

Reference: 22/155 12 October, 2022

The Article 6.4 Mechanism Supervisory Body

Dear colleagues,

The International and Comparative Law Research Center (ICLRC), admitted NGO observer (constituency - research and independent), welcomes the opportunity to submit its views in response to the Call for Input - activities involving removals under the Article 6.4 Mechanism of the Paris Agreement. We present our views and comments to the documents as invited in the attached file.

We kindly ask to confirm the receipt of this input.

We remain at your disposal for any clarifications and further requests.

Sincerely yours,

Ekaterina Salugina-Sorokovaya General Director

Encl.: ICLRC: Response to Call for input 2022 - Activities involving removals under the

Article 6.4 Mechanism of the Paris Agreement



## Response to Call for input 2022 - Activities involving removals under the Article 6.4 Mechanism of the Paris Agreement

October 2022

With regards to the document titled <u>Draft Recommendation</u>. <u>Recommendations for activities involving removals under Article 6.4 mechanism</u> (A6.4-SB002-AA-A05 AT MEETING VERSION) we note the following:

- 1. For ease of use by the activity participants, the present recommendations and other or future guiding documents should be nested in a way that structures the requirements from general to specific. This implies that with regards to methodologies this document should explicitly refer to *Draft Recommendation*. Requirements for the development and assessment of mechanism methodologies A6.4-SB002-AA-A07.
- 2. The recommendations currently apply to all removal activities, while specifically setting out additional requirements for land-based removals and geological storage. This could be seen as implying that only these two types of activities require specific issues to be addressed. Moreover, land-based removals represent a broad category of project types, within which multiple sub-categories could require specific guidance (various types of forests, wetlands, etc.).

The way forward could be to (1) prepare more granular guidance for land-based removals and supplement the recommendation with guidance for other removal activities (e.g., ocean-based, or particular types of forests, etc.); or (2) remove the two existing appendices and produce guidance when methodologies for these specific activity types are first approved.

- 3. Para 2(b). We suggest supplementing the Definitions section with a separate definition for "verified carbon stocks" in addition to "carbon stocks". This would allow for clearer and more flexible guidance on stocks that may have already occurred but have not yet been verified.
- 4. Para 2(e). We recommend adding a definition for "activity boundary" or referring to a previously agreed definition. The recommendations only define this term with regards to accounting, but use them in other sections of the document as well.

Paras 4, 10 and further. We strongly recommend to avoid language that implies agency for "removal activities" ("Removal activities shall monitor carbon stocks"; "Removal



activities shall prepare monitoring reports"). In all such cases, the subject of the action required should be named to ensure responsibility is clear.

With regards to the document titled <u>Draft Recommendation</u>. <u>Requirements for the development and assessment of mechanism methodologies pertaining to activities involving removals</u> (A6.4-SB002-AA-A05 v. 01.0) we note the following:

- 5. Para 14. The list of incidents to be reported may be seen as arbitrary. We suggest (1) listing them in mutually exclusive and collectively exhaustive groups of incidents based on current practice; or (2) moving the listed examples from the operative part of the text into a footnote and adding other specific examples of such incidents, indicating that the list is non-exhaustive and illustrative.
- 6. Para 22. The requirement to present "information on how the proposed baseline approach is consistent with decision 3/CMA.3, annex, paragraphs 33 and 34" is already set out by (1) the RMPs themselves; (2) para 1 of this document; (3) para 40 of the draft recommendations on methodologies (A6.4-SB002-AA-A07) referring to sections 3.1-3.8 of said document that seek to operationalize paras 33-38 of the RMPs. Such duplication may require activity participants to fulfil the same RMP requirement several times for a single activity, which would be a barrier to broad participation.
- 7. Para 37. The current negative form of this requirement ("The end of the crediting period of a removal activity shall not be the end of obligations of the activity participants to continue periodic monitoring") creates significant regulatory uncertainty for activity participants and should be reworked or removed.

Any requirements for periodic monitoring beyond the crediting period should be set out in section 1.1 in constitutive language that sets out specific obligations for frequency of monitoring and the bearers(s) or such responsibility for various timeframes (e.g. "activity participants shall continue periodic monitoring beyond the crediting period for [X] years with the frequency of at least once in [Y] years").

- 8. Para 40. Even with the elaborations presented in the Information note, the requirement to quantify leakage due to market effects would create significant challenges for activity participants. We suggest further work to elaborate on this requirement and consider developing a tool that would allow the quantification of such leakage risks or referring to an existing tool.
- 9. Para 44. The current wording of the paragraph is vague and may disallow activities in land areas that are being used for biodiversity conservation and food production, but



which will have no impact thereon or have neutral effects. We suggest rewording the para to read after the comma as "if there is evidence that the activity is likely to have negative effect on achieving these objectives".

10. Para 45. Similar to para 44, the current wording is vague and prohibitive to activities that have neutral effects. We suggest elaborating on terms like "socio-economic contexts" and "local livelihoods" and rewording the requirement to specifically address situations when "there is evidence that the activity is likely to have negative effect on achieving these objectives".

We also note the full wording of the relevant RMP para 31 (e), that could mandate such a requirement: "Shall undergo local and, where appropriate, subnational stakeholder consultation consistent with applicable domestic arrangements in relation to public participation, local communities and indigenous peoples, as applicable".

- 11. **Appendix 2. Para 13 (d).** We understand that the "requirements set out in paragraph (i) to (iii) above" refers to paragraphs (a) to (c) above.
- 12. Appendix 2. Para 26. The requirement for Parties to be able to host geological storage projects only "provided that it has established laws or regulations [listed below]" will present a significant barrier to implementation and broad participation, making the Parties go through an extensive domestic regulatory process even before hosting even a single activity. It implies that the Supervisory Body is imposing additional participation requirements on Parties that is not clearly mandated by decision 3/CMA.3. We suggest rewording this requirement to call for activity participants to demonstrate how the listed elements are established by Host Party regulations, if applicable, or how they are otherwise ensured by the activity methodology.

With regards to the document titled <u>Information note</u>. <u>Removal activities under the Article 6.4 mechanism</u> (A6.4-SB002-AA-A06 v 01.0) we note the following:

- 13. **Section 4.3.3.** We suggest further elaborating on the notion of "common practice additionality" to create more clarity on how that is understood and demonstrated.
- 14. Para 169. We suggest further elaborating on the potential elements of commercial insurance schemes. In particular, there is need for better understanding of (1) how the risks for buyers would be mitigated with the use of insurance and (2) the beneficiaries of insurance schemes, (3) how the compensation will be used. The current wording of the explanation for this option seem to give no clear guidance on that, and could only be seen as purporting that the Supervisory Body would be the beneficiary.