

July 3, 2023

Supervisory Body

United Nations Framework Convention on Climate Change (UNFCCC)

By Email: A6.4mechanism-info@unfccc.int cc: Supervisory-Body@unfccc.int

RE: SB006 Annotated Agenda and Related Annexes

Dear Supervisory Body:

Thank you for your continuing efforts to ensure that the UNFCCC considers carbon dioxide removal (CDR) as an essential component for a just energy transition to limit warming to 1.5 °C. The [Carbon Business Council](#), a nonprofit trade association of more than 100 innovative carbon management companies with over \$1.5 billion in combined assets working across six continents, is grateful for the opportunity to provide the following comments to the Supervisory Body (SB) regarding the upcoming Article 6.4 SB006 Meeting Agenda and Annexes:

1. Firstly, we would like to express our and our members' appreciation of the SB's very clear efforts to amplify the opportunity for stakeholder engagement with these critical Article 6.4 deliberations. The Newsletter is very helpful, and the 23 June Stakeholder Dialogue Webinar was productive and informative.
2. We remain concerned that the current deliberations do not consider the full range of carbon dioxide removal (CDR) pathways and approaches, and we reiterate our recommendation (expressed in [prior letters](#)) that the SB shift from listing and labeling individual CDR approaches to a method-neutral and criteria-based definition of "removal activities," or CDR.^{1 2} Carbon Business Council's thinking on this key definitional question is outlined in greater detail in our May 2023 [Issue Brief: Defining CDR](#).³

In addition to the importance of the Article 6.4 mechanism encompassing the full current range of CDR pathways and approaches, the CDR sector is at an early stage of development, and it is quite probable that a number of high-potential CDR will be discovered in the coming years and decades. A method-neutral, criteria-based definition framework will accommodate as yet undiscovered CDR approaches, and allow science, innovation, and the market to compete to deliver the solutions offering the greatest climate impact and other co-benefits.

3. We applaud the SB's work to enable both "bottom-up" and "top-down" methodology development for removal activities under Article 6.4, as outlined in [Draft Procedure A6.4-SB006-AA-A05](#). We would again urge the SB to create criteria-based and

¹ [Carbon Business Council letter to UNFCCC SB](#), 24 May, 2023.

² [Carbon Business Council letter to UNFCCC SB](#), 16 June, 2023.

³ ["Defining Carbon Removal."](#) Carbon Business Council, May 2023.



method-neutral frameworks for evaluating methodologies, and not restrict potentially allowable methodologies to a set of listed or labeled CDR approaches. It is critical for these frameworks to include strong guardrails for ecosystem safety, community health, and environmental justice – and a focus on high-quality verification standards that emphasize additionality, durability, net-negativity, and other key attributes of high-quality CDR.

4. Closely related to methodology development, high quality monitoring, reporting, and verification (MRV) is the key deliverable for any carbon removal project, and essential for building trust in carbon markets. MRV is very much a work in progress across the CDR sector, and these Article 6.4 deliberations offer an opportunity to enshrine high-quality MRV as foundational to global carbon removal markets. We again encourage the SB to take steps to engage with the [EU Carbon Removal Certification Framework](#) process and other key global public sector efforts (multilateral and bilateral) to create and advance a cohesive MRV framework across carbon markets – and avoid a fragmented, patchwork outcome that will be difficult for all stakeholders to navigate. Carbon Business Council’s thinking on MRV is outlined in greater detail in our May 2023 [Issue Brief: MRV](#).⁴

We further encourage the SB to take steps to set a clear precedent for how MRV is incorporated into carbon markets. Specifically, Carbon Business Council recommends that: a) all CDR projects must be verified by reputable independent third parties, with an openness to new entities and standards bodies that emerge as the sector develops; b) the cost of MRV for any transaction be listed separately from the aggregate purchase price for credits; and c) that MRV be contracted and paid for by the buyer (or receiving party) of the credits. These recommendations are intended to streamline and systematize what is currently an opaque and muddled process, and critically, to align all parties’ incentives towards the highest possible quality standard.

We would be pleased to discuss these comments further with the Supervisory Body, and we very much appreciate your consideration, as well as your continuing work to achieve a safe and equitable climate future.

Sincerely,

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⁴ [“Monitoring, Reporting, and Verification,”](#) Carbon Business Council, May 2023.