

# Carbon Market Watch's views on the Article 6.4 Supervisory Body's recommendations for COP28

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

Carbon Market Watch recommends that the CMA **does not adopt** the [text](#) from the Supervisory Body unless detailed further guidance is provided. The SB's text pushes forward many crucial decisions to be taken in the development of further guidance, and does not bring sufficient comfort about the direction of such future decisions to guarantee environmental integrity. The CMA should request the Supervisory Body to:

- **Definition of removals** - Clarify the minimum durability of storage for removals under the Article 6.4 mechanism, while excluding storage in products and other short-term temporary storage sites or reservoirs.
- **Risk assessment tool** - Develop a risk assessment tool which shall:
  - Be based on the latest peer-reviewed scientific evidence and be regularly revised;
  - Define a minimum default risk rating, as well as an activity-level risk assessment;
  - Require activities to use the most conservative risk estimation approach available through the tool (e.g. default risk versus activity-specific risk);
  - Take into account geographical context, historical risk record, projections for future risk development including due to expected impacts of climate change;
  - Be mandatory for activity proponents undertaking removal activities or emission reduction activities with a reversal risk.
- **Post crediting monitoring period** - Establish a minimum post-crediting monitoring period. This minimum period cannot be prematurely truncated through a request from an activity proponent to the Supervisory Body to conclude post-crediting monitoring.

- **Monitoring report (late, incomplete or no submission)** - Develop a requirement so that no new 6.4ERs can be issued and any previously issued ERs cannot be transferred or retired from activities for which a monitoring report is still pending, incomplete, or missing. All 6.4ERs previously issued to the activity shall be deemed reversed, and categorised as avoidable reversals requiring commensurate remediation, unless the proponent submits for the consideration of the Supervisory Body both a valid justification and a monitoring report within a period of time to be specified by the Supervisory Body.
- **Avoidable and unavoidable reversals** - Define avoidable and unavoidable reversals. An avoidable reversal is a reversal over which the activity proponent has influence or control. An unavoidable reversal is a reversal over which the activity proponent has no influence or control.
- **Buffer pool**
  - Clarify that buffer ERs shall also be cancelled to remediate avoidable reversals, but where the activity proponent shall fully replenish the buffer pool equivalent to all avoidable reversals, including by acquiring ERs, at the proponent's own expense, from other activities if necessary.
  - Clarify that uncanceled or unused buffer ERs shall be automatically cancelled at the end of the post-crediting monitoring period.
  - Ensure that the buffer pool's capitalisation is based on robust scientific evidence, and adapt the contribution rates of projects as needed to deal with the risk of insufficient capitalisation
- **Environmental and social safeguards** - Require activity proponents to demonstrate positive outcomes of the activity for biodiversity, ecosystem restoration, and local communities and Indigenous Peoples where relevant for the activity.
- **Accounting for removals** - Clarify that direct and indirect emissions beyond activity boundaries shall also be accounted for. Any upstream emissions due to the implementation of the activity shall also be accounted for.



## Requirements for the development and assessment of Article 6.4 mechanism methodologies (A6.4-SB009-A01)

Carbon Market Watch recommends that the CMA can adopt the [text](#) from the Supervisory Body while providing further guidance for future work. The CMA should request the Supervisory Body to:

- Ensure that 6.4 methodologies require activity proponents to demonstrate that they considered carbon credit revenues as a significant source of income *before* starting to implement their activity.
- Conduct an analysis, with help from the UNFCCC Secretariat, of the likelihood of additionality of different activity types, for use as an input in the determination of more specific methodological rules on additionality testing.

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