



Annex 22

WORK PROGRAMME ON STANDARDIZED BASELINES

(Version 01.0)

I. Background

1. The clean development mechanism (CDM) Executive Board (hereinafter referred to as the Board), at its sixty-second meeting, adopted the Guidelines for the establishment of sector specific standardized baselines (the guidelines).¹ The Board also requested the secretariat to continue, in consultation with the relevant panels and working groups, to further develop and improve the guidelines through the expansion of their applicability and based on lessons learned from their application. The Board further requested the secretariat to prepare a work programme to implement the guidelines, in consultation with the relevant panels and working groups.

2. The Board adopted at its sixty-third meeting the Procedures for submission and consideration of standardized baselines (the procedures). The Board also requested the secretariat to prepare an implementation plan for the procedures for consideration by the Board.

3. According to the Board's request, the work programme for the implementation of the guidelines and the procedure should cover, inter alia:

- (a) The development of options for the setting and approval of values of the thresholds Xa, Xb, Ya and Yb used in the guidelines as well as an analysis of the implications of these options for sectors covered by the guidelines;
- (b) The determination of the vintage of the relevant data as well as the frequency of update of the relevant parameters used in the guidelines;
- (c) The further improvement of the guidelines and the procedure;
- (d) All other activities relevant to (i) the implementation of the guidelines and the procedure as well as (ii) the use of the standardized baselines to develop and assess CDM projects;

II. Contents of work programme on standardized baselines

4. This work programme includes a description of activities and timelines related to four main areas which are described hereunder:

- (a) **The implementation of the guidelines**, which includes:
 - (i) The definition for some sectors of default conservative values for X and Y to fast-track the implementation of the guidelines;
 - (ii) The development of options for the setting and approval of values of the relevant thresholds (Xa, Xb, Ya, and Yb) used in the guidelines, as well as an analysis of the implications of these options for sectors covered by the guidelines;
 - (iii) The determination of the vintage of the relevant data as well as the frequency of update of the relevant parameters used in the guidelines;

¹ This document included guidelines for the development and assessment of standardized baselines including additionality demonstration, baseline scenario identification and baseline emissions determination.



- (iv) The development of guidelines and/or software for the determination of sector-wide baseline emission factors in consultation with the practitioners including industrial associations;
- (v) The collection of data on the cost of technologies.
- (b) **The improvement and the expansion of the scope of the guidelines**, which includes:
 - (i) The testing of the guidelines in select sectors in collaboration with relevant practitioners and other standard-setting bodies;
 - (ii) The improvement of the guidelines based on lessons learned from their application;
 - (iii) The further development of the guidelines through the expansion of their applicability to other sectors such as the transport sector and afforestation and reforestation (A/R) projects.
- (c) **The implementation of the procedures**, which includes:
 - (i) The development of Quality Assurance/Quality Control (QA/QC) guidelines for the quality assessment of the data required to develop the standardized baselines;
 - (ii) The development of the procedures for support to countries with fewer than 10 CDM projects in the realization of the assessment report of standardized baselines;
 - (iii) The development of workflows for the submission of standardized baselines;
 - (iv) The development of a web-based system for the submission of the data needed for the development and assessment of standardized baselines;
- (d) **The development of procedures** for the submission and consideration of CDM projects using standardized baselines.

5. The thresholds X_a , X_b , Y_a and Y_b are sector-specific and will be defined by the Board starting with the sectors considered as priority sectors and sectors for which data are available. The vintage for the calculation as well as the frequency of the update of the thresholds are also sector-specific and will be defined by the Board.

6. For the purpose of this work programme all definitions contained in paragraph 8 of annex 8 of the EB 62 report apply.

III. Implementation of the guidelines

III.1. Setting the values of the thresholds X_a , X_b , Y_a and Y_b

7. The secretariat will consult with the relevant panels and working groups and the relevant stakeholders in making proposals to the Board on the values of X_a , X_b , Y_a and Y_b for each selected sector. Where needed, the secretariat should also use external expertise.

8. For determining the values of X_a , X_b , Y_a and Y_b for each selected sector the following approaches A and B are proposed.



A. Quick start

9. The secretariat identifies all the sectors for which approved methodologies are available and selects priority sectors taking into account priority sectors as defined by decision 3/CMP.6. and by the Board (EB51 report, annex 1) as well as sectors for which data are available.

10. For priority sectors the thresholds are established on an interim basis as: 80% for additionality (Xa, Ya) and 80% for baseline identification (Xb, Yb). For the remaining sectors the thresholds are established as: 90% for additionality (Xa, Ya) and 90% for baseline identification (Xb, Yb). These interim thresholds can be used for top-down as well as for bottom-up development of standardized baselines.

B. Top-down development of X and Y

11. The secretariat, in consultation with the relevant panels and working groups, develops **criteria** for the definition of suitable thresholds that ensure environmental integrity. Designated national authorities (DNAs) and standardized baseline developers are invited to provide feedback on the implementation of the guidelines using the proposed values of the thresholds for a quick start.

12. The secretariat assesses the implication of the quick-start values of the thresholds based on submissions of standardized baselines received, feedback provided by DNAs and standardized baseline developers and inputs from panels and working groups as well as external experts where relevant, and recommends new sector-specific values while ensuring environmental integrity.

13. The assessment shall be based on data collected from not less than five countries.

14. During the first year of implementation of the guidelines, the secretariat will periodically review the criteria for the definition of suitable thresholds based on lessons learned and make recommendations to the Board if any revision is needed.

III.2. Determination of data vintage and update frequency

15. For a quick implementation of the guidelines, the most recent three years of data available at the time of submission of the standardized baselines for the development of the assessment report will be used for the determination of the data vintage. Also, three years will be defined as the frequency of update of all the relevant parameters used for the development of the standardized baselines.

16. During the first year of implementation of the guidelines, the secretariat will periodically review the initial values for the data vintage and the frequency of update for each sector based on lessons learned and make recommendations to the Board if any revision is needed.

III.3. Development of guidelines and/or software for the determination of sector-wide baseline emission factors

17. The purpose of this activity is to calculate, where relevant, a sector-specific greenhouse gas emission factor. The activity will consist of:

- (a) Identifying the type and format of data needed to estimate the emission factor for a sector;
- (b) Provide software or guideline to facilitate the calculation of the sector-specific emission factor based on parameters such as the carbon emission factor (CEF) of the baseline fuel, the CEF of the baseline feedstock, the design specification of the baseline technologies, and any other relevant parameter;



- (c) Store the sector emission factor on the standardized baselines.

This activity will be conducted in close consultation with the practitioners of the sector.

III.4. Collection of data on cost of technologies

18. The purpose of this work is to collect, with the involvement of external experts and institutions, data on the cost of technologies used in different sectors. These data could be used by the DNAs in the development of the sector- and country-specific positive list of technologies, to be used for development of standardized baselines.

IV. Improvement and expansion of the scope of the guidelines

IV.1. Improvement of the guidelines based on lessons learned from their application

19. This task will focus on the improvement of the clarity and level of detail contained in the standardized baseline guidelines. This improvement may be based on: (i) the outcome of testing activities; (ii) inputs received from relevant panels and working groups; (iii) further analysis from the secretariat; (iv) public consultation; and (v) lessons learned from the application of the guidelines by standardized baseline developers.

IV.2. The expansion of the scope to additional sectors

20. For this task the secretariat will undertake analysis and engage stakeholders, inter alia:

- (a) Organize a workshop with practitioners from the transport and forestry sector;
- (b) Recommend guidelines for the development of standardized baselines for the transport sector and for afforestation and reforestation.

V. Implementation of the procedures

V.1. Development of QA/QC guidelines for data quality applied to the data required to develop the standardized baselines

21. The following documents will be developed

- (a) A QA/QC guideline² for data quality;
- (b) A template for data collection (e.g. standardized data format) that could be sector-specific.

V.2. Development of the procedures for support to countries with fewer than 10 CDM projects

22. For this task the secretariat may:

- (a) Collect the views of DNAs of countries with fewer than 10 CDM projects on the elements of a procedure for the submission and consideration of requests for support for the development of assessment reports;

² The purpose of the QA/QC guideline is to ensure the quality of data used to develop a standardized baseline. The guideline for QA/QC will include the quality assurance (QA) procedures for assessing the overall quality of the standardized baseline datasets and the quality control (QC) procedures that standardized baseline developers should follow from data collection to data maintenance, based on key principles and requirements for QA/QC. Further, it may provide guidance on the usage of the templates for data collection.



- (b) Finalize the procedure for the submission and consideration of requests for support for the development of assessment reports;
- (c) Finalize the procedure for the development by the secretariat of standardized baseline assessment reports.

V.3. Development of workflows for the submission of standardized baselines (short-term)

23. The purpose of these workflows is to facilitate the submission of standardized baselines by DNAs to the UNFCCC secretariat, using a web-based system. The secretariat will develop the workflow.

V.4. Development of a web-based system for the submission of the data needed for the development and assessment of standardized baselines (medium-term)

24. The purpose of this web-based system is to facilitate the submission by DNAs of data needed for the development and assessment of sector-specific standardized baselines. The system will generate the standardized baselines and the positive list of measures based on the data on the sector submitted by the DNA.

VI. Development of procedures for the submission and assessment of CDM projects using standardized baselines

25. The purpose of these procedures is as follows:

- (a) To define steps that are to be followed by the project participants when developing and submitting projects using standardized baselines;
- (b) To define steps that are to be followed by DOEs for the validation and the applicable steps for the registration of projects using standardized baseline.

26. The work on these procedures also includes the development of relevant guidelines and templates for drafting the project design documents.



Timelines

Timelines for setting of values of the thresholds Xa, Xb, Ya and Yb

Item	4 th Quarter 2011	1 st Quarter 2012	2 nd Quarter 2012	3 rd Quarter 2012
Fast-track definition of X and Y	**			
Top-down development of X and Y		**	**	**

Timelines for QA/QC guidelines for standardized baselines

Item	4 th Quarter 2011	1 st Quarter 2012	2 nd Quarter 2012	3 rd Quarter 2012
Develop initial draft of the QA/QC guideline	**			
Develop initial draft of the template for data collection	**			
Submit draft of QA/QC guideline for public comment		**		
Update drafts based on comments		**		
Submit draft of QA/QC guideline and data format for EB approval		**	**	

**Timelines for the development of web-based systems and workflows**

Item	1 st Quarter 2012	2 nd Quarter 2012	3 rd Quarter 2012	4 th Quarter 2012
Development of workflows for the submission of standardized baselines			**	
Development of a web-based system for the submission of the data needed for the development and assessment of standardized baselines.			**	
Guidelines and/or software for the determination of sector-wide baseline emission factors				**

Timelines for the improvement and expansion of the scope of the guidelines

Item	1 st Quarter 2012	2 nd Quarter 2012	3 rd Quarter 2012	4 th Quarter 2012	1 st Quarter 2013
First draft of Guidelines for the development of A/R standardized baselines	**				
Consideration by the Board of the Guidelines for the development of A/R standardized baselines		**			
First draft of Guidelines for the development of standardized baselines in the transport sector			**	**	
Consideration by the Board of the Guidelines for the development of standardized baselines in the transport sector				**	

**Timelines for the development of procedures**

Item	1st Quarter 2012	2nd Quarter 2012	3rd Quarter 2012	4th Quarter 2012
Development of procedures for support to countries with fewer than 10 CDM projects	**			
Development of procedures for the development and assessment of CDM projects using standardized baselines		**		

Timelines for the collection of data on cost of technologies

Item	1st Quarter 2012	2nd Quarter 2012	3rd Quarter 2012	4th Quarter 2012
Collection of data on cost of technologies	**	**	**	**

**Timelines for the development of guidelines and/or software for the determination of sector-wide baseline emission factors**

Item	1 st Quarter 2012	2 nd Quarter 2012	3 rd Quarter 2012	4 th Quarter 2012	1 st Quarter 2013	2 nd Quarter 2013
Consultations with practitioners including industrial associations	**	**				
For relevant sectors, identification of the parameters needed for the calculation of sector wide emission factor and agreement on the approach			**	**		
Development of software/tool for the determination of sector specific emission factors in the selected sectors					**	**

History of the document

Version	Date	Nature of revision
01.0	EB 65, Annex 22 25 November 2011	Initial adoption.
Decision Class: Operational Document Type: Information note Business Function: Methodology		