

Input to the Supervisory Body of the Article 6.4 mechanism (SBM)

SBM 017

28/07/2025

Perspectives Climate Research (PCR) inputs to the issues included in the annotated agenda and related annexes of SBM 017

This submission outlines PCR's views and recommendations on the following three issues included in the annotated agenda for the 17th meeting of the SBM (SBM 017):

- [A6.4-MEP007-A02](#) - *Draft standard*: Addressing suppressed demand in mechanism methodologies
- [A6.4-MEP007-A03](#) - *Concept note*: Applicability of removal guidance to emission reduction activities and vice versa
- [A6.4-SBM017-AA-A05](#) - *Concept note*: Development of additional criteria for safeguards and guiding questions for carbon dioxide removal activities and land use, land-use change and forestry for the Article 6.4 sustainable development tool

Below, we provide our comments on the original wording included in the concept notes or draft standard, along with our proposed changes.

Input on the draft standard “Addressing suppressed demand in mechanism methodologies”

Wording in draft standard	PCR comment	Proposed change
Para. 8 c) Other areas, such as mobility, construction or waste management.	The scope is too broad, making it challenging to establish credible thresholds for these fields.	We propose to remove this entire sub-paragraph
Para. 9: This standard provides specifications for the energy consumption to meet basic human needs for the residential and non-residential sector but does not yet provide specifications for other areas. Such specifications may be proposed in submissions of mechanism methodologies. Note that the standard also does not provide values for the level of service for meeting specific basic human needs in the residential and non-residential context.	The absence of values for the level of service for meeting specific basic human needs may severely limit applicability of the standards.	We propose that specific values for the level of service for meeting specific basic human needs (BHN) should reflect objective differences – such as cooling and heating or drinking water needs – based on the climatic characteristics of the activity location. These values should build on internationally agreed threshold values (see e.g. the compilation by Chian-Woei Shyu, 2014: <i>Ensuring access to electricity and minimum basic electricity needs as a goal for the post-MDG development agenda after 2015, Energy for</i>



Axel Michaelowa, Research Director,
michaelowa@perspectives.cc

Juliana Kessler, Head of Carbon Markets,
kessler@perspectives.cc

Perspectives Climate Research
Hugstetter Str. 7
79106 Freiburg, Germany

Wording in draft standard	PCR comment	Proposed change
		<i>Sustainable Development, 19, p. 29-38)</i>
Para. 14: The total level of service required to meet basic human needs shall be applied consistently across countries, regardless of the technology and/or practice that a project activity uses to address those basic human needs	There is a risk that a lowest-common-denominator approach will be applied, rather than one that responds to context-specific needs.	We propose to add after “countries” the following additional wording: “[...] taking into account objective geographical differences such as cooling and heating degree days, as well as evaporation at the project activity location, [...]”
Para. 17: Mechanism methodologies shall define the specific context to which the methodology is applicable and the level of service for meeting basic human needs for which a suppressed demand baseline may be applied to calculate baseline emissions. This applies both when the technology and/or practices provided under the Article 6.4 activity cover one or more basic human need(s). However, the level of service for meeting basic human needs shall be established separately for each basic human need.	The provision to establish the level of service separately for each basic human needs is useful to avoid the risk of conflating distinct services.	No changes proposed
Para. 18 (a) For suppressed demand in residential energy consumption, the specific BHN values shall be derived, and appropriately justified, consistent with the following threshold values. For total energy consumption: (i) Total electricity consumption up to 250 kWh per person per year ² ; and (ii) For total useful energy delivered from fuel used for cooking and heating up to 2.1 Gigajoules (equivalent to 583 kWh) per person per year	The draft standard should incorporate differentiation based on climatic conditions of the activity location to allow for more context-sensitive threshold values. Specifically, it should account for the legitimate need for ventilation in hot and for heating in cold climates. However, air conditioning (AC) should be excluded from baseline assumptions, as its inclusion would raise the threshold for minimum energy needs to a level that could render suppressed demand effectively universal, thereby undermining the purpose of the standard. Regarding para. 18(a)(i), the proposed threshold of 250	The draft standard should promote differentiation by climatic characteristics of the activity location – particularly allowing for ventilation in hot and heating in cold climates – while clearly excluding air conditioning from the default assumptions used to define BHN threshold values. A conservative threshold value for basic electricity needs on an internationally accepted level should be chosen, drawing on the compilation provided by Shyu (2014, p. 36) and related sources. E.g.,



Axel Michaelowa, Research Director,
michaelowa@perspectives.cc

Juliana Kessler, Head of Carbon Markets,
kessler@perspectives.cc

Perspectives Climate Research
Hugstetter Str. 7
79106 Freiburg, Germany

Wording in draft standard	PCR comment	Proposed change
	kWh per household per year, as referenced from the IEA, is a reasonable benchmark, but it should be acknowledged that a wide range of values exists in the literature. As highlighted by Chian-Woei Shyu (2014, cited above), minimum basic electricity needs have been defined variably across institutions and contexts – from as low as 50 kWh per person per year (IEA, 2003/2009) to as high as 600 kWh per household per year (Government of South Africa, 2008; Sanchez, 2010). This underscores the importance of adopting thresholds that are both evidence-based and sensitive to local conditions.	United Nations (2000) Household: 150 Wh per day IEA (2003, 2009) Person: 50 kWh per year or 137 Wh per day IEA (2010) Household: 250 kWh per year or 685 Wh per day (the use of 2 compact fluorescent lamps, a floor fan, and a radio for 5 h per day); Person: 50 kWh per year or 137 Wh per day AGECC (2010) Person: 100 kWh per year or 274 Wh per day
Para. 19: Further globally applicable values for the level of service for meeting BHN for other areas may be developed in future revisions to this standard. These values may include the identification and recognition of indirect energy demand for services required to meet BHN in the residential or non-residential context	The standard should acknowledge existing quantitative benchmarks for other areas such as for housing needs: <i>Rao, N.D., & Min, J. (2018). Decent Living Standards: Material Prerequisites for Human Wellbeing. Social Indicators Research, 138, pp. 225–244.</i> Specifying: Minimum of 30 m² and 10 m² per additional person, above three members (p. 36); 50 l water per individual and day (p. 37)	We propose to add a new para. 18 c) with the following wording: “For suppressed demand in residential housing areas, the relevant specific BHN values shall be derived, and appropriately justified, consistent with the following threshold value: (i) A minimum of 30 m² of housing area of up to three members, with an additional 10 m² allocated for each additional household member beyond the third.” Also add a new para. 18d) with the following wording: “For suppressed demand in water provision, the specific BHN values shall be derived and appropriately justified, consistent with the following threshold value: (i) Access to 50 litres of water per person per day.”



Axel Michaelowa, Research Director,
michaelowa@perspectives.cc

Juliana Kessler, Head of Carbon Markets,
kessler@perspectives.cc

Perspectives Climate Research
Hugstetter Str. 7
79106 Freiburg, Germany

Wording in draft standard	PCR comment	Proposed change
Para. 25: The sum of the individual thresholds for each service shall not exceed the threshold for the total level of service for meeting BHN for residential electric energy use, considering also other electric energy services required by the household to meet its basic human needs such as space cooling and heating, food preservation and communications. The same would apply for an Article 6.4 activity that provides combinations of services for households; in such instances, the mechanism methodology shall specify the threshold for each service separately that cumulatively meet the threshold for BHN. For example, a mechanism methodology for Article 6.4 activities that provide both lighting and cooling services for households shall specify the threshold for lighting and the threshold for cooling separately.	Combining multiple services under a BHN threshold introduces complexity. Clear guidance is necessary to avoid methodological confusion when multiple services are combined.	Include an illustrative example in a box or annex illustrating service aggregation under BHN cap.
Para. 28 (c) When applying the existing actual or historical emissions approach, the approach is not required to utilize site-specific historical data but may instead use another method that reflects the actual or historical emissions of the baseline technology or practice;	There is no reason for the exemption to utilize site-specific historical data.	We propose to delete para 28 c)
Para. 28 (g) There is no need for consideration of rebound effects, as referred to Appendix 1 to the Baseline Standard.	The requirement of 'no need for consideration of rebound effects' appears to reflect a non-conservative approach.	We propose to delete para 28 g)
Para. 30 (a) Indicators may be parameters such as average household income, distance to electrical substations, grid reliability, distance to water treatment plants in compliance with potability standards, or others relevant for the BHN being addressed and the conditions of the	The draft standard does not include any tiered guidance on data quality or acceptable data sources (e.g., household survey, national census, modelled data).	We propose to add the following wording after "activity": "Surveyed data are preferable to national / subnational census data, and to modelled data in turn. In case of modelled data, a conservativeness multiplier is to be



Axel Michaelowa, Research Director,
michaelowa@perspectives.cc

Juliana Kessler, Head of Carbon Markets,
kessler@perspectives.cc

Perspectives Climate Research
Hugstetter Str. 7
79106 Freiburg, Germany

Wording in draft standard	PCR comment	Proposed change
project population prior to the project activity;		applied to prevent overestimation of suppressed demand.”

Input on the concept note “Applicability of removal guidance to emission reduction activities and vice versa”

Wording in concept note	PCR comment	Proposed change
Para. 10: Accordingly, the MEP proposes to exempt certain greenhouse gas reservoirs from aspects of these elements of the Removals Standard, as discussed below for monitoring (section 3.2.3 of this document), reporting (section 3.2.4 of this document), post-crediting period monitoring and reporting (section 3.2.5 of this document), and addressing reversals (section 3.2.8 of this document). These exemptions would apply only to those activities where: (i) the greenhouse gas reservoirs are not under the control of the activity participant, and (ii) the greenhouse gas reservoir is not in the same location as where the mitigation activity is implemented, and (iii) changes observed in the greenhouse gas reservoir could not be attributed to the mitigation activity	To maintain environmental integrity, it is important that all GHG reservoirs associated with mitigation activities are subject to monitoring, irrespective of their ownership or location. In the absence of clear oversight, there is a risk of unintended accountability gaps, which could lead to adverse selection of activities or even deliberate decisions by activity developers to avoid control over reservoir areas to evade MRV responsibilities. Ensuring that observed changes can be directly attributed to the activity is also critical for preserving the credibility and transparency of the crediting process.	We propose to remove the entire para. 10. If there is a desire to exempt certain activity types from monitoring of GHG reservoirs they can principally not control, then this should be specifically done for these types (e.g., cookstove projects).

Input on the concept note “Development of additional criteria for safeguards and guiding questions for carbon dioxide removal activities and land use, land-use change and forestry for the Article 6.4 sustainable development tool”

Wording in concept note	PCR comment	Proposed change
Para. 16 (c), option 3: Develop additional criteria for safeguards and guiding questions to be applied for CDR methods with “high”, “medium” and “low” levels of readiness to scale (approximating to TRL 1 and higher in table 1).	Safeguards are particularly critical for less mature technologies, where uncertainties and potential risks are higher. Therefore, Option 3 should be the preferred approach.	We propose to remove options 1 and 2



Axel Michaelowa, Research Director,
michaelowa@perspectives.cc

Juliana Kessler, Head of Carbon Markets,
kessler@perspectives.cc

Perspectives Climate Research
Hugstetter Str. 7
79106 Freiburg, Germany