

October 28, 2011

UNFCCC Secretariat
P.O. Box 260124
D-53153 Bonn
Germany

Subject: Inputs on the “Guidelines on the consideration of suppressed demand in CDM methodologies” in response to the call for inputs at EB63

Dear Members of the Executive Board,

We welcome the opportunity to provide inputs on the aspects related to the “Guidelines on the consideration of suppressed demand in CDM methodologies”. The suggestions are outlined below.

Scope and applicability

Considering that the concept of suppressed demand is applicable to a wide range of sectors, it is useful to develop criteria on the applicability of suppressed demand that could apply in the baseline assessment of wide range of sectors.

The steps and procedures proposed on identification and application of the suppressed demand need to be consistent with the procedures of *combined tool to identify the baseline scenario and demonstrate additionality* and other guidelines related to baseline assessment.

The procedures for identification and application of the suppressed demand also need to be incorporated into the *guidelines for the establishment of sector specific standardized baselines and procedure for submission and consideration of standardized baselines*.

Baseline technology/measure

In projects/programs with suppressed demand, the methods for identification of baseline technology/measure need to allow for the use of sampling and surveys/participatory appraisal/expert assessment/other applicable methods in the assessment of suppressed demand.

Baseline service level

In situations where information on minimum service levels does not exist or varying minimum service levels are reported, a procedure for defining default values of minimum service levels by DNAs and its communication to the UNFCCC need to be specified to avoid the variations in the minimum service levels identified by the project proponents.

Guidelines on the procedure for requesting the revision to a minimum service level approved by DNA or EB for situations in which approved minimum service level is not relevant to the project/program contexts need to be adopted.

The guidance needs to also include situations in which the project service level(s) either exceed(s)/is (are) smaller than the minimum service level(s), and the treatment of project service level relative to the minimum service level and baseline and the procedures to be followed in the calculation of the emission reductions need to be clarified.

Even when minimum service level recommendations exist (e.g. WHO recommendation on indoor temperatures, liters of clean water per person per day etc.), they may not be expressed in energy units. The conversion of minimum service levels to relevant energy units and GHG emission calculations can depend on several factors. In such situations, guidance on conversion of minimum service level requirements into emissions levels needs to be included in the specific contexts of the methodology.

Suggestions on the implementation of suppressed demand concept

Options could be made available to project developers and/or DNAs to develop emissions factor values that better reflect local contexts. Default values applicable to Tier 3, Tier 2 and Tier 1 in that order may be allowed for accounting the suppressed demand with relevant justifications by project participants.

It is suggested that the UNFCCC secretariat maintain a public database that lists minimum service levels considered applicable and appropriate according to technologies, countries, and regions. Designated national authorities (DNAs) could make recommendations on minimum service levels if they are not appropriate to the specific country circumstances. The existing CDM methodologies need to be reviewed with regard to consideration of suppressed demand and to account for minimum service levels.

It will be useful to include examples on the consideration of suppressed demand in calculations of baseline and project emissions in different sectors.

Interaction with informal working groups such as the Suppressed Demand Working Group (umbrella of stakeholders and institutions on the subject) could be strengthened to support the Secretariat refine and implement the suppressed guidelines.

We will be glad to provide any further information and clarifications as necessary.

With kind regards,



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