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Agenda item 14

**Rules, modalities and procedures for the mechanism
established by Article 6, paragraph 4, of the Paris
Agreement**

**Annual report of the Supervisory Body for the mechanism
established by Article 6, paragraph 4, of the Paris Agreement
to the Conference of the Parties serving as the meeting of the
Parties to the Paris Agreement**

Addendum

Summary

This report covers the work of the Supervisory Body for the mechanism established by Article 6, paragraph 4, of the Paris Agreement between 23 September and 6 November 2022, including its 3rd meeting, on work mandated by decision 3/CMA.3, paragraph 6(c–d), on the recommendations on activities involving removals under the mechanism established by Article 6, paragraph 4, of the Paris Agreement and the application of the requirements referred to in chapter V.B of the rules, modalities and procedures for the mechanism.



I. Introduction

A. Mandate

1. In accordance with the rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement (Article 6.4 mechanism),¹ the Supervisory Body for the mechanism is to report annually to the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement (CMA). The CMA provides guidance to the Supervisory Body by taking decisions on, inter alia:

- (a) The rules of procedure of the Supervisory Body;
- (b) Recommendations of the Supervisory Body relating to the rules, modalities and procedures for the mechanism;
- (c) Matters relating to the operation of the Article 6.4 mechanism.

B. Scope

2. The first annual report of the Supervisory Body provides information for consideration at CMA 4 on progress in implementing the Article 6.4 mechanism during its first year of operation and contains recommendations for adoption by the CMA. It covers the period from 28 July to 22 September 2022.

3. This addendum covers the period from 23 September to 6 November 2022 (inclusive). Only the sections containing new information were updated compared with document FCCC/PA/CMA/2022/6. Sections that were not updated contain only the words “no change”.

C. Action to be taken by the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

4. The CMA, in taking note of this report, may wish to adopt the recommendation contained in the annex in addition to taking the actions identified in document FCCC/PA/CMA/2022/6.

II. Work in the reporting period

5. This addendum covers a short reporting period, fewer than two months long, and serves to report on progress regarding the high-priority mandates from CMA 3, namely for the work on removals and methodologies mandated by decision 3/CMA.3, paragraph 6(c–d).

A. Mandates from the Conference of the Parties serving as the meeting of the Parties to the Paris Agreement

6. Given the limited time available in 2022 to deliver on the mandates received from CMA 3, the Supervisory Body focused on the deliverables for CMA 4.²

7. Based on the CMA request in decision 3/CMA.3, paragraph 6(c), the Supervisory Body worked intensively to finalize the mandated work and agreed on the recommendations on activities involving removals under the Article 6.4 mechanism contained in the annex.

8. Based on the CMA request in decision 3/CMA.3, paragraph 6(d), the Supervisory Body worked intensively to finalize its work to develop recommendations on the application of the requirements referred to in chapter V.B (Methodologies) of the rules, modalities and

¹ Decision 3/CMA.3, annex.

² See decision 3/CMA.3, para. 6.

procedures for adoption by the CMA. However, owing to the complexity of the work and the limited time available, the Supervisory Body was not able to conclude its consideration of the work sufficiently to make recommendations.

9. In this regard, the Supervisory Body will continue the methodological work referred to in paragraph 24(a)(ii) of the rules, modalities and procedures for the Article 6.4 mechanism and the work referred to in paragraph 8 above with a view to making recommendations to CMA 5.

B. Communications and outreach

10. No change.

III. Governance and management

A. Membership and meetings

11. No change.

B. Transparency and interaction with stakeholders

12. Forty-three observers registered to attend the 3rd meeting of the Supervisory Body.

C. Financial status of the mechanism

13. The Supervisory Body agreed on its resource allocation plan,³ which provides an estimated budget for its work, as outlined in its workplan, for 2023, as well as other activities deemed essential for operationalizing the Article 6.4 mechanism. In mid-2023, the Supervisory Body will review the progress made in implementing the work covered by the resource allocation plan and make any necessary adjustments to the allocation of its resources.

³ See Article 6.4 mechanism document A6.4-SB003-A01, available at <https://unfccc.int/sites/default/files/resource/a64-sb003-a01.pdf>.

Annex

Recommendations on activities involving removals under the mechanism established under Article 6, paragraph 4, of the Paris Agreement

I. Introduction

1. CMA 3 requested the Supervisory Body of the Article 6.4 mechanism to elaborate and further develop, on the basis of the rules, modalities and procedures for the Article 6.4 mechanism, recommendations on activities involving removals, including appropriate monitoring, reporting, accounting for removals and crediting periods, addressing reversals, avoidance of leakage, and avoidance of other negative environmental and social impacts, in addition to the activities referred to in chapter V of the rules, modalities and procedures (Article 6, paragraph 4, activity cycle), to be considered at CMA 4.¹
2. In response to this request, the Supervisory Body agreed on the recommendations on activities involving removals under the Article 6.4 mechanism contained in this annex.
3. The Supervisory Body notes that the recommendations provided herein are applicable to activities involving removals in general, but do not include detailed requirements for specific types of activities involving removals, such as land-based and engineering-based activities. In order to develop the detailed requirements, more work will need to be undertaken by the Supervisory Body, including specific work areas indicated in these recommendations.

II. Definitions

4. For the purpose of these recommendations, “removals” are processes or outcomes of processes to remove greenhouse gases from the atmosphere through anthropogenic activities and durably store them in geological, terrestrial or ocean reservoirs, or in products.

III. Requirements

5. Activities involving removals under the Article 6.4 mechanism shall meet the requirements contained in this chapter in addition to the requirements contained in the annex to decision 3/CMA.3 and any further relevant decisions of the CMA.

A. Monitoring

6. Activity participants shall monitor removals through quantification and estimation based on an appropriate combination of field measurements, remote sensing, measurement through instrumentation, and/or modelling.
7. Calculation of removals shall be stated with the associated uncertainties, and these uncertainties shall be within the limits to be specified in the methodologies applied.
8. If the uncertainties of calculation of removals exceed the specified limits, the calculated values shall be adjusted in a conservative manner.
9. Calculation of removals may employ conservative default values that allow flexibility in monitoring.

¹ Decision 3/CMA.3, para. 6(c).

10. In order to address the risk of reversals and to ensure the full compensation of reversals if they occur, monitoring shall also be conducted after the end of the last crediting period of activities involving removals in accordance with methodological provisions to be developed by the Supervisory Body.

B. Reporting

11. Activity participants shall prepare monitoring reports after monitoring operations and summarize the calculated amount of removals resulting from the monitoring.

12. Monitoring reports shall contain:

(a) A description of the monitoring operations and methods used, and the resulting calculated removals along with the associated uncertainties in the calculation;

(b) Field data, including remotely sensed data, or if the data set is too voluminous, a summary of the data and an indication of how the complete data set may be accessed;

(c) 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;

(d) Estimates of any reversals that occurred during each monitoring period;

(e) Information on how any reversals that occurred were addressed in accordance with requirements to be developed by the Supervisory Body;

(f) Information on how the environmental and social impacts were assessed and addressed by applying robust environmental and social safeguards, following provisions to be developed by the Supervisory Body;

(g) Information on how the activity involving removals is fostering sustainable development, following provisions to be developed by the Supervisory Body.

13. If the purpose of the monitoring is to ensure and demonstrate the continued existence of removals, simplified monitoring and reporting may be allowed, subject to provisions to be developed by the Supervisory Body.

14. Initial and subsequent monitoring shall be carried out, and the associated monitoring reports submitted, within maximum time frames to be specified by the Supervisory Body. Monitoring and reporting may also be required within a specified period of time following an observed event that could potentially lead to a reversal, in accordance with provisions to be developed by the Supervisory Body.

C. Accounting for removals

15. Removals to be credited shall be those in excess of the baseline while deducting any activity and leakage emissions.

16. Any carbon pools and greenhouse gases may be optionally excluded from accounting if such exclusion results in a more conservative calculation of net removals.

17. If an activity involving removals also results in emission reductions, relevant guidance shall be applied through a relevant methodology or a combination of methodologies applicable to the activity in accordance with the provisions to be developed by the Supervisory Body.

D. Crediting period

18. At renewal of crediting period, activities involving removals shall apply the latest version of the applicable methodology.

E. Addressing reversals

19. Activity participants shall minimize the risk of non-permanence of removals over multiple nationally determined contribution implementation periods and, where reversals occur, ensure that these are addressed in full, following requirements to be developed by the Supervisory Body.

F. Avoidance of leakage

20. Activity participants shall minimize the risk of leakage and adjust for any remaining leakage in calculations of net removals following relevant provisions to be developed by the Supervisory Body.

G. Avoidance of other negative environmental and social impacts

21. Activity participants shall minimize and, where possible, avoid negative environmental and social impacts of an activity involving removals, including impacts on biodiversity, land and soils, ecosystem health, human health, food security, local livelihoods, and the rights of indigenous peoples, following requirements to be developed by the Supervisory Body while acknowledging that the enforcement of environmental and social protection laws is a national prerogative of the host Party.
