

CDM-EB82-A06-INFO

Further development of the standardized baselines framework

Version 01.0



United Nations
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TABLE OF CONTENTS		Page
1.	INTRODUCTION	3
2.	PRODUCT/MILESTONES AND TIMELINES	3

1. Introduction

1. At its eighty-second meeting, the Executive Board (hereinafter referred as the Board) of the clean development mechanism (CDM) considered a project concept note on further development of the standardized baselines framework, as contained in annex 10 to the annotated agenda of the meeting. The Board agreed to the work for the project as contained in this note.

2. Product/milestones and timelines

2.1. Product 1: Report on the road testing of the current approaches in the standardized baselines (SB) guidelines

2. This product is on-going since 2014 and the first draft of the report was presented to EB 81. The report on the lessons learned from the implementation of SB guidelines and from testing of alternative approaches will be further refined. The report will be submitted to Board along with revised SB guidelines (refer to product # 3). The work involves:
 - (a) Incorporating feedback from EB 81 on the draft report;
 - (b) Continuing on-going compilation of data and lessons learned from approved and proposed SBs and other available sources;
 - (c) Consulting with Methodologies Panel (MP) at its 68th meeting (MP 68) on lessons learned from the existing SB framework and elements of the revision of the SB guideline in order to submit the report for consideration by EB 87.

2.2. Product 2: Concept note(s) on proposals for revision of provisions of the SB guideline

3. Develop concept note(s) addressing issues identified as per paragraph 48 of the EB 81 meeting report, including:
 - (a) Assessing the applicability of the proposed framework to different project types and sectors, considering which of the three approaches used (market penetration, performance, costs/barriers) may be suited for which project types and sectors;
 - (b) Also exploring other approaches for standardization highlighted in literature, especially but not limited to a possible process-oriented approach like the development of the performance standard;
 - (c) Using the current thresholds as default and considering whether different thresholds values may be more appropriate for specific project types;
4. Present the concept note(s) to MP 66 and MP 67 and prepare a joint recommendation for consideration of EB 85.

2.3. Product 3: Revision of SB guideline

5. This product is on-going since 2014 and the second draft of the revised SB guideline was presented to EB 81. The further revision of the SB guideline involves the following elements:
 - (a) Include the feedback from EB 81 on the draft revised SB guideline and reflect the Board's guidance obtained regarding the concept note (see product # 2);
 - (b) Provide further guidance in the draft revised SB guideline on the relevant level of aggregation;
 - (c) Include the aspect of minimum service levels in the development of standardized baselines;
 - (d) Present the revised SB guidelines to MP 68 and prepare a joint recommendation for consideration and possible adoption at EB 87;
 - (e) After adoption of revised the SB guideline (renamed as the SB standard) the relevant forms will be revised accordingly.

2.4. Product 4: Database on cost and efficiency of technologies, depending on the demand from DNAs (Product: Two reports to the Board)

6. So far demands for support to develop standardized baselines in various sectors have been received from 13 DNAs, including the facilitation for collection of data on cost and efficiencies. Several of these may use SB guideline for development of SBs, and hence may require data on cost and efficiency of technologies. Six of these SBs are taken up for development in 2015. One SB is clearly identified (clinker sector SB for Peru), which may require the data on cost for demonstration of additionality. More work will be done for clear identification and analysis of demand as explained below. The work will essentially facilitate the development of standardized baselines and it involves the following elements:
 - (a) Analyse the request from DNAs to develop a database for specific sectors for which they wish to develop SBs. Identify the sectors and countries where data collection can be prioritized. A report (Product 4a) will be submitted to EB 85, indicating the sectors DNAs required collection of data for decision by the Board;
 - (b) Identify various data sources, interact and consult with international industry associations/international organizations in prioritized sectors for which data collection is required to be done;
 - (c) Develop the structure of the database and collect the information and data for inclusion in a database, as per the guidance provided by the Board. The regional collaboration centres (RCCs) will play a significant role for collection of the demand from DNAs and sectoral data, if available;
 - (d) Report to EB 86 on the work in progress (Product 4b).

2.5. Product 5: Concept note for the development of two standards with a methodological framework for two specific project types/sectors

7. This product is on-going since 2014 and MP 64 and 45th meeting of the Small-Scale Working Group (SSC WG) have initiated the work of identification of two specific project types/sectors. Further work involves the following elements:
- (a) Facilitate the selection of two project types/sectors for which a methodological framework is required to be developed;
 - (b) Develop concept note jointly with MP 67/SSC WG 48 and present it to EB 85.

2.6. Product 6: Two standards with a methodological framework for two specific project types/sectors

8. The work will involve the following elements:
- (a) Develop the methodological framework applicable for the two selected project types/sectors jointly with MP 68/SSC WG 49 and launch a call for public inputs, consult with relevant experts, incorporate the feedback in the document and submit it to MP/SSC WG in 2016;
 - (b) Prepare joint a recommendation with MP/SSC WG for adoption by the Board in 2016.

2.7. Product 7: Further work on thresholds for specific project types or sectors of under-represented countries

9. The analysis of the concept note under product 2 will assess the appropriateness of current default thresholds and the necessity of different thresholds for specific project types/sectors.
10. The work will include:
- (a) Data mining from existing CDM sources for various project types for which different thresholds are found to be necessary;
 - (b) Further work to define rules for determination of thresholds for specific project types/sectors and evaluating jointly with MP 68 for consideration by EB 87;
 - (c) Incorporating EB 87 feedback and preparing a joint recommendation with Methodologies Panel for adoption by the Board in 2016;
 - (d) Based on the demand of DNAs, explore the possibility of applying the adopted rules to derive country-specific thresholds for specific project types/ sectors in under-represented countries. RCCs will play a significant role for collection of the demand from DNAs and relevant sectoral data, if available.

2.8. Product 8: Concept note on analysis of options for developing sector-wide emission factors based on combination of measure specific standardized baselines

11. Obtaining agreement on the list of sectors for which sectoral emission factors should be developed:
 - (a) Soliciting expert inputs from practitioners and sector experts on the possible approaches for deriving sectoral emission factors for selected sectors;
 - (b) Preparation of a concept note on the options with regard to the development of sector-wide emission factors through a combination of measure-specific SBs (Product 8a) jointly with MP 67 for consideration by EB 85;
 - (c) Depending on guidance from EB 85, undertake further work for defining rules for determination of sector-wide emission factor (Product 8b) and preparing joint recommendation with MP 68 for consideration and adoption of EB 87.

2.9. Product 9: Revision of procedure on the development, revision, clarification and update of standardized baselines (SB procedure)

12. The revision is aimed at broadening and streamlining the SB procedure, as well as enhancing the environmental integrity of the process. The revised procedure will be submitted for consideration at EB 83 and EB 84. In addition to the streamlining of the SB procedure based on lessons learnt the work will involve the following:
 - (a) Include the procedure of deviation from the requirements of guideline/methodology/tool while developing SBs;
 - (b) Include the elements to clarify the difference between revision and clarification and other related aspects agreed at EB 78;
 - (c) Following the approval of the revised SB procedure by the Board, the form for submission of proposed standardized baselines will be revised;
 - (d) Assessing the appropriateness of a fee structure for using standardized baselines to incentivize private investment.

2.10. Product 10: Support to the development of six standardized baselines

13. The following SBs are identified for support:
 - (a) Three SBs in cookstove sector (one each in collaboration with the DNA of Malawi, Burundi and Kenya);
 - (b) One SB for the brick sector in collaboration with the DNA of Peru and kFW;
 - (c) One SB for the afforestation and reforestation (A/R) sector in collaboration with the DNA of Namibia;
 - (d) One SB for the clinker/cement sector in collaboration with the DNA of Peru;
14. The development of these SBs will require receiving formal agreements from DNAs, preparation of SB development plans, development of data templates and data delivery

protocols and making them available on the CDM website, data collection, quality check, data analysis and processing. The SBs will be developed and submitted for the Board's approval following the procedure on the development, revision, clarification and update of standardized baselines;

15. The SBs identified for the support require extensive efforts (and resources) for collection of data on activity and performance. All efforts will be made in order to follow the agreed SB development plan. However in case there are delays in the development of a specific SB due to factors beyond the control of secretariat, it will prioritize another SB. In case, the work progress faster than expected due to easy availability of data, more SBs can be selected from DNA survey carried out in 2014 for development in full agreement with respective DNAs.

Table. Workplan for products

Major milestone / product	After completion of the following products	Date/Board meeting
2. Concept note(s) on proposals for revision of the SB guidelines	<ul style="list-style-type: none"> Develop concept note(s) addressing issues raised by EB 81; Prepare joint recommendations with MP 67 	EB 85
5. Concept note for development of two standards with a methodological framework for two specific project types	<ul style="list-style-type: none"> Prioritize the project types based on MP/SSC WG decision on selection of project types; Prepare joint recommendation with MP 67/SSC WG 48 	EB 85
9. Revision of the SB procedure	<ul style="list-style-type: none"> Prepare revision of the procedure on development, revision, clarification and update of SB to streamline and broaden the procedure 	EB 83
9. Revision of the SB procedure	<ul style="list-style-type: none"> Reflect the feedback of EB 83 on the proposed revision of SB procedure 	EB 84
3. Revision of SB guidelines	<ul style="list-style-type: none"> Revise the SB guidelines to incorporate EB 81 feedback and EB guidance on Concept note on road-testing (product # 2) Prepare joint recommendations with MP68 	EB 87
1. Report on the road testing of the current approaches in the SB guidelines	<ul style="list-style-type: none"> Revise the draft Report on the results of road testing of the current approaches incorporating EB 81 feedback; Jointly prepare the draft report with MP 68 	EB 87
8a. Concept note on the options to develop sector-wide emission factor	<ul style="list-style-type: none"> Obtain agreement on list of sectors for developing sector-wide emission factors Solicit experts input and prepare draft concept note Prepare concept note jointly with MP 67 	EB 85
4a. Reports on the development of database on cost and efficiency of technologies	<ul style="list-style-type: none"> Explore DNAs demands on database for specific sectors; Prepare and submit report on the scope of the database to be developed and populated based on the demand expressed by DNAs 	EB 85

Major milestone / product	After completion of the following products	Date/Board meeting
4b. Reports on the development of database on cost and efficiency of technologies	<ul style="list-style-type: none"> Develop the structure of the database and identify data sources; Prepare report on the status of the work on populating the database (to be populated based on the above referred demand expressed by DNAs) 	EB 86
6. Two standards with a methodological framework for two specific project types	<ul style="list-style-type: none"> Develop jointly with MP 68 and/or SSC-WG 49 the methodological framework applicable for two selected project types; Launch a call for public inputs; Provide to the Board an information note on the status of the work at EB87 Prepare joint recommendation for adoption by the Board after public inputs in MP and/or SSC-WG for 2016 	EB87 and EB meeting in 2016
7. Further work to define rules for determination of country-specific thresholds for specific project types/sectors of under-represented countries	<ul style="list-style-type: none"> Further work to define rules for determination of country-specific thresholds depends on the Board's guidance to the concept note under product # 2. Prepare joint recommendations with MP 67 for EB87. Further work to define rules for determination of thresholds for specific project types/sectors incorporating EB 87 feedback; Prepare joint recommendation with Meth Panel in 2016 	EB87 and EB meeting in 2016
8b. Further work to define rules for determination of sector-wide emission factors	<ul style="list-style-type: none"> Further work to define rules for determination of sector-wide emission factors depends on the EB 85 feedback on the concept note on the options for development of sector-wide emission factors; Prepare joint recommendation with MP 68 	2016
10. Support to the development of six standardized baselines	<ul style="list-style-type: none"> Submission of SBs for Board's approval. As per procedure the SB approval takes place on a no-objection basis. 	Any SB to be presented to Board meeting upon receipt of objection by Board member/s.

Document information

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01.0	20 February 2015	EB 82, Annex 6. Initial adoption.

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