

# Suppressed Demand



## Supressed Demand: Background

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- Paragraph 46 of M& P of CDM “The baseline may include **a scenario where future anthropogenic emissions by sources are projected to rise above current levels**, due to the **specific circumstances of the host Party**”.
- EB 5 Annex 3 ( Aug, 2002): GUIDANCE BY THE EXECUTIVE BOARD TO METH PANEL: When analyzing **how to operationalize paragraph 46** of the CDM modalities and procedures, the Meth Panel and project participants shall bear in mind paragraphs **45 (e), 48 (b) and (c)**. The board asked the **chair of the Meth Panel to provide further clarifications to the Meth Panel on this issue**.
  - a) 45 (e): Taking into account relevant national and/or sectoral policies and circumstances.....economic situation in the project sector.



## CMP decisions

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Decision 2/CMP.5 (2009) “ 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.**”

2010 CDM Management Plan: (a) option paper to identify and address scenarios (b) framework for development of a tool or guidelines to account for those scenarios.

EB57 (October 2010) agreed 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: reiterates 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.



## Updates from EB 61

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EB 61 para 40: The Board considered an information note on the treatment of **increase in future anthropogenic emissions of a host country, also referred to as suppressed demand**, and requested the secretariat to:

- (a) **Draft a standard** that address the issues related to the situation of suppressed demand in baseline and monitoring methodologies as formulated in the information note prepared by the secretariat;
- (b) Prepare a **draft work plan on how to implement the identified solutions** in approved methodologies; and
- (c) Report back to the Board on these issues at its **sixty-third meeting**.

### Three situations of SD

- Where services to meet the basic human needs (e.g. basic housing, lighting, cooking, transport, or waste treatment) was previously completely unavailable;
- Where a service was previously available to an inadequate level (e.g. fewer kerosene lamps for curtailed duration of hours in households to only partially meet the lighting demands);
- Where a service is currently provided with a resource that is assumed to result in no emissions ( e.g. use of dung as fuel)

### Approaches to solutions

- couple a **measure of increase in demand with a maximum cap** conservatively determined so as not to create a situation that could never have been met with the baseline technology
- Use of standards, simulation approach ( further work required)

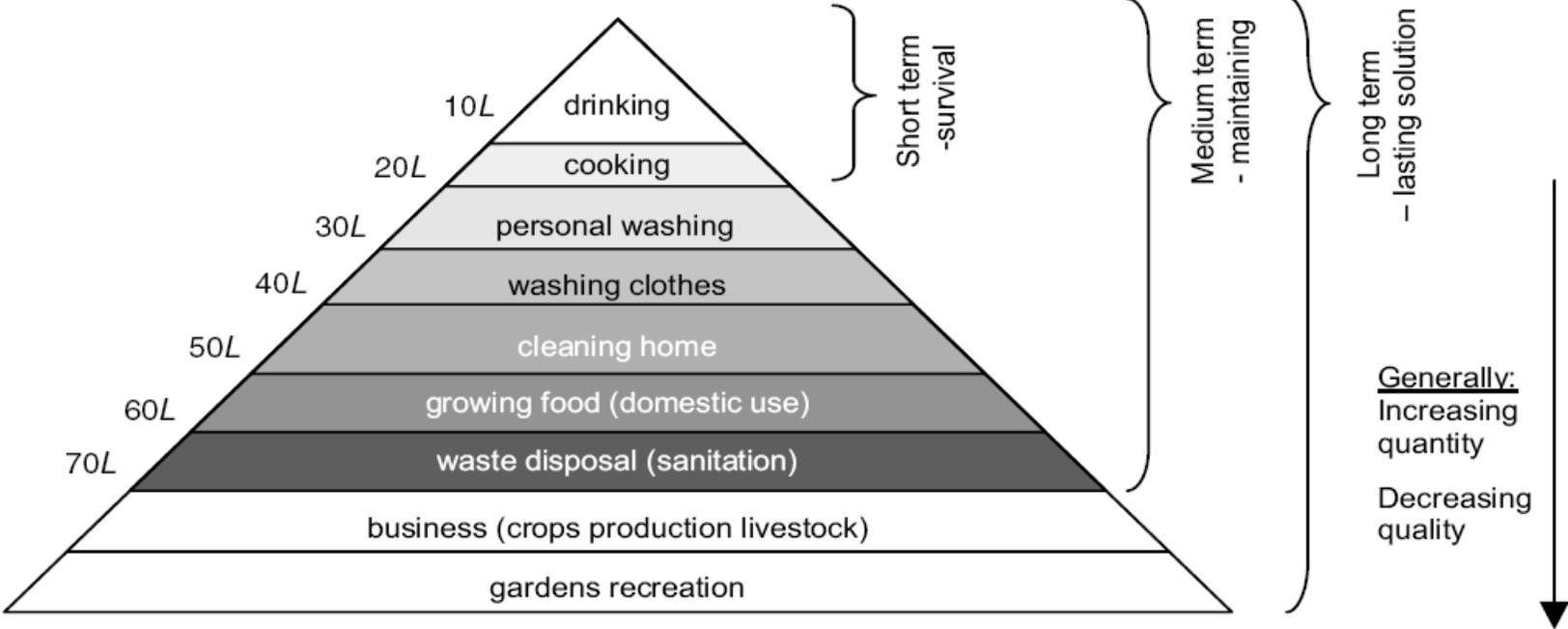


## Supressed demand in approved methodologies

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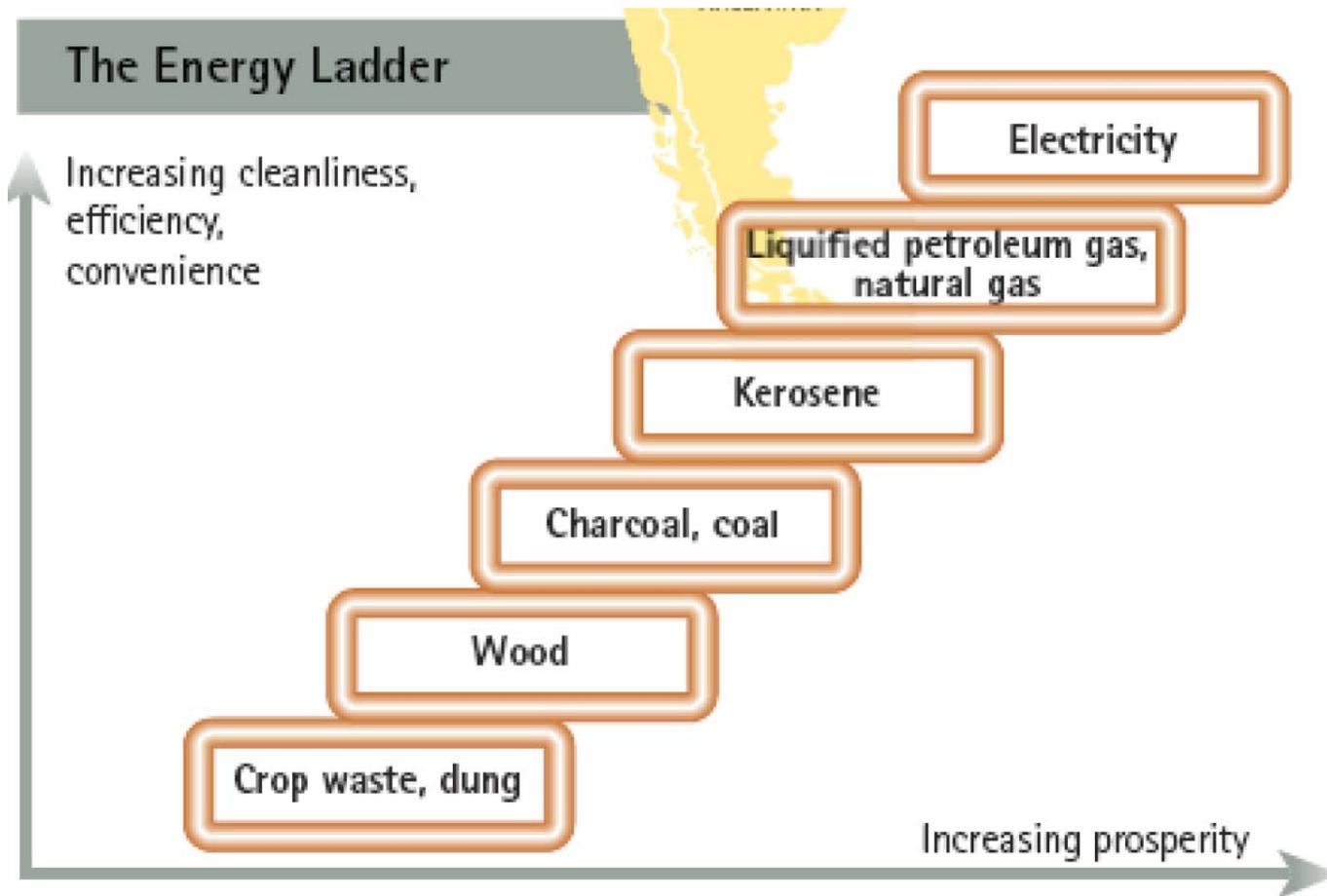
- AMS I A,
- All grid connected renewable energy methodologies
- AMS I E/AMS II G/ AMS I.I,
- AMS-I.J,
- AMS-III.AE,
- AMS III AV,
- AMS-III.AR

# Water supply pyramid



# Fuel use ladder

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## Questions

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- What is suppressed demand ( given CDM's dual objectives of real measurable emission reductions and sustainable development)?
- How should the project level of service taking into account suppressed demand be set?
  - a) What are objective methods to set baseline/s for project level of service? Should it be differentiated based on targeted/attained level of service, recognizing there is a hierarchy of technology choices to meet the needs depending on the attained level of prosperity?
- specifically in situations where:
  - a) services to meet the basic human needs were completely unavailable under the pre project scenario ;
  - b) a service was available under the pre project scenario to an inadequate level.

