Development and application of Standardized baselines

Capacity Building Workshop on Development of CDM Activities and NAMA for Public And Private Sector In Zimbabwe

Nyanga, Zimbabwe
24 – 25 August 2016
Objectives

• Development of a SB

• Use of SBs as tool for MRV for mitigation actions including CDM projects, PoAs, NAMAs and NDCs
**The mandate (2010)**

**Decision 3/CMP.6 definition:**

“..Baseline established by a Party or a group of Parties to facilitate the calculation of emission reductions and removal and/or the determination of additionality for clean development mechanism project activities, while providing assistance for assuring environmental integrity..”

**Decision 3/CMP.6 priorities:**

- Underrepresented regions: LDCs, SIDs and Parties with 10 or fewer registered CDM project activities as of 2010

- Underrepresented project activity types, e.g. energy generation in isolated systems, transport and agriculture

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## The concept

<table>
<thead>
<tr>
<th>CDM Methodologies/ tools</th>
<th>Standardized Baselines (SBs)</th>
</tr>
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<tbody>
<tr>
<td>• Specific project boundary</td>
<td>• Sector-specific standards (regional, national, or international)</td>
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<tr>
<td>• <strong>Project-specific</strong> baseline to be determined</td>
<td>• <strong>Sectoral</strong> baseline (pre-determined)</td>
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<tr>
<td>• <strong>Project-specific</strong> demonstration of additionality</td>
<td>• Pre-determined additionality using positive list</td>
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“..Baseline established …to facilitate the calculation of emission reductions and removal and/or the determination of additionality
### Difference between a methodology and SBs?

#### CDM Methodologies/ tools
- International Standards
- Calculate emission reduction of specific projects
- Specific applicability conditions and project boundary
- Project specific baseline scenario determination and demonstration of additionality
- Baselines using historical or actual, most attractive course of action or Average of top 20%
- Project emissions
- Data monitoring

#### Standardized Baselines
- Sector-specific (regional, national, or international) standards
- Either calculates baseline factor or baseline for entire sector based on performance of sector
- Baseline emission factor to be used for baseline emission calculations
- Positive list of fuel/ feedstocks/ technologies provided for demonstration of additionality
- Used together with an approved methodology/tool

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Development of SBs

Types of SBs:
1. Top Down and
2. Bottom up

DNA formulates SB with or without support from private sector stakeholders

RCC Kampala

UNFCCC/SDM programme

EB approves developed SB and/or Identify and develop SB in a country with DNA approval

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Why SBs?

• Important strategy for **promoting access** to CDM projects and PoAs in developing countries and sectors through **simplification in developing baseline, baseline factors and or additionality**

• Baseline, baseline factors developed using SBs can be used for wider mitigation actions including **NAMAs and NDCs**, to calculate emission reductions.
SB procedure

• SB is submitted using an approved methodology, tool or SB guidelines.

• For any other approach, use the submission procedure for PNM or revision of methodology/tool.

• Who can submit? through DNA
  ✓ Parties
  ✓ PPs
  ✓ International industry organizations
  ✓ Admitted observer organizations

• Documentation required for submission:
  ✓ CDM-PSB form
  ✓ Assessment report, and
  ✓ Letter of approval from DNA(s)
  ✓ Additional documentation supporting submission

For submission by group of Parties, the approval of all DNAs is required, and any one of DNAs can submit and act as focal point.

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SB procedure

- **Assessment report** by:
  - **DOE** contracted by DNA, or
  - **Secretariat** (up to first 3) submissions for
    - Under represented Party
    - Group of Parties, where all Parties are under represented.

- **Funding** available for the assessment report (up to first 3) for:
  - Under represented Party
  - Group of Parties, where all Parties are under represented.

- The DNA of **under represented Party** may decide to omit the submission (up to first 3) of assessment report, in such cases **Secretariat** will prepare the same.

- **No fee** is payable for SB submission.
Present Status

• **Total 25 SBs** are approved

• **12 bottom up** and **8 top down** submissions are under processing

• Sectors covered are:
  - ✔ Electricity generation
  - ✔ Rural electrification
  - ✔ Cement
  - ✔ Charcoal
  - ✔ Waste (LFG flaring and electricity/power generation)
  - ✔ Rice mill
  - ✔ Rice cultivation
  - ✔ Cook stoves
  - ✔ Forestry

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Reduces transaction cost?

- **Reduction in time for PP and DOE:**
  - SB standardizes baseline scenario, baseline emission factor and/or additionality at a regional, national, or international level, which reduces time during validation and verification of a activity

- **Scalability:**
  - Simplified emission reduction calculation approach for highly scalable projects, PoAs, NAMAs and NDCs

- **Simplification:**
  - All CPAs/sub-activities can use same positive list/baseline or baseline factor
  - If a project has used a methodology, whereas SB, that is applicable to project is available at the end of crediting period, then SB can be applied together with methodology at the time of renewal of crediting period.
SBs tool for baseline setting

SBs are not only used for an offsetting mechanism, but also for wider mitigation outcomes including those for:
- Carbon finance
- Climate finance
- Result based finance
- NAMAs and NDCs

SB is a reliable, UN-recognized tool that offers a transparent means to develop baseline or baseline factors for monitoring, reporting and verification purpose of mitigation outcomes.
Nationally Appropriate Mitigation Actions (NAMAs):
- Desire of developing countries to take Nationally appropriate action to contribute to global efforts
- Desire of developed country Parties to cooperate in implementation of real action

Nationally Determined Contributions (NDCs)
- 188 countries submitted their Intended Nationally Determined Contributions (INDCs) to COP21 in Paris and now after adoption of the Paris Agreement it is time for implementation of those NDC
NAMA example

THE GAMBIA

Title: Rural Electrification with Renewable Energy (RE) in The Gambia

Support to promote RE projects to electrify rural communities in The Gambia through the implementation of RE ventures

- National Implementing Entity: NCA, Ministry of Environment, Climate Change, Water and Wildlife

Uses grid emission factor developed using SB to fix baseline factor for emissions from electricity generation

Will abate @ 118.6 ktCO2e by 2030

Co-benefits: Energy security through increased domestic supply; improve rural livelihoods through increase in income generation etc..
Title: Adaption and Mitigation Initiatives in Philippines Rice Cultivation

Support to strategic priorities such as Food security, Water sufficiency, Ecological and Environmental stability, Sustainable energy etc.

Uses baseline emission factor developed using SB to provide emissions per area per season (kgCH$_4$/ha/season)

To abate @ 12.1 MtCO$_2$e per year by 2020

Co-benefits: Energy security through increased domestic supply; GDP growth through lower energy prices and increased employment,
Thanks for your attention!

UNFCCC Regional Collaboration Centre
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