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Sent: Tuesday, 11 October, 2022 23:36
To: Supervisory-Body <Supervisory-Body@unfccc.int>
Cc: Sileci,L (pgr) <L.Sileci@lse.ac.uk>; Palmer1,C <C.Palmer1@lse.ac.uk>
Subject: Comments on UNFCCC information note.

To whom it may concern,

We have some comments on the information note concerning the establishment of baselines for evaluation of success of removals and additionality in general.

In particular, we focus on: 4.3.1.1 onwards to:

“4.3.1.2. Quantification of baselines

63. Baselines are quantified ex ante and these estimates remain valid throughout the crediting period. Quantified baselines are based on the quantified projection of the growth or the decline of the carbon stocks over time. Methods for estimating the baselines could be the same quantification methods that are used for the purpose of monitoring (see 4.1.1 above) or simplified conservative default-based methods, particularly where baseline carbon stocks are relatively small (e.g. less than 10 per cent of the carbon stocks expected to be achieved under the activity).”

In our view, while we see the relevance of the ex ante baseline approach for contracting purposes, baselines should really reflect a well-defined counterfactual scenario: what would have happened to carbon stocks in the absence of the carbon removal activity, not necessarily what was desired or predicted to happen. As a complement to the ex ante approach, an ex post approach should be advocated and quantified on a regular basis ex post not ex ante. The difference between the baseline in this programme evaluation case and observed carbon stocks can then be attributed causally to the carbon removal activity. Quantification of this difference should be undertaken using established programme evaluation techniques, which allow for an accurate estimate of the extent to which the carbon removal activity actually caused the growth or decline of carbon stocks. Additionality should also be tested for spillovers from the project. A recent example can be seen in a paper that we published recently on the impact of Indonesia’s moratorium on forest concessions with respect to forest cover and carbon emissions: <https://www.pnas.org/doi/10.1073/pnas.2102613119>. Here the baseline and the treatment group exhibited downward trends on forest cover which was only slightly slower in the Moratorium area. We conclude that performance related payments ought to measure performance against a well-defined counterfactual.

We hope this is a useful perspective.

Kind regards

Ben, Charles and Lorenzo.

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