

3 February 2025

To whom it may concern,

RE: Issues included in the annotated agenda and related annexes of the fifteenth meeting of the Article 6.4 Supervisory Body

Thank you for the opportunity to provide comments on the agenda and annexes for the upcoming Article 6.4 Supervisory Body meeting. Given the number of matters that will be discussed, we focus our feedback on several areas critical to the development of the system.

(1) Issues Related to the **Draft Workplan of Supervisory Body**

- (i) It is of concern that a "Concept Note: Possible exceptions to the application of paragraph 43(b) of the methodologies standard" is proposed to be developed (as per Table 2). The provision already provides significant choice as to the type of baseline chosen, Work to implement downward adjusted baselines was further agreed to at COP29. Creating exceptions to methodologies guidance only initially accepted at COP29 last year, also runs counter to the objective of the Supervisory Body to uphold regulatory stability. The handbook for Parties' compliance with the mechanism also recognises applying this aspect of methodologies is essential.
- (ii) It is also of concern that the "Concept Note: Equitable sharing of mitigation benefits" is struck from the current work plan. Equitable sharing of mitigation benefits is essential to ensure that involvement with the mechanism on the part of host governments and the communities they represent is not a zero sum game, but fulfils the need for the mechanism to facilitate "higher ambition in their mitigation" per Article 6.1 of the Paris Agreement.

(2) Issues Related to the <u>Information note Further work on the methodological products for the Article 6.4 mechanism</u>

- (i) The proposed standard addressing nonpermanence / reversals applies to all projects with a reversal risk, whether removals or reductions. However, Table 2 erroneously refers only to "removals" in several areas within subsection 1. This is directly contravened by the parallel concept note proposed in Table 2, which explores the "Applicability of removal guidance to emission reductions activities and vice versa". Accordingly, the terms of Table 2(1) should be revised to clarify that that all relevant aspects including post crediting period monitoring, and remediation; late, incomplete or missing monitoring reports; reversal risk assessments; as well as avoidable and unavoidable reversals and compensation are tailored from the outset to apply to all appropriate projects with reversal risk.
- (ii) The aspects considering "Direct cancellation from other projects in lieu of contributing to and using the Reversal Risk Buffer Pool" in Table 2(1) could also be highly problematic. If

¹ See paragraph 8, Decision -/CMA.6, "Further guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement" (Advance unedited version), a

² Ibid.

³ See page 21 of <u>"Article 6.4 manual for host Parties participation in the mechanism"</u> (v 2.0) which states that "As above, when Party A developed its methodology it ensured compliance with the guidance on methodologies, including this requirement." P21.



the units are fundamentally different types of units—reductions vs removals—this has distinct atmospheric consequences. Moreover, it places perverse incentives to avoid capitalising buffer pools with appropriate quantum and quality of A6.4ERs, as it currently includes an option to substitute the cheapest form of A6.4ER possible. This could even include the nearly to 1 billion units that have applied thus far to transition from the Clean Development Mechanism and which have had significant additionality concerns raised at COP29.⁴

- (iii) It is equally unclear why in Table 2(5) there is inconsistent reference in terms of the "Development of <u>further</u> requirements in relation to specific categories or types of activities involving removals" whilst in tandem developing "type-specific safeguard elements and criteria for <u>other types of activities</u>". It is not clear why the former provision identifies removals as warranting additional protections compared to other types of activities which can have equally significant impacts on local communities.
- (iv) All of the above developments are of particular concern given the lack of "net zero" alignment in the current Article 6.4 "Pipeline" as monitored by the UNEP-CCC.⁵ As of 9 January 2025 out of the 760 projects that have given notice of prior consideration, 31 are removals, and 2 are more durable forms of carbon removal in the form of biochar.⁶ This is severely offtrack from the science which dictates urgency in direct emissions reductions, whilst scaling durable forms of carbon removal necessary to reach net zero.⁷

(3) Issues related to the Article 6.4 manual for host Parties participation in the mechanism

(i) The suggestion in para 16(b) that a "host Party may exercise to influence the methodologies of activities in their jurisdiction" is of concern. While the host Party has the remit to approve specific activities within its jurisdiction (per para 16(C)), the suggestion that it could "influence" methodologies is highly inappropriate, especially when it is free to set additional measures in place if it wishes to supplement them.

Many thanks for considering these inputs. We remain available to discuss any of the above, should you have any questions.

Dr Injy Johnstone

International Director, injy.johnstone@carbon-balance.earth

https://www.carbon-balance.earth/

⁴ UNEP-CCC "Article 6 Pipeline" < https://unepccc.org/article-6-pipeline/> (version 9 January 2025).

⁵ Ibid.

⁶ Ibid.

⁷ Axelsson, K., Wagner, A., Johnstone, I., Allen, M., Caldecott, B., Eyre, N., Fankhauser, S., Hale, T., Hepburn, C., Hickey, C., Khosla, R., Lezak, S., Mitchell-Larson, E., Malhi, Y., Seddon, N., Smith, A. and Smith, S.M. 2024. Oxford Principles for Net Zero Aligned Carbon Offsetting (revised 2024). Oxford: Smith School of Enterprise and the Environment, University of Oxford.