

A6.4-SBM012-A01

Information note

Guiding questions for the SBM engagement event at the sixtieth session of the Subsidiary Body (SB 60)

Version 01.0



United Nations
Framework Convention on
Climate Change

TABLE OF CONTENTS	Page
1. INTRODUCTION	3
2. GENERAL QUESTIONS.....	3
3. METHODOLOGICAL GUIDANCE.....	4
3.1. Application of Methodological and Additionality Requirements.....	4
4. REMOVALS GUIDANCE	5
4.1. Scope and implementation of removal guidance.....	5
4.2. Addressing Reversal Risk.....	6

1. Introduction

1. The Supervisory Body, at its tenth meeting, agreed to carry out further work on the documents developed at its ninth meeting, related to the requirements for methodologies and activities involving removals, including the work to improve the understanding of concerns raised by Parties at CMA 5. In this context, the Supervisory Body, at its tenth meeting, requested the secretariat to organize an event to engage with Parties and stakeholders during the sixtieth sessions of the Subsidiary Bodies, with a view to facilitating this work. This document contains the specific guiding questions to be used for the event.

2. General Questions

2. Which important elements of guidance on methodologies and removals need to be reflected in recommendation to CMA 6, and which specific elements can be left to implementation in more detailed standards, guidance, guidelines, and tools?

Annotation: *SBM received many comments, some of a fundamental nature, other of a more technical nature. What do we need to see in the recommendations to the CMA, the general guidance and specific guidance developed by the SBM with inputs from its bodies such as the Methodological Expert Panel (MEP) (e.g. standards, guidance, guidelines, and tools). Noting that social and environmental safeguards are being implemented in specific guidance, how do these detailed requirements need to be reflected in the recommendations.*

3. What is the relationship between guidance under Article 6.4 and Article 5.2 of the Paris Agreement, including how could requirements for monitoring of removals (or emission reductions) interact with national requirements?

Annotation: *Several inputs received make reference to interactions between REDD+ and Article 6.4, as well as the potential need to consider and improve understanding of policy, jurisdictional or sectoral programme crediting approaches, acknowledging that these approaches are inherently different. It is also noted that under its work programme mandated by the Supervisory Body,^{1,2} the Methodological Expert Panel (MEP) is working on concept notes on “guidance/tool on large-scale crediting programmes”, “equitable sharing of mitigation benefits”, “taking account of policies and measures and relevant circumstances” and “applicability of removal guidance to emission reductions activities and vice versa”.*

4. What is the relationship between guidance under Article 6.4 and Articles 2.1(c), Article 4.5, Articles 9, 10, and 11?

Annotation: *The relationship of Article 6.4 to other parts of the Paris Agreement has been noted in the submissions received and the SBM discussions. In particular, Article 6.4 might relate to:*

¹ See <https://unfccc.int/sites/default/files/resource/a64-sb010-a05.pdf>

² See <https://unfccc.int/sites/default/files/resource/a64-sb011-a02.pdf>

Article 2.1(c) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development.

Article 4.5 on the requirement to provide support to developing country Parties for the implementation of Article 4, recognizing that enhanced support for developing country Parties will allow for higher ambition in their actions.

Article 9 with regards to provision of financial resources to assist developing country Parties with respect to both mitigation and adaptation.

Article 10 regarding technology development and transfer in order to improve resilience to climate change and to reduce greenhouse gas emissions.

Article 11 regarding enhancement of the capacity and ability of developing country Parties, in particular countries with the least capacity, such as the least developed countries, and those that are particularly vulnerable to the adverse effects of climate change, such as small island developing States, to take effective climate change action, including, inter alia, to implement adaptation and mitigation actions, and should facilitate technology development, dissemination and deployment, access to climate finance, relevant aspects of education, training and public awareness, and the transparent, timely and accurate communication of information.

5. How might the SBM work better to secure the best technical and scientific input for its methodological work?

Annotation: *We have had several comments inviting broader expert consultation, and improved access to scientific and technical advice. There is an established process of Roster of experts and Expert panels, what more can be done?*

3. Methodological Guidance

3.1. Application of Methodological and Additionality Requirements

6. How should the methodological principles stated in para 33 of the RMP be applied to baseline approaches, and in particular:
- (a) Whether application of concept of downward adjustment apply equally to the three baseline approaches³?

³ According to “Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement” paragraph 36: “Each mechanism methodology shall require the application of one of the approach(es) below to setting the baseline, while taking into account any guidance by the Supervisory Body, and with justification for the appropriateness of the choices, including information on how the proposed baseline approach is consistent with paragraphs 33 and 35 above and recognizing that a host Party may determine a more ambitious level at its discretion:

A performance-based approach, taking into account:

- (b) Whether the methodological principles and their implementation apply equally to emission reductions and removals?
- (c) Whether further guidance and tools should consider the different uses of mitigation contribution units (MCUs), authorized credits ITMOs?

Annotation: *There are many comments on the application of the methodological principles to baseline approaches, with questions as to whether they apply to all approaches, and to both emission reductions and removals, MCUs and ITMOs. There are also comments to improve the scalability of NDC finance through Article 6.4 in line with Articles 2.1(c), Article 4.5, Articles 9, 10, and 11 and how to treat mitigation contribution units as compared to ITMOs. Decision 7/CMA.4 Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement, para 29(b): “A6.4ERs not specified as authorized for use towards achievement of NDCs and/or for other international mitigation purposes (mitigation contribution A6.4ERs), which may be used, inter alia, for results-based climate finance, domestic mitigation pricing schemes or domestic price-based measures, for the purpose of contributing to the reduction of emission levels in the host Party”.*

7. How might the principles of additionality as specified in para 36 of the RMP be implemented?

Annotation: *There are also a range of comments on the implementation of equitable sharing of mitigation benefits, as well as the additionality tool in relation to investment analysis, barrier analysis and enforcement rates of regulations.*

8. How should social and environmental and other protections and safeguards be reflected in the general guidance and the underlying SD-Tool?

Annotation: *Comments are provided with reference to protection and safeguards of communities.*

4. Removals Guidance

4.1. Scope and implementation of removal guidance

9. Should further guidance differentiate requirements for different types of nature-based and technological removals?
10. Could elements of the removal guidance apply also to emission reductions, and what are they? And how might they be applied?

Annotation: *There are several comments that seek to clarify whether and how requirements on permanence and risk of reversal apply to some classes of emission*

-
- (i) *Best available technologies that represent an economically feasible and environmentally sound course of action, where appropriate; An ambitious benchmark approach where the baseline is set at least at the average emission level of the best performing comparable activities providing similar outputs and services in a defined scope in similar social, economic, environmental and technological circumstances;*
 - (ii) *An approach based on existing actual or historical emissions, adjusted downwards to ensure alignment with paragraph 33 above.”*

reductions, and several comments that ask us to distinguish between different classes of removals.

4.2. Addressing Reversal Risk

11. How might the responsibility to address reversal risk be best attributed to or shared between participants, including Activity Participants, Host Party, and the acquiring Party?

Annotation: *There are several comments that seek to clarify or modify the approach to attributing responsibility for monitoring and replacement obligations as between key actors in the mechanism.*

12. How is reversal risk to be addressed, and which tools are most appropriate in what circumstances?

Annotation: *There have been several inputs that have asked for further clarity on the implementation of mechanism and approaches to address reversal risks and reversals. (e.g. a threshold for negligible reversal risk, treatment of avoidable and unavoidable reversals, availability of buffer pools, use of insurance, direct replacements, tonne-year accounting).*

Document information

Version	Date	Description
01.0	23 May 2024	SBM 012, Annex 1. Initial publication.
Decision Class: Regulatory Document Type: Information note Business Function: Methodology Keywords: A6.4 mechanism, emission removal activities, methodologies, regulatory framework, stakeholder consultation		

Related documents:

17 May 2024	A6.4-SBM012-AA-A01 : Information note: Compilation and analysis of stakeholder inputs on the requirements for the development and assessment of Article 6.4 methodologies (version 01.1)
16 May 2024	A6.4-SBM012-AA-A02 : Information note: Compilation and analysis of stakeholder inputs on activities involving removals under the Article 6.4 mechanism (version 01.1)