

Agenda item 4.1

Paragraph 44 of the annotated agenda, Annex 13

Work Programme on Standardised Baselines

CDM EB 65

Durban, South Africa, 21-25 November 2011



BACKGROUND AND MANDATE

- **EB62 adopted the guidelines and requested the Secretariat to:**
 - a) Continue to further develop and improve the guidelines through the expansion of their applicability and based on lessons learned from their application.**
 - b) Prepare work programme to implement the guidelines**
- **EB63 adopted the Procedure and requested the secretariat to prepare an implementation plan for the procedure.**

MAIN BUILDING BLOCKS OF WORK PROGRAMME

- 1. Implementation of “guidelines on establishment of sector specific standardised baselines”**
- 2. Improvement and the expansion of the scope of the guidelines**
- 3. Implementation of “Procedure for submission and consideration of standardized baselines”**
- 4. The development of procedure for the submission and consideration of CDM projects using standardized baselines.**

Proposed Work Programme on Standardised Baselines

1. IMPLEMENTATION OF GUIDELINES

Defining default conservative values for X and Y, vintage of the relevant data and frequency of update for selected sectors to prompt start the implementation of the guidelines	Q4 2011
Defining 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;	Q3 2012
Defining vintage of the relevant data and frequency of update of the relevant parameters used in the guidelines	Q2/Q3 2013
Development of guidelines and/or software's for the determination of sector wide baseline emission factors in consultation with the practitioners including industrial associations	Q2/Q3 2013
Collection of data on the cost of technologies	2012/2013



Proposed Work Programme on Standardised Baselines

Threshold values for prompt start

Priority sectors (energy for households, energy efficiency in construction, agriculture): 70% for additionality and for baseline identification.

Non-priority sectors: 80% for additionality and baseline identification.

This is more stringent than the current Additionality Tool.

- Fuel/technologies deemed additional **are among the 20% less carbon intensive and** either face barriers or are commercially **less attractive than each of the more carbon intensive technologies /fuel used to produce up to 80%** of the output in the sector. In the AT, it is sufficient that the fuel/technology be less attractive than **one credible and realistic** alternative.
- The determination of cost of technology will be progressively standardised.



Proposed Work Programme on Standardised Baselines

The secretariat, in consultation with panels and WGs, develops criteria for the definition of suitable thresholds that ensure environmental integrity.

DNAs and SB developers are invited to provide feedback on the implementation of the guidelines using the proposed values of the thresholds for a prompt start.

The secretariat assesses the implication based on submissions of SB received, feedback provided by DNAs and SB developers and inputs from panels and WGs as well as external experts, and recommends new sector-specific values.

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

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.



Proposed Work Programme on Standardised Baselines

2. IMPROVEMENT AND THE EXPANSION OF THE SCOPE OF THE GUIDELINES

Testing of the guidelines in some sectors in collaboration with relevant practitioners and other standard setting bodies (collected during at least 6 meetings with less than 10 external attendees)	2012/2013
Improvement of the guidelines based on lessons learned from their application	2013
Expansion of applicability of guidelines to afforestation and reforestation projects	Q2/Q3 2012
Expansion of applicability of guidelines to transport sector projects.	2013



Proposed Work Programme on Standardised Baselines

3. IMPLEMENTATION OF “PROCEDURE FOR SUBMISSION AND CONSIDERATION OF STANDARDIZED BASELINES”

Development of Quality Assurance/Quality Control (QA/QC) guidelines for the quality assessment of the data required to develop the standardized baselines	Q1/Q2 2012
Development of modalities for support to countries with less than 10 CDM projects in the realisation of the assessment report of standardized baselines	Q2/Q3 2012
Development of workflows for the submission of standardized baselines	Q3 2012
Development of a web-based system for the submission of the data needed for the development and assessment of standardized baselines	Q3 2012
4. THE DEVELOPMENT OF PROCEDURE FOR THE SUBMISSION AND CONSIDERATION OF CDM PROJECTS USING STANDARDIZED BASELINES.	Q3 2012



Specific comments on the agenda

- Appreciate the step-wise progress plan as specified in the work programme.
- Wish the Board foster the process of setting specific default factor.
- Interim thresholds proposed: some stakeholders appreciate this so that implementation can start in the spirit of learning by doing in the CDM, as well as the further improvement on these thresholds in consultation with panels, experts and DNAs. Other stakeholders however find the defined thresholds not conservative enough and recommend that they are set more stringently.
- Reliance upon DNAs in countries with fewer than 10 CDM projects is questioned: Whether these DNA's can realistically fulfil this expectation without further support?
- Existing monitoring methodologies are not well suited to scaling up of CDM through standardized baselines. The Board should consider means of improving monitoring methodologies and procedures for the calculation of ER under SBs.
- A call for input on the draft guidelines on QA/QC control will be welcomed.



The Board may wish

- to agree on default conservative values for X and Y (established on interim basis) for selected sectors to prompt start the implementation of the guidelines;
- to approve the proposed work programme on standardised baselines
- To request the secretariat to launch a call for public input on the QA/QC guidelines.