

Input to SB005 2022 Annotated Agenda and Related Annexes

May 25, 2023 Supervisory Body United Nations Framework Convention on Climate Change (UNFCCC) RE: Input to SB005 2022 Annotated Agenda and Related Annexes

Dear Supervisory Body,

We welcome the opportunity to share with you the reflections of the CCS+ Initiative as regards the representation of 'engineered' carbon removal activities ahead of the 5th Article 6.4 Supervisory Body starting on May 31st. Specifically, the Initiative wishes to contribute to the upcoming meeting through a reflection on the Information Note entitled "Removal activities under the Article 6.4 mechanism" (<u>A6.4-SB005-AA-A09</u> version 4.0) and the implications for carbon accounting methodology development under Article 6.4.

The CCS+ Initiative is a unique multi-stakeholder initiative with approximately 50 members working together to develop a comprehensive carbon accounting infrastructure for carbon capture, utilization and storage, as well as engineered carbon dioxide removal (CDR) technologies. The Initiative covers a variety of capture, transport and storage pathways that together reflect the industrial infrastructure to deliver a fully-fledged carbon management economy. It is in line with the indispensable contribution of CDR to achieving net-negative CO₂ emissions as defined by the IPCC in its latest report (<u>IPCC AR6 Synthesis Report</u>). This dissonance is why we were concerned to read the negative perception of engineered removals in principle outlined in the Information Note, both for mentioned and unmentioned solutions.

The Initiative has submitted inputs to prior consultations on Article 6.4 and is developing a dedicated guidance note elaborating on the potentials and challenges related to the methodological harmonization of the respective rules and tools under Article 6.4 with CCS+. This is due to be published in June 2023. The guidance identifies opportunities and challenges for applying Article 6 requirements to the methodological framework of the CCS+ Initiative and related activities. It targets regulators and de-facto regulators, as well as the wider climate community spanning academia, civil society, industry, and project developers interested in facilitating the uptake of the modular methodologies developed under CCS+ while promoting consistently high integrity and robust accounting across all carbon market segments.

The Information Note however argues that "engineering-based removal activities" (narrowly defined as DACCS, BECCS and enhanced weathering) are "technologically and economically unproven", "do not contribute to sustainable development" and "are not suitable for implementation in the developing countries". Compared to land-based activities, it argues that these approaches "do not serve any of the objectives of the Article 6.4 mechanism". The CCS+



Initiative disagrees with this narrow scope of the definition used for engineered removals, as well as the characterization of their market readiness, contribution to sustainable development, and suitability for deployment in developing economies.

Submissions from leading organizations such as IETA, the Carbon Business Council, Negative Emissions Platform, and DAC Coalition have all expressed concerns about these issues. The CCS+ Initiative's primary concern to highlight relates to the impact on monitoring, report and verification approaches, carbon accounting and methodology development under Article 6.4.

The Information Note does not take a technologically neutral approach

There is a growing variety of carbon removal solutions deployed in the market. Some are more mature than others in terms of their technological readiness, general affordability and operational deployment. Mature solutions can be found across both land-based and engineered removals. The same is true for solutions with low confidence levels in terms of the durability of the stored CO_2 . All require support to become commercially viable.

The IPCC mentions this explicitly in its latest report, noting for CCS in general, including BECCS and DACS, that there are barriers to implementation, but that "*enabling conditions such as policy instruments, greater public support and technological innovation could reduce these barriers.*" It is a new commercial sector and the maturity of solutions does vary, with some ready for eligibility under Article 6.4 today and others expected to reach that stage in the coming years. The approach of the Information Note therefore not only contrasts with the scientific consensus on the need for engineered carbon removals, but also actively limits the capacity to overcome market barriers by suggesting to exclude engineered removals from Article 6.4.

The comparative analysis in the Information Note shows a framing of engineered removals that does not differentiate the included solutions according to their maturity. Instead, it brands all engineered removals as technologically and economically unproven, not conducive to sustainable development, nor contributing to the objectives of the Article 6.4 mechanism. Land-based removals, on the other hand, are presented with little reference to downsides, even though these are widely reported in terms of risk of competition for land, food and water. As a result, the Note shows an unbalanced dichotomy between land-based and engineered solutions that ostensibly 'picks winners' on the basis of criteria other than merit.

This impacts the Supervisory Body's legitimacy to develop standards

The potential climate change mitigation impact of the Article 6.4 Mechanism cannot be underestimated. Against that background, the design of the Mechanism matters. Once operational, the Mechanism can promote consistency across methodologies applied



under Article 6, including under Article 6.2, providing an international platform for the development of common, detailed approaches. Such consistency can promote the high integrity of carbon credits across carbon markets, setting a universal quality threshold for carbon accounting.

Establishing a global standard for methodologies for carbon removal activities, including novel removal activities, requires buy-in from market participants and other stakeholders. Carbon market rulesetters across the world are eagerly awaiting the guidance and methodologies to be developed under Article 6.4. However, unduly criticizing engineered removals, or leaving them out of the scope of Article 6.4 entirely, represents a missed opportunity for global harmonization. It also generally undermines the standard-setting role of the Supervisory Body by negatively affecting the perceptions held by market participants and national representatives with an interest in engineered removals.

In reality, a growing number of countries already rely on engineered removals for their NDCs, although the basis of carbon accounting methodologies and MRV rules is still under development. Accepting methodologies for use under Article 6.4 will help drive the emergence of a standard for years to come as the world progresses to net zero emissions. Removing engineered removals from Article 6.4 will make it more difficult for countries to achieve their climate targets under the Paris Agreement. As it stands, the CCS+ Initiative is of the opinion that the views held by the authors of the Information Note do not provide a basis for the development or authorization of carbon accounting methodologies for engineered removal solutions.

The CCS+ Initiative therefore calls on the Supervisory Body to reconsider the information provided by the UNFCCC Secretariat and ensure that stakeholder inputs are taken into account, where relevant. Doing so may help achieve a more balanced representation of carbon removal solutions, based on objective assessment criteria that are rooted in science, technological readiness and market potential. And that in turn is a legitimate foundation for the development of standard-setting carbon accounting methodologies.

We would gladly discuss this further with the Supervisory Body. Thank you for your efforts in bringing Article 6 to life. We look forward to continuing our support.

Sincerely,

Christiaan Gevers Deynoot Deputy Secretary General, CCS+ Initiative