

**Comments on Options to revise the recommendation on the requirements
for Article 6.4 methodologies, taking into account stakeholder inputs
(Version 02.0; A6.4-SBM013-AA-A11)**

Input by the Russian Federation

General, throughout the text	• The RMPs do not imply any differentiation in the treatment of A6.4ERs resulting from reductions and removals, namely, through the use of different unit types. This approach should be retained throughout the document. • Introduction of new terminology that does not add to the clarity (for example, “permanent net atmospheric effect”) should be avoided. • The concept of tonne-year crediting is not yet well established in practice. Therefore, it should not be imposed in the requirements.
P.11	40. Paragraph 18. <u>With a view to encourage ambition of activities over time</u> Mechanism methodologies shall contain provisions to ensure that total creditable amount of emission reductions are progressively reduced<u>the activity complies to rigorous additionality criteria and the baseline is set taking into account the most up-to-date regulatory conditions and practices including through reassessment of baselines at each renewal of a crediting period to encourage ambition of activities over time</u>, while taking into account host Party circumstances and creditable amount of emission reductions required to remove barriers to the deployment of technologies as described in paragraph 19 below Current framing focuses on the limitation of the issuance. Such an approach does not necessarily guaranty raising ambition, but is directly impacting decision-making for private sector, discouraging it from participation. Consequently, the overall climate action through market mechanisms would decrease. An alternative approach could imply regular baselines reassessment, namely, at the renewal of a crediting period, and rigorous additionality testing.
P.13-14 Para 56-62	4.2. Being real, transparent, conservative, credible Introduction of issues that do not fall into the scope of requirements for methodologies, such as limitation of the use of emissions reduction, corresponding adjustments, etc., is inappropriate.
P.15	80. Paragraph 24. Mechanism methodologies shall contain provisions aimed at <u>most accurate</u> the conservative estimation of emission reductions or removals from the measures applied, options chosen, or assumptions made, and <u>if sufficient accuracy cannot be ensured</u> shall <u>provide for the conservativeness of estimations so as not to</u> overestimate the emission reductions or removals from Article 6.4 activities Precision of estimations for the creditable amounts rather than their minimization is to be prioritized. Thus, the conservative approach is to be applied in the cases where accuracy cannot be ensured.
P.16-17	91. Paragraph 26. Mechanism methodologies shall contain provisions to ensure that emission reductions or removals are real, transparent, <u>accurate and</u> conservative and credible by: (a) Including robust, transparent and user-friendly measurement <u>and</u>, reporting <u>and verification systems with verifiable data</u>; (b) Requiring the use of technical performance standards that are data driven; (c) Including requirements to demonstrate changes in GHG emissions that transparently shows each step in the calculations and the results, and ensure that Precision of estimations for the creditable amounts rather than their minimization is to be prioritized. Thus, the conservative approach is to be applied in the cases where accuracy cannot be ensured. Verification is expected to be addressed at the mechanism level and is excessive in a methodology requirements. Also on some inputs by stakeholders: Introduction of issues that do not fall into the scope of requirements for methodologies, such as

	the calculated emissions reductions or removals are uniquely achieved by and attributable to the activity; (d) Adopting life cycle approaches and considering embodied emissions of materials and products, where relevant; (e) Choosing the most conservative emissions baseline when multiple sources of data and parameters are available to set the baseline <u>with the similar level of uncertainty</u>	limitation of the use of emissions reduction, corresponding adjustments, etc., is inappropriate. Life cycle approaches have limited applicability and should not be introduced as a universal requirement.
P.18-19	4.3. Establishing that the selected baseline is below business-as-usual 124. Paragraph 31. Mechanism methodologies shall contain provisions for contributing to the equitable sharing of mitigation benefits between participating Parties. These may include one or more of the provisions below: (a) Justification Conditions to ensure that the total length of the crediting period(s) of activities is shorter than the lifetime of the technology implemented where there is very high confidence that emission reductions from the technology continue to be achieved beyond the end of crediting period(s); (b) The application of conditions specified by the designated national authorities (DNAs) that ensure host Party benefits are retained.	The rationale behind this criteria is to ensure quality and ambition of activities. However, it should not create artificial barrier to activities themselves. The criteria could be addressed on a case by case basis in each methodology, taking into account the requirements for baselines reassessment, additionality check, as well as applicability to the activity type. The latter should imply that discounting or artificial change of the baseline against the BAU scenario does not prove to stimulate more ambitious action, these methods should not be applied. An additional tool could be developed for this purpose.
P.19-23	4.4. Contributing to the equitable sharing of mitigation benefits between participating Parties 124. Paragraph 31. Mechanism methodologies shall contain provisions for contributing to the equitable sharing of mitigation benefits between participating Parties. These may include one or more of the provisions below: (a) Conditions to ensure that the total length of the crediting period(s) of activities is shorter than the lifetime of the technology implemented where there is very high confidence that emission reductions from the technology continue to be achieved beyond the end of crediting period(s); (b) Therefer to the application of conditions specified by the designated national authorities (DNAs) that ensure host Party benefits are retained. 135. Paragraph 32. The Supervisory Body will establish a process for host Parties to communicate their approach to the operationalisation of paragraph 31(b) above. 137. Paragraph 33. The Supervisory Body may prepare recommendations for host Parties, to assist them in the consideration of equitable sharing of mitigation benefits between participating Parties including co-benefits in	With the understanding that the notion of “equitable sharing” is to be defined by the participating Parties, requests for further work by the Supervisory body on this matter seems excessive. Approach that provide the DNA with an opportunity to specify conditions that ensure “equitable sharing” on behalf of the host Party seems reasonable. Should any illustrative examples of benefit sharing be needed, the following issues could be mentioned: - Facilitation of scalable technologies and solutions in the host Party, - Lasting use of technologies and infrastructure employed in the activity after the end of the crediting period, - Contribution to sustainable development.

	mechanism methodologies. Possible options to ensure equitable sharing could include, but are not limited to the solutions that rely on: <u>illustrative examples of benefit sharing be needed, the following issues could be mentioned:</u> - <u>Facilitation of scalable technologies and solutions in the host Party,</u> - <u>Lasting use of technologies and infrastructure employed in the activity after the end of the crediting period,</u> <u>Contribution to sustainable development.</u>	
P.19 Para 116 P. 23-28	116. Paragraph 29. Mechanism methodologies shall contain provisions to require activity participants to calculate the difference between the baseline emissions estimated as per the requirements in section 4.6 below and BAU emissions estimated as per paragraph 28 above as a total amount with respect to the crediting period. This shall be demonstrated in the project design document and at each renewal of the crediting period. 4.5. Aligning with the NDC of each participating Party, if applicable, its LT-LEDS, if it has submitted one, the long-term temperature goal of the Paris Agreement and the long-term goals of the Paris Agreement 4.6. Approaches to set the baseline 4.7. Addressing elements of paragraph 33 and paragraph 36 of the RMP	In order to streamline the process and avoid excessive burden for methodology developers and activity participants, a single procedure could be used to address the requirement of BLs below BAU and BL setting aligned with paras 33 and 35 of the RMPs. Thus, the process to compare BL with BAU scenario twice should be excluded. The preferable approach is described in the comments on pages P.18-19 (see above). With regard to adjustments, their application is aimed to ensure alignment with paragraph 33 of the RMP. Therefore, if the BL is in line with the para 33 of the RMPs adjustments are not necessary. That would be relevant to certain activities involving removals, among others.
P.29	209. Paragraph 54. Mechanism methodologies shall: (a) Where relevant for the sectoral and/or geographical coverage of the methodology, contain provisions that balance stringency and maximum participation by being accurate, simple, clear, and avoiding complexity such that a wide range of activity participants and host Parties can apply the methodology requirements irrespective of the scientific infrastructure, financial resources available to them, and their national circumstances; (b) Where relevant for the sectoral and/or geographical coverage of the methodology, particularly in least developed countries and small island developing States, contain provisions that take into account the context on the ground in host Parties, including institutional arrangements, and provide options to facilitate meeting of requirements, such as permitting the use of multiple data	General understanding of the RMP requirement is that the methodologies should not impose artificial limitations for the entities that seek to become activity participants. However, that does not imply that the activities are to be conducted and developed by entities or individuals that do not have sufficient expertise. Therefore, the language of the methodologies needs to be fit-for-purpose rather than simplified. Thus, sub-para (c) seems irrelevant.

	sources to address data gaps, and the use of conservative default values and/or use of benchmarked data from comparable regions to the extent they can be applicable; (c) Use language that is easy to understand, inclusive, gender-sensitive and accessible to a wide range of stakeholders, including local communities and Indigenous Peoples.	
P.30-31	4.9. Including data sources, accounting for uncertainty and monitoring requirements	The interrelation of data sources, certainty and monitoring with TIK, as suggested in some comments, is not clear
P.34-38	5. Additionality demonstration 275. Paragraph 80. Mechanism methodologies shall contain provisions to require demonstration of additionality through that the proposed activity represents mitigation that exceeds any mitigation that is required by law or regulation, through a regulatory analysis conducted to assess whether the activity is mandated or triggered by applicable law or regulation. For this purpose, law or regulation applicable to the proposed activity that may require a certain technological, performance or management action shall be considered. Mechanism methodologies shall also contain provisions to require demonstration of additionality through at least one of the following elements: (a) An assessment of barriers to the implementation of the activity, such as the financial, technological, institutional barriers, taking into account all relevant national policies, including legislation and current practices within the activity sector and geographic area of the host Party, may be undertaken to complement the investment analysis referred above. If activity participants want to use barriers to demonstrate additionality for their activity, they shall: (i) Describe the barriers, including the reasons why investment analysis is not suitable; (ii) Provide evidence of the barriers and how the mechanism will help overcome the barriers; (iii) Include parameters in the monitoring plan to demonstrate how the barriers are overcome. Demonstration that the proposed activity would not have occurred in the absence of the incentives from the mechanism through an investment analysis (default approach); (b) Demonstration that the proposed activity would not have occurred in the absence of the incentives from the mechanism through an investment analysis An assessment of barriers to the implementation of the activity, such as the	More clear indication of which items are compulsory and which are interchangeable options would be helpful. Namely, sub-para (c) should be mandatory, while sub-paras (a) and (b) should be treated as options. Barrier analysis would be a more preferable default option among the latter two since it provides for better inclusivity and accommodation on national circumstances. On certain comments by the stakeholders: references to customary laws and TIK is not applicable in the given context.

	financial, technological, institutional barriers, taking into account all relevant national policies, including legislation and current practices within the activity sector and geographic area of the host Party, may be undertaken to complement the investment analysis referred above. If activity participants want to use barriers to demonstrate additionality for their activity, they shall: (i) Describe the barriers, including the reasons why investment analysis is not suitable; (ii) Provide evidence of the barriers and how the mechanism will help overcome the barriers; (iii) Include parameters in the monitoring plan to demonstrate how the barriers are overcome. (c) The proposed activity represents mitigation that exceeds any mitigation that is required by law or regulation, through a regulatory analysis conducted to assess whether the activity is mandated or triggered by applicable law or regulation. For this purpose, law or regulation applicable to the proposed activity that may require a certain technological, performance or management action shall be considered; (d) The proposed activity takes a conservative approach that avoids locking in levels of emissions, technologies or carbon-intensive practices incompatible with paragraph 33 of the RMP, including through an assessment of the scale, lifetime, and emissions intensity of the activity.	
P.39-42	6. Leakage 308. Paragraph 87. Mechanism methodologies shall contain provisions to: (a) Ensure that the potential sources of leakage in activities covered by the Article 6.4 mechanism methodology are identified, including, but not limited to, any sources referred to in paragraph 88 below; (b) Require activities to avoid or minimize all sources of leakage as far as possible by applying the appropriate approach(es) referred to in paragraph 89 below, including to address remaining leakage where necessary by discounting credited volumes as described in paragraph 89(a) below; (c) Require that activity participants list all the potential sources of leakage that may reasonably be attributable to the activity and describe how each one is being addressed. If the activity participant excludes any of the sources of leakage from consideration, they shall justify its exclusion;	On comments by stakeholders: - Suggest addressing leakages peculiarities for activities involving removals in the respective document. - Cross-border leakage is hard to assess, especially if there is no clarity with regard to the definition of region within which the leakage risks are to be considered. Therefore, this issue should not be addressed at this point of time as practicable solutions are not available. - Nesting approach is applied in the REDD+ practice. However, it needs to be noted that the REDD+ scope is not universal, thus application for all the jurisdictions cannot be included as mandatory for all activities under Article 6.4. On para 308 / 87:

	(d) Include, where necessary, provisions for robust monitoring, reporting and verification systems that encompass specific sources of potential leakage identified; _(e) Include, where necessary, life cycle analysis of the products or material in relation to the source indicated in paragraph 88(d) below; (f) Require the activity participant to take into account relevant information from the DNA of the host Party on leakage, where available and as per the application of the tool referred to in paragraph 90 below. 312. [Paragraph 88. Leakage may occur due to, inter alia: (a) Continued use of baseline equipment being transferred beyond the activity boundary; (b) Use of resources that have competing uses from activities outside the activity boundary that lead to a net change in emissions outside the boundary or shifts of pre-project activities that lead to a net change in emissions outside the boundary; (c) Diversion of existing production processes or services accounted for in the baseline, inter alia through relocation and continuation of baseline activities outside the activity boundary; (d) Impacts on upstream and downstream processes associated with the materials and services used by the activity, and/or products or services provided by the activity, relative to the baseline, unless they are accounted as activity emissions.]	Sub-item (e) requires further justification in terms of practical applicability. Suggest deleting at the moment. On para 312 / 88: Language not clear enough and can be interpreted as restrictive or not implementable. Suggest bracketing pending further reframing.
P.42-43	7. Non-permanence and reversals	Support original text, the issue to be considered under the guidance on removals.