

Submission of Views

Papua New Guinea on behalf of the Coalition for Rainforest Nations

Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement

28 February 2023

1. CONTEXT

In response to the invitation of the CMA at its 4th Session in Sharm El-Sheikh, the Coalition for Rainforest Nations (CfRN) submits its views and inputs on the following items related with the implementation of the mechanism established by Article 6, paragraph 4 of the Paris Agreement, with the expectation that these will be taken into account in the drafting of textual proposals¹:

1. Consideration of whether Article 6, paragraph 4, activities could include **emission avoidance and conservation enhancement activities**;
2. **Activities involving removals**, including appropriate monitoring, reporting, accounting for removals and crediting periods, addressing reversals, avoidance of leakage, and avoidance of other negative environmental and social impacts, in addition to the activities referred to in chapter V of the rules, modalities and procedure.

¹ Draft decision -/CMA.4, Guidance on the mechanism established by Article 6, paragraph 4, of the Paris Agreement, paragraphs 9a and 19.

2. AVOIDANCE

The concept of avoidance for market base mechanisms, implies that avoiding one ton of carbon gives permission for another ton of emissions.

When considering avoidance, it pays to the carbon math. Our carbon budget currently sits under 380 gigatons for at 50% chance of 1.5C. But the remaining proven fossil fuel reserves contain about 3.7 trillion tons of CO₂ equivalent, or 9 times the emissions of that carbon budget. Note that unproven reserves may push that above 11 trillion. Add another trillion tons of proven carbon in forests and their soils. Cut that those proven numbers in half, using the 'avoidance' methodology of saving one ton to emit another. Result? We will find ourselves quickly blowing through 3-5 degrees Celsius.

There is a clear scientific basis that the Paris Agreement focuses only on GHG emission reductions and removals.

The concept of avoidance gets even more concerning when considering the Forestry sector.

Avoidance is the terminology used for forestry projects under certain voluntary carbon standards, where a project protects a small portion of the land against deforestation and forest degradation. Avoidance at project level, is based on hypothesis that the land was under threat and that it would have been deforested or degraded without the project. This hypothesis is built on fictive prediction of what could have happened in the future and not based on past and present real emissions. While this concept may be used under certain voluntary carbon standards, it has no place under the Paris Agreement where real GHG emissions reductions and increase of carbon stock via removals must be demonstrated to contribute to achieve its long term global goal.

A small number of Parties have been calling for the inclusion of emission avoidance in the forestry sector as an eligible activity for generating ITMOs and participation in the Article 6.4 mechanism, namely, the avoidance of projected emissions; the avoidance of emissions that may occur at some point in the future, risk avoidance, etc.

In the view of the Coalition, any further decision implementing the Paris Agreement must be consistent with agreed guidance and with the text of the Paris Agreement itself. Avoidance of emissions in the forestry sector is a language that is not contemplated in any prior COP decision, nor in the Paris Agreement.

On this point, we recall decision 1/CP.16, paragraph 70 that clearly describes the eligible activities under the REDD+, namely:

- Reducing emissions from deforestation;
- Reducing emissions from forest degradation;
- Conservation of forest carbon stocks;
- Sustainable management of forests;
- Enhancement of forest carbon stocks.

Further, under decision 14/CP.19 on Modalities for measuring, reporting and verifying, paragraph 1, the COP:

- Decides that measuring, reporting and verifying anthropogenic forest-related emissions by sources and removals by sinks, forest carbon stocks, and forest carbon stock and forest-area changes resulting from the implementation of the activities referred to in decision 1/CP.16, paragraph 70 is to be consistent with the methodological guidance provided by COP decisions;

The methodological guidance provided in decision 4/CP15 clearly states in paragraph 1 (c) indicates that:

- To use the most recent Intergovernmental Panel on Climate Change guidance and guidelines, as adopted or encouraged by the Conference of the Parties, as appropriate, as a basis for estimating anthropogenic forest-related greenhouse gas emissions by sources and removals by sinks, forest carbon stocks and forest area changes;

All these references are confirmed by Article 5, paragraph 2 of the Paris Agreement.

The Coalition reiterates that the Paris Agreement, and indeed all prior COP decisions on REDD+, deal with reducing emissions and increasing carbon stocks (via removals), and the term avoidance is never used nor do the IPCC Guidelines mention the term avoidance in any of its documents. As such, we reiterate that the concept of emissions avoidance cannot qualify as eligible for any activity under Article 6.2 or 6.4.

Under Article 5 of the Paris Agreement, the historical baseline demonstrates real trends of GHG emissions and removals at national scale for the historical period ending at the start of the implementation period. Results represent the difference between total emissions or removals of the implementation period and the historical baseline. Results are only possible if the whole country is reducing emissions or increasing carbon stocks (via removals) compared to the historical baseline.

In comparison, when looking at avoided deforestation projects, the baseline is calculated in a so-called reference region, that is supposed to represent the same trends and characteristics as the project areas, but that is not the project area. This implies that the results are calculated based on a hypothesis that what is happening in the reference region, should have happened in the project area. The choice of the reference region is the topic of different studies², demonstrating that it is very difficult to find a realistic reference region and that alteration of results achieved in favor of the project is possible.

² West Thales A.P. et al. (2020). Overstated carbon emission reductions from the voluntary REDD+ projects in the Brazilian Amazon. PNAS, 24188-24194, Vol. 117, no.39. www.pnas.org/cgi/doi/10.1073/pnas.2004334117

Guizar-Coutiño Alejandro et al. (2022). A global evaluation of the effectiveness of voluntary REDD+ projects at reducing deforestation and degradation in the moist tropics. Conservation Biology, 36, e13970. <https://doi.org/10.1111/cobi.13970>

These studies² mention that on the 79 projects that have been evaluated, the majority of the so called “REDD+ credits” or better should simply called, forestry projects issued under certain voluntary carbon standards have a high probability of not being additional, meaning that they do not contribute to climate change mitigation. This implies that environmental integrity of these carbon-offset can be disputed. Additionality and leakage remain unaddressed challenges when looking at small scale projects and engagement at a higher scale shall be put forward to get the full picture of the political actions and actually complain with the spirit and the mandate of the Paris Agreement.

In view of the aforesaid, the Coalition reiterates that “Avoidance” in Forest or any other Sector has the potential of creating hot air only without any contribution towards local or global mitigation. The Coalition, therefore, strongly opposes any consideration of “Avoidance” in particular in the forest Sector.

3. CONSERVATION AND REMOVALS

Conservation refers to carbon stocks and thus to the net removal of CO₂ that those stocks have generated over time. By conserving forests, the removal function of these ecosystems is preserved. Conserved forests regulate ecosystems, protect biodiversity, support livelihoods and thus promote sustainable growth. These benefits in the forest sector contribute to enhance the role of local communities in conservation, sustainable management, and development of forests across the national landscape, resulting in country-wide increase of carbon stocks -and thus of the underlying CO₂ removals from the atmosphere that have generated any additional carbon stocks.

On the issue of removals, the removal of CO₂ from the atmosphere is not the result of a mitigation activity per se unless the removed carbon is stored. On the contrary, each net increase in forest carbon stocks corresponds to a mitigation activity since it is the result of a net removal of CO₂ from the atmosphere and its subsequent storage. That further means that having increasing removals across time is not a condition necessary to identify and quantify mitigation, although desirable given the climate crisis and the lack of global emission reductions. Because of the above, activities under REDD+ refer correctly to conservation and enhancement of carbon stocks, not just to CO₂ removals.

Decisions 4/CP.15 and 1/CP.21 are clear: Parties must follow the most recent guidance and guidelines issued by the Intergovernmental Panel on Climate Change, as adopted or encouraged by the Conference of the Parties. Methodological guidance provided in the 2006 IPCC Guidelines³ is the basis to quantify and account for net CO₂ removals -i.e. net removals meaning the net⁴ balance between CO₂ removals from the atmosphere and CO₂ emissions to

West Thales A.P. et al. (2023). Action needed to make carbon offsets from tropical forest conservation work for climate change mitigation, <https://doi.org/10.48550/arXiv.2301.03354>

³ 2006 IPCC Guidelines for National GHG Inventories (<https://www.ipcc-nggip.iges.or.jp/public/2006gl/index.html>), Volume 4.

⁴ An accounting limited to CO₂ removals results in an overestimation of actual mitigation achieved, if any.

the atmosphere occurring within a year from the activity, or from the land, across which anthropogenic emissions and removals are counted.

Indeed, for forest land the IPCC Guidelines estimate net removal of CO₂ from the atmosphere as the net positive change -i.e. increase- in the forest carbon stocks⁵. For the atmosphere, a net carbon stock increase corresponds to a net removal of CO₂. In addition, that net removal is permanent insofar as the national greenhouse gas inventory where it is counted keeps tracking and reporting across time the forest land in which the carbon stock increase occurred. The IPCC special report on Climate Change and Land also underlined that when the land is managed in a sustainable manner, it does reduce negative impacts from climate change⁶. It is therefore essential for developing economies to work on sustainable land management and implement policies to increase removals in the land use and forestry sector.

It is well understood that conservation is the common and inalienable thread that integrates all eligible REDD+ activities as contained in decision 1/CP.16, paragraph 70. This implies that conservation and increase of carbon stocks cannot be considered outside the ambit of the REDD+ for mitigation under the Paris Agreement. Also, the removal of CO₂ from the atmosphere is essential to the achievement of the global goal of net zero. The IPCC AR6 report, Section C.11, indicates that “the deployment of carbon dioxide removal (CDR) to counterbalance hard-to-abate residual emissions is unavoidable if net zero CO₂ or GHG emissions are to be achieved”. Section C.11.1 says that afforestation, reforestation, forest management, and soil carbon sequestration such as in mangrove forests, are key methods for carbon dioxide removal. These are all essential elements of the eligible activities of REDD+. Therefore, the World cannot achieve net zero nor the Paris Agreement goal, without the use of forest removals, and REDD+ is the key mechanisms inscribed in the Paris Agreement to achieve CO₂ removal.

In view of the aforesaid, the Coalition reiterates that:

- i. Both conservation and enhancement of forest carbon stocks are already included under the REDD+ mechanism
- ii. Results for conservation and enhancement of forest carbon stocks need to be demonstrated as an increase of forest carbon stock, and thus of net removal, compared to the historical reference level and are accounted as REDD+ results (art.5 PA)
- iii. Removals are also explicitly included in Article 6 of the Paris Agreement, and the Glasgow decision/CMA3

⁵ Biomass, dead organic matter, soil organic matter.

⁶ IPCC (2019). Special report on Climate Change and Land, <https://www.ipcc.ch/srccl/chapter/summary-for-policymakers/>.

- iv. ITMOs are directly associated with the IPCC guidelines, per Decision 2/CMA.3, Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement, Annex, paragraph 22c⁷

The Coalition therefore supports the promotion and incentivization of forest net removals, and conservation and sustainable management of forests as integral elements of REDD+ and REDD+ only, nothing outside REDD+.

Avoidance Under Article 6.2

In addition to the guidance on the operationalization of the A6.4 mechanism, CMA 4 in Sharm El Sheikh in November 2022 requested the SBSTA to consider by its sixtieth session (June 2024), amongst others, whether internationally transferred mitigation outcomes under 6.2 could include emission avoidance⁸ and invited Parties to submit views on this topic prior to that session.

As indicated above, the Coalition reaffirms that neither the Paris Agreement, nor any COP decision on REDD+, or otherwise make any reference to the concept of avoidance. Rather, those instruments refer to reducing emissions and increasing carbon stocks, and make no reference to the concept of avoidance. We therefore reaffirm that ITMOs under 6.2 should not include any emission avoidance.

Conclusion

The REDD+ mechanism as identified in Article 5 of the Paris Agreement is designed to contribute to achieve its global objective, in particular by fulfilling the following conditions:

- It is the only economy wide instrument that will produce GHG emission reductions and removals at high scale as needed to stay within the 1.5C path:
 - Article 4 of the Paris Agreement call for:
 - Developed country Parties should continue taking the lead by undertaking economy- wide absolute emission reduction targets (paragraph 4)
 - Developing country Parties should continue enhancing their mitigation efforts, and are encouraged to move over time towards economy-wide emission reduction or limitation targets in the light of different national circumstances (paragraph 4)
 - All Parties to strive to formulate and communicate long-term low greenhouse gas emission development strategies (paragraph 19)

⁷ (c) Where a mitigation outcome is measured and transferred in t CO₂ eq, provides for the measurement of mitigation outcomes in accordance with the methodologies and metrics assessed by the Intergovernmental Panel on Climate Change and adopted by the CMA.

⁸ Decision -/CMA.4, Matters relating to cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement, paragraph 16 b ii.

- It is a mechanism where baselines are already established at the national level:
 - Paragraph 37 of decision 3/CMA.3, Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement recalls that Standardized baselines shall be established at the highest possible level of aggregation in the relevant sector of the host Party
- It is a mechanism based on a set of already agreed decisions that design a detailed and robust MRV system to generate REDD+ results:
 - Paragraph 7d of decision 3/CMA.3, Rules, modalities and procedures for the mechanism established by Article 6, paragraph 4, of the Paris Agreement, indicates that ‘reporting by host Parties on their Article 6, paragraph 4, activities and the Article 6, paragraph 4, emission reductions issued for the activities, while avoiding unnecessary duplication of reporting information that is already publicly available’.