

Dear Supervisory Body,

Microsoft is aware of the following [current open call](#) for inputs regarding the fifth meeting of the Article 6.4 Supervisory Body.

Given the May 25, 2023 due date and subsequent short submission window, Microsoft kindly offers the following points as *informal comments* for the Supervisory Board's consideration rather than a formal submission. Given the immense interest, and emerging action, within the carbon removal field on high durability engineered based removals, Microsoft anticipates a longer submission window would yield more meaningful stakeholder engagement on this topic.

- 1. Engineered activities serve Article 6.4 objectives:** Section 3.2 of the preparatory [information note](#) regarding eligibility of activity types under the Article 6.4 mechanism indicates the position that Engineering-based activities are “technologically and economically unproven, especially at scale....do not contribute to sustainable development, are not suitable for implementation in the developing countries and do not contribute to reducing the global mitigation costs, and therefore do not serve any of the objectives of the Article 6.4 mechanism.” Microsoft believes that engineered approaches have a key role to play in carbon removal, and supports the position set out in the recent Negative Emissions Platform response to the working group that “excluding engineered removals would contradict the existing scientific consensus as underpinned by the IPCC that such activities are essential to combating climate change. Many engineered approaches lead to permanent storage of CO₂, often through geological sequestration, which offers enduring mitigation outcomes fundamental to achieving the Paris goal of limiting global warming to 1.5C.”
- 2. An ‘all of the above’ approach to removal activities is needed:** Microsoft would like to highlight a differing perspective than that contained in section 3.2 of the preparatory [information note](#) regarding the applicability of Engineered activities as it relates to the Article 6.4 mechanism. This point was included in Microsoft's most recent [submission](#) to the Supervisory Board.
 - “Given the long project development timelines in this space, simultaneously pursuing both nature-based and engineered removal pathways is critical towards meeting the long-term temperature goals of the Paris Agreement. An “all of the above” strategy is needed to meet these ambitious global goals. The carbon removal market that is needed by 2030 must be created now, and Microsoft looks forward to continuing to engage with the Supervisory Body as it takes this work forward.”
- 3. Firm support for high-quality removal is needed now to meet IPCC timelines and avoid stranded assets:** The Voluntary Carbon Market (VCM) is moving now towards the creation of, and funding for, engineered based removals such as Direct Air Capture (DAC) or Bioenergy Carbon Capture and Storage (BECCS) among others. Engineered based removal activities do require technological improvements to be deployed at scale. In order to scale engineered based removals and provide permanent carbon removal at scale by midcentury, pilot and demonstration plants must be built *now*. Given the IPCC's guidance that dramatic action is needed at a global scale over the next decade, action is needed now to create the market of the future. Failure to include engineered removal activities under the Article 6.4 mechanism risks stranding billions of dollars in voluntary carbon market investments over the coming decade. This risk will cause private actors to hesitate before making the necessary investments to grow the carbon removal market.

Many thanks for considering Microsoft's thoughts on this matter. We hope they will prove instructive for the Supervisory Body's upcoming meeting.

Kind Regards,