

FRAMEWORK FOR THE ESTABLISHMENT OF SECTOR SPECIFIC SBs

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OVERVIEW

- I. Background and definition**
- II. Basis of the proposed approach**
- III. Examples of requirements and SBs for the measures**
- IV. Streamlining and scaling up**
- V. Conclusions**

BACKGROUND AND DEFINITION

WHY SBs

- Reduce transaction costs,
- Enhance transparency, objectivity and predictability
- Facilitate access to the CDM; and
- Scale up the abatement of GHG, while ensuring EI.

DEFINITION

A “SB” is a baseline established for a Party or a group of Parties to facilitate the calculation of ERs and removals and/or the determination of additionality for CDM project activities, while providing assistance for assuring EI.

WHY AN APPROACH BASED ON MEASURES

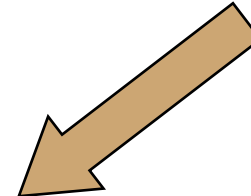
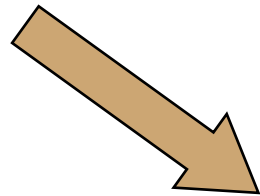
- **The same measures have common characteristics for baseline setting regardless of the sector**
- **For the establishment of benchmark, it is generally needed to have a disaggregation at least at the level of individual measure**
- **Address the issue of prioritization of sectors**
- **Other measures may be added to the framework**

BASIS OF THE PROPOSED APPROACH

Framework for the development and assessment of SBs



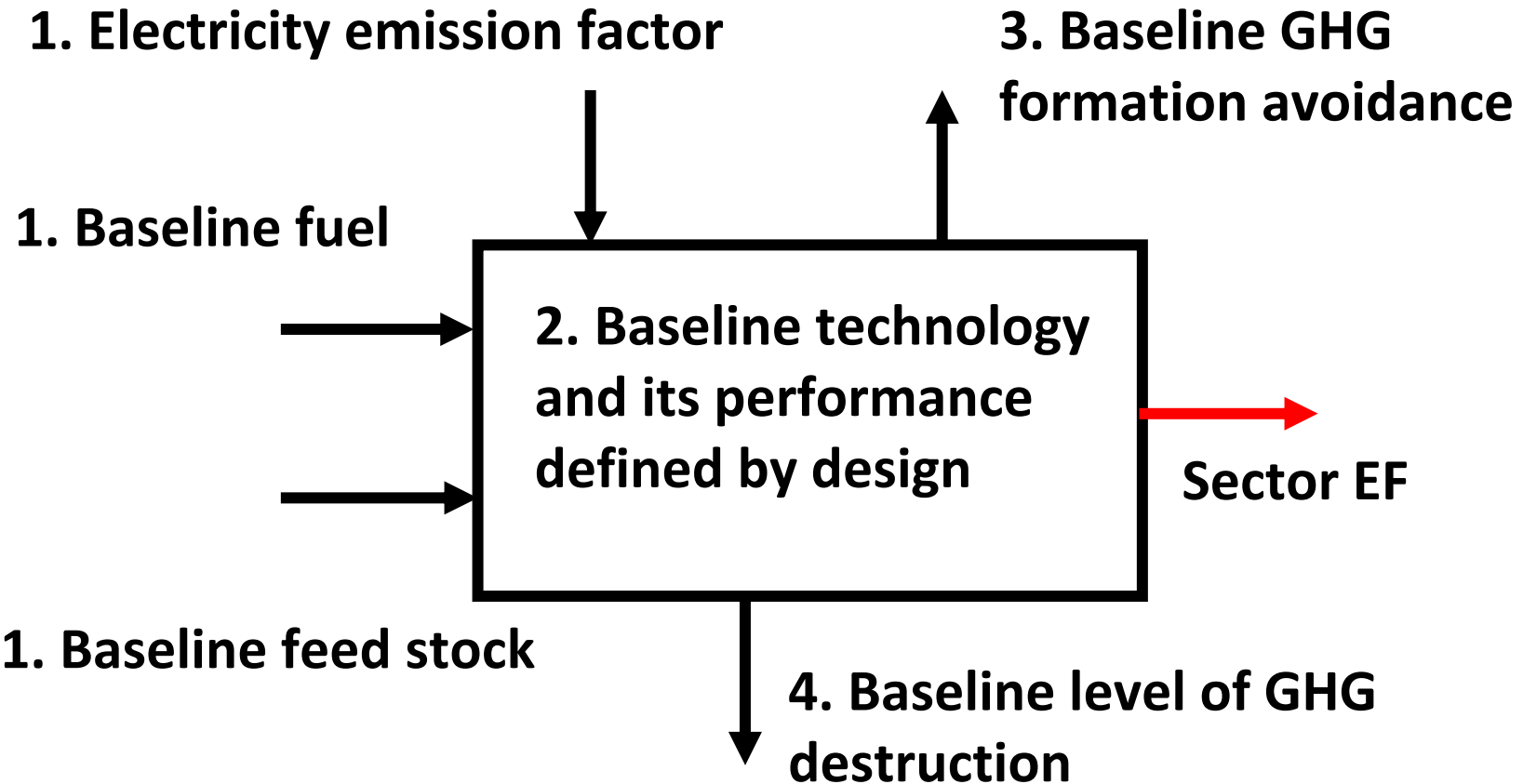
PL of **measures** additional Baselines for measures



Emission factor of the sector **if relevant**

Enough objective and simple both at the setting and at the use of the standard

BASIS OF THE PROPOSED APPROACH



Displaces the more data intensive approach for EF determination like in the “Tool to calculate the EF of an electricity system”

REQUIREMENTS AND SBs FOR THE MEASURES

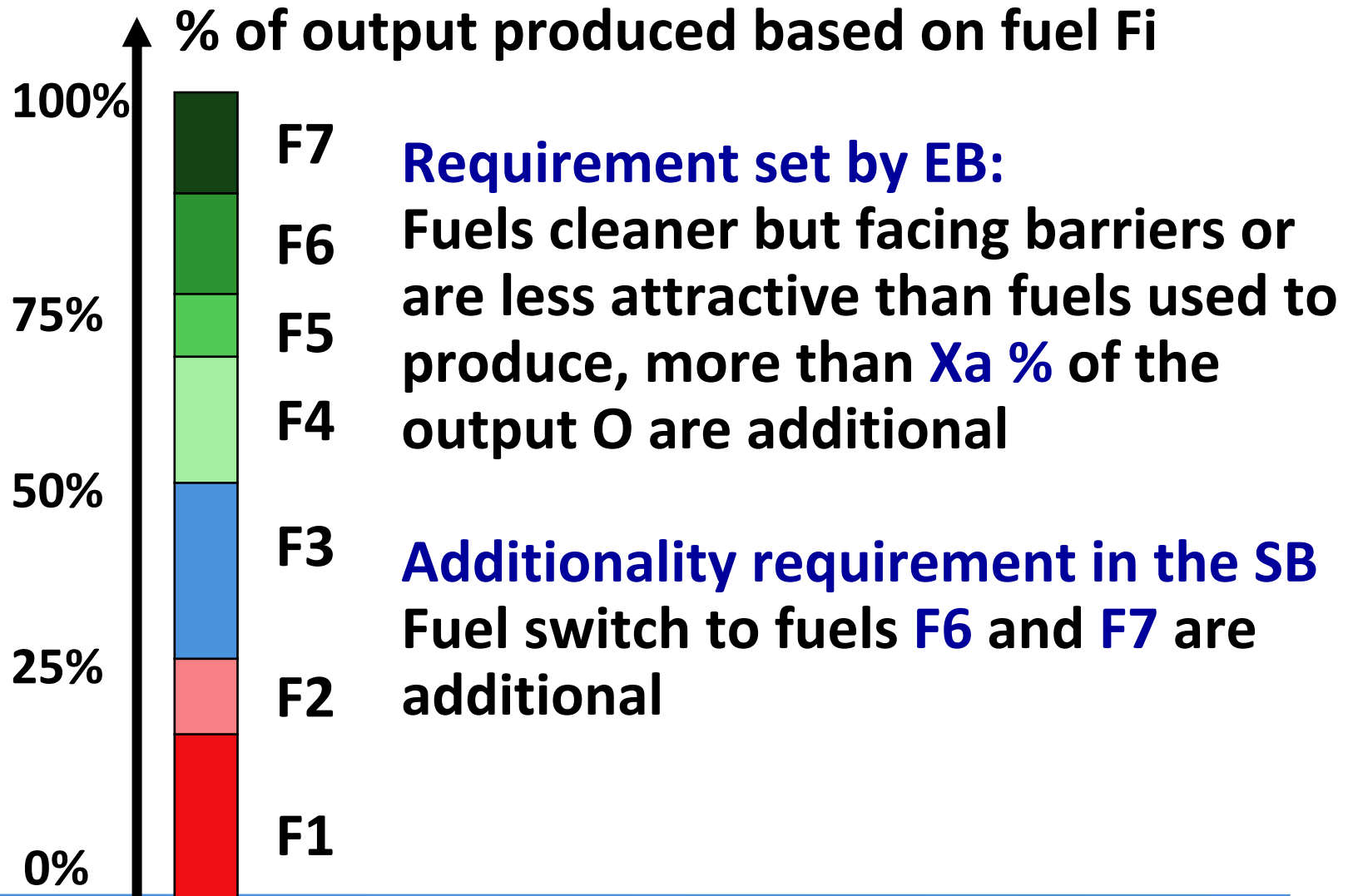
	Additionality		Baseline	
	Framework	SBs	Framework	SBs
FS/FSS in production of output O using technology T	FS to Fuels cleaner than fuels used to produce more than $Xa\%$ of the output O, but facing barriers or are less attractive, are additional	Fuel switch to fuel $F1, F2, \dots, Fn$ to produce O based on technology T are additional	The baseline fuel is at least cleaner than fuels used to produce, based on technology T, more than $Xb\%$ of the output O	The baseline fuel is fuel Fb
TS in production of output O using fuel F (i) in industry and (ii) for diluted emissions	TS to technologies cleaner than technologies used to produce, more than $Xa\%$ of O, but facing barriers or are less attractive, are additional	Technology switch to technologies $T1, T2, \dots, Tn$ to produce O are additional	At least, the baseline technology is cleaner than technologies used to produce, more than $Xb\%$ of the output O	The baseline technology for the production of O is Tb .

REQUIREMENTS AND SBs FOR THE MEASURES

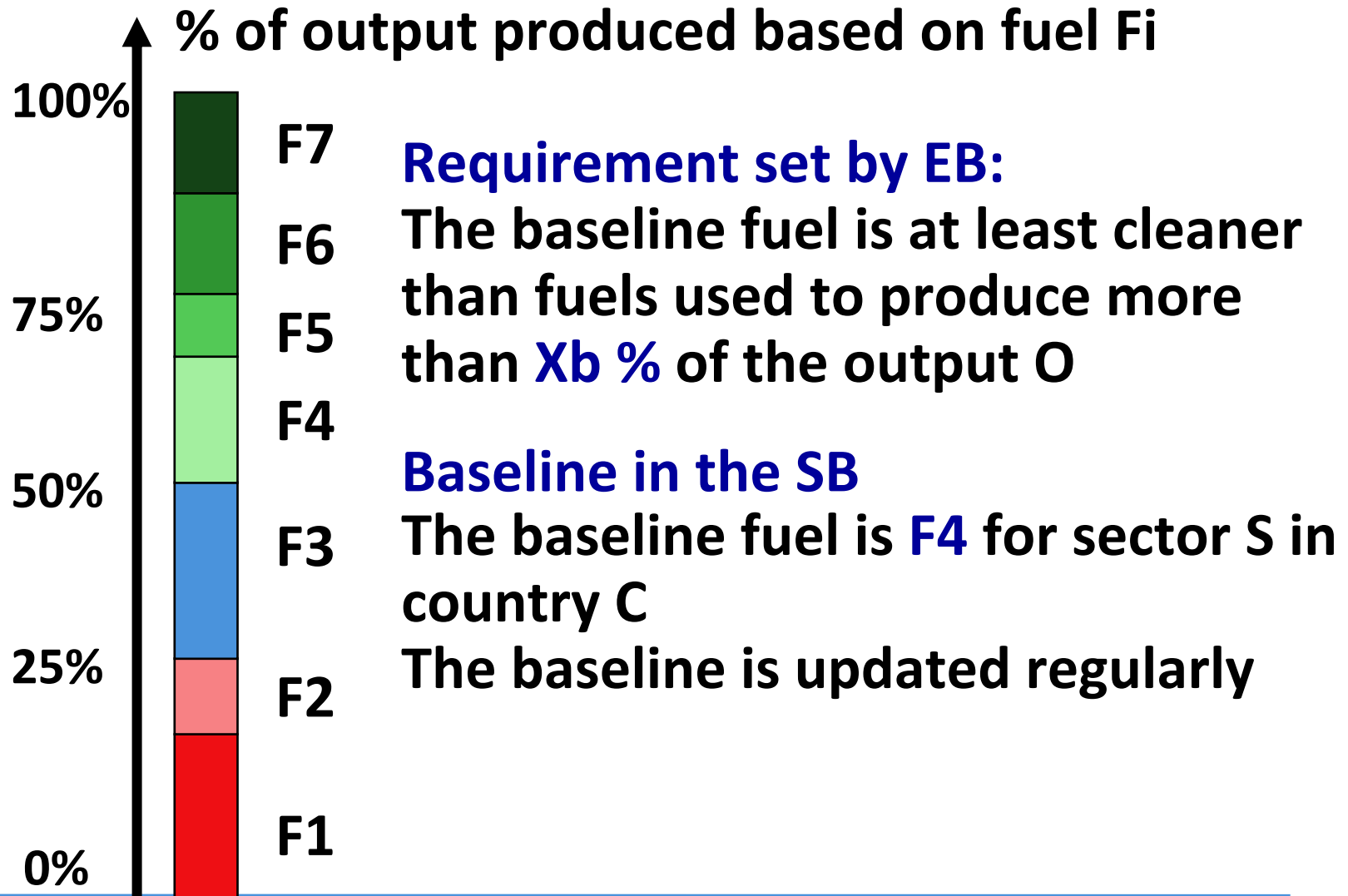
	Additionality		Baseline	
	BF	SBs	BF	SBs
GHG destruction	If the level of GHG destruction undertaken by a measure is higher than what is mandatory and enforced in a country C then the measure of destruction is additional .	In country C, destruction of GHG emissions from source S_i above $Y_i\%$ are additional .	The baseline level of destruction is the mandatory and enforced level of destruction	Example: for landfills, the baseline level of destruction is $Y_b\%$
GHG avoidance	If the change of fate of a product related to the implementation of a measure is not mandatory and enforced and is less attractive than the measure is additional	In country C, avoiding GHG emissions through the use of products P_i for purpose Z_i is additional	The baseline fate results from the most attractive course of action and is more widely observed. The corresponding EF is determined from the tool, IPCC or from peer reviewed literature	Example: Agricultural residues are burnt in the fields . The related methane EF is $X \text{ ton/ ton}$



EXAMPLES OF REQUIREMENTS AND SBs FOR THE MEASURES



EXAMPLES OF REQUIREMENTS AND SBs FOR THE MEASURES



STREAMLINING AND SCALING-UP

Increasing simplicity and scaling up

Additionality

Positive list e.g. T1,T2... ,Tn are additional

Absolute performance of the project e.g. a cement project is additional if its EF is lower than X tons of CO₂/ton of cement

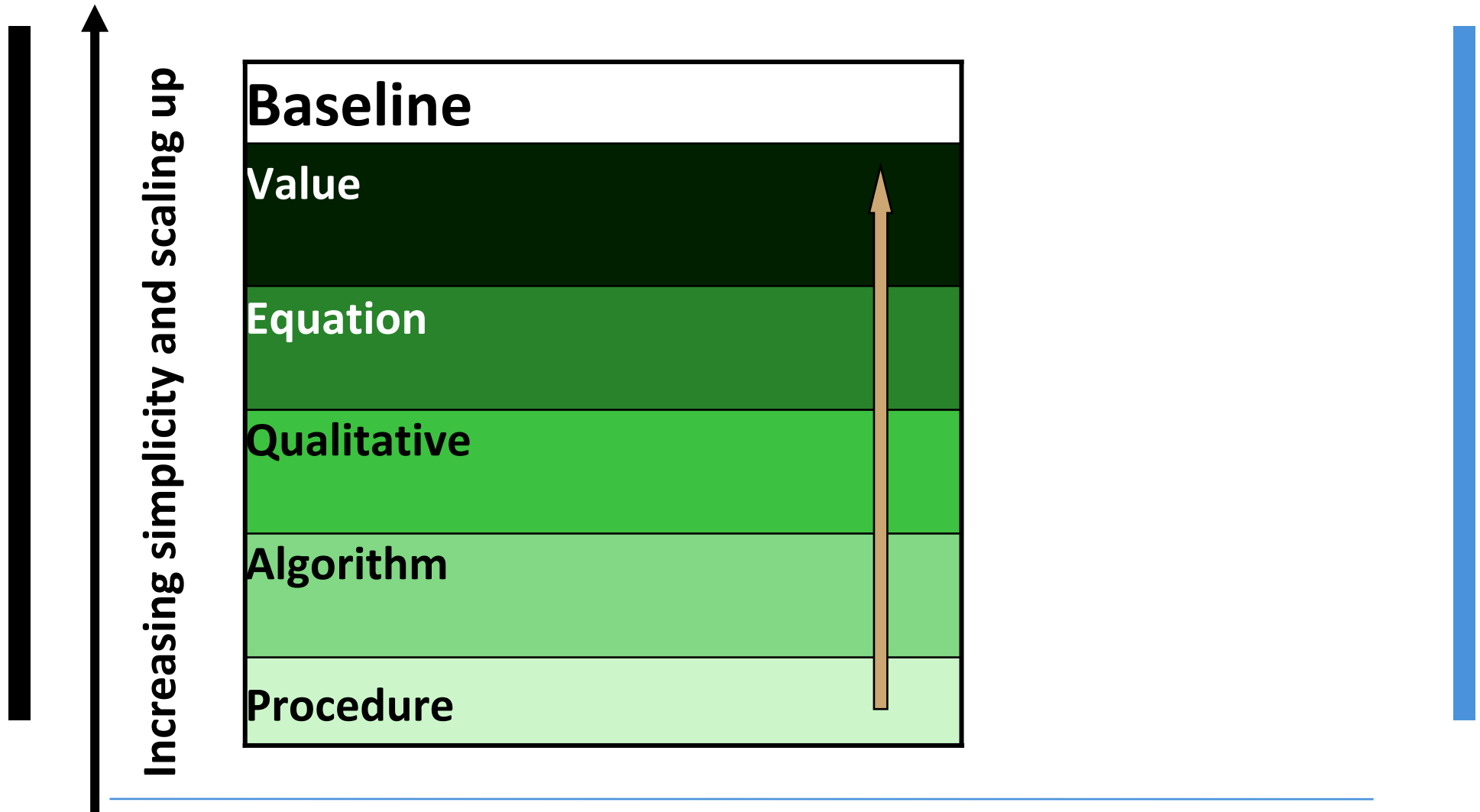
Technology/fuel relative performance e.g the project is additional if its fuel is cleaner than the fuel used to produce X% of the output in the country

Project relative performance e.g. “the project is additional if its EF is among the X% lowest”

Procedure



STREAMLINING AND SCALING-UP



CONCLUSIONS

- Framework **objective** enough and **simple** for use
- SBs cover both **additionality** demonstration and **baseline** determination and are simple for use
- Baselines **not project specific** but for a **sector**
- Baseline identified for measures are **known** ex-ante **without definition of the project**
- **Additionality** demonstrated and assessed for a **measure** not for a project
- SBs from the framework are able to accommodate the **specific conditions of a country** while being sector specific

THANK YOU FOR YOUR ATTENTION

