

Name of submitter: _____Gilberto_____

Affiliated organization of the submitter (if any):

<https://www.carbon-recycling.eco>

Contact email of submitter: _____

Date: 26/09/2023

Legend for Columns

- 0 = Main document or Appendix (provide Appendix number)
- 1 = Section Number in the document or Annexes
- 2= Paragraph, table or figure number
- 3 = Nature of input is general, technical or editorial
- 4 = Comment – the actual feedback or observation, including justification for what needs changing
- 5 = Proposed change – suggest the text if possible
- 6 = Assessment of comment – secretariat to document response/action taken to comment

0	1	2	3	4	5	6
M or A#	Section no.	Para., table or figure no.	Type of input G = general T = technical E = editorial	Comment	Proposed change (Include proposed text)	Assessment of comment (Completed by secretariat)
M	4.1	8	G	<p>The NDC implementation by means of a nationally regulated carbon pricing and/or carbon offset market mechanism is highly desirable, for all parties of the Paris Agreement. The A6.4 is an opportunity for that purpose, and the national, supra/subnational trading schemes shall be promoted, in special when they are based on the same registry system as the UNFCCC A6.4 and A6.2 mechanisms, under the Sharm el Sheikh regulations. We have proposed in previous submission on the A6.4 registry (https://unfccc.int/sites/default/files/resource/SB006 Call for input mechanism registry Carbon%20Recycling.pdf), that the SB could establish a “Standard” for regulated carbon market registry system, employing the standardized tokenization of the records related to mitigation outcomes by means of activities and MOs registrations and MRV processes, first transfers of ITMOs, and implementation of Corresponding Adjustments at NDCs and global stocktakes. We suggest here that this situation is also covered by the introduction of the 8(c) for host country participation, see the draft in the next column.</p> <p>For the NDCs at the more initial stage of ambition within the ETF, this scenario may appear rather futuristic, but the A6.4 should be used as a mean to promote this development. The interconnected regulated carbon markets worldwide will tend to make the most rational allocation of mitigation efforts and public and private financial means among the parties. It is remembered that the host</p>	<p>8(c) If the host country has implemented a national or subnational regulated flexible mechanism for the NDC implementation, or takes part in a supranational regulated carbon market mechanism under the A6.2 or any other cooperative approach with other parties, and this mechanism is accredited by A6.4 SB under the “A6.4 Mitigation Outcome Registry Standard”, the host country may indicate which of the functions of the registry will be centralized performed by A6.4 SB registry authority, and which functions are performed by the decentralized climate authority responsible for the national or sub/supranational mechanism registry.</p>	

Call for public input – Template for input				Draft Procedure: Article 6.4 mechanism activity cycle procedure for projects (ver. 03.0)		
0	1	2	3	4	5	6
M or A#	Section no.	Para., table or figure no.	Type of input G = general T = technical E = editorial	Comment	Proposed change (Include proposed text)	Assessment of comment (Completed by secretariat)
				countries may charge A6.4 financial outcomes with taxes, shares, interests, royalties, etc. and there will be a competition among the host countries, at one side, and among the donors or promoters or ITMOs users, at the other side, for the best conditions for carbon projects implementation. This may result in a quicker development of the NDCs levels of ambition, accelerating the achievement of the Paris long term goals of emissions reductions and temperature threshold.		
M	4.2	9	G	If a host country decides to change its adherence conditions the A6.4 mechanism (e.g. changing the allowable length of crediting periods, or withdrawing the authorization for activities in one specific sector, e.g. forests, or wastes, etc.) this will occur in the course of the internal decision to allow or not to allow the first transfers of ITMOS for the foreign appropriations, and eventually enhancing the national ambition to an accelerated NDC ambition level, e.g. by introducing a national carbon market mechanism, or by joining another cooperative approach under 6.2. The status of the already implemented activities that may be financially affected by this decision should not be part of the A6.4 SB decision frame. It is an internal decision of the host country DNA with the activities participants at the agreement conditions settled down between them before the authorization is given. The activities participants, depending on the offering and demanding conditions of the host country, when negotiating authorizations for the activities, shall seek an adequate agreement covering the regulatory risks, and these agreements shall have clauses covering these contractual risks, including host country (and not UN) judicial authority to decide in the case of breaches to the contractual conditions.	9. Each host Party shall, through its DNA, provide the information referred to in paragraph 7(d)–(e) above, and if the host Party opts to do so, also the information referred to in paragraph 8(a) and/or 8(b) above, to the Supervisory Body through a dedicated interface on the UNFCCC website. A host Party may, through its DNA, revise the information any time by providing the revised information through the same interface. The revised information shall not affect the A6.4 projects that have already been registered or the requests for registration that have already been submitted to the secretariat in accordance with this procedure. ⁵	
M	4.2	12 to 15	G	The prior consideration was a very important tool in the CDM, because of the importance of <u>additionality</u> as the only means to verify the contribution of a CDM PA to the global emissions reductions, what was usually termed "environmental integrity". However, in the Paris Framework, more important than the environmental integrity of the activity themselves,	Please refer to the suggestion at the side, and if agreed, make the necessary changes in the procedure to make the prior consideration and their registry a step to be carried out by the DNAs, communicating them to the UNFCCC Secretariat after the due consideration has been acknowledged by the host country.	

Call for public input – Template for input				Draft Procedure: Article 6.4 mechanism activity cycle procedure for projects (ver. 03.0)		
0	1	2	3	4	5	6
M or A#	Section no.	Para., table or figure no.	Type of input G = general T = technical E = editorial	Comment	Proposed change (Include proposed text)	Assessment of comment (Completed by secretariat)
				is the environmental integrity of the NDC implementation process within the Article 13 ETF. The A6.4 activities shall be evaluated about their contribution to the host NDC and the resulting corresponding adjustments (CAs) to the NDC, demonstrating the positive impact to the global stocktakes. Therefore, we propose that the prior consideration of the activities shall not be checked by the UNFCCC centrally, but by the host countries NDCs: the activity participants shall demonstrate their intention to implement the activity to the relevant DNAs, and these DNAs are responsible to declare or to confirm to UNFCCC these activities have been priorly considered as contributions to the NDC.		
M	4.3 and 4.4	16 to 23	G	<p>Consistent with the above, not only the project prior consideration should be confirmed by the host DNA, but also the step 4.4 (Host Party Approval) should precede the step 4.3 (Global Stakeholder Consultation). All A6.4 activities are, necessarily, part of the host country <u>national contribution</u> to climate mitigation, and they are primarily accounted as belonging to the NDC, before it is allowed by the DNA (under the proper incidence of all taxes, shares, participations, and by carrying out the corresponding adjustments to the NDC) to be authorized for ITMOs generation. Afterwards all first authorized ITMOs will be necessarily engraving the host country contributions by means of the Corresponding Adjustments - CAs. Therefore, the prior consideration and the host country approval shall be the first steps for any A6.4 (and for cooperative approaches under A6.2). If there is a fear of stranded investments by activities participants for the project design, we could bind these two preliminary steps not to the full version of a PDD, but to a kind of “Project Proposal Document – PPD”. During these two steps the activity participants under negotiation with the host DNA may even conclude that the project is better fitted to a national contribution (internal ‘market’) or to a running or under conception A6.2 approach, instead of the A6.4 route.</p>	To invert the sequential steps 4.4 and 4.3, connected to a preliminary version of the project design, e.g. a “Project Proposal Document – PPD”.	
M	5.2	70	G	The expert review team in charge of the review	70. In addition, the expert review team shall, in its	

Call for public input – Template for input				Draft Procedure: Article 6.4 mechanism activity cycle procedure for projects (ver. 03.0)		
0 M or A#	1 Section no.	2 Para., table or figure no.	3 Type of input G = general T = technical E = editorial	4 Comment	5 Proposed change (Include proposed text)	6 Assessment of comment (Completed by secretariat)
				process may also raise findings not only related to the “policies and goals of the Article 6.4 mechanism” settled down by the SB, but also the consistency of these policies, goals, and methodological aspects with the “Modalities, procedures and guidelines for the transparency framework for action and support referred to in Article 13 of the Paris Agreement”, the Enhanced Transparency Framework by means of the appropriation of the A6.4ERs in the host country NDC implementation of “Corresponding Adjustments” and for the appropriation of these A6.4ERs by user NDCs.	assessment report, highlight any issues of significance related to the policies and goals of the Article 6.4 mechanism arising from the assessment, <u>including findings regarding the consistency of the A6.4 process with the Biannual Transparency Reports – BTRs and Annual Inventories of the host country and/or user country NDCs when implementing the Corresponding Adjustments – CAs, and their implications to the global stocktakes.</u> The secretariat, in consultation with the Chair of the Supervisory Body, shall bring these issues to the attention of the Supervisory Body by preparing background notes and policy options and presenting them to the Supervisory Body at its meetings.	
M	8	Paras 132 to 186	G	<p>The issuance of A6.4ERs is not as trivial as it may firstly appear, because there are two very intimately connected procedures that are necessarily to be jointly implemented for the operation of the A6.4 mechanism: (a) the Corresponding Adjustments (CAs) to be proceeded by the host country(ies) DNAs, which affect the national inventories at the year(s) where the baseline, activity and leakage emissions occur and (b) the use of the A6.4ERs by another NDC. Please refer to our comments/suggestions to the Project Standard documentation in this same call for input, and our input to the public call on the registry system</p> <p>https://unfccc.int/sites/default/files/resource/SB006 Call for input mechanism registry Carbon%20Recycling.pdf.</p> <p>Just as an exemplary case: if there is a project activity related to wastes composting, and the wastes are diverted from their disposal at an anaerobic disposal site without methane recovery, the A6.4ERs will consist of the avoidance of the methane emissions at that disposal site, in the following years (up to decades, when the IPCC First Order Decay model to the wastes methane formation applies). The issuance of A6.4ERs may follow two alternative methods: (i) the entire methane amounts avoided for all the future years are issued at the single year the wastes have been composted, and the entire ITMOs amounts are first transferred from the host country NDC, and for this</p>	Evaluate how to redraft the section for the relevant points, if the issues raised by the side comments are found necessary to be addressed.	

Call for public input – Template for input				Draft Procedure: Article 6.4 mechanism activity cycle procedure for projects (ver. 03.0)		
0	1	2	3	4	5	6
M or A#	Section no.	Para., table or figure no.	Type of input G = general T = technical E = editorial	Comment	Proposed change (Include proposed text)	Assessment of comment (Completed by secretariat)
				<p>issuance two possible procedures for the corresponding adjustments may be followed: (i.1) the NDC is correspondingly adjusted by adding to the host country national inventory for that same year when the waste is composted the entire amounts of emissions first transferred due to the activity, or, (i.2) the host country engraves its future inventories to add an annual adjustment for the ERs first transferred due to the activity at that previous year, and the future national inventories will thus have an yearly added amount of emissions attributable to the baseline emissions scenario of the wastes disposal if the composting would not have taken place. (ii) Alternatively, the A6.4ERs issuance and first transfer of ITMOs may be proceeded at a year-by-year basis for the subsequent years during the crediting period (or even afterwards, because the ERs are real and attributable to the project activity even beyond the crediting period). In this last case, the corresponding adjustments are yearly additions to the host country NDCs, equivalent to the first transferred ITMOs during the crediting period and being accounted as national MO achievements by the national inventories, without the first transfers of ITMOs, for the years beyond the crediting period. Similarly, leakage emissions and project activity emissions may also occur either in non-simultaneous temporal scales or in regulatory frames external to the NDC (e.g. leakage effects outside the national boundary of the host country). Finally, the utilization of ITMOs by user NDCs also may be subject to restrictions for temporal and/or sectoral appropriations. The ITMOs for removals should be necessarily bound to an expiration date (see our other inputs) and the ITMOs for emissions reductions may also be subject to a time validity. In the sectoral restrictions, if they are in place, the A6.4ERs issued for wastes sector and methane emissions reductions at a host country may be subject to restriction and not allowed to be used by another NDC to demonstrate its contribution for the scope of energy, for example. The method to be used for issuance and first transfers of A6.4ERs, based on single or multiple pulses of ITMOs issuances and single or multiple pulses of</p>		

Call for public input – Template for input				Draft Procedure: Article 6.4 mechanism activity cycle procedure for projects (ver. 03.0)		
0	1	2	3	4	5	6
M or A#	Section no.	Para., table or figure no.	Type of input G = general T = technical E = editorial	Comment	Proposed change (Include proposed text)	Assessment of comment (Completed by secretariat)
				Corresponding Adjustments, and for use of A6.4ERs by external NDCs, shall be set by the A6.4 methodology, based on the guidance by the Article 13 ETF M&P (the method for accounting NDCs outcomes, BTRs and national inventories). Therefore, the registry system for the A6.4 Issuance shall be able to track conditions pertaining the different boundaries (temporal, regulatory, sectoral, material, etc.), please refer to our suggestions at the call for inputs on the A6.4 Registry above mentioned.		

Vitória, Espírito Santo, Brazil, September 26, 2023.

Prof. Dr.-Ing. Gilberto Caldeira Bandeira de Melo
Cooperative Member
www.carbon-recycling.eco