Recent development of procedures and guidelines on SB and PoA

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Outline

- Standardized baseline
- Guidelines for the establishment of sector specific standardized baselines (SB guidelines)
- Procedure for submission of standardized baselines (SB procedure)
- Guidelines for data quality in the establishment of standardized baselines (QA/QC guidelines)
- SB work programme
- PoA standards
- Sampling standard – requirements for PoA
**Standardized baseline**

**What is standardized baseline?**
- Baseline established for a Party or a group of Parties to facilitate the calculation of emission reductions and removals; and/or
- Used for determination of additionality for CDM project activities, while providing assurance for environmental integrity.

**Why Standardised baselines?**
- Reduce transaction costs;
- Enhance transparency, objectivity and predictability;
- Facilitate access to the CDM; and
- Scale up, while ensuring Environmental Integrity.

**Work done by the Board so far**
- EB62 adopted the “Guidelines for the establishment of sector specific standardized baselines” (SB guidelines), EB65 revised it.
- EB63 adopted the “Procedure for submission and consideration of standardized baselines” (SB procedures)
- EB65 adopted the work programme containing following main areas.
  1. Implementation of SB guidelines.
  2. Improvement and the expansion of the scope of the SB guidelines,
  3. Implementation of the SB procedure,
  4. Development of procedures for the submission and consideration of CDM projects using standardized baselines.
- EB66 adopted the “Guidelines for data quality in the establishment of standardized baselines” (QA/QC guidelines)
SB Guidelines

- Applicability
- Sectors
- Stationary sources, but not A/R
- Standardized baselines
  - For a country or a group of countries
  - Demonstrate additionality: positive lists
  - Identify baseline scenario
  - Determination of baseline emissions
SB Guidelines

Definitions

Measures
- Broad class of GHG emission reduction activities
- Possessing common features

Four types of measures covered
- Fuel and feedstock switch
- Switch of technology with or without change of energy sources (including renewable energy, energy efficiency improvement)
- Methane destruction
- Methane formation avoidance

SB Guidelines

- Output
  - Goods or services
  - Comparable quality, properties, and application areas
  - e.g. clinker, lighting, residential cooking
- Sector
  - A segment of a national economy
  - Delivers defined output
  - Characterized by output
- Positive list
  - List of emission reduction activities
  - Automatically additional
  - Location, technology/measure, size
General Approach

SB Guidelines

SB procedure
SB procedure

- Applies only when SB is submitted using an approved methodology/tool, or SB guidelines.
- Who can submit: Parties, PPs, international industry organizations, admitted observer organizations through DNA.
- If submitted by group of Parties, the approval of all DNAs is required, however any one of DNAs can submit.
- Documentation required for submission:
  - PSB form,
  - Data supporting submission, and
  - Assessment report of DOE.
- No fee is payable for submission.

Assessment report to be prepared by DOE contracted by DNA or any entity under the agreement of DNA

QA/QC guidelines

However, when the DNA is of a Party or representing a group of Parties, all of which has less than 10 registered CDM projects by 31st December 2010, then;

- Assessment report preparation gets funding from the secretariat up to first three standardized baselines, regardless of sector;
- The Board may allow the funding taking into account the applicability of SB and resource implications;
- The DNA may decide to omit the submission of assessment report, in which case the Secretariat will prepare the assessment report.
QA/QC guidelines

- Applicable to collection, processing, compilation and reporting of data needed for the SBs.
  - **DNAs** develop or validate the datasets used for the establishment of standardized baselines;
  - **DOEs** assess the quality of the data management system of the DNA rather than checking the quality of a specific set (or sets) of data.
  - **Project participants or other entities** (Parties as well as international industry organizations or admitted observer organizations) develop standardized baselines.
- QA/QC Guidelines include the quality control (QC) procedures for assessing the quality of a given datasets and the quality assurance (QA) procedures for ensuring the overall quality of the datasets.
- The guidelines establishes data quality objectives to be achieved by QA/QC system established by DNA.
- The guidelines describes the general provisions that QA/QC system must have.
- The guidelines establishes the requirement of documentation needed.
SB work programme

- Thresholds for baseline and additionality (X & Y) and their implications for sectors covered by the guidelines
- Expanded applicability to afforestation and reforestation (A/R) projects and transport sector projects
- Procedures:
  - Modalities for support to countries with less than 10 CDM projects
  - Procedure on submission of data template
  - Procedure for the submission of projects using SBs (Revision of existing PCP, PS, VVS)
  - Submission of data template
- Database on cost of technologies; web based workflows; web based system to develop SBs, software for sector wide emission factor
PoA standards

Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for PoA

- CMP 6 requested to further clarify the application of existing rules regarding
  - demonstration of additionality to PoAs;
  - definition of eligibility criteria for the inclusion of CPAs in a PoA;
  - further simplification of the application of multiple methodologies and technologies
- Standard for demonstration of additionality, development of eligibility criteria and application of multiple methodologies for PoAs (EB65)
Section III.A - Requirements for Additionality

- Additionality shall be demonstrated by establishing that in the absence of CDM, none of the implemented CPAs would occur.
- If a large scale methodology
  - Additionality section of the large scale methodology
- If a small scale methodology and small scale projects
  - Attachment A of Appendix B of the “Simplified modalities and procedures for small-scale CDM project activities”
- If a small scale methodology and microscale projects
  - “Guidelines for demonstrating additionality of microscale project activities”

Section III.B - Requirements for Eligibility Criteria

- CME to develop eligibility criteria
  - Distinct EC shall be developed per combinations of methodologies.
  - DOE assess EC (objective and comprehensive)
- CME to implement a management system
  - DOE assess the elements
- Update of eligibility criteria
  - Revision of methodologies after being placed on hold
  - Amendment of PoA boundary
  - Initiated by the Board
  - At the renewal of crediting period
Section III.C - Requirements for Multiple Methodologies

- **Cross effects** refer to the interactive effects between the technology(ies)/measures of a CPA.
  - Demonstrate no cross effects, otherwise, request for deviation.

- One/multiple measures/technologies with one/multiple SSC methodologies

- Multiple LS methodologies or SSC+LS methodologies
  - Allowed in the methodologies
  - Request for clarification

Sampling Standard - Requirements for PoAs

- Sample size calculations
  - Required Reliability: i.e. Confidence / Precision
  - The type of parameter of interest: proportion or mean value
  - The expected value and variance (or standard deviation) of the parameter

- PoAs
  - Allows a single sampling plan covering a group of SSC CPAs
  - More rigorous confidence/precision (i.e. 95/10).

- Validation and verification of sampling plans
THANK YOU

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