

DRAFT**DRAFT STANDARD FOR VALIDATION AND VERIFICATION OF 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 meeting, the Board considered a concept note on the revision 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, and requested the secretariat to prepare a draft for each of the three documents for consideration by the Board at its sixty-ninth meeting.
4. 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

5. The objectives of the “Standard for validation and verification of 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;
 - (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

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

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III. Normative references

9. The following documents are indispensable for the application of this Standard:
- (a) “Clean development mechanism validation and verification standard”;
 - (b) “Clean development mechanism project standard”;
 - (c) “Standard for CDM project activities using standardized baselines”;
 - (d) “Clean development mechanism project cycle procedure”;
 - (e) “Glossary of CDM terms”.

IV. Terms and definitions

10. 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. General

11. The following applies to CDM project activities using standardized baseline instead of paragraph 6 of the Validation and verification standard: “This Standard is applicable to designated operational entities (DOEs) that are under contractual arrangements with project participants to validate and/or verify any CDM project activities using standardized baselines.”
12. For CDM project activities using standardized baselines, from paragraph 6 onwards of the Validation and verification standard, 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)”. The standardized baseline(s) refer to the one selected by the project participants as per paragraph 15 in the “Standard for CDM project activities using standardized baselines”. However, this replacement is not applicable to the term “validation methodology” in paragraph 146(a) and the term “new methodology” in paragraph 107 and 108 of the Validation and verification standard.
13. The DOE shall consider the category of the selected standardized baselines described in paragraph 13 of “Standard for CDM project activities using standardized baselines” when applying paragraph 14-34 below.

B. Validation approach

14. Instead of paragraph 20(a) of the Validation and verification standard, the following applies to CDM project activities using any category of standardized baselines: “(a) Determine whether the proposed project activity complies with the applicable requirements of paragraph 37 of the CDM M&Ps, the applicability conditions of the selected standardized baseline and guidance issued by the Board;”.

C. Application of the selected standardized baselines

1. Baseline scenario

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15. Instead of paragraph 88 of the Validation and verification standard, the following applies to CDM project activities using category 1, 3 or 4 of standardized baselines: “The DOE shall determine whether the baseline scenario for the proposed project activity described in the PDD is the scenario identified by the selected standardized baseline.”

16. Requirements contained in paragraphs 89–91 of the Validation and verification standard are not applicable to CDM project activities using category 1, 3 or 4 of standardized baselines.

17. Instead of paragraph 92 of the Validation and verification standard, the following applies to CDM project activities using category 1, 3 or 4 of standardized baselines: “The DOE shall determine whether the description of the identified baseline scenario in the PDD is in accordance with the selected standardized baseline.”

18. Requirements contained in paragraphs 93 of the Validation and verification standard are not applicable to CDM project activities using category 1, 3 or 4 of standardized baselines.

19. Instead of paragraph 94 and 95 of the Validation and verification standard, the following applies to CDM project activities using category 1, 3 or 4 of standardized baselines: “The DOE shall provide an opinion as to whether the description of the identified baseline scenario in the PDD is in accordance with the selected standardized baseline.”

2. Additionality

20. Instead of paragraph 101 of the Validation and verification standard, the following applies to CDM project activities using category 1, 2 or 4 of standardized baselines: “The DOE shall determine whether the proposed project activity is additional as described in the PDD.”

21. Instead of paragraphs 102 and 103 of the Validation and verification standard, the following applies to CDM project activities using category 1, 2 or 4 of standardized baselines: “The DOE shall determine whether project participants correctly applied the additionality criteria (e.g. positive lists) to the proposed project activity in accordance with the selected standardized baseline.”

22. Instead of paragraph 104 of the Validation and verification standard, the following applies to CDM project activities using category 1, 2 or 4 of standardized baselines: “The DOE shall provide an opinion as to whether project participants correctly applied the additionality criteria (e.g. positive lists) to the proposed project activity in accordance with the selected standardized baseline.”

3. Assessment of prior consideration of the clean development mechanism

23. Requirements contained in paragraphs 105–112 of the Validation and verification standard are not applicable to CDM project activities using category 1 of standardized baselines.

4. Identification of alternatives

24. Requirements contained in paragraphs 113–116 of the Validation and verification standard are not applicable to CDM project activities using category 1, 3 or 4 of standardized baselines.

5. Investment analysis

25. Requirements contained in paragraphs 117–123 of the Validation and verification standard are not applicable to CDM project activities using category 1 or 4 of standardized baselines.

6. Barrier analysis

26. Requirements contained in paragraphs 124–127 of the Validation and verification standard are not applicable to CDM project activities using category 1 or 4 of standardized baselines.

DRAFT**7. Common practice analysis**

27. Requirements contained in paragraphs 128–130 of the Validation and verification standard are not applicable to CDM project activities using category 1, 2 or 4 of standardized baselines.

D. Validation status and outcomes, opinion, and report

28. Instead of paragraph 148(b) of the Validation and verification standard, the following applies to CDM project activities using any category of standardized baselines: “(b) All approaches applied by the DOE, findings and conclusions;”.

E. Small-scale project activities

29. Instead of paragraph 158 of the Validation and verification standard, the following applies to CDM project activities category 1, 2 or 4 of standardized baselines: “The DOE shall determine whether the proposed small-scale project activity is additional as described in the PDD.”

30. Instead of paragraphs 159 and 160 of the Validation and verification standard, the following applies to CDM project activities using category 1, 2 or 4 of standardized baselines: “The DOE shall determine whether project participants correctly applied the additionality criteria (e.g. positive lists) to the proposed small-scale project activity in accordance with the selected standardized baseline.”

31. Instead of paragraphs 161 of the Validation and verification standard, the following applies to CDM project activities using category 1, 2 or 4 of standardized baselines: “The DOE shall provide an opinion as to whether project participants correctly applied the additionality criteria (e.g. positive lists) to the proposed small-scale project activity in accordance with the selected standardized baseline.”

F. Post-registration changes

32. Requirements contained in paragraph 274 of the Validation and verification standard are not applicable to CDM project activities using category 1, 2 or 4 of standardized baselines.

G. Renewal of crediting period

33. Instead of paragraph 298 of the Validation and verification standard, the following applies to CDM project activities using any category of standardized baselines: “The DOE shall determine whether the project participants have updated the PDD in accordance with paragraphs 223–228 of the Project standard and with the Standard for CDM project activities using standardized baselines.”

34. Requirements contained in paragraph 299(a) of the Validation and verification standard are not applicable to CDM project activities using category 1, 3 or 4 of standardized baselines.

H. 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 in the discussion of “Concept note on impact of update of standardized baselines on CDM projects” in EB70. 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.
