
Development and application of Standardized baselines

Training workshop on CDM and use of SBs as MRV tool
Kigali, Rwanda
26 – 27 April 2016



UNFCCC, Regional Collaboration Centre, Kampala

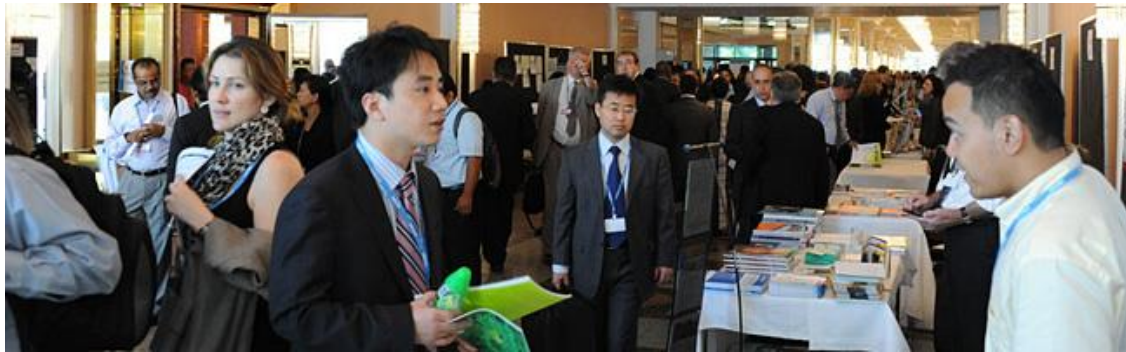


Objectives

- How private sector participate in the **SB development**
- How **SBs used as tool for MRV for mitigation actions** including CDM projects, PoAs, NAMAs and NDCs

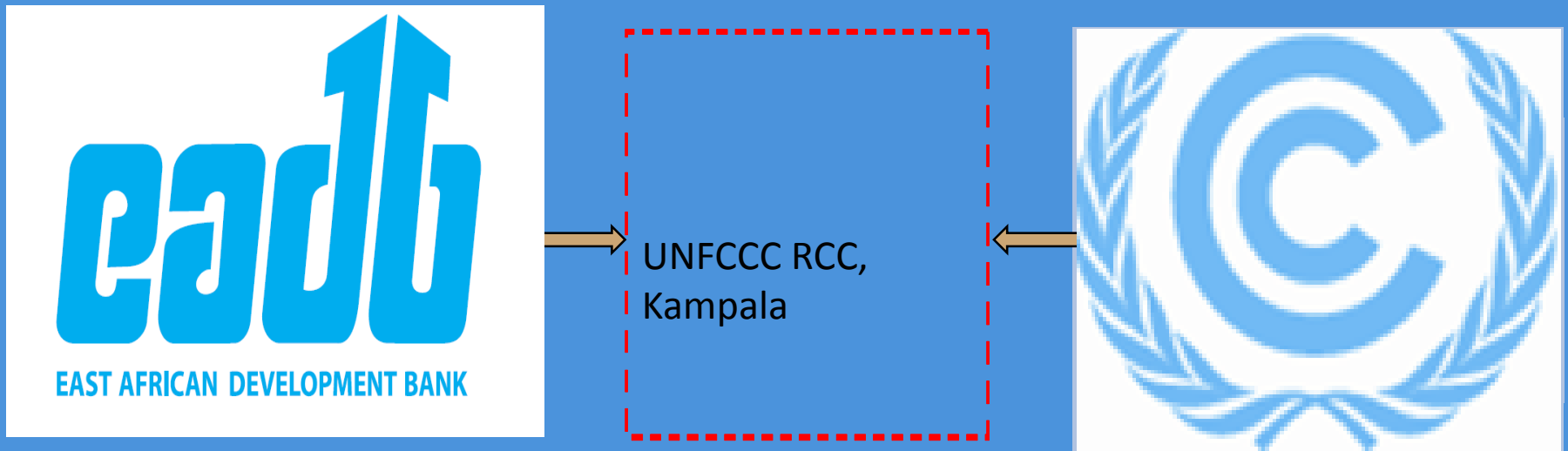


- In 1992, countries joined an international treaty, the **United Nations Framework Convention on Climate Change**, to cooperatively consider what they could do to limit average global temperature increases



- **Participants:** 196 parties
- The Conference of Parties (COP) is the highest decision-making authority of the Convention.

UNFCCC Regional Collaboration Centre, Kampala



A collaboration between EADB and the UNFCCC

Regional Context – Countries supported

- Angola
- Botswana
- Djibouti
- Egypt
- Eritrea
- Ethiopia
- Kenya
- Lesotho
- Libya
- Malawi
- Mauritius
- Mozambique



- Namibia
- Rwanda
- Seychelles
- Somalia
- South Africa
- South Sudan
- Sudan
- Swaziland
- Tanzania
- Uganda
- Zambia
- Zimbabwe

The mandate (2010)

Decision 3/CMP.6 definition:

“..Baseline established by a Party or a group of Parties to facilitate the calculation of emission reductions and removal and/or the determination of additionality for clean development mechanism project activities, while providing assistance for assuring environmental integrity..”

Decision 3/CMP.6 priorities:



Underrepresented regions: LDCs, SIDs and Parties with 10 or fewer registered CDM project activities as of 2010



Underrepresented project activity types, e.g. energy generation in isolated systems, transport and agriculture



The concept

CDM Methodologies/ tools

- Specific project boundary
- **Project-specific** baseline to be determined
- **Project-specific** demonstration of additionality

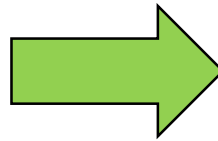
Standardized Baselines (SBs)

- Sector-specific standards (regional, national, or international)
- **Sectoral** baseline (pre-determined)
- Pre-determined additionality using positive list



Moving complexity towards regulator

*“..Baseline established ...to facilitate
the calculation of emission reductions
and removal and/or
the determination of additionality”*



Difference between a methodology and SBs ?

CDM Methodologies/ tools

- International Standards
- Calculate emission reduction of specific projects
- Specific applicability conditions and project boundary
- Project specific baseline scenario determination and demonstration of additionality
- Baselines using historical or actual, most attractive course of action or Average of top 20%
- Project emissions
- Data monitoring

Standardized Baselines

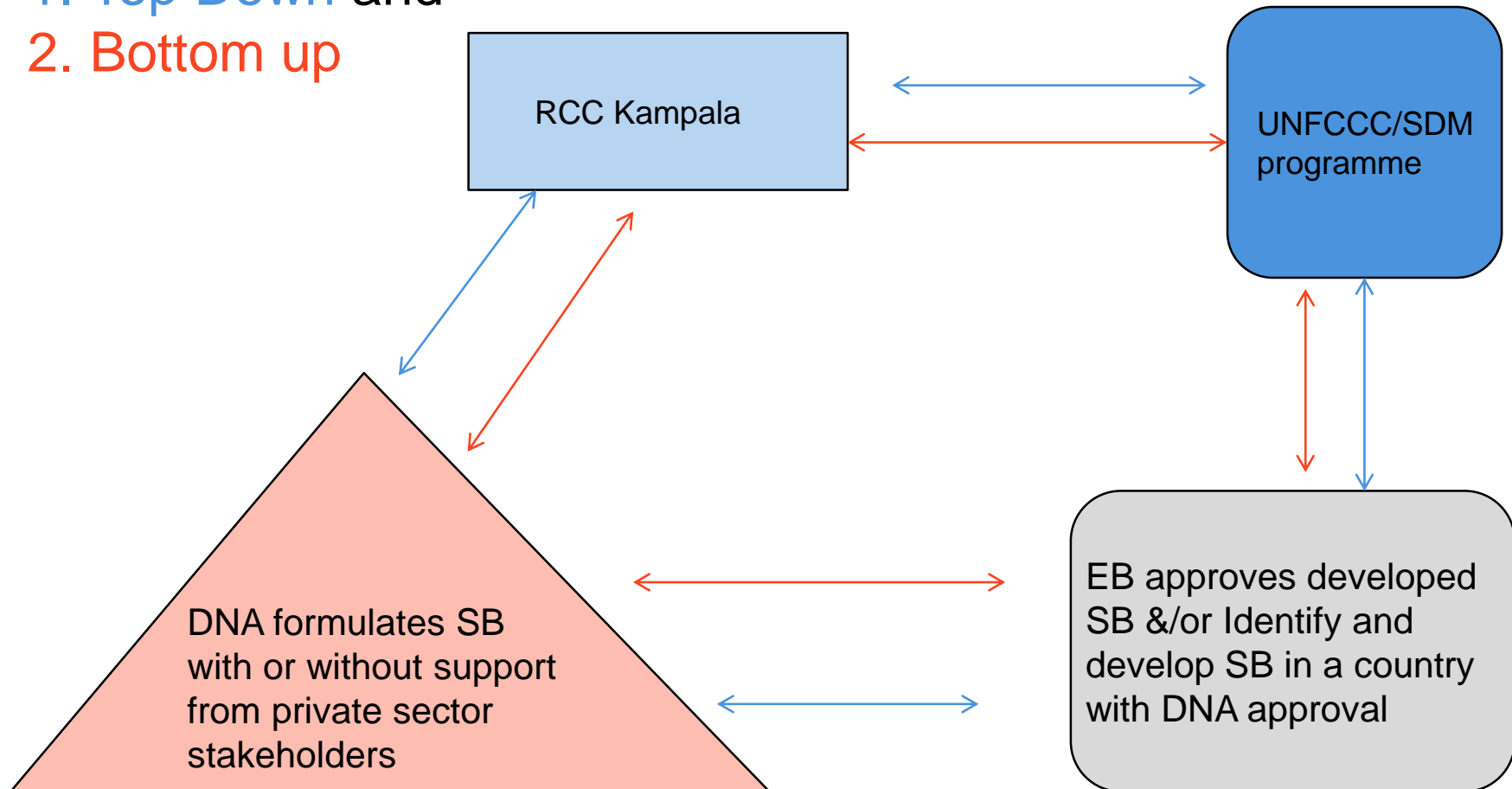
- Sector-specific (regional, national, or international) standards
- Either calculates baseline factor or baseline for entire sector based on performance of sector
- Baseline emission factor to be used for baseline emission calculations
- Positive list of fuel/ feedstocks/ technologies provided for demonstration of additionality
- Used together with an approved methodology/tool



Development of SBs

Types of SBs:

1. Top Down and
2. Bottom up



Why SBs?

- Important strategy for **promoting access** to CDM projects and PoAs in developing countries and sectors through **simplification in developing baseline, baseline factors** and or **additionality**
- Baseline, baseline factors developed using SBs can be used for wider mitigation actions including **NAMAs and NDCs**, to calculate emission reductions.



SB procedure

- SB is submitted using an approved methodology, tool or SB guidelines.
- For any other approach, use the submission procedure for PNM or revision of methodology/tool.
- Who can submit? through DNA
 - ✓ Parties
 - ✓ PPs
 - ✓ International industry organizations
 - ✓ Admitted observer organizations
- Documentation required for submission:
 - ✓ CDM-PSB form
 - ✓ Assessment report, and
 - ✓ Letter of approval from DNA(s)
 - ✓ Additional documentation supporting submission

For submission by group of Parties, the approval of all DNAs is required, and any one of DNAs can submit and act as focal point.



SB procedure

- ❖ **Assessment report** by:
 - **DOE** contracted by DNA, or
 - **Secretariat (up to first 3)** submissions for
 - ✓ Under represented Party
 - ✓ Group of Parties, where all Parties are under represented.
- ❖ **Funding** available for the assessment report (**up to first 3**) for:
 - ✓ Under represented Party
 - ✓ Group of Parties, where all Parties are under represented.
- ❖ The DNA of **under represented Party** may **decide to omit** the submission (up to first 3) of assessment report, in such cases **Secretariat** will prepare the same.
- ❖ **No fee** is payable for SB submission.



Present Status

- **24 SBs** in total are approved
- **12 bottom up** and **9 top down** submissions are under processing
- Sectors covered are:
 - ✓ Electricity generation
 - ✓ Rural electrification
 - ✓ Cement
 - ✓ Charcoal
 - ✓ Waste (LFG flaring and electricity/power generation)
 - ✓ Rice mill
 - ✓ Rice cultivation
 - ✓ Cook stoves
 - ✓ Forestry



Reduces transaction cost?

- **Reduction in time for PP and DOE:**

- SB standardizes baseline scenario, baseline emission factor and/or additionality at a regional, national, or international level, which reduces time during validation and verification of a activity

- **Scalability:**

- Simplified emission reduction calculation approach for highly scalable projects, PoAs, NAMAs and NDCs

- **Simplification:**

- All CPAs/sub-activities can use same positive list/baseline or baseline factor
- If a project has used a methodology, whereas SB, that is applicable to project is available at the end of crediting period, then SB can be applied together with methodology at the time of renewal of crediting period.



SBs tool for baseline setting

SBs are not only used for an offsetting mechanism, but also for **wider mitigation outcomes** including those for;

- Carbon finance
- Climate finance
- Result based finance
- NAMAs and NDCs

SB is a **reliable, UN-recognized tool** that offers a **transparent means** to develop **baseline or baseline factors** for monitoring, reporting and verification purpose of mitigation outcomes.



SBs role in NAMAs and INDCs?

Nationally Appropriate Mitigation Actions (NAMAs):

- Desire of developing countries to take Nationally appropriate action to contribute to global efforts
- Desire of developed country Parties to cooperate in implementation of real action

Nationally Determined Contributions (NDCs)

- 188 countries submitted their Intended Nationally Determined Contributions (INDCs) to COP21 in Paris and now after adoption of the Paris Agreement it is time for implementation of those NDC



NAMA example

KENYA

- NAMA for accelerated geothermal electricity development in Kenya
- Support to build **820 MW geothermal power** as part of the National Climate Change Action Plan (NCCAP) 2013
- National Implementing Entity: **Ministry of Energy and Petroleum**
- Uses grid emission factor developed using SB to fix baseline factor for emissions from electricity generation
- Will abate @ 3.77 MtCO₂e per year by 2020
- Co-benefits: Energy security through increased domestic supply; GDP growth through lower energy prices and increased employment etc.



NAMA example

THE GAMBIA

- Title: Rural Electrification with Renewable Energy (RE) in The Gambia
- Support to promote RE projects to electrify rural communities in The Gambia through the implementation of RE ventures
 - National Implementing Entity: **NCA, Ministry of Environment, Climate Change, Water and Wildlife**
- Uses grid emission factor developed using SB to fix baseline factor for emissions from electricity generation
- Will abate @ 118.6 ktCO₂e by 2030
- Co-benefits: Energy security through increased domestic supply; improve rural livelihoods through increase in income generation etc..



NAMA example

THE PHILIPPINES

- Title: Adaption and Mitigation Initiatives in Philippines Rice Cultivation
- Support to strategic priorities such as Food security, Water sufficiency, Ecological and Environmental stability, Sustainable energy etc.
- Uses baseline emission factor developed using SB to provide emissions per area per season ($\text{kgCH}_4/\text{ha}/\text{season}$)
- To abate @ 12.1 MtCO₂e per year by 2020
- Co-benefits: Energy security through increased domestic supply; GDP growth through lower energy prices and increased employment,



Thanks for your attention!



UNFCCC Regional Collaboration Centre
A collaboration between the UNFCCC Climate Change Secretariat and the East African
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