

Call for public input	A6.4-MEP002-A01: Draft Standard: Demonstration of additionality in mechanism methodologies (v. 01.0)
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Legend for Columns

- 1 = Section Number in the document
2 = Paragraph number
3 = Comment – the actual feedback or observation, including justification for what needs changing
4 = Proposed change – suggest the text if possible

A6.4-MEP002-A01 (v.01.0)			
1	2	3	4
Section no.	Para. no.	Comment	Proposed change (Include proposed text)
3.2	14	<p>The reference to “national or subnational policies” and “national and sub-national goals” for the sector or type of mitigation activity should be considered in paragraph 14 is quite vague to be applied in a regulatory assessment.</p> <p>To demonstrate regulatory additionality in a consistent manner, that the emission reductions or removals caused by eligible mitigation activities would not occur as a result of any legal requirements, regulatory assessment should further outline which policy instruments to consider.</p> <p>Sectoral goals (e.g. those outlined in an NDC) without clear policy packages and an enforcement mechanisms do not impact regulatory additionality as defined in paragraph 16.a). Likewise, all policy instruments do not create direct or indirect legal requirements for a mitigation activity or its alternatives to take place.</p>	<p>We recommend this assessment to only consider the following policy instruments:</p> <ol style="list-style-type: none"> 1) policy instruments of a command and control nature; and 2) instruments that provide a financial incentive for the activity type to occur. IPCC AR5 lists policy instrument types which can form the basis of further definitions. 3) Sectoral / mitigation activity specific goals without a defined policy framework as outlined in point 1) and 2) and with a clear enforcement mechanism, should not be considered. Similarly, policies of a promotional nature and/or without an enforcement or incentive creation mechanism should also not be considered. <p>Moreover, host countries should have the option to endorse additionality of an activity using other tests outlined in Section 4.1, where a definitive regulatory assessment cannot be established, e.g. due to lack of up-to-date information and/or vague requirements on how such assessment is expected to be conducted.</p>
4.1	16 b)	<p>It is not clear in this paragraph what approaches are proposed to 'demonstrate that the implementation of eligible mitigation activities does not lead to a lock in of levels of emissions or carbon-intensive technologies or practices.' As this is the first time this concept is introduced to demonstrate carbon project additionality, we recommend providing more clarity and guidance, otherwise it may lead to various different approaches at methodology level.</p>	<p>We recommend:</p> <ol style="list-style-type: none"> a) To include guidance on how to assess carbon lock-in (what, how, best practices, a case study for illustration) b) To include a white list or black list for technologies and practices in Mechanism methodology. c) preferably keep this assessment at higher tiers i.e. at methodology level. For instance, methodologies should confirm if such additionality is expected to be demonstrated, as lock-in risk may not be relevant for all technology types/sectoral/sub-sectoral scopes.

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Section no.	Para. no.	Comment	Proposed change (Include proposed text)
4.1	16 c)	<p>Proposal to move the text in square brackets related to 'common practice' to para 17 (d).</p> <p>A project may still face financial or other barriers despite being categorized as common practice. Dismissing such projects might ignore the nuanced challenges that different entities face, potentially limiting the eligibility of high-quality carbon credit projects..</p> <p>In addition, excluding projects based on the common practice criterion in a first step could discourage the adoption and diffusion of best practices and innovative technologies. When an environmentally beneficial practice becomes common, it often indicates a positive shift in industry standards. By disallowing these projects, we might slow down the spread of effective and efficient carbon reduction technologies and projects.</p>	Remove square brackets and move "common practice assessment" under para 17.
5.1	24	Whether legal requirements are enforced or not is critical for regulatory additionality to work in praxis as presence of a legislation does not guarantee its enforcement, considering the specific context or national circumstance	Remove square brackets and include the term "enforced" in this paragraph.
5.1	26	<p>Para 26 requires that the regulatory analysis "shall be based on authoritative, credible, and up-to-date evidence and be justified". We'd like to draw the MEP's attention to the immense challenge project developers (and for that matter anyone not privy to the policymaking landscape in a country) will face in getting 'authoritative, credible, up-to-date' information on enforcement of policies.</p> <p>In a mechanism that increasingly appears high on traction costs to encourage broad participation, we urge regulators to simplify demonstration approaches where a commonsense dictates so.</p>	Request further elaboration on the sources of authoritative, credible, up-to-date information to inform regulatory analysis. We suggest that either host countries provide this information or confirm/attest to the same during the project approval process.
5.1	27	Assuming all policies in place are enforced isn't grounded in reality of policymaking of many countries and can heavily impact the type of projects that need carbon finance.	Delete Option 1
5.1	28	<p>Not considering enforcement of policies will make regulatory analysis detached from reality of most host countries and can create limitations unfounded in sound reasoning on the uptake potential of the Paris Agreement Mechanism. In this context, we support point a) to be applied for all countries without restrictions proposed as bracketed text in the current paragraph. Further, we recommend to delete point b) because it is practically impossible to assign a non-enforcement period in praxis.</p> <p>We further urge that host countries'/DNAs have a role in providing information pertaining to policy frameworks, laws etc. as an encouragement for broad participation in the Paris Agreement Mechanism.</p>	<p>Proposed language for Option 2 :</p> <p>For [high-income countries] [countries other than LDCs and SIDS], all legal requirements shall be deemed to be enforced. Legal requirements shall only be deemed to be unenforced in a country if (a) Non-enforcement is widespread (i.e. more than 50%) and documented through credible, authoritative and up-to-date evidence provided by the host country ; and (b) [Non-enforcement persists no longer than X years after the entry into force of the relevant legal requirements [, except for LDCs]]</p>