

# Submission of views

Honduras on behalf of the Coalition for Rainforest Nations (CfRN)

## Tools and guidelines on baselines related to the Article 6, paragraph 4 mechanism

January 2024

### Key considerations

The CfRN is of the view that:

1. In 2022, CMA3 decided that “*Standardized baselines may be developed by the Supervisory Body at the request of the host Party or may be developed by the host Party and approved by the Supervisory Body. Standardized baselines shall be established at the highest possible level of aggregation in the relevant sector of the host Party...*”<sup>1</sup>.
2. Thus, standardized baselines shall be established at the “highest level of aggregation in the relevant sector of the host Party” as already agreed in decision 3/CMA.3<sup>2</sup>.
3. In the LULUCF<sup>3</sup> sector the “highest level of aggregation in the relevant sector” necessarily means the consideration of all lands, carbon pools and GHGs. Only national baselines match with this definition, and as such any Article 6.4 baseline shall be established accordingly.
4. This principle also applies to non-LULUCF sectors. The “highest level of aggregation in the relevant sector” means that baselines must consider all sources, leading to a

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<sup>1</sup> Decision 3/CMA.3, paragraph 37: “Standardized baselines may be developed by the Supervisory Body at the request of the host Party or may be developed by the host Party and approved by the Supervisory Body. Standardized baselines shall be established at the highest possible level of aggregation in the relevant sector of the host Party and be consistent with paragraph 33 above.”

<sup>2</sup> Paragraph 37: “Standardized baselines may be developed by the Supervisory Body at the request of the host Party or may be developed by the host Party and approved by the Supervisory Body. Standardized baselines shall be established at the highest possible level of aggregation in the relevant sector of the host Party and be consistent with paragraph 33 above.”

<sup>3</sup> Land-use, land-use change, and forestry sector.

benchmark that can accommodate any type of mitigation activity for that sector, and that also allows for a comprehensive understanding of the trend in emissions for that sector. Without this benchmark it is not possible to ensure the environmental integrity of the Article 4, paragraph 6, mitigation outcomes.

5. In the absence of a nationally aggregated baseline there will be inherent risk of double-counting. Lower-level crediting under the UNFCCC adds complexity and costs to developing countries, *i.e.* the technological infrastructure and regulations needed to monitor, track, and account for ITMOs at multiple levels is expensive and the credited ITMOs may be prone to double-claiming.
6. National baselines are by definition the “highest level of aggregation in the relevant sector”, however, each Party shall decide on how to aggregate based on its national circumstances. Thus, there is no single pathway for aggregation in the relevant sector as long as baselines cover the entire national territory.
7. The CMA decided that “each mechanism methodology shall specify the approach to demonstrating additionality”<sup>4</sup>. Additionality cannot be fully assessed unless all the entire sector is considered. For project-level activities to effectively demonstrate additionality, the entire sector must be considered, otherwise Article 6.4 ITMOs may be credited while emissions may be increasing. Subnational efforts should not lead to crediting ITMOs unless they help reduce the host country’s emissions level<sup>5</sup>.
8. A national baseline applicable to all mitigation actions prevents the multiplicity of subnational baselines in the host country and sets a single benchmark for all, granting comparability and transparency.
9. Article 4 of the Paris Agreement states that “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”<sup>6</sup>. This article encourages host Parties to gradually transition towards economy-wide targets in their NDCs, for which they will need higher-level baselines.
10. National-level baselines and accounting are more ambitious as they include all lands under the responsibility of host Parties. Ultimately, speed and scale are necessary to achieve the 1.5-degree goal, scale being a fundamental operative dimension of climate action.

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<sup>4</sup> Paragraph 38, annex to 3/CMA.3.

<sup>5</sup> Article 4, paragraph c, of the Paris Agreement.

<sup>6</sup> Article 4, paragraph 4, of the Paris Agreement

11. Based on the above, the CfRN requests the Supervisory Body to **immediately begin work on standardized baselines** at the highest level as per decision 3/CMA.3 paragraph 37.