Document: "Draft standard for validation and verification of CDM project activities using standardized baselines"

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#	Para No./ Annex / Figure / Table	Line Number	Type of input ge = general te = technical ed = editorial	Comment (including justification for change)	Proposed change (including proposed text)	Assessment of comment (to be completed by UNFCCC secretariat)
1			ge	We recommend that the draft standard is integrated in the "Validation and verification standard (VVS)". This ensures that inconsistencies between the new standard and the validation and verification standard are avoided. It makes the requirements also more easily accessible. The comments below illustrate in more detail that the proposed approach of replacing single words in the validation and verification standard would result in many cases in large inconsistencies in the CDM framework, in meaningless text or in requirements which contradict other requirements under the CDM. This strongly supports the argument that a full amendment to the validation and verification standard is a better approach rather than a separate standard which replaces single words in the project validation and verification standard.	We strongly recommend to integrate the document in an amendment of the VVS rather than developing a new standard.	
2	11			This new paragraph does not seem to be phrased accurately. While the original paragraph applies to both project activities and programmes of activities, the "replaced" paragraph only relates to project activities. In addition, a change does not seem necessary or could be phrased differently, as standardized baselines are only one sub-element of the normal validation and verification functions.	Delete the paragraph and amend the VVS. Rephrase the existing paragraph by adding at the end: "including, where applicable, the application of approved standardized baselines".	

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3	12			As for the project standard, the simple replacement of the term "methodology(ies)" by "standardized baseline(s)", would introduce major inconsistencies, unclarities and would in a number of cases make the requirements meaningless. This is illustrated with few examples which are by no means exhaustive: - The replacement in paragraph 17 of the VVM would	Delete the paragraph and develop an amendment of the project standard instead.	
				imply that relevant parts of the application of an approved methodology would not need to be validated anymore, such as applicability conditions.		
				The replacement in paragraph 22 of the VVM could be misinterpreted that DOEs should only validate the standardized baseline but not methodological requirements by the methodology with regard to project or leakage emissions.		
				- The replacement of the term "methodology" in paragraph 65 of the VVS does not make sense. An approved standardized baseline would not provide guidance on whether a site visit should be undertaken, while some methodologies do so.		
4	14			The provision implies that the applicability conditions of the underlying methodology do not need to be checked anymore but that only the applicability conditions of the standardized baselines apply. This provision would very seriously undermine the integrity of the CDM.	Delete the paragraph. The current provision in the VVS should be kept and an additional provision should be added requiring that also any applicability conditions of the standardized baseline apply.	
				The applicability conditions only partially relate to the baseline determination of additionality. Many applicability conditions refer to criteria of the project activity, i.e. what features the project activity need to have. In addition, applicability conditions often provide safeguards to ignore minor project or leakage emissions. If these applicability conditions are not checked anymore, projects may apply the methodology for which the methodology was never designed. For example, biomass power projects using the grid emission factor as a standardized baseline would not need to fulfil conditions with regard to source of biomass. The biomass could then also come from deforestation.		
				For these reasons it is very important that the applicability conditions of the methodology still apply, even if a standardized baseline is used.		

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5	15 – 19 and 113 - 116			As highlighted in comments on the project standard, the proposed approach does not work in all cases, for the following reasons: - A baseline may consist of different components and emission sources and in many cases not all components may be determined through a standardized baseline - The standardized baseline does not determine the absolute baseline emissions but often only determines an emission factor (e.g. in the case of the grid emission factor tool) - In a number of cases, the standardized baseline will not determine the baseline scenario but only determine a baseline emission factor (e.g. in the case of the grid emission factor). The determination of the baseline scenario is subject to the application of the relevant methodology. These cases are not reflected in the proposed changes to the VVS.	Delete the paragraphs. Address the issue by a careful revision of the VVS, providing specific guidance in which situations provisions may be different for standardized baselines. Rather amend by provisions for standardized baselines than replacing existing provisions in the VVS.	
6	20 and 29			The purpose of the proposed change is unclear. From a legal perspective it is not clear what the difference is in the proposed language and the previous language.	Delete the paragraph	
7	21 and 22 30 and 31			The paragraphs implicitly assume that an approach of positive lists is used for the determination of additionality through a standardized baseline. This may not necessarily be the case. Many stakeholders have proposed different standardized approaches, such as emission benchmarks or flow diagrams which lead, in a standardized way, to the conclusion whether the project is additional or not. Such approaches could be proposed in methodologies which are then used to derive standardized baselines. The text should therefore not presume one specific approach to determine the additionality through a standardized baseline.	Delete the paragraph and provide more open text in the VVS with regard to the approaches used for additionality.	

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8	Table 23			The proposed standard suggests that "prior consideration" shall not apply to projects that use standardized baselines. This provision would seriously undermine the environmental integrity of the mechanism: - Firstly, "prior consideration" is a key principle under the CDM to safeguard environmental integrity. If an investor took the decision to implement a project activity without considering the CDM, a project is clearly not driven by the CDM but would be implemented anyways. Removing this requirement could substantially increase the number of non-additional projects in the CDM. For example, the proposed deletion could result in a situation where a project that has been implemented ten years ago not knowing at all about the CDM receives CDM credits once its emissions fall below the emission level established through the "Guidelines for the establishment of sector-specific standardized baselines". This could potentially result in a very large amount of non-additional projects entering the CDM.	Delete the paragraph and maintain the requirement of prior consideration for all projects using standardized baselines.	
				- Secondly, the question of whether the CDM was considered in the decision to proceed with a project activity is independent of the question which methodological approach is used to demonstrate additionality or determine baseline emissions. Under the current rules, projects using methodologies with a positive list also need to demonstrate "prior consideration".		

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9	25 – 29 and 33			It is not clear why these provisions are deleted. For example, paragraphs 25 and 26 are limited to categories 1 and 4 (for which the standardized baseline is used to determine both the baseline and additionality). If these provisions would not apply, logically they should also not apply to category 2 or to category 3 in cases where the investment analysis is used to determine the baseline scenario. However, more generally, rather than deleting these provisions it may be advisable to provide more precise and general language to address in which cases the relevant validation requirements apply. It seems obvious that the validation requirements only apply if the respective tests are applied. For example, validation requirements on investment analysis also do not apply to a project which only uses the barrier analysis. In this regard the paragraphs could be entirely deleted or be replaced with the suggestion made.	Delete the paragraphs. Keep the provisions in the VVS as they are and add one single paragraph at the beginning of the section: "The provisions in the following section only apply if the project activity uses the respective type of approach. For example, in the case of a project activity using a standardized baseline for determining the additionality, the relevant investment or barrier test may not be applied in accordance with the underlying methodology and project standard."	