

## Article 6 Business Briefs – Emissions Avoidance

### Introduction

One of the outcomes of SB60 has been the decision on the exclusion of ‘emission avoidance’ as an eligible activity type under Article 6, closing a debate that had been ongoing for several years.

No further discussion on this topic is expected at COP29. However, the impact of the SB60 decision has been widely misunderstood and is still generating confusion among stakeholders. The purpose of this brief is to summarise the debate on emission avoidance in the context of Article 6 negotiations and the implications for the eligibility of avoided deforestation activities.

### Existing UNFCCC guidance

Parties decided at SB60 that emission avoidance is **not** an eligible activity type under Article 6.2 and 6.4 and that the issue will only be reconsidered in 2028 (SB60 conclusion on 6.2, para. 6; SB60 conclusions on 6.4, para. 3).

Parties also decided that conservation enhancement should not be regarded as a separate activity type but should be considered as either emission reductions or removals. Therefore, decisions regarding the eligibility of conservation enhancement activities will be the subject of deliberation within the 6.4 Supervisory Body (SBM). For cooperative approaches under Article 6.2, the decision will be made by the Parties involved.

### IETA interpretation and implications for carbon markets

The implications of these decisions have been misunderstood by several stakeholders, primarily because an official definition of emission avoidance under the IPCC or the UNFCCC does not exist and has not been provided by Article 6 negotiators.

Climate change practitioners use this term to indicate the first step of the widely used mitigation hierarchy (“avoid, minimise, restore, offset”) without any direct reference to carbon crediting activities. In carbon markets parlance, this phrase sometimes relates to crediting activities that do not result in a net carbon removal, so the concept is often conflated with emission reduction. For instance, the Clean Development Mechanism (CDM) has characterised methodologies under “GHG emission avoidance” defining it as “various activities where the release of GHG emissions to the atmosphere is reduced or avoided,”<sup>1</sup> even though the mechanism has been defined by the IPCC as including only emission reductions and removals.

Various interpretations of emission avoidance and emission reduction exists. One interpretation is that the difference between reduction and avoidance can be considered as a temporal feature of a

---

<sup>1</sup> UNFCCC (2013), CDM Methodology Booklet:  
<https://cdm.unfccc.int/methodologies/documentation/methbooklet.pdf>

mitigation action: reduction implies that an existing emission source is abated, whereas avoidance implies a future emission source is prevented from materialising. In these respects, the difference can be framed as a matter of baseline choice: purely historical emissions versus purely projected emissions.

Another interpretation of emission avoidance within international carbon market negotiations originated from the 2007 proposal by the government of Ecuador. There the government sought compensation for avoiding development of oil reserves in the Yasuní national park. Since that proposal, emission avoidance has largely been considered in the context of policies and measures that explicitly forgo the opportunity to develop fossil fuel resources. Another more recent interpretation under Article 6 is that proposed by the Philippines, which seeks the issuance of carbon credits for shelving plans to build new coal-fired power plants.

According to several senior negotiators and the UNFCCC Secretariat, a further alternative interpretation by which to distinguish emission avoidance from emission reductions or removals is the concept of *agency*. Activities based on proactive measures are considered emission reductions or removals (and therefore eligible), whereas those based on the lack of action are considered emission avoidance (and therefore ineligible). In practice, this means that projects that take measures to reduce deforestation or retire an existing power plant are eligible, while those that reward a forest for its mere existence as a carbon sink are not eligible. To reinforce this view, it is widely understood that activities that have been eligible for crediting under the CDM and the major independent crediting programmes can be defined as reductions or removals and will therefore be eligible under Article 6. Ultimately, the consideration of the types of activities that will be eligible under Article 6.2 and the definition of whether a project delivers reductions, removals or both, will be agreed by the Parties participating in each cooperative approach.

In conclusion, contrary to what some stakeholders have argued, the SB60 decision to exclude emission avoidance as an additional activity type under Article 6 does not mean that forestry and land-based carbon projects, including those based on REDD+-related methodologies, cannot be eligible under Article 6. On the contrary, such project types may be classified as emission reduction or removal activities.

As such, REDD+ activities do not need a positive outcome of this work programme to be eligible under Article 6. The origin of the concept of 'emission avoidance' under Article 6 differ from the current discussions within the negotiations, which has further perpetuated confusion around its definition.