



## Annex 32

### PROCEDURE FOR THE SUBMISSION AND CONSIDERATION OF STANDARDIZED BASELINES

(Version 02.0)

#### I. Introduction

##### A. Background

1. The Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP), at its sixth session, decided that Parties, project participants, as well as international industry organizations or admitted observer organizations through the host country's designated national authority (DNA), may submit proposals for standardized baselines applicable to new or existing methodologies, for consideration by the Executive Board of the clean development mechanism (hereinafter referred to as the Board).

2. In this context, the Board, at its sixtieth meeting, agreed to develop a new procedure for the submission and assessment of standardized baselines.

##### B. Scope

3. This document contains the process for the submission of a proposed standardized baseline by DNAs and for consideration by the Board in accordance with paragraph 45 of decision 3/CMP.6. It only applies to proposed standardized baselines developed using an approved baseline and monitoring methodology or methodological tool, or the "Guidelines for the establishment of sector specific standardized baselines". If project participants wish to use a standardized baseline developed using these guidelines for a proposed clean development mechanism (CDM) project activity or a programme of activities, they shall do so only by one of the following means:

- (a) Applying the standardized baseline to an existing approved methodology or tool; or
- (b) Applying it to a new methodology or a revised methodology or tool, if there is no approved methodology or tool available that the proposed standardized baseline can apply to. In this case, the project participants shall propose a new methodology or a revision to an existing approved methodology or tool in accordance with a relevant procedure on submission and approval of proposed new methodologies or requests for revision to approved methodologies or tools, respectively.

4. This document does not contain the process for the submission and approval of new methodological approaches to develop a standardized baseline. Those that wish to develop a standardized baseline using such a new methodological approach may submit the proposed new methodological approach in accordance with a relevant procedure on submission and approval of proposed new methodologies or requests for revision to approved methodologies or tools, respectively.

#### II. Definition

5. "Standardized baseline" is a baseline established for a Party or a group of Parties to facilitate the calculation of emission reductions and removals and/or the determination of additionality for CDM project activities, while providing assistance for assuring environmental integrity.



### III. Submission of proposed standardized baseline

6. Parties, project participants, international industry organizations or admitted observer organizations<sup>1</sup> may propose a standardized baseline through the DNA of a Party for which the standardized baseline is proposed. The DNA shall subsequently submit the proposed standardized baseline to the secretariat.
7. Where the proposed standardized baseline is developed for a group of Parties, it shall be approved by the DNAs of all these Parties. In this case, following the receipt of approval from all these DNAs, any one of the DNAs shall submit the proposed standardized baseline to the secretariat in accordance with this procedure.
8. The DNA submitting the proposed standardized baseline shall upload to the UNFCCC CDM website the following documentation:
- (a) The duly completed “Proposed standardized baseline submission form” (form F-CDM-PSB);
  - (b) All additional documentation supporting the submission (e.g. relevant data, documentation, statistics, studies, etc.), where applicable. Data used to establish the proposed baseline shall be provided in a sector-specific data template published by the secretariat on the UNFCCC CDM website. If no applicable data template is available on the UNFCCC CDM website at the time of the DNA’s submission of the proposed standardized baseline, the proponent of the standardized baseline shall propose a sector-specific data template for its publication, or, if applicable, request the revision or clarification of a published data template in accordance with the modalities in appendix 1 of this procedure;
  - (c) An assessment report on the quality of the data collection, processing and compilation to establish the proposed standardized baseline in accordance with the “Guidelines for quality assurance and quality control of data used in the establishment of standardized baselines”. The assessment report shall be prepared by a designated operational entity (DOE) contracted by the DNA or any other entity under the agreement with the DNA. If the DNA is of a Party that has 10 or fewer registered CDM project activities as of 31 December 2010, or represents a group of Parties, each of which has 10 or fewer registered CDM project activities as of 31 December 2010, the DNA may apply for funding from the secretariat for the DOE’s preparation of the assessment report in accordance with the modalities in appendix 2 of this procedure.
9. Notwithstanding the provision in paragraph 8 above, for a Party with 10 or fewer registered CDM project activities as of 31 December 2010, the assessment report referred to in paragraph 8(c) above may be omitted in up to the first three (3) submissions of a proposed standardized baseline regardless of the sector for the Party. This exception shall not apply for the submissions of proposed standardized baselines for a group of Parties made in accordance with paragraph 7 above.
10. No fee shall be payable to the secretariat for the submission of the proposed standardized baseline.

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<sup>1</sup> The definition of “admitted observer organization” can be found at <[http://unfccc.int/resource/ngo/art7\\_6.pdf](http://unfccc.int/resource/ngo/art7_6.pdf)>.



#### IV. Initial assessment of proposed standardized baseline

11. The secretariat shall undertake an initial assessment of the submission within 21 days of receipt of the submission. The secretariat shall assess whether:

- (a) The form F-CDM-PSB, including the name and contacts of the proponent of the proposed standardized baseline, has been duly completed;
- (b) The proposed standardized baseline was derived from an approved methodology or tool, or from the “Guidelines for the establishment of sector specific standardized baselines”;
- (c) The DNA submitted all the information required for consideration of the proposed standardized baseline (e.g. studies referred to in the proposed standardized baseline documents);
- (d) An assessment report was submitted presenting how the data was collected, processed and compiled to establish the proposed standardized baseline and includes a positive opinion on whether the data was collected and processed in accordance with relevant procedures or guidelines adopted by the Board.

12. The secretariat shall inform the DNA of the outcome of the initial assessment. If the secretariat finds that the required documentation or information is incomplete, it shall notify the DNA and the proponent of the proposed standardized baseline accordingly. In this case, the DNA should provide the missing documents or information within 42 days of the notification.

13. The secretariat shall conclude the initial assessment within 14 days of receipt of missing documents or information and inform the DNA of the conclusion of the initial assessment. If the DNA fails to provide the missing documents or information within the deadline, the secretariat shall suspend processing the submission any further until it receives the missing documents or information.

#### V. Preparation of recommendation

14. Within 28 days of successful conclusion of the initial assessment, the secretariat shall:

- (a) Assign a reference number to the proposed standardized baseline;
- (b) Make the submitted documentation publicly available on the UNFCCC CDM website with the exception of the information declared confidential and/or proprietary information by the DNA. Information used to describe the baseline methodology and its application shall not be considered proprietary or confidential;
- (c) In the case referred to in paragraph 9 above, prepare an assessment report presenting how the data was collected, processed and compiled to establish the proposed standardized baseline in accordance with the “Guidelines for quality assurance and quality control of data used in the establishment of standardized baselines”;
- (d) Prepare a draft recommendation on the proposed standardized baseline, using the form F-CDM-PSB-REC.

15. The secretariat shall include in its draft recommendation one of the following courses of actions:

- (a) Approve the proposed standardized baseline; or



- (b) Requires further input (e.g. additional information or modification to the submitted documentation) from the DNA; or
  - (c) Not to approve the proposed standardized baseline.
16. In preparing the draft recommendation, the secretariat may draw upon external expertise, depending on the technical complexity of the proposed standardized baseline, such as experts on the roster of experts for desk reviews of baseline and monitoring methodologies or consultants.
17. The secretariat shall select two (2) members of a panel or working group and forward its draft recommendation to them.
18. The two (2) selected members of a panel or working group shall, within seven (7) days of receipt of the draft recommendation, independently assess the proposed standardized baseline and the draft recommendation, and inform the secretariat of the outcome of their assessment.
19. If both of the selected members of a panel or working group agree to the draft recommendation to approve or not to approve the proposed standardized baseline, the secretariat shall forward it as the recommendation to the Board and make it publicly available on the UNFCCC website.
20. If both of the selected members of a panel or working group agree that the draft recommendation requires further input from the DNA, the secretariat shall notify the DNA and the proponent of the proposed standardized baseline accordingly. The DNA should submit the requested input within 28 days of the notification. If the DNA fails to provide the requested input within the deadline, the secretariat shall suspend processing the submission any further until it receives the requested input.
21. The secretariat shall assess the further input submitted by the DNA. If the secretariat finds that it is still not sufficient to recommend that the proposed standardized baseline be approved or not approved, the secretariat may initiate a direct communication with the DNA and/or the proponent of the proposed standardized baseline via e-mail or telephone conference to clarify remaining issues.
22. The secretariat shall revise the draft recommendation taking into account the further input and direct communication with the DNA and/or the proponent of the proposed standardized baseline, as applicable, to recommend that the proposed standardized baseline be either approved or not approved, forward it as the recommendation to the Board, and make it publicly available on the UNFCCC website. Before sending the recommendation to the Board, depending on the complexity of the case, the secretariat may forward the revised draft recommendation to the two (2) selected members of a panel or working group for their consideration. In this case, the steps in paragraphs 19 above or 23–27 below shall apply.
23. If at least one selected member of a panel or working group disagrees with the draft recommendation or requests that it be considered by a panel or working group, the secretariat shall forward the draft recommendation to the relevant panel or working group. The panel or working group shall consider the proposed standardized baseline and the draft recommendation at its next meeting, provided it is received at least 14 days before the meeting; otherwise it shall be considered at the subsequent meeting.
24. The panel or working group shall finalize its consideration within two (2) meetings, unless it finds that further input from the DNA or guidance from the Board is required. In case further input from the DNA or guidance from the Board is sought, the panel or working group shall finalize its consideration at the meeting immediately following receipt of such input or guidance. In its finalization of consideration, the panel or working group shall conclude to recommend that the proposed standardized



baseline be either approved or not approved. The secretariat shall forward it as the recommendation to the Board and make it publicly available on the UNFCCC website.

25. If the panel or working group finds that further input from the DNA is required, the secretariat shall notify the DNA and the proponent of the proposed standardized baseline accordingly. In this case, the DNA should submit the requested input within 28 days of the notification. If the DNA fails to submit the requested input within the deadline, the secretariat shall suspend processing the submission any further until it receives the requested input.

26. The secretariat shall assess the further input submitted by the DNA. If the secretariat finds that the further input is still not sufficient to recommend that the proposed standardized baseline be approved or not approved, the secretariat may initiate a direct communication with the DNA and/or the proponent of the proposed standardized baseline via e-mail or telephone conference to clarify remaining issues.

27. The secretariat shall revise the draft recommendation taking into account the further input and direct communication with the DNA and/or the proponent of the proposed standardized baseline, as applicable, to recommend that the proposed standardized baseline be either approved or not approved, and forward it as the recommendation to the Board and make it publicly available on the UNFCCC website. Before sending the recommendation to the Board, depending on the complexity of the case, the secretariat may forward the revised draft recommendation to the panel or working group for their final consideration. In this case, the panel or working group shall conclude to recommend that the proposed standardized baseline be either approved or not approved. The secretariat shall forward it as the recommendation to the Board and make it publicly available on the UNFCCC website.

## VI. Consideration by the Board

28. If no member of the Board objects to the recommendation received in accordance with paragraph 19, 22, 24 or 27 above within 28 days of receipt of the recommendation, the recommended course of action shall be deemed to be the decision adopted by the Board.

29. An objection by a member of the Board shall be made by notifying the Chair of the Board through the secretariat, giving reasons in writing. The secretariat shall acknowledge receipt of the objection and make it available to the Board.

30. If a member of the Board objects to the recommendation more than two (2) weeks prior to the next Board meeting, the case shall be placed on the agenda of the next Board meeting; otherwise it shall be placed on the agenda of the subsequent Board meeting.

31. If the Board considers the case at its meeting, it shall decide on the course of action at the meeting.

32. The course of action referred to in paragraph 31 above shall be:

- (a) To approve the proposed standardized baseline; or
- (b) Not to approve the proposed standardized baseline; or
- (c) To continue the consideration of the proposed baseline at the next Board meeting; or
- (d) To request a relevant panel or working group to review the recommendation and provide guidance on the modalities of the review.



33. Once a decision has been made by the Board, the secretariat shall inform the DNA of the decision and any guidance provided by the Board as applicable, and make the decision and guidance publicly available on the UNFCCC CDM website.

34. If the proposed standardized baseline is not approved, the DNA or any other DNA of Parties for which the standardized baseline is proposed may at any time re-submit a proposed standardized baseline with revised documentation. Upon submission of the revised documentation the submission shall be treated as a new submission of a proposed standardized baseline.



## **Appendix 1: Modalities for publication of sector-specific data templates for establishing standardized baselines**

### **I. Background**

1. Parties, project participants, DOEs, international industry organizations or admitted observer organizations (hereinafter referred to as proponents) may propose a new sector-specific data template, or request a revision to any currently valid sector-specific data template published on the UNFCCC CDM website, for the purpose of proposing a standardized baseline.

### **II. Proposal of new sector-specific data template**

2. A proponent may submit to the secretariat through a dedicated UNFCCC CDM website a proposed new sector-specific data template and request its publication.

3. The proposed data template shall be developed based on sector-specific situations and mitigation measures. The proposed data template shall consist of the following sections:

- (a) Definitions of key terminologies, assumptions or approaches used for the development of the data template, algorithm for the establishment of standardized baselines and any other relevant information (e.g. how to define the data categories or how to use the template). If any conservative approach is suggested, its justification shall be included;
- (b) Lists of relevant data categories with consistent format and clear description;
- (c) Name(s) of reference(s) or reviewers if reference(s) are used or expert reviews are conducted for the development of the data template.

4. The secretariat shall assess whether the proposed data template contains all the sections specified in paragraph 3 of this appendix within five (5) days of the submission by the proponent.

5. If the submission is deemed incomplete, the secretariat shall request the proponent to submit missing information or revise the data template. Once the submission is deemed complete, the secretariat shall select two (2) experts of the roster of experts for desk reviews of baseline and monitoring methodologies or consultants and forward the submission to them. The experts shall jointly prepare a recommendation on the proposed data template within seven (7) days of the receipt of the submission.

6. The recommendation of the experts shall include one of the following courses of actions:

- (a) Publish the proposed data template;
- (b) Request modifications to the data template with recommended modifications;
- (c) Reject the proposed data template.

7. If the experts' recommendation is to request modifications to the data template, the secretariat shall communicate the recommendation to the proponent. The proponent shall submit to the secretariat a modified data template based on the recommended modifications within seven (7) days of receipt of the recommendation.

8. Within five (5) days of receipt of the modified data template, the experts shall issue a final recommendation: either the publication or the rejection of the proposed data template. If no response is



received from the proponent within the deadline referred to in paragraph 7 of this appendix, the experts shall modify the data template within seven (7) days.

9. The secretariat shall consider the experts' final recommendation or modified data template, and decide on one of the following course of actions:

- (a) Publish the proposed data template;
- (b) Publish a data template modified by the experts and/or the secretariat;
- (c) Reject the proposed data template.

10. The secretariat shall communicate the decision to the proponent. If the decision is to publish the proposed or modified data template, the secretariat shall upload it and make it publicly available on the UNFCCC CDM website.

### **III. Request for revision of published sector-specific data template**

11. A proponent may submit to the secretariat through a dedicated UNFCCC CDM website a request for revision to a published sector-specific data template.

12. The proponent shall provide the secretariat with a proposed revised data template and justify the reasons that prompted the revision request.

13. The secretariat shall assess whether the proposed revised data template contains all the sections specified in paragraph 3 of this appendix within five (5) days of receipt of the submission.

14. If the submission is deemed incomplete, the secretariat shall request the proponent to submit missing information or revise the data template. Once the submission is deemed complete, the secretariat shall select one expert from the roster of experts for desk reviews of baseline and monitoring methodologies or a consultant and forward the submission to him/her. The expert shall prepare a recommendation on the revision to the data template within seven (7) days of receipt of the submission.

15. The recommendation of the expert shall include one of the following courses of action:

- (a) Publish the proposed revision of the data template;
- (b) Request modifications to the revised data template with recommended modifications;
- (c) Reject the proposed revision of the data template.

16. If the expert's recommendation is to request modifications to the revised data template, the secretariat shall communicate the recommendation to the proponent. The proponent shall submit to the secretariat a modified revised data template based on the recommended modification within seven (7) days of receipt of the recommendation.

17. Within five (5) days of receipt of the modified revised data template, the expert shall issue a final recommendation either the publication or rejection of the revised data template. If no response is received from the proponent within the deadline referred to in paragraph 16 of this appendix, the expert shall modify the data template within five (5) days.

18. The secretariat shall consider the expert's final recommendation or modified data template, and decide on one of the following course of actions:





- (a) Publish the proposed data template;
- (b) Publish a data template modified by the expert and/or the secretariat;
- (c) Reject the proposed data template.

19. The secretariat shall communicate the decision to the proponent. If the decision is to publish the proposed or modified data template, the secretariat shall upload it and make it publicly available on the UNFCCC CDM website.

#### **IV. Request for clarification of published sector-specific data template**

20. A proponent may submit to the secretariat through a dedicated UNFCCC CDM website a request for clarification of a published sector-specific data template.

21. The secretariat shall provide the proponent with a response within 14 days of receipt of the clarification request.

22. The secretariat shall make publicly available all clarifications issued by the secretariat on the UNFCCC CDM website.



## **Appendix 2: Modalities for funding for preparation of assessment reports for establishment of standardized baselines**

### **I. Selection of designated operational entity to prepare assessment report**

1. A DNA of a Party that has 10 or fewer registered CDM project activities as of 31 December 2010, or represents a group of Parties, each of which has 10 or fewer registered CDM project activities as of 31 December 2010, that wishes to receive funding for the preparation of the assessment report referred to in paragraph 8(c) of (the main part of) this procedure shall request funding by submitting the following documentation to the secretariat:
  - (a) A duly completed “Request for funding for assessment report form” (F-CDM-PSB-RF);
  - (b) Copies of letters sent to at least three (3) DOEs, either by the DNA or the entity under the agreement with the DNA, inviting them to present an offer to prepare the assessment report. The letters of invitation shall request the DOEs to include in the offer a breakdown of estimated time assigned to the task, personnel costs for their services and any other estimated expenses to be incurred by the DOE in preparing the assessment report. The letters of invitation shall also set a closing date for the receipt of the offers;
  - (c) The responses to the letters received and/or, if applicable, confirmation that no response was received on time from any one or more of the DOEs invited to present offers;
  - (d) A justification for the selection of one of the DOEs that made an offer to prepare the assessment report;
  - (e) Contact data (including payment details) of the DOE selected by the DNA for preparation of the assessment report.
2. Within 21 days of receipt of the submission from the DNA, the secretariat shall check whether the submission is complete.
3. If the secretariat finds that the submission is incomplete, it shall accordingly inform the DNA and request it to submit any missing documents or information to the secretariat within 10 days.
4. If the missing documents or information are not submitted within the deadline specified in paragraph 3 of this appendix, the secretariat shall suspend processing the request for funding any further until it receives the missing documents or information.
5. The secretariat shall grant the funding for the first three (3) funding requests for each Party that is eligible for funding in accordance with paragraph 1 of this appendix.
6. The secretariat shall grant the funding for all funding requests for a group of Parties wherein all are eligible for funding in accordance with paragraph 1 of this appendix.
7. The secretariat shall monitor the operation of the modalities in this appendix, and report to the Board thereon. Based on this information, the Board may at any time, and shall in any event no later than two (2) years after the adoption of the modalities, review the progress on the development of standardized baselines, and if appropriate, may modify the provisions set out in paragraphs 5 and/or 6 of this appendix with a view to establishing criteria for further funding, taking into account the applicability of standardized baselines and resource implications.



8. The maximum funding shall be USD 20,000 for each funding request. For a funding request submitted for a group of Parties, the maximum funding shall be USD 20,000 plus USD 5,000 per additional Party.

## II. Agreement between DNA and the secretariat

9. Within 14 days of receipt of the complete submission of the documentation, the secretariat shall prepare an “Agreement for funding for preparation of assessment report for submission of standardized baseline” (F-CDM-PSB-FA) (the Agreement), including the provisions on the amount to be funded and the deadline for the submission by the DNA of the documents referred to in paragraph III. 11 of this appendix.

10. The Agreement shall be signed by the DNA and the secretariat to make the funding effective.

## III. Submission of the assessment report and payment of funding

11. The secretariat shall disburse the approved funding to the DOE’s bank account notified by the DNA in accordance with paragraph 1 of this appendix within 14 days of the DNA’s submission to the secretariat of all of the following documents:

- (a) The assessment report;
- (b) Final invoice for the preparation of the assessment report, issued by the DOE and addressed to the DNA;
- (c) A duly completed “Proposed standardized baseline submission form” (form F-CDM-PSB) referred to in paragraph 8(a) of (the main part of) this procedure (if the assessment report contains a positive conclusion on the quality of the data collection, processing and compilation to establish the proposed standardized baseline);
- (d) All additional documentation supporting the submission as per paragraph 8(a) of (the main part of) this procedure (if the assessment report contains a positive conclusion on the quality of the data collection, processing and compilation to establish the proposed standardized baseline).

12. If the DNA does not submit the documents referred to in paragraph 11 of this appendix within the deadline specified in the Agreement, the secretariat may grant an additional period of 30 days to proceed with the submission. If the DNA still does not submit the documents within the extended deadline, the secretariat shall not disburse the funding and notify the DNA accordingly.

13. For any disbursed funding regardless of the conclusion (positive or negative) of the assessment report, or no disbursement of funding due to the DNA’s failure to submit the documents in accordance with paragraph 12 of this appendix, the corresponding application for funding made by the DNA shall be counted as one of the three (3) submissions of standardized baselines that can qualify for funding in accordance with paragraph 5 of this appendix.

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**History of the document**

<b>Version</b>	<b>Date</b>	<b>Nature of revision(s)</b>
02.0	20 July 2012	EB68, Annex 32. Revision to: <ul style="list-style-type: none"><li>• Expand countries eligible for funding for preparation of assessment reports to those with 10 registered CDM project activities as of 31 December 2010.</li><li>• Add a process for proposing and publishing sector-specific data templates to be used for proposing standardized baselines.</li><li>• Elaborate the process of funding for preparation of assessment reports for proposing a standardized baseline.</li></ul>
01.0	EB 63, Annex 28, 29 September 2011	Initial adoption.
<b>Decision Class:</b> Regulatory <b>Document Type:</b> Procedure <b>Business Function:</b> Methodology		