

SUBMISSION BY AILAC TO THE SUPERVISORY BODY OF ARTICLE 6.4 MECHANISM ON ACTIVITIES INVOLVING REMOVALS

15 April 2024

The AILAC group of countries (Colombia, Costa Rica, Chile, Guatemala, Honduras, Panama, Peru) submits these comments in response to the call for input “Further input - Requirements for methodologies and activities involving removals on document [A6.4-SB009-A02: Activities involving removals under the Article 6.4 mechanism \(version 01.0\)](#)”.

GENERAL COMMENTS AND RATIONALE

1. The Supervisory Body, in its A6.4 removal guidance, should aim for rigorous criteria for environmental integrity at the activity level, while not making nature-based removal activities unviable for activity proponents, but instead further encourage them with the specific criteria needed. AILAC argues that the balance between these two would actually be beneficial for environmental integrity at the global scale, by generating more net mitigation in aggregate with A6.4 removal activities and also significant sustainable development benefits for adaptation, biodiversity, soil and water resource conservation; even though there will be potential reversal events for individual activities that need to be addressed.
2. In a world with higher climate risks, and therefore higher risk of reversals for nature-based solutions in the form of fires, floods, droughts and wind damage, nature-based solutions may be of higher risks or have higher level of additionality depending on the perspective applied to the methodologies. Nowadays, some of these activities are implemented in areas where the risk is lower in order to secure better results. These activities are not being scaled up sufficiently in other areas because of the perceived high risk of reversals.
3. In a world with increased climate risks in virtually every corner of the planet, we need MORE, nor less, nature-based REMOVAL activities. As a result of this reality, the guidelines for removals should thrive for better planning based on national circumstances and having into account that we need to make up for losses with higher areas covered with nature-based solutions. This is the case for AILAC countries. Our countries need to considerably ramp up restoration of degraded lands and mangroves, reforestation, regeneration, revegetation, productive restoration with agroforestry and silvopastoral systems, all with appropriate safeguards. There is a need of regional and national approaches for the implementation of this activities so that in an aggregate the net result is positive in terms of CO2 removed from the atmosphere.
4. In addition, it is important to consider the co-benefits of these activities as part of their implementation. Currently, Latin America is living severe droughts, affecting the production of electricity, food security and water availability and consequently affecting livelihoods; we are aware of the sustainable development tool that is currently being developed, however it must be considered as a part of the evaluation of the projects. The latter could demonstrate better planning processes and reduce future risks.

5. Coming back to the Guidance on removal activities for A.6.4, there should be a balance between all the elements that are going to be evaluated. Regarding the accounting element, we believe that national level activities can reduce the risks of leakage, as well as secure monitoring and reporting. We understand the existence of higher risks, and in this situation it is useful to create a system for risk assessment level in which the activity participants, host party and the acquiring party can share responsibility, as appropriate, in a transparent way.
6. AILAC therefore calls for modifying the requirements for reversals for nature-based solutions in particular to make these activities financially viable for activity proponents. Also, by spreading the risk management activities to buyer countries as well and to the overall mechanism, and not only limit them to the activity proponent and host country, particularly for unavoidable reversal events. Take the hypothetical case of a state with a forest restoration project generating A6.4 ERs. If a hurricane comes through and devastates the forest reversing more than 70% of the carbon having been removed by the forest, it is unfair to make that state liable for all the loss, given that the weather event was likely to have been intensified due to climate change, for which there is a collective responsibility by all Parties with a higher share from industrialized countries. Therefore, it makes sense to cover those risks with a joint responsibility of a global buffer, host and purchasing country, and OMGE as a last resort.
7. In addition, A6.4 Removal guidelines need to differentiate requirements for nature-based solutions (restoration, afforestation, regeneration, revegetation, reforestation) from technological removals where necessary. The guidance on the distinction of anthropogenic vs. non-anthropogenic removals is key, considering that some technologies have a negative social and/or environmental impact, which is not necessarily the case of nature-based removals.

SPECIFIC POINTS

1. On para 6 a) in the definition of removals, it should be clarified that **for activities involving natural ecosystems, anthropogenic activities need to be demonstrated and distinguishable from removals primarily driven by the natural carbon cycle.**
2. On para 8, it should be added that **methodologies should include calculations of associated uncertainties.**
3. On para 20 b) the duration of the post-crediting monitoring period obligation must be specified in this guidance, a timeframe that is viable to hold from a contractual standpoint by activity proponents. Currently this time frame is unspecified and this generates a lot of uncertainty for potential activities. It would be unwise to demand impossibly long periods of time such as 100-years which may make sense from a carbon-cycle point of view but to which no activity proponent would commit contractually to. **There could be a differentiation in the commitment by the activity proponent to monitor the project post-crediting period at a detailed level for a number of years (e.g. 5 years), and an obligation to monitor the project at a lesser detail (e.g. with remote sensing) for another 10 years in a subsequent phase. At a maximum, the post-crediting monitoring period should be no longer than the duration of the crediting period including renewals.**

4. On para. 30, it should be indicated that **for activities involving both reductions and removals, they should be disaggregated in the accounting (both in the monitoring report, as well as the verification and certification report).**
5. On Section 3.6.1., para. 33, the **SB ought to propose clearer guidance on unavoidable reversals vs avoidable reversals** so that it is easier to distinguish among them because the liability risks are different and the addressing of reversals is different. **Governance risks** should also be named in 33 b), and **floods, wind damage, landslides and other natural disasters and extreme events** in 33 c).
6. On para 37, the risk assessment tool is necessary to define the proportion of 6.4ERs that would go into the buffer (as per para. 53), so **its development should be prior to any approval or adoption of methodologies involving activities with risks of reversals.**
7. As an additional paragraph after para 37, **reversals should be documented also in reference areas when methodologies incorporate these.**
8. Although necessary, the provision on Para 39 may discourage reporting of potential reversals; it could be added that **the same limitation (not being able to issue, transfer or cancel ERs) may happen if it is found that a report of a reversal was not submitted within the timeframe required by paragraph 38.**
9. On para 52, the buffer created for addressing unavoidable reversals **should have contributions from all Article 6.4 activities and not only removal activities**, in the recognition that unavoidable reversals are due to a great extent to increased climate risk. In the case the pooled buffer is not enough to cover reversals, **a combined host party-purchasing party contribution of would need to occur, and not exclusively for host parties** as mentioned in para 64 b). **As a last resort, OMGE credits could be counted to compensate for reversals.**
10. On para 60, there should be specific criteria on how to determine unavoidable reversals and the requirements for addressing those. **Unavoidable reversals shall take into account attributed effects of climate change such as increased incidence of droughts, higher temperatures, increased precipitation events and cyclones.**