Call for public input – Template for input A6.4-SB009-A01 (methodologies) or A6.4-SB009-A02 (removals)

Name of submitter: Brazil (Government)	Legend for Columns
Affiliated organization of the submitter (if any):	0 = A6.4-SB009-A01 (methodologies) or A6.4-SB009-A02 (removals) 1 = Section Number in the document
Contact email of submitter: dclima@itamaraty.gov.br	 2= Paragraph number 3 = Comment – the actual feedback or observation, including justification for what needs changing
Date: 15/04/2024	4 = Proposed change – suggest the text if possible

0	1	2	3	4
Meths or Removals	Section no.	Para. no.	Comment	Proposed change (Include proposed text)
Removals	3.2	16-20	The document emphasizes the need for project monitoring after the credit period and states that the project should carry out monitoring measures, reports, verification, and remediation to confirm the ongoing existence of removals. It also requires addressing any reversals of removals for which credits were issued during the active credit period(s) of the activity. However, it does not specify the duration of this monitoring. It is crucial to establish a reasonable period so that the project does not have excessive obligations, even after the completion of the activity, to avoid discouraging project implementation.	16. Monitoring shall also be conducted after the end of the last active crediting period of the activity, <u>at most for</u> <u>5 years (in line with the frequency of monitoring report</u> <u>submission)</u> to ensure that the residual risk of reversals of removals for which 6.4ERs were issued is negligible and/or that potential future reversals are remediated.
Removals	3.3	22. c)	The document mentions the need for project monitoring reports to include "Records and logs of observed events that could potentially lead to the reversal of removals as well as a summary of any reversal notifications that were submitted during the monitoring period ". We understand that due to operational difficulties in specifying and monitoring all observed events, it would be ideal to report the incident if and when it occurs. Otherwise, there will be a significant margin for subjectivity regarding what could potentially lead to reversals in the future.	(c) Records and logs of observed events that could potentially lead have led to the reversal of removals, if and when they occur, as well as a summary of any reversal notifications that were submitted during the monitoring period;
Removals	3.3	24	The text suggests that methodologies should include provisions to specify the minimum frequency of monitoring report submission, which will be tied to project risk assessment results and can range from 1 to 5 years. Monitoring over short periods imposes obligations that often generate difficulties in operationalizing and making projects viable, leading to increased costs. Similar to the Clean Development Mechanism (CDM), a 5-year period would be sufficient to ensure project integrity. Generally, in the forestry context, mandatory annual monitoring periods make little sense as there isn't significant biomass growth within that timeframe, even in countries with favourable soil and climate conditions.	().Based on the results of the risk assessment referred to above <u>and the nature of the activities under</u> <u>consideration</u> , the frequency may range from one to five years from the submission date of the first monitoring report.

Call for pub	Call for public input – Template for input <u>A6.4-SB009-A01</u> (methodologies) or <u>A6.4-SB009-A02</u> (removals)				
0	1	2	3	4	
Meths or Removals	Section no.	Para. no.	Comment	Proposed change (Include proposed text)	
Removals	3.4	27	Regarding the accounting of removals, the document highlights the need for annual calculation of the credit period. This requirement presents contradictions with the reporting periods of monitoring reports and should consider an annual average over the established monitoring period.	Removals eligible for crediting shall exceed the applicable baseline determined in accordance with requirements for the development and assessment of Article 6.4 mechanism methodologies and are calculated for each year in the crediting period or <u>based on an annual average over the established monitoring period, according to the nature of the activity.</u>	
Removals	3.5	31	One of the requirements of the document is the application of the latest version of the methodology upon credit period renewal. If applied without any caveats, this criterion introduces a high level of uncertainty for projects, as new methodologies may entail significantly different rules from those that underpinned the project investment, potentially rendering projects unviable. Therefore, instead of mandating the full application of a new methodology, it is suggested that project participants have the flexibility to (i) adopt the new methodology, or (ii) update only the project's baseline, or (iii) continue applying the previous methodology for a shorter period than the next credit period.	At the renewal of the crediting period, activities involving removals shall apply the latest version of the applicable methodology. <u>32 bis. If activities are already ongoing, at the renewal of the crediting period, activity participants may:</u> (i) <u>adopt the latest version of the methodology, or</u> (ii) <u>update the project's baseline and continue</u> <u>applying the previous methodology for a shorter period than the next credit period, to allow for a transition.</u>	
Removals	3.6.3.1 and 3.6.3.3.	52 and 60	The use of buffers is a well-established practice in the voluntary carbon markets and can be a significant solution. However, depending on the technical details, there is a risk of higher transaction costs due to the need to ensure appropriate treatment of non- permanence risk. Regarding the operationalization of the buffer, the document distinguishes between avoidable and unavoidable reversals for the use of buffer credits, allowing only the use of the buffer for unavoidable reversals. However, avoidable reversals should also have access to buffer credits, as they are considered in the Risk Analysis and determine the volume of credits to be allocated to the buffer.	52. The Article 6.4 Supervisory Body shall establish a Reversal Risk Buffer Pool which serves to insure against the general risk of, and to remediate, unavoidable reversals <u>and avoidable reversals</u> , <u>under specific</u> <u>conditions</u> , under the 6.4 mechanism. Activity participants applying guidance in this document for activities involving removals shall contribute 6.4 ERs to the Reversal Risk Buffer Pool, which are cancelled in the event of an unavoidable reversal <u>or avoidable reversals</u> , <u>under specific conditions</u> , in a way to prevent perverse incentives towards inadequate risk management.	
Removals			Baseline: When analyzing the criteria related to the inclusion of removals in Article 6.4, it becomes clear that most of the general criteria for baseline defined in Glasgow (COP26) and in the document "Standard: Article 6.4 activity standard for projects" do not make sense for the forestry context. The removals document of SB6.4 does not provide any specificity of baseline, which leaves room for the adoption of what was defined in COP26. Therefore, it is essential to have specific criteria for determining the baseline of forestry projects.		

Call for public input – Template for input A6.4-SB009-A01 (methodologies) or A6.4-SB009-A02 (removals)					
0	1	2	3	4	
Meths or Removals	Section no.	Para. no.	Comment	Proposed change (Include proposed text)	
Removals			In a previous submission, ABU (now Group Sur) addressed the need to review the temporal criteria for eligibility of activities involving removals in Aforestation/ Reforestation. The CDM rules established the date of 12/31/1989 as the limit for there to have been some type of forest. The challenge at hand would require updating the criteria so that it allows for much needed incentive to afforestation/reforestation activities in already degraded areas while not creating a perverse incentive for increased deforestation. With this view, our suggestion is that a simple criterion be adopted, whose restriction should be focused on the absence of native forests and ecosystems 15 years before the project. Notwithstanding the above, no area of native vegetation subject to deforestation after 2020 will be eligible for future restoration projects under the SDM for 30 years. The efficacy of this clause would be reviewed in 2050.	 3.8. Avoidance of other negative environmental and social impacts 3.8.V. Afforestation or reforestation project activities W. An afforestation or reforestation project activity is eligible under the Article 6.4 mechanism only if the land area has been absent of native forest and ecosystems at least 15 years before the submission of the project. X. In addition to the above requirement, no land area subject to deforestation after 2020 will be eligible for reforestation project activities under the Article 6.4 mechanism for 30 years. Y. Assessment of eligibility on these criteria will be carried out by using the definition of native forest and ecosystems adopted by the host Party for the purpose of the Article 6.4 mechanism. Z. The Supervisory Body shall review the efficacy of clause X by 2050. 	
Meths	7	93	Methodologies Transition: It is important to define specific rules for the transition of methodologies for removal projects. Both documents (Meths and Removals) have not yet made progress on specific issues regarding removals, particularly concerning the treatment of non-permanence and reversals, which remain unresolved.		