-AA-A08. Available at: <https://unfccc.int/sites/default/files/resource/A64-SBM014-AA-A08.pdf>

¹¹ See (grey text) paragraph 61 from document A6.4-SBM014-AA-A08. Available at: <https://unfccc.int/sites/default/files/resource/A64-SBM014-AA-A08.pdf>

	Area of further work	Further mandate/ guidance to the Methodological Expert Panel (MEP)
		<p>(b) The guidance will address options for giving effect to the remediation of reversals of removals for which A6.4ERs have been issued in such circumstances¹²;</p> <p>(c) The guidance may include measures such as specifying that the registry administrator shall be unable to issue, transfer, or cancel A6.4ERs from the activity for which the monitoring report is due¹³.</p>
3	Reversal risk assessment tool	<p>The SBM further requests the MEP when undertaking this work, to take the following into consideration:</p> <p>(a) A reversal risk assessment tool to identify risks with a view to minimize, monitor and manage them:</p> <ol style="list-style-type: none"> The tool shall incorporate the latest peer-reviewed scientific research and shall be regularly updated, at least every five years, to account for new scientific findings; The tool shall incorporate geographical context, historical risk record, and projections for future risk development; The tool shall also define a minimum default risk rating for activities facing a reversal risk, potentially distinguished by broader activity type; <p>(b) Methodologies may include additional guidance on the application of the tool¹⁴;</p> <p>(c) For further work related to reversal risk assessment, the SBM requested the MEP to consider and include in recommendations on the risk assessment tool¹⁵:</p> <ol style="list-style-type: none"> Whether upper limits are needed in respect of the risk rating (overall) or specific risk factors (within the tool), including options and science-based rationales for upper limit(s); Risk rating that constitutes a negligible risk; Any further categorization of risk; How remediation measures are taken into account in the risk assessment tool.
4	Guidance on: - avoidable and unavoidable reversals - reversal compensation	<p>The SBM requests the MEP to develop further guidance on avoidable and unavoidable reversals, including how they are distinguished and demonstrated¹⁶ and when undertaking this work, to take into consideration:</p> <p>(a) The definition and scope of avoidable reversals;</p>

¹² See (grey text) paragraph 27 from document A6.4-SBM014-AA-A08. Available at: <https://unfccc.int/sites/default/files/resource/A64-SBM014-AA-A08.pdf>.

¹³ See (grey text) paragraph 27 from document A6.4-SBM014-AA-A08. Available at: <https://unfccc.int/sites/default/files/resource/A64-SBM014-AA-A08.pdf>.

¹⁴ See (grey text) paragraph 43 from document A6.4-SBM014-AA-A08. Available at: <https://unfccc.int/sites/default/files/resource/A64-SBM014-AA-A08.pdf>.

¹⁵ See paragraph 26 of the SBM 014 meeting report. Available at: <https://unfccc.int/sites/default/files/resource/A6.4-SBM014.pdf>.

¹⁶ See (grey text) paragraph 62 from document A6.4-SBM014-AA-A08. Available at: <https://unfccc.int/sites/default/files/resource/A64-SBM014-AA-A08.pdf>.

	Area of further work	Further mandate/ guidance to the Methodological Expert Panel (MEP)
		(b) The definition and scope of unavoidable reversals; (c) Development of the criteria for determining whether a reversal is 'avoidable' or 'unavoidable'.
5	Requirements/ best practices in environmental and social safeguards	In developing this guidance, the MEP shall take into account the following: (a) Development of further requirements in relation to specific categories or types of activities involving removals, considering Indigenous, national and international best practices, standards, and obligations relating to environmental and social safeguards, human rights and Indigenous peoples' rights ¹⁷ ; (b) The request by the SBM to the secretariat to prepare, in consultation with the MEP, a concept note on the development of type-specific safeguard elements and criteria for other types of activities for its consideration at a future meeting ¹⁸ .
6	Concept note: Applicability of removal guidance to emission reductions activities and vice versa	In developing this concept note, the MEP shall take into account the need for reversals of emission reductions and removals to be treated in a manner that is consistent and aligned with the reversal standard under the Article 6.4 mechanism.

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Document information

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Related documents:

9 October 2024	A6.4-STAN-METH-001 : Standard: Application of the requirements of Chapter V.B (Methodologies) for the development and assessment of Article 6.4 mechanism methodologies
9 October 2024	A6.4-STAN-METH-002 : Standard: Requirements for activities involving removals under the Article 6.4 mechanism

¹⁷ See (grey text) paragraph 65 from document A6.4-SBM014-AA-A08. Available at: <https://unfccc.int/sites/default/files/resource/A64-SBM014-AA-A08.pdf>.

¹⁸ See paragraph 23 of the SBM 014 meeting report. Available at: <https://unfccc.int/sites/default/files/resource/A6.4-SBM014.pdf>

1 March 2024	A6.4-SB010-A05 : Information note: Further work on the methodological products for the Article 6.4 mechanism (version 01.0)
17 November 2023	A6.4-SB009-A01 - Recommendation: Requirements for the development and assessment of Article 6.4 mechanism methodologies (v.01.1)
17 November 2023	A6.4-SB009-A02 - Recommendation: Activities involving removals under the Article 6.4 mechanism (v.01.1)
3 June 2023	A6.4-SB005-A01 - Information note: Guidance and questions for further work on methodologies requirements (v.01.0)
3 June 2023	A6.4-SB005-A02 - Information note: Guidance and questions for further work on removals (v.02.0)
10 March 2023	A6.4-SB004 meeting report, paragraph 21 A6.4-SB004-A03 : Information note: Guidance and questions for further work on methodologies (v.01.0)