

## Annex 4

### **Further clarifications to define what is the baseline scenario**

1. The baseline is the scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases that would occur in the absence of the proposed project activity. Different scenarios may be elaborated as potential evolutions of the situation existing before the proposed CDM project activity. The continuation of a current activity could be one of them; implementing the proposed project activity may be another; and many others could be envisaged. Baseline methodologies shall require a narrative description of all reasonable baseline scenarios.
2. To elaborate the different scenarios, different elements shall be taken into consideration, including related guidance issued by the Executive Board. For instance, the project participants shall take into account national / sectoral policies and circumstances, ongoing technological improvements, investment barriers, etc. (see Appendix C para b (vii) and paras 45 (e), 46, 48 (b) of decision 17/CP.7).