

Call for public input – Template for input	A6.4-SB009-A01 (methodologies) or A6.4-SB009-A02 (removals)
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Name of submitter: Government of Québec

Affiliated organization of the submitter (if any): Ministry of International Relations and La Francophonie and Ministry of Environment, the Fight Against Climate Change, Wildlife and Parks

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Legend for Columns

- 0 = A6.4-SB009-A01 (methodologies) or A6.4-SB009-A02 (removals)
- 1 = Section Number in the document
- 2= Paragraph number
- 3 = Comment – the actual feedback or observation, including justification for what needs changing
- 4 = Proposed change – suggest the text if possible

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Meths or Removals	Section no.	Para. no.	Comment	Proposed change (Include proposed text)
			The Government of Québec is pleased to answer this latest call for inputs and welcomes the opportunity to further contribute to the work of the Subsidiary Body (SB). The following comments and proposed changes to the removal and methodology draft recommendation documents are based on its two previous submissions, which were received by the SB on July 18 (Part 1 and Part 2) and October 27, 2023 .	

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Meths or Removals	Section no.	Para. no.	Comment	Proposed change (Include proposed text)
Removals	2.2 (Definitions)	6	The recommended definition of ‘removals’ talks about ‘durably’ storing greenhouse gases, without defining that term. The latter is rather vague and is open to widespread interpretation. In fact, it probably refers to the ‘permanence criteria’, which should underly the whole document, but which is itself not mentioned and even less defined. Nevertheless, it should be to encourage the permanent storage of carbon that the 6.4 mechanism allows removal activities to qualify for the issuance of 6.4ERs. In order to deliver real, measurable and long-term benefits related to climate change in accordance with decision 1/CP.21, paragraph 37(b), we encourage the SB to provide a definition of the ‘permanence criteria’ (see next box as well as further comments and proposed changes on this subject below). Since the 6.4 mechanism is essentially an offsetting mechanism, it must make sure that 1 ton of CO₂ removed cancels out the net atmospheric effect of 1 ton of CO₂ that has been emitted into the atmosphere in comparison with the net atmospheric effect of a reduction of 1 ton of CO₂ through a mitigation action. In addition, a net removal should generate a climate benefit equivalent to the impact of the presence in the atmosphere of one ton of CO₂, quantified over 100 years. The value of a removal activity lies in the quantity of CO₂ removed and the period of time over which this quantity is kept out of the atmosphere. Without taking into account the time dimension of a removal project, it is impossible to know its real effect on the climate. For example, the removal of a tonne of CO₂ over 5 years does not have the same value as the removal of a tonne of CO₂ over 100 years. It is for this reason that we suggest introducing the notion of net atmospheric effect. Quantifying this effect over a 100-year period and rewarding it adequately by issuing 6.4 ERs will ensure the environmental integrity of the climate system. We leave it to the SB to choose the metric used to evaluate the net atmospheric effect. However, we would like to remind the SB that, in December 2022, the Government of Québec has adopted a ground-breaking, innovative accounting method to generate removal offset credits based on an adaptation and an enhancement of the ton-year method as part of its cap-and-trade system for greenhouse gas emission allowances. We are using a radiative forcing metric based on the dynamic life-cycle assessment to determine the net atmospheric effect associated with a GHG flux. Québec’s Regulation respecting afforestation and reforestation projects eligible for the issuance of offset credits on privately-owned land has been developed to abide by the Western Climate Initiative’s criteria for offset systems as described in the Offset System Essential Elements Final Recommendations Paper of July 2010.	Add the definition of ‘Permanence’ in new sub-paragraph 6 (c): 6 (c) <u>Permanence</u> means that the net atmospheric effect of 1 ton of CO₂ removed is comparable to the atmospheric effect achieved through a reduction of 1 ton of CO₂ in order, as per the RMPs, to deliver real, measurable and long-term benefits related to climate change in accordance with decision 1/CP.21, paragraph 37(b). A net atmospheric effect is said to be comparable when a removal generates a climate benefit equivalent to the impact of the presence in the atmosphere of one ton of CO₂, quantified over 100 years.

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Removals	2.2 (Definitions)	6	The removal document constantly refers to ‘reversals’ without defining it while extensively defining the requirements to manage this eventuality. A definition of ‘reversal’ is therefore essential to have a common understanding of what it refers to. We would therefore like to suggest the following definition. The document also refers to avoidable and unavoidable release of carbon in the atmosphere. Does the SB also mean intentional or unintentional? While demonstrating intent may be more challenging, these two concepts may not be the same, and each may provide a different insight as to the reasons why a reversal occurred.	Add the definition of ‘Reversal’ in new sub-paragraph 6 (d): 6 (d) <u>Reversal</u> means, Inter alia, an avoidable or unavoidable, intentional or unintentional release of carbon back to the atmosphere due to natural disturbances (such as fire, pests, and storm), anthropogenic disturbances (harvest and illegal logging) and land use change decisions (such as from forest to agricultural land).
Removals	All of section 3 (Requirements)		The major difference between the ton-year method and the ton-ton method, on which the removal document is based, lies in what needs to be done when a reversal occurs. In the case of the ton-ton approach, the document sets out quite clearly all the administrative and operational (if not, implicitly, the resulting financial) requirements onto activity participants with respect to reversals. In the case of the ton-year method, should the SB allow it to be used in the 6.4 mechanism, none of these requirements would be necessary. In the case of a reversal event, activity participants would only need to update their project scenario and outcome project report at the end of a reporting period. This would be made possible because the capacity of 6.4ERs to fully cancel the atmospheric effect of a CO₂ emission would have been guaranteed by the SB at the time of their creation.	See below, in more detail, proposed changes in subsections of section 3.
Removals	3 (Proposed new section 3.1)	Proposed new paragraph 8 after paragraph 7	In its Special Report on Land use, Land Use Change and Forestry published in 2000 the Intergovernmental Panel on Climate Change (IPCC) outlines various methods used to account for GHG mitigation effectiveness of LULUCF projects (5.3.2.1). These methods include the stock change method (i.e., ton-ton) on which this removal document is largely based, but also alternative methods such as the ton-year method and other hybrid methods. As we mentioned in our October 27, 2023, submission, we believe that activity participants and Parties should have the choice of using the method (either the ton-ton method or the ton-year method) that they deem best-suited to respect the environmental integrity of removal projects and the resulting credits.	Add the following sub-section and paragraph: 3.1. Carbon accounting methods 8. To account for removals, activity participants may either choose: (a) a ton-ton method which is based on absolute storage measurements at a point in time; or (b) a ton-year method which takes into account the time dimension of a removal and storage.

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Removals	3 (proposed new section 3.2)	Proposed new paragraph 9 after the proposed paragraph 8 ¹	We believe that there needs to be a section that says that activity participants shall respect the permanence criteria as defined above and that will in fact operationalize these criteria.	Add the following section and paragraph: 3.2 Permanence criteria 9. To ensure the equivalence between a reduction and a removal and make sure that a ton of CO ₂ removed is equivalent to a ton of CO ₂ reduced, the activity participant shall respect the permanence criteria as defined above.
Removals	3.1 (Monitoring)	9	The use of the term ‘representative’ to describe the desired accuracy of statistics is rather vague and unambitious. We think the removal document should use terms commonly used in the field of statistics. In this instance, the term “significant” would be more precise. It would mean a precision rate of at least 95% and a confidence level of 95% ($\alpha = 5\%$). The SB should determine the percentage of precision rate and confidence level that it deems appropriate, but very high-level rates are, of course, preferable.	Change the word ‘representative’ to ‘significant’ or ‘a quantitative confidence value’.
Removals	3.1 (Monitoring)	11	We think that the language of that paragraph should be strengthened and that activity participants should have the obligation to employ conservative default values for monitoring purposes.	Change the word ‘may’ for ‘shall’

¹ References to subsequent paragraphs resumes correct numbering in the document.

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Meths or Removals	Section no.	Para. no.	Comment	Proposed change (Include proposed text)
Removals	3.2 (Post-crediting period monitoring, reporting, and remediation of reversals) and 3.6 (Addressing reversals)	16 to 20 32 to 60	The ton-ton method offers a curative approach for removal activities, which justifies these paragraphs and several others and forces activity participants to take important and cumbersome administrative and financial steps and liabilities. However, the ton-year method uses a preventive approach where there is no need to assess reversals and offer remedies to address them. Therefore, should an activity participant choose to use a ton-year method similar to the one the Government of Québec has taken for offset removal projects, sections 3.2 and 3.6 would simply not apply. With the ton-year method, there is indeed no need to put in place contingency plans or reversal mechanisms (buffer pools, insurance, etc.), an outstanding intergenerational monitoring and verification framework or to manage the invalidation and replacement of credits. This is because the ton-year method exclusively rewards past and realized climatic effects. Indeed, using that method, activity participants, in order to be able to claim 6.4ERs, would need to provide proof of the quantity of carbon that has been sequestered over a certain length of time. This is also the reason why 6.4ERs issued to an activity participant using the ton-year approach could never be cancelled for reasons relating to reversals as they represent a sequestration that has already occurred. Furthermore, the ton-ton method's claim that it can cancel out the past and future climate impact of a CO2 emission over the next 100 years could never be fully guaranteed at the time a credit is issued. This is because the ton-ton approach anticipates the climate benefits of sequestration, pushes the guarantee of environmental integrity into the future, and cannot accurately determine the net atmospheric effect it is seeking to reward or offset. While sections 3.2 and 3.6 only apply to activity participants choosing the ton-ton method, it is nevertheless important to emphasize that post-crediting monitoring shall be conducted to ensure the respect of the permanence criteria as defined above. It is indeed the main purpose for conducting post-crediting MRV in the first place. We also think that the risks of reversals with regards to 6.4ERs issued for removal projects, especially those in forest sector, are always omnipresent and would rarely be negligible because of the natural or anthropic disturbances that usually come with these kinds of projects. Should an activity participant choosing the ton-year method experience a reversal event before having the chance to apply for the issuance of 6.4ERs, no 6.4ERs would be issued for the stored carbon lost before the reversal.	We cannot advise the SB to strengthen these sections for removal projects as we are of the view that no degree of strengthening of post-crediting MRV and reversibility mechanism could ensure the environmental integrity of credits. However, we suggest adding the following at the beginning of paragraphs 16 and 34: “To the extent that an activity participant uses a ton-ton method, ...”
Removals	3.3 (Reporting)	22	Should an activity participant choose to use a ton-year method, the monitoring report would not need to provide information on how reversal risks were assessed and addressed. The report would also not need to provide a summary of reversal notifications or estimates of any reversals that occurred or how they have occurred.	Add the words “Where appropriate,” at the beginning of subparagraphs 22 (f).

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Removals	3.4 (Accounting for removals)	27	Activity participants that choose the ton-year method would not need to account for events that could potentially lead to a reversal of removals.	Modify subparagraph 27 (a) with the following outlined text: (a) by calculating net removals, which involves the estimation and deduction of emissions within the activity boundary that result from the implementation of the activity and/or from an event that could potentially lead to <u>any leakage emissions or, where appropriate, a reversal of removals</u> , in accordance with the applicable provisions of the Activity Standard, requirements for the development and assessment of Article 6.4 mechanism methodologies, and the applicable methodology; and
Removals	3.6 (Addressing reversals)	32	We think it is important to emphasize that this whole section exists so that activity participants choosing the ton-ton method act respect the permanence criteria by minimizing the risks of reversals and taking actions to that effect.	Add at the underlined text: “Activity participants shall <u>aim to respect the permanence criteria by minimizing</u> the risk of the release of stored removals and, where such reversals of removals occur, ensure that these are addressed in full, in accordance with guidance in this document.”
Removals	3.6.1. Reversal risk assessment	34 to 36	Activity participants choosing the ton-year method would not need to conduct a risk assessment of the activity. Thus, that paragraph only concerns activity participants that will be choosing the ton-ton method.	Add, at the beginning of paragraphs 34, 35 and 36: “For activity participants choosing the ton-ton method, ...”
Removals	3.8 (Avoidance of other negative environmental and social impacts)	62	Activity participants choosing the ton-ton approach should have to guarantee that future generations will not be penalized, in case of possible future reversals, by decisions that have been made in the past to engage in a removal activity. Of course, the ton-year method avoids transferring environmental liabilities and their management to government authorities and future generations because it does not make future commitments, especially if these liabilities are put on the shoulders of a developing host Party as suggested by paragraph 64. Intergenerational equity should be a prime concern of the 6.4 mechanism.	Add the underlined text: “Any other applicable provisions developed by the Supervisory Body to avoid negative environmental and social impacts of an activity involving removals, <u>including provisions to ensure intergenerational commitments and equity</u> (i.e. post-crediting period monitoring and verification) for landowners and activity participants due to credited removals.”

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Removals	3.9 (Host Party roles)	64	Because reversibility is not an issue in the ton-year method, the host Party would not have to bear any responsibility, including inter-generational responsibility, for the risk of credits being cancelled. The host Party, or the purchasing Party for that matter should the SB decide to put the onus on the latter, would therefore not have to provide sovereign guarantees in respect of any amount of reversals incurred. This is one more financial burden, in addition to the administrative and financial costs imposed on activity participants by sections 3.2 and 3.6 of the draft recommendation, that the latter would have to incur. This, of course, would have a direct effect on the profitability of the removal projects.	Insert, at the beginning of sub-paragraph 64 (a): “For activity participants choosing the ton-ton method,”
Meths	4 (Methodology principles)	Proposed new paragraph 10	Following our comments and proposed changes above on the removal recommendation document, we think it is important, even imperative, that the concept of permanence be at the heart of the methodology principles. Activity participants shall indeed demonstrate the permanence of the removals they are undertaking and explain how they comply with the permanence criteria.	Add a new paragraph 10: 10. Activities participants shall demonstrate the permanence of removals and explain how they comply with the permanence criteria.

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Meths	4.2 (Being real, transparent, conservative, credible)	22, 24 and 26 (proposed new paragraph before 22)	Activity participants shall also demonstrate the net atmospheric effect of their removal activity, in order to deliver real, measurable, permanent and long-term benefits related to climate change.	Add the following underlined text, including a new paragraph 22a) (regular numeration resumes afterwards) to the paragraphs mentioned below: 4.2. Being real, transparent, conservative, credible 22a). <u>Mechanism's methodologies shall contain provisions for generating 6.4ERs from permanent net atmospheric effects resulting from emissions reductions or removals.</u> 22. Mechanism methodologies shall contain credible methods for estimating emission reductions or removals to ensure that the results of Article 6.4 activities represent <u>a real net atmospheric effect equivalent to that obtained as a result of an emission reduction of one real ton of GHG...</u> 24. Mechanism methodologies shall contain provisions aimed at the conservative estimation of emission reductions or removals <u>and their net atmospheric effect</u> as well as from the measures applied, options chosen, or assumptions made, and shall not overestimate the emission reductions or removals <u>and their net atmospheric effect</u>. 26. Mechanism methodologies shall contain provisions to ensure that emission reductions or removals and their net atmospheric effect are real, transparent, conservative, permanent and credible by: (c) Including requirements to demonstrate changes in GHG emissions <u>and their net atmospheric effect</u> that transparently shows each step in the calculations and the results...;

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Meths	4.3. (Establishing that the selected baseline is below business-as-usual)	28 and 29	Activity participants shall also demonstrate the net atmospheric effect of their removal activity while establishing that the selected baseline is below business-as-usual.	Add the following underlined text, including a new paragraph 22a) (regular numeration resumes afterwards) to the paragraphs mentioned below: 4.3. Establishing that the selected baseline is below business-as-usual 28. ...For that purpose, mechanism methodologies shall require the identification of the BAU scenario or reference benchmark emissions <u>and their net atmospheric effect</u> and provide an approach for their estimation. 29. Mechanism methodologies shall contain provisions to require activity participants to calculate the difference between the baseline emissions <u>and their net atmospheric effect</u> estimated as per the requirements in section 4.6 below and BAU emissions estimated as per paragraph 28 above as a total amount with respect to the crediting period. This shall be demonstrated in the project design document and at each renewal of the crediting period.

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Meths	New section 6 (Permanence demonstration)		We suggest adding a new section 6, which would follow section 5 (Additionality Demonstration), and essentially use the wording of that section to require that activity participants be able to demonstrate that they are meeting the permanence criteria as defined above.	Add a new section 6 based on the wording of section 5: 6. Permanence demonstration Mechanism methodology shall specify the approach to demonstrating the permanence of the removal activity. Permanence shall be demonstrated using a robust assessment that highlights the equivalence of the net atmospheric effect between a removal and a reduction activity. The Supervisory Body may apply simplified approaches for demonstration of removal permanence for at least developed country or small island developing State at the request of that Party, in accordance with requirements developed by the Supervisory Body. Mechanism methodologies shall contain provisions to require demonstration of permanence by demonstrating that 6.4 ERs are generated from net atmospheric effect equivalent to the impact of the presence in the atmosphere of one ton of CO₂, quantified over 100 years. When formulating an approach to the demonstration of permanence, mechanism methodologies should consider the relevant circumstances, including national, regional or local, social, economic, environmental and technological circumstances. The Supervisory Body will develop further guidance and tools for the demonstration of permanence. Simplified approaches for demonstration of permanence for least developed countries or small island developing States will be developed by the Supervisory Body when a request is made by a least developed country or small island developing State.
			The Government of Québec remains at the SB's disposal for any questions it might have on the choice it made to innovate and become the first government to adapt and enhance the ton-year method in the context of its cap-and-trade system.	