



## Article 6.4 Supervisory Body structured consultation on removal activities – NEP response

August 2023

*The Negative Emissions Platform (NEP) is a Brussels-based partnership of European and international organisations focused on carbon removals. Our members are primarily technology companies, but also include project developers, investors, carbon marketplaces, and buyers of carbon removals. We provide a forum in which diverse like-minded organisations actively collaborate to improve political and public recognition of carbon removals.*

The Negative Emissions Platform welcomes the Article 6.4 Supervisory Body's structured public consultation on removal activities. As the Supervisory Body gathers input, NEP would like to draw attention to some important elements it should consider regarding monitoring and reporting and addressing reversals.

### **Monitoring and reporting**

Carbon removal activities are varied, including in regard to their monitoring, reporting and verification (MRV); storage duration; and risk of reversals. Given this, NEP calls on the Supervisory Body to establish activity-specific requirements that also address the granularity that is needed for the different activity types. This would create more trust and transparency in the reporting rules of the different carbon removal methods, ultimately facilitating carbon trading under the Article 6.4 mechanism.

NEP emphasises the importance of tech-agnosticism, treating all CDR activities equally without favouring any specific technology. In line with this approach, the 6.4 Supervisory Body should consider a gradual implementation strategy in which approved methodologies, once deemed ready, can be employed for issuing A6.4ERs. By giving approval to these methodologies, they can be put into action promptly, accelerating progress towards achieving climate goals.

## Monitoring and reporting

A robust MRV is a prerequisite to building trust in the carbon removal sector. The MRV for shorter-term carbon removals tends to be more complex due to the dynamic nature of ecosystems and the influence of various environmental factors on carbon sequestration. On the other hand, engineered methods offer more straightforward MRV procedures, as the capture and storage processes reflect “closed systems” and/or can be closely controlled and monitored. Developing distinct MRV protocols tailored to the specific characteristics of each carbon removal approach is essential to ensure accurate and reliable reporting, thereby instilling confidence in carbon removals.

On the risk of reversals, there is a greater likelihood that shorter-term activities could be impacted by reversals, particularly solutions that might be subject to natural disturbances or climate variability. Permanent storage of CO<sub>2</sub>, on the other hand, is not usually exposed to natural hazards and therefore less prone to reversals. By creating separate streams for shorter-duration CDR activities and highly durable removals, the Supervisory Body can adopt targeted risk management strategies for each category and better reflect on the requirement to address all reversals in full (1).

To boost the credibility of the CDR sector, NEP supports consistent reporting during the crediting period, and even after the crediting period ends. However, updating a monitoring plan should depend on the activity in question and reflect the durability of the removal. Those activities that are expected to last two decades and might be more prone to reversals may require further monitoring and more frequent updates than those expected to be stored for hundreds or even thousands of years.

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(1) UNFCCC, Decision-/CMA.3, November 2021.



## Addressing reversals

As stated above, due to the wide variation in the risk of reversal between CDR activities, NEP would support activity-level risk assessments. The measures and actions taken to mitigate the risk of reversal should span across different stages: before the project starts (e.g. in the rules / methodologies for the validation audit of a project), during its operation (e.g. regular monitoring), and even after it has been implemented (e.g. post-closure requirements) to allow for a mechanism that complies with the RMPs adopted in Glasgow (2).

NEP questions the necessity of buffer pools for certain (mainly permanent) solutions. When dealing with permanent storage options, where the risk of leakage is minimal (less than one percent (3)), the inclusion of buffer pools may result in an over-regulation that is at odds with scientific risk assessments and thus hinder a smooth and economical deployment of such solutions. Instead, if a buffer pool is deemed essential, a refundable buffer pool approach should be explored. Under this method, credits allocated to the buffer pool, where no reversal occurs, can either be reimbursed or redirected for supporting newly established projects. This way, the system remains adaptable, provides a (monetary) incentive for safeguarding permanent storage approaches and promotes the efficient utilisation of carbon credits without impeding progress (4).

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(2) Ibid.

(3) WSP, Crondall Energy, Geoenergy Durham, 'Deep Geological Storage of CO<sub>2</sub> on the UK Continental Shelf', February 2023.

(4) Dixon et al., 'CCS Projects as Kyoto Protocol CDM Activities', 2013.



## Addressing reversals

Regarding the tools used to mitigate the risk of reversals, especially in relation to risk buffer pools, NEP recommends that the Supervisory Body utilise scientifically substantiated modelling approaches in addition to empiric data sampling. By relying on rigorous scientific models, potential risks associated with reversals can be more accurately assessed and addressed, and the Supervisory Body can enhance the reliability and credibility of carbon removal activities.

For certain countries or regions hosting carbon removal activities, there are existing regulatory mechanisms in place to address the risk of reversals. For example, in the European Union (EU), the Emissions Trading Scheme (ETS) Directive and the Carbon Capture and Storage (CCS) Directive address CO<sub>2</sub> reversals in the context of permanent storage. Whilst recognising that not all countries or regions have a developed regulatory system for carbon removals, the new mechanism from the Article 6.4 Supervisory Body should not overlay these existing requirements as it could lead to a greater/double financial burden on CDR companies.

We are grateful to the 6.4 SB for the opportunity to respond to this public consultation and look forward to further engagement in the future.

