ARTICLE 6.4 MECHANISM

A6.4-SB010-A05

Information note

Further work on the methodological products for the Article 6.4 mechanism

Version 01.0

United Nations
Framework Convention on
Climate Change

1. Introduction

1. The Supervisory Body, at its ninth meeting, developed the below documents:

   (a) A6.4-SB009-A01: Requirements for the development and assessment of Article 6.4 mechanism methodologies (hereinafter A6.4-SB009-A01); and

   (b) A6.4-SB009-A02: Activities involving removals under the Article 6.4 mechanism (hereinafter A6.4-SB009-A02).

2. These documents identified a number of areas for further work by the Supervisory Body to complement the guidance in the documents.

3. At its fifth session, the CMA was not able to complete its consideration on matters relating to Article 6, paragraph 4. CMA 5 requested the Supervisory Body to continue the relevant work to operationalize the mechanism with a view to elaborating and further developing recommendations for consideration and adoption by CMA 6.

4. Also, in the context of developing and approving new methodologies for the Article 6.4 mechanism, the CMA,[1] at its third session, requested the Supervisory Body to review the baseline and monitoring methodologies in use for the CDM with a view to applying them with revisions, as appropriate, pursuant to chapter V.B of the RMPs for the activities under the Article 6.4 mechanism.

2. Further work, stakeholder consultation and use of experts

5. This document identifies and lists the methodological products for further work that are necessary to operationalize Article 6.4 mechanism, which include but is not limited to:

   (a) Products related to requirements for the development and assessment of Article 6.4 mechanism methodologies;

   (b) Products related to activities involving removals under the Article 6.4 mechanism;

   (c) Revision of CDM methodologies and tools that are predominantly applied in the CDM projects and PoAs that seek to transition to Article 6.4 mechanism;

6. Further work will be carried out in relation to the documents referred under paragraph 1 above (i.e., A6.4-SB009-A01 and A6.4-SB009-A02), including the work to improve understanding of concerns raised by Parties at CMA.5.

7. In this regard,

   (a) A call for inputs will be opened for a period of 6 weeks. The Supervisory Body requested the secretariat to provide a compilation of the inputs received, including a high-level analysis for consideration by the SB prior to its 12th meeting.

   (b) The SB further agreed to hold the 12th meeting virtually on the 22nd and 23rd of May, prior to the UNFCCC sessions in June, to focus on these matters.

[1] See decision 3/CMA.3, paragraph 5(b), contained in document FCCC/PA/CMA/2021/10/Add.1. Available at: https://unfccc.int/documents/460950.

8. In accordance with the request of the CMA, the Supervisory Body will continue the relevant work to operationalise the mechanism with a view to elaborating and further developing recommendations for consideration and adoption by CMA.6.

9. Ongoing work referred to in paragraph 5 above may inform the work referred to in paragraph 8.

10. The Supervisory Body aims to engage with Parties and stakeholders during the UNFCCC sessions in June 2024 in Bonn, with a view to facilitating this work.

2.1. Further work on requirements for methodologies

Table 1. Further work related to requirements for methodologies

	Area of further work	**References from earlier work** (e.g. A6.4-SB009-A01 paragraphs) and **interlinkages**	**Process and inputs**
A: Products to be initiated immediately			
1	Baseline tools	Para. 44 of A6.4-SB009-A01 and A6.4-SB007-AA-A11	MEP prepares the recommendation to the Supervisory Body based on inputs including drafts, questions, and proposals provided by the secretariat, taking into account any inputs received from stakeholders.
2	Standard/tool/guidance on downward adjustment	Para. 50 of A6.4-SB009-A01	
3	Tool on suppressed demand	Para. 64 of A6.4-SB009-A01	
4	Guidance on standardized baselines	Para. 77 of A6.4-SB009-A01	
5	Guidance/tools on additionality	Para. 83 of A6.4-SB009-A01 and A6.4-SB007-AA-A11	
6	Leakage tool	Para. 90 of A6.4-SB009-A01 and A6.4-SB007-AA-A11	
B: Products that are developed progressively			
7	Concept note on guidance/tool on large-scale crediting programmes	Para. 16 of A6.4-SB009-A01	MEP prepares the recommendation to the Supervisory Body based on inputs including drafts, questions, and proposals provided by the secretariat, taking into account any inputs received from stakeholders.
8	Guidance on: - equitable sharing of mitigation benefits - taking account of policies and measures, and relevant circumstances - on transboundary activities - applicability of removal guidance to emission reductions activities and vice versa	Para. 32, 33, 67, 91, 93 and 94 of A6.4-SB009-A01	
C: Request-dependent items			
9	Simplified approaches for additionality	Para. 84 of A6.4-SB009-A01	Developed when requested by LDC or SIDS

2.2. Further work related to removals

Table 2. Further work related to removals

	Area of further work	**References from earlier work** (e.g. A6.4-SB009-A02 paragraphs)	**Process and inputs**
A. Monitoring and reporting related products to be initiated immediately			
1	Guidance on: - post-crediting period monitoring, reporting, and remediation of reversals - post-reversal action - host Party roles	Para. 20, 41 and 64 of A6.4-SB009-A02	MEP prepares the recommendation to the Supervisory Body based on inputs including drafts, questions, and proposals provided by the secretariat, taking into account any inputs received from stakeholders.
B. Guidance related to SB responses to activity failure to be initiated immediately			
2	Guidance on: - late, incomplete or missing monitoring report submissions - treatment of activities for which a reversal results in removals level that falls below baseline	Para. 26 and 47 of A6.4-SB009-A02	MEP prepares the recommendation to the Supervisory Body based on inputs including drafts, questions, and proposals provided by the secretariat, taking into account any inputs received from stakeholders.
C. Reversal risk assessment tool to be initiated immediately			
3	Reversal risk assessment tool	Para. 37 of A6.4-SB009-A02	MEP prepares the recommendation to the Supervisory Body based on inputs including drafts, questions, and proposals provided by the secretariat, taking into account any inputs received from stakeholders.
D. Reversal compensation measures to be initiated immediately			
4	Guidance on: - avoidable and unavoidable reversals - reversal compensation	Para. 51 and 60 of A6.4-SB009-A02	MEP prepares the recommendation to the Supervisory Body based on inputs including drafts, questions, and proposals provided by the secretariat, taking into account any inputs received from stakeholders.
E. Best practices in environmental and social safeguards			
5	Requirements/ best practices in environmental and social safeguards	Para. 63 of A6.4-SB009-A02	A 6.4 SD tool is currently under development. Work may be pursued in 2025 onwards following the conclusion of the SD tool.

2.3. Further work on revision of CDM methodologies/tools

Table 3. List of CDM methodologies and methodological tools prioritized for transitioning to the Article 6.4 mechanism

	CDM methodologies	Interlinked tools cited by the methodologies	Process and inputs
1	**Grid connected electricity generation from renewable sources** (ACM0002: Grid connected electricity generation from renewable sources; AMS-I.D.: Grid connected renewable electricity generation)	Tools for Baseline, downward adjustment, additionality and Leakage	MEP prepares the recommendation to the Supervisory Body based on inputs including drafts, questions, and proposals provided by the secretariat, taking into account any inputs received from stakeholders.
		Tool to calculate emission factor for an electricity system	
		Tool to calculate project or leakage CO2 emissions from fossil fuel combustion	
		Baseline, project and/or leakage emissions from electricity consumption and monitoring of electricity generation	
		Project and leakage emissions from biomass	
		Tool to calculate remaining lifetime of equipment	
2	**Thermal energy production** (AMS-I.C.: Thermal energy production with or without electricity**)**	Tools for Baseline, downward adjustment, additionality and Leakage	MEP prepares the recommendation to the Supervisory Body based on inputs including drafts, questions, and proposals provided by the secretariat, taking into account any inputs received from stakeholders.
		Tool to calculate project or leakage CO2 emissions from fossil fuel combustion	
		Baseline, project and/or leakage emissions from electricity consumption and monitoring of electricity generation	
		Emissions from solid waste disposal sites	
		Project emissions from flaring	
		Determining the baseline efficiency of thermal or electric energy generation systems	
		Project and leakage emissions from transportation of freight	
		Project and leakage emissions from biomass	
3	**Waste management** (ACM0001: Flaring or use of landfill gas)	Tools for Baseline, downward adjustment, additionality and Leakage	MEP prepares the recommendation to the Supervisory Body based on inputs including drafts, questions, and proposals provided by the secretariat, taking into account any
		Tool to calculate project or leakage CO2 emissions from fossil fuel combustion	
		Emissions from solid waste disposal sites	
		Baseline, project and/or leakage emissions from electricity consumption and monitoring of electricity generation	
		Project emissions from flaring	
		Tool to determine the mass flow of a greenhouse gas in a gaseous stream	

		Determining the baseline efficiency of thermal or electric energy generation systems	inputs received from stakeholders.
		Tool to calculate remaining lifetime of equipment	
		Project and leakage emissions from transportation of freight	
4	**Clean cooking** (AMS-II.G.: Energy efficiency measures in thermal applications of non-renewable biomass; AMS-I.E: Switch from non-renewable biomass for thermal applications by the user)	Tools for Baseline, downward adjustment, additionality and Leakage	MEP prepares the recommendation to the Supervisory Body based on inputs including drafts, questions, and proposals provided by the secretariat, taking into account any inputs received from stakeholders.
		Tool to calculate project or leakage CO2 emissions from fossil fuel combustion	
		Baseline, project and/or leakage emissions from electricity consumption and monitoring of electricity generation	
		Project and leakage emissions from biomass	
		Calculation of the fraction of non-renewable biomass Note: The work may be conducted building on CDM EB review of fNRB values and the calculation method	
		Default values for common parameters	

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Document information

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Related documents:

17 November 2023	A6.4-SB009-A01 - Recommendation: Requirements for the development and assessment of Article 6.4 mechanism methodologies (v.01.1)
17 November 2023	A6.4-SB009-A02 - Recommendation: Activities involving removals under the Article 6.4 mechanism (v.01.1)
3 June 2023	A6.4-SB005-A01 - Information note: Guidance and questions for further work on methodologies requirements (v.01.0)
3 June 2023	A6.4-SB005-A02 - Information note: Guidance and questions for further work on removals (v.02.0)
10 March 2023	A6.4-SB004 meeting report, paragraph 21 A6.4-SB004-A03: Information note: Guidance and questions for further work on methodologies (v.01.0)