

**DRAFT****DRAFT STANDARD FOR CDM PROJECT ACTIVITIES USING STANDARDIZED BASELINES****I. Introduction****A. Background**

1. At the sixth session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (hereinafter referred to as the CMP), Parties adopted decision 3/CMP.6, which included provisions on the implementation of standardized baselines under the clean development mechanism (CDM).
2. At its sixty-second meeting, the CDM Executive Board (hereinafter referred to as the Board) adopted the “Guidelines for the establishment of sector specific standardized baselines”, which were further revised at its sixty-fifth meeting (EB65 report, annex 23). Also at its sixty-fifth meeting, the Board agreed to a work programme on standardized baselines, which included the evaluation of the implications of standardized baselines on existing regulatory documents.
3. At its sixty-eighth and sixty-ninth meetings, the Board considered the concept notes and draft revised documents of the “Clean development mechanism project standard” (Project standard), the “Clean development mechanism validation and verification standard” (Validation and verification standard) and the “Guidelines for completing the proposed new baseline and monitoring methodology form” (Guidelines for PNM) as a result of standardized baselines.

B. Objectives

4. The objectives of the “Standard for CDM project activities using standardized baselines” (hereinafter referred to as this Standard) are to:
 - (a) Clarify the rules and requirements applicable to CDM project activities using standardized baselines in order to facilitate the development of such project activities;
 - (b) Contribute to an effective implementation of standardized baselines under the CDM and to a more credible and scaled-up mechanism.

II. Scope and applicability

5. This Standard is intended for project participants and prescribes the rules and requirements that are applicable to any non-afforestation/reforestation (A/R) CDM project activity using a standardized baseline (hereinafter referred to as CDM project activity using a standardized baseline).
6. This Standard is to be applied in conjunction with the Project standard. All requirements contained in the Project standard apply to CDM project activities using standardized baselines unless indicated otherwise in this Standard.
7. This Standard is not applicable to A/R CDM project activities or any type of programmes of activities (PoA).

III. Normative references

8. The following documents are indispensable for the application of this Standard:
 - (a) “Clean development mechanism project standard”;
 - (b) “Clean development mechanism project cycle procedure”;

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- (c) “Glossary of CDM terms”.

IV. Terms and definitions

9. In addition to the definitions contained in the “Glossary of CDM terms”, the following terms apply in this Standard:

- (a) “Shall” is used to indicate requirements to be followed;
- (b) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
- (c) “May” is used to indicate what is permitted.

V. Requirements and other provisions**A. Categories of standardized baselines**

10. As described in the “CDM proposed standardized baseline form”, there are two approaches to develop standardized baselines:

- (a) By using the “Guidelines for the establishment of sector specific standardized baselines” (hereinafter referred to as approach 1);
- (b) By using a methodological approach contained in an approved methodology or tool (hereinafter referred to as approach 2).

11. Using the approach 2 described in paragraph 10 above, three types of standardized baselines can be developed and approved, depending on whether they are developed for:

- (a) Additionality demonstration (hereinafter referred to as type 1);
- (b) Baseline establishment and baseline emission estimation (hereinafter referred to as type 2);
- (c) Additionality demonstration, baseline establishment and baseline emission estimation (hereinafter referred to as type 3).

12. Using the approach 1 described in paragraph 10 above, only type 3 of standardized baselines can be developed and approved.

13. As a result of using the approaches in paragraph 10 above and types in paragraphs 11 and 12 above, approved standardized baselines are classified into four categories, as presented in Appendix 1.

B. General

14. For CDM project activities using standardized baselines, from paragraph 15 onwards of the Project standard, except paragraph 24(b), wherever the term “methodology(ies)”, “baseline and monitoring methodology(ies)”, “baseline methodology” or “monitoring methodology(ies)” is used, it shall be replaced with “standardized baseline(s)”.

DRAFT**C. Selection of approved standardized baselines**

15. The following applies to CDM project activities using standardized baselines instead of paragraph 23 of the Project standard: “Project participants shall select a standardized baseline that has been approved by the Board and is applicable to the proposed CDM project activity (hereinafter referred to as the selected standardized baseline).”

D. Demonstration of prior consideration of the clean development mechanism

16. Requirements contained in paragraphs 26–29 of the Project standard are not applicable to CDM project activities using category 1 of standardized baselines.

E. Application of selected standardized baselines**1. Baseline scenario**

17. Requirements contained in paragraphs 41–45 of the Project standard are not applicable to CDM project activities using category 1, 3 or 4 of standardized baselines.

18. Instead of paragraph 46 of the Project standard, the following applies to CDM project activities using category 1, 3 or 4 of standardized baselines: “Project participants shall describe the baseline scenario as per the selected standardized baseline.”

2. Additionality

19. Instead of paragraph 47 of the Project standard, the following applies to CDM project activities using category 1, 2 or 4 of standardized baselines: “For the demonstration of additionality for relevant measure(s), project participants shall use the additionality criteria (e.g. positive lists) identified in the selected standardized baseline.”

20. Requirements and provisions contained in paragraphs 48 and 49 of the Project standard are not applicable to CDM project activities using category 1, 2 or 4 of standardized baselines.

F. Specific requirements for small-scale project activities

21. Instead of paragraph 96 of the Project standard, the following applies to small-scale CDM project activities using category 1, 2 or 4 of standardized baselines: “For the demonstration of additionality for relevant measure(s), project participants shall use the additionality criteria (e.g. positive lists) identified in the selected standardized baseline.”

G. Post-registration changes

22. Instead of paragraph 220 of the Project standard, the following applies to CDM project activities using category 1, 2 or 4 of standardized baselines: “In cases where the proposed or actual changes affect the additionality of the registered CDM project activity, as referred to in paragraph 219(d) of the Project standard, the demonstration of the impacts of changes shall be based on the additionality criteria (e.g. positive lists) identified in the applied standardized baseline.”

H. Renewal of crediting period

23. Requirements contained in paragraphs 226 and 227 of the Project standard are not applicable to CDM project activities using category 1, 3 or 4 of standardized baselines.

**DRAFT****I. Update of standardized baselines**

<Placeholder>

There may be a need for new requirements for CDM project activities using standardized baselines regarding the update of standardized baselines, in terms of frequency of update and applicability of the requirements.

Guidance from the Board on this issue will be sought when discussing the “Concept note on impact of update of standardized baselines on CDM projects” at EB 70. Such guidance will be applied to propose, if needed and as appropriate, requirements on the update of standardized baselines in the draft standard to be submitted at EB70.



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Appendix 1: Categories of approved standardized baselines

	Type 1 (Additionality demonstration)	Type 2 (Baseline establishment and baseline emission estimation)	Type 3 (Additionality demonstration, baseline establishment and baseline emission estimation)
Approach 1 (Using the Guidelines for the establishment of sector specific standardized baselines)			Category 1
Approach 2 (Using a methodological approach contained in an approved methodology or tool)	Category 2	Category 3	Category 4
