

Agenda item 3 b

Paragraph 12 of the annotated agenda, Annex 5

Revision to the “Guidance on Criteria for Baseline Setting and Monitoring”

JISC 25

Bonn, Germany, 21-22 June 2011



WORK PLAN OF THE JISC FOR THE PERIOD 2011-2013

Revising the document “Guidance on criteria for baseline setting and monitoring”
incorporating:

- a) Applying the concept of materiality in establishing the project boundary and estimating leakage;
- b) Clarifying the option in baseline setting of a JI-specific approach already taken in comparable cases;
- c) Clarifying which aspects of the CDM additionality tool, and its associated guidelines, are applicable under the Track 2 procedure.

THE IDEA OF MATERIALITY IS IMPLEMENTED IN TWO AREAS UNDER JI:

Identification of project emission sources

Ignore sources smaller than **1 per cent** of emissions by sources or smaller than **2,000 tCO₂e** per year

Materiality's thresholds

Ignore material errors / omissions / misstatements, defined through thresholds:

Five per cent for projects with with less than 100,000 tCO₂e emission reductions per year; and

Two percent for projects with annual average emission reductions by sources (or enhancement of removals by sinks) amounting to 100,000 tonnes per year or more is lower;



LEAKAGE

CURRENT VERSION

Project participants must undertake an assessment of the potential leakage of the proposed JI project and explain which sources of leakage are to be calculated, and which can be neglected. All sources of leakage that are included shall be quantified and a procedure for an ex ante estimate shall be provided.

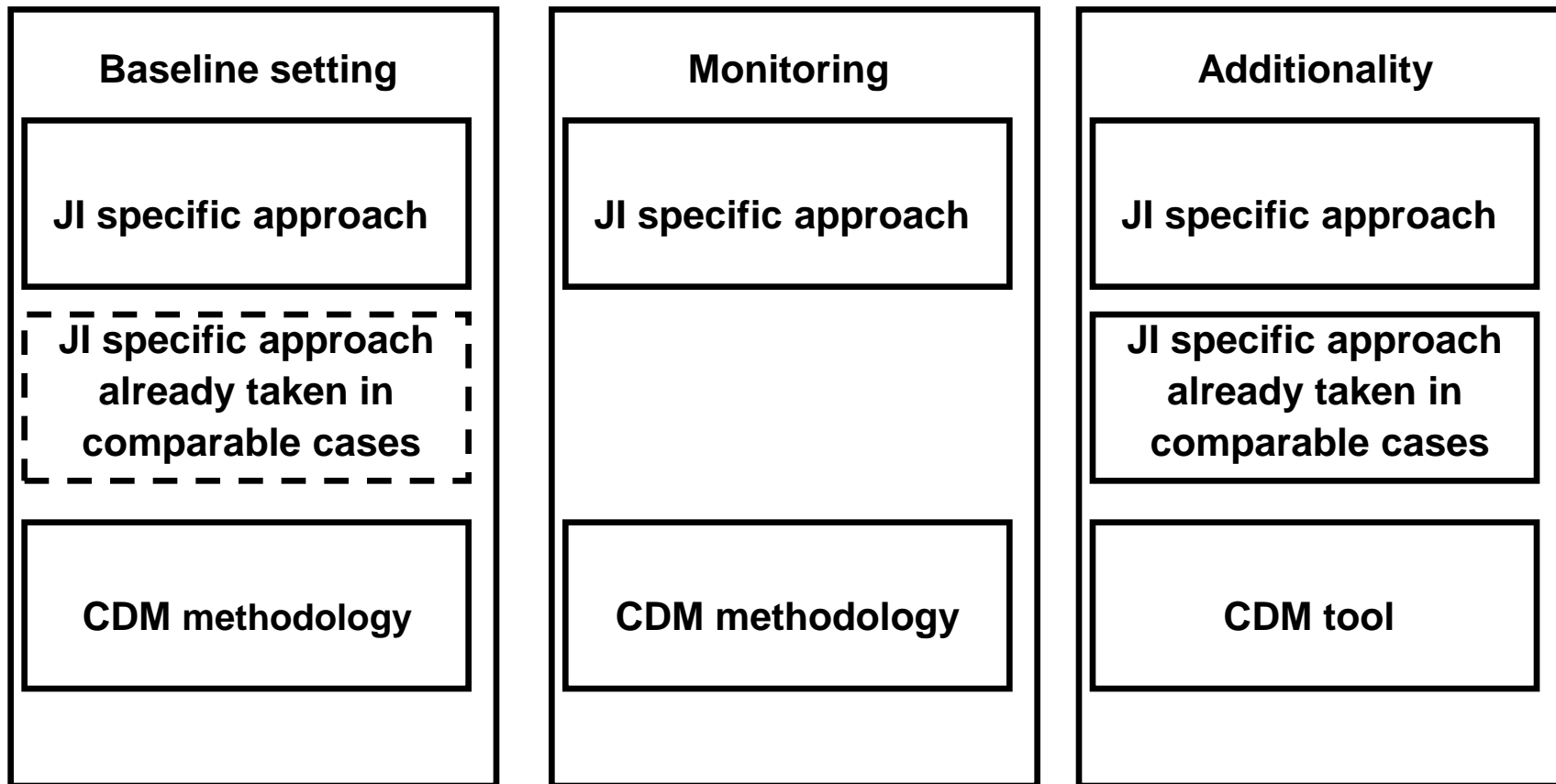
AMENDMENT PROPOSED

As a rule of thumb, only those emission sources should be included for which account on average per year over the crediting period for more than [one] per cent of the difference between project and baseline emissions, or which exceed an amount of [2,000] tonnes of CO₂ equivalent, whichever is lower.



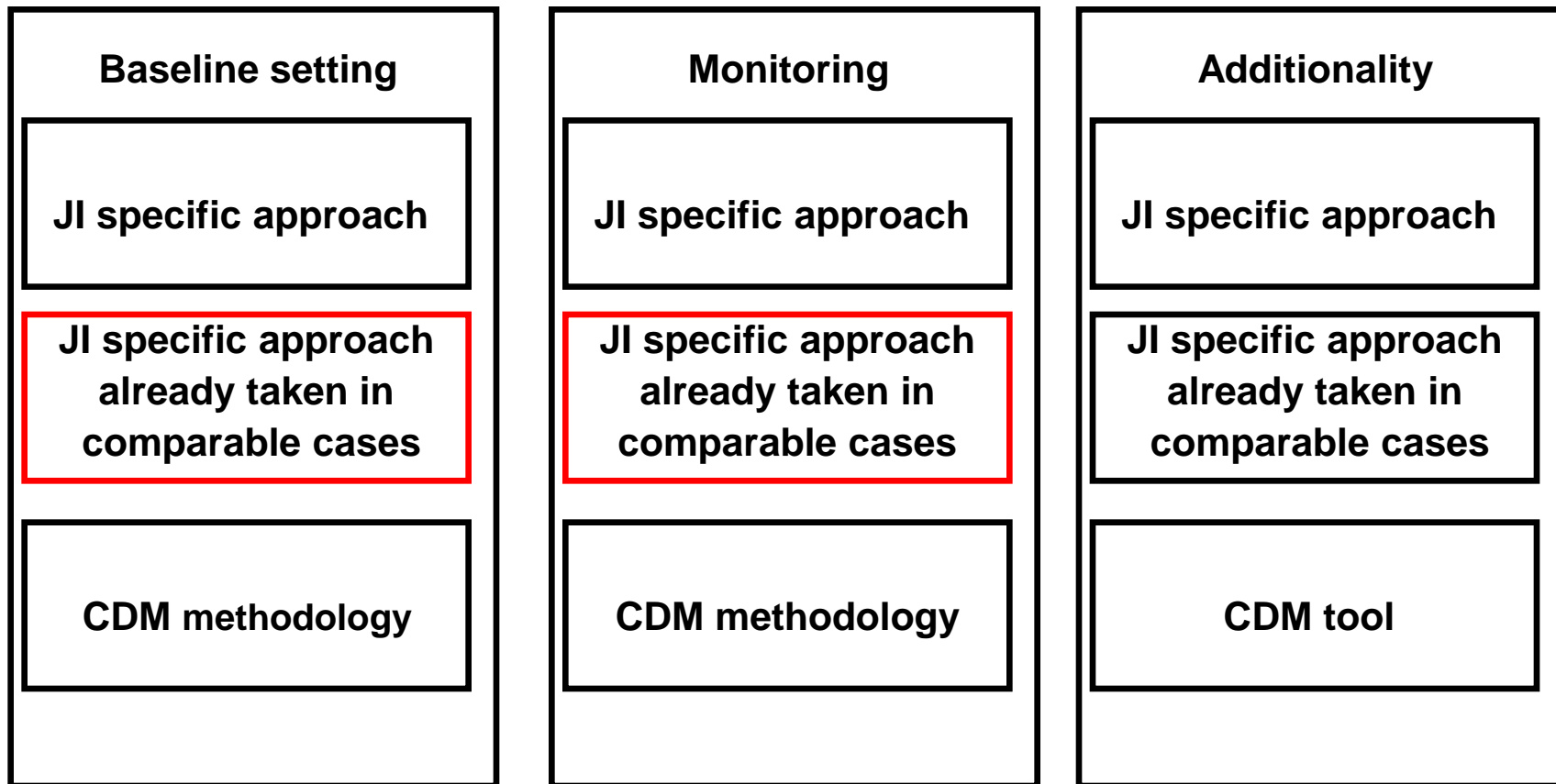
GUIDANCE

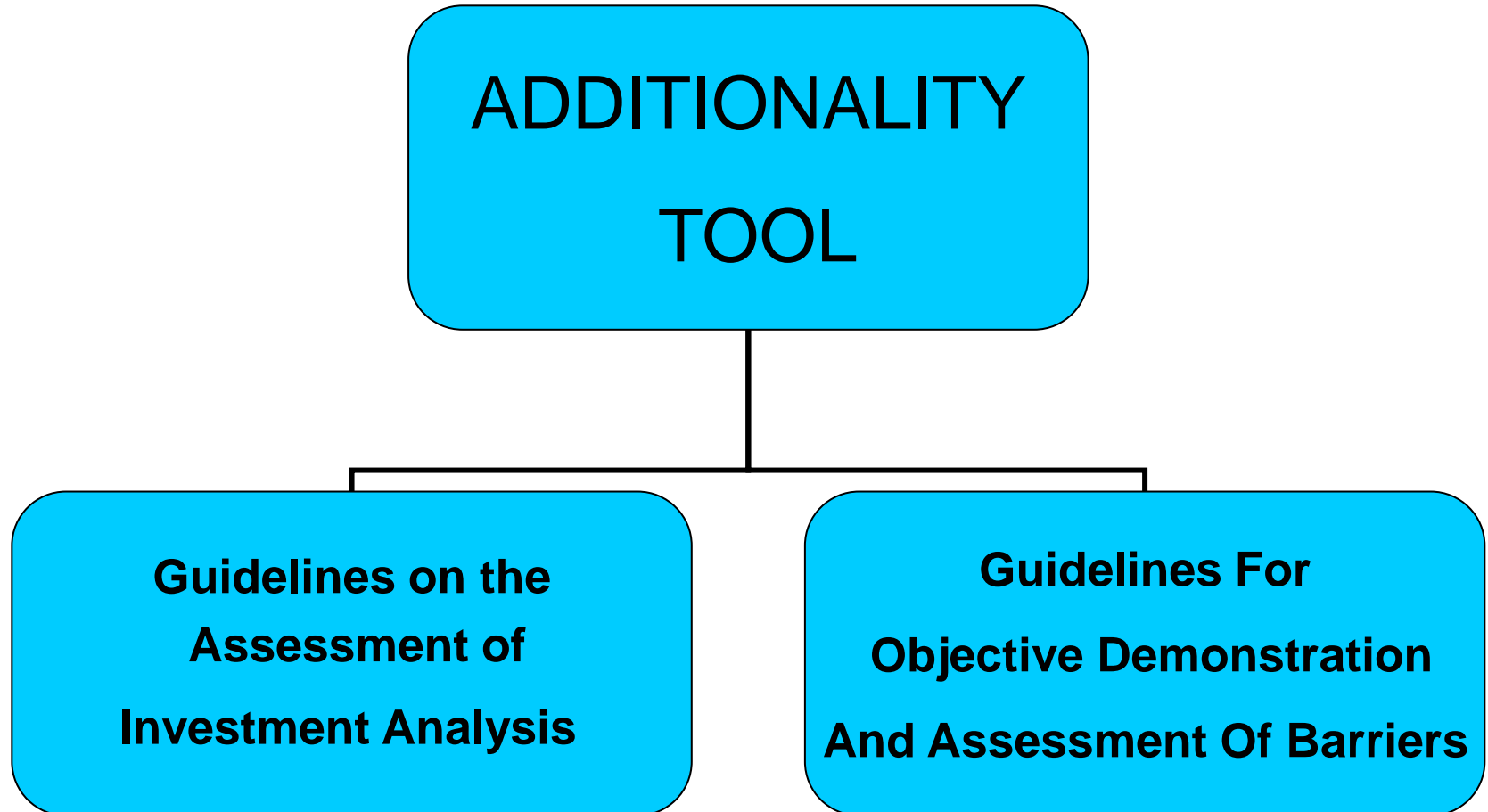
Current version



GUIDANCE

Proposed revision





ADDITIONALITY TOOL (paragraph 3)

“Project activities with a start date before the date of validation shall specifically take into account the guidance provided in Chapter B “Specific guidelines for completing the Project Design Document (CDM-PDD)” section B, sub-section B-5. The “start date of a project activity” is as defined in paragraph 76 of thirty-third report of the Board.”

SUB-SECTION B-5

“If the starting date of the project activity is before the date of validation, provide evidence that the incentive from the CDM was seriously considered in the decision to proceed with the project activity. This evidence shall be based on (preferably official, legal and/or other corporate) documentation that was available at, or prior to, the start of the project activity.”

CLARIFICATION

There is no explicit mentioning in the existing JI regulations that prior consideration needs to be demonstrated under JI;

Prior consideration has not yet been discussed by JISC and until then, the existing guidance remains valid.



The JISC may wish to approve draft revision to the “Guidance on criteria for baseline setting and monitoring” including the following aspects:

- To extend the definition of significant sources that are relevant for leakage emissions
- To introduce the option of a JI-specific approach already taken in comparable cases for baseline setting and for monitoring as well
- To clarify whether issues relating to “prior consideration” are relevant under JI

The JISC may also wish to consider whether an Annex to the guidelines with further guidance relating to a JI specific new approach for baseline setting should be developed

