

Agenda item 3 d

Paragraph 34 of the annotated agenda, Annex 3

Treatment of increase in future anthropogenic emissions of a host country

CDM EB 61

Bonn, Germany, 30 May to 3 June 2011



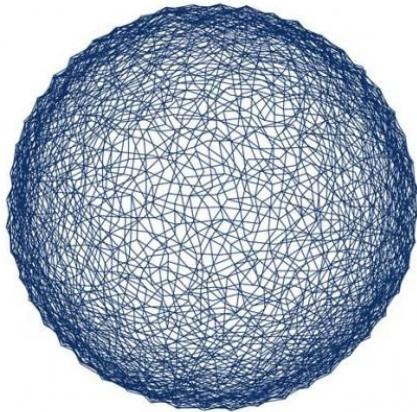
OBJECTIVE OF THE PRESENTATION



Provide an overview of the issue of treatment of increase in future anthropogenic emissions of a host country with a view to get a **common understanding on the issue and on future steps.**

BACKGROUND I

Decision 2/CMP.5 “ Encourage the EB to further explore the possibility of including in baseline and monitoring methodologies, as appropriate, **a scenario where future anthropogenic emissions by sources are projected to rise above current levels due to specific circumstances of the host Party.**”



COP15
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UN CLIMATE CHANGE CONFERENCE 2009

2010 CDM Management Plan:

- Prepare and present to the MP an option paper to identify and address scenarios as described above;
- Consider a framework for development of a tool or guidelines to account for those scenarios.



BACKGROUND II

EB57: considered a recommendation by the SSC WG and agreed that the SSC WG should continue to address the issue where relevant in specific new methodologies and revisions of methodologies taking into account relevant approaches found in the methodologies approved by the Board.



3/CMP.6: reiterate its encouragement to the Board to further explore the possibility of including in baseline and monitoring methodologies, as appropriate, **a scenario in which future anthropogenic emissions by sources are projected to rise above current levels owing to the specific circumstances of the host Party.**



DEFINITIONS

- ❑ Treatment of increase in future anthropogenic emissions of a host country = **suppressed demand**
- ❑ Baselines are established based on a **counterfactual scenario**.
- ❑ In most cases: baseline = project service level
- ❑ However, in the situations where the pre project scenario is identified as baseline, its level of service might be limited below the level of service of the project.
- ❑ **The definition of the appropriate level of service the baseline would provide is one of the key issues to be addressed when discussing the treatment of suppressed demand.**

EXAMPLES OF SUPPRESSED DEMAND

- ❑ Waste Water Treatment Plants projects in regions where under the pre project scenario, there was no treatment applied and the wastewater was just dumped;
- ❑ Landfill projects in regions where under the pre project scenario waste was not disposed at a landfill;
- ❑ Displacement of dung with solar cookers.

The identification of the baseline for a service that was not or was provided at a much lower level under the pre project scenario is the key issue to be addressed when discussing the treatment of suppressed demand.



SPECIFIC CIRCUMSTANCES OF THE HOST COUNTRY

- ❑ Two types of situations may merit consideration:
 - ✓ Where services to meet the basic human needs were completely unavailable under the pre project scenario or were provided with an inadequate level of quality resulting in both cases in zero emission;
 - ✓ Where a service was available under the pre project scenario to an inadequate level but with emissions intensity higher than under the project scenario.

In the two cases, the issue related to the treatment of suppressed demand is how to identify the baseline activities as well as the baseline level of service that would have been provided.

PROPOSED NEXT STEPS

The Board may request the secretariat to:

- Draft a standard for addressing the situation of suppressed demand in baseline and monitoring methodologies;

- Prepare a workplan on how to implement the identified solutions in the methodologies.