



UNITED
NATIONS



Framework Convention
on Climate Change

Distr.
GENERAL

FCCC/SBSTA/2002/INF.9
4 June 2002

ENGLISH ONLY

SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE

Sixteenth session

Bonn, 5–14 June 2002

Item 4 (c) of the provisional agenda

METHODOLOGICAL ISSUES

ACTIVITIES IMPLEMENTED JOINTLY UNDER THE PILOT PHASE: UNIFORM REPORTING FORMAT

Report on the pre-sessional workshop on the revised uniform reporting format for activities implemented jointly under the pilot phase, Bonn, 2–3 June 2002

Note by the co-chairs of the workshop

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I. BACKGROUND

1. At its second session, the Subsidiary Body for Scientific and Technological Advice (SBSTA) adopted the initial reporting framework on activities implemented jointly (AIJ) under the pilot phase¹. Subsequently, the Conference of the Parties (COP), by its decision 10/CP.3,² adopted the uniform reporting format (URF) contained in the report of the Subsidiary Body for Scientific and Technological Advice (SBSTA) on its fifth session.³ It invited Parties to report in accordance with this format and to provide inputs to the secretariat on their experience in using it, so that, if necessary, changes could be incorporated.
2. At the eleventh sessions of the subsidiary bodies, a draft URF was considered⁴. By its decision 13/CP.5, the COP invited Parties to submit further views by 31 March 2000 and requested the secretariat to prepare a further draft revision of the URF and a set of guidelines for its use. The draft revised URF for AIJ under the pilot phase, including draft guidance on how to complete the URF, was prepared based on six submissions and contained in an addendum to the fifth synthesis report⁵.
3. The COP, by its decision 8/CP.7, requested the secretariat to organize before the sixteenth sessions of the subsidiary bodies a workshop on the draft revised URF with the purpose of providing an opportunity to Parties to discuss and make practical proposals on how to improve the draft URF as well as to arrive at a common understanding of the underlying concepts.
4. The workshop took place in Bonn on 2-3 June 2002, immediately prior to the sixteenth session of the SBSTA in order to allow the participation of all Parties. Resources for the workshop were made available by the United States of America. The workshop was co-chaired by Ms. Sushma Gera (Canada) and Mr. Mamadou Honadia (Burkina Faso) and attended by 56 participants from 45 Parties. The workshop had before it the draft revised URF as well as a miscellaneous document containing views by Parties invited by the subsidiary bodies at their fifteenth sessions⁶.
5. This note by the co-chairs is prepared as an aide-memoire of the proposals and comments made during the workshop and supplements the oral report by the co-chairs to the SBSTA. The agenda and presentations are available in the AIJ section of the UNFCCC web site (<http://unfccc.int/program/aij/index.html>).

II. PROPOSED CHANGES TO THE DRAFT REVISED URF

6. This section contains a summary of the proposals and comments. They are listed underneath the headings of the sections of the draft revised URF. It should be noted that participants at the workshop did not consider the annexes of the draft revised URF.

¹ FCCC/SBSTA/1996/8.

² For the full texts of decisions adopted by the Conference of the Parties at its first, third and fourth sessions, see documents FCCC/CP/1995/7/Add.1, FCCC/CP/1997/7/Add.1 and FCCC/CP/1998/16/Add.1, respectively.

³ FCCC/SBSTA/1997/4.

⁴ FCCC/SB/1999/5/Add.1.

⁵ FCCC/SB/2000/6/Add.1.

⁶ FCCC/SB/2000/6/Add.1 and FCCC/SBSTA/2002/MISC.2 respectively.

A. Governmental acceptance, approval or endorsement

Some Parties suggested that the acceptance letter should cover sections C, D and G. Some of the Parties supporting this proposal suggested deleting sections C, D and G, while others wanted these sections to be reflected as subsections of A.

A number of Parties proposed leaving section A of the draft URF unchanged.

B. Summary of AIJ project

The participants in the workshop agreed that this section needed little change. One of the co-chairs, however, suggested that subsections B.3.5, B.4.3 and B.4.4 would require some revision in order to achieve greater clarity.

C. General compatibility with and supportiveness of national economic development and socio-economic and environment priorities and strategies

Apart from comments reflected in section A above, the participants in the workshop did not propose any changes to this section of the draft revised URF.

D. Environmental, economic and social and cultural impacts

In addition to comments reflected in section A above, some Parties proposed deleting subsections D.2 and D.3. A number of other Parties insisted that this section should remain as proposed in the draft revised URF.

E. Calculation of real, measurable and long-term environmental benefits related to the mitigation of climatic change that would not have occurred otherwise

Based on comments by participants, the co-chairs, with the assistance of the secretariat, proposed revisions to streamline the subsections dealing with:

- The description of the baseline, the project scenario, revisions of the baseline and the actual performance of the project activity and respective tables (subsections E.1 to E.5, see Annex I)
- Mutually agreed assessment procedures (subsection E.6, see Annex II).

Some Parties suggested deleting section E.7 dealing with cost information/data; others proposed deleting some elements of the table contained in subsection E.7.2 and some supported its retention in its current form in the draft revised URF. Annex III highlights those cost items reflected in the table in section E.7.2 which were acceptable to all participants if the section was to be retained.

F. Financing

Some Parties suggested that, instead of the details proposed in the subsections, the financial additionality clause of decision 5/CP.1 should be reflected. In this regard, a list of sources of official development assistance or the financial mechanism of the Convention as well as the purpose of such financing should

be provided if such sources were involved in financing the activity. Other Parties supported the format as proposed, while suggesting that the list of categories for sources of funding (footnote b to the table in sections F.2 and F.3 respectively) may require revision.

G. Contribution to capacity-building and the transfer of environmentally sound technologies and know-how

Apart from comments reflected in section A above, it was generally agreed that that the information provided under subsection G.3 should explain and show “how” capacity-building and the transfer of environmentally sound technologies and know-how would be generated by the AIJ activity.

H. Additional comments

No revisions suggested.

Annex I

PROPOSED REVISIONS TO SECTIONS E.1 TO E.5 OF THE DRAFT REVISED URF¹

E.1 Assumptions and characteristics of the baseline

E.1.1 Assumptions of the **baseline**:
(Describe (up to 1 page)):

E.1.2 Describe the baseline:
Please describe the baseline as well as leakage effects (up to 1 page):

E.1.3 Reasons for selecting a baseline and its methodology:
(Describe (up to 1 page)):

E.1.4 Calculation of values reported in 'Baseline scenario' in table E.5.1 column (A):

Documentation box *(Please provide numerical data referred to in this section):*

E.2 Assumptions and characteristics of the project scenario

E.3.1 Assumptions for the AIJ project activity and its boundary

E.3.2 Describe the project scenario
*Please describe the **project scenario** as well as effects occurring outside the project boundary (up to 1 page):*

E.3.3 Please explain why the AIJ project activity would not have taken place anyway:
(Describe (up to 1 page)):

E.3.4 Calculation of values reported in 'Project scenario' in table E.5.1, column (B)

Documentation box *(Please provide numerical data referred to in this section):*

E.3 Revision of the baseline for the project

E.3.1 Baseline revisions are planned (please underline): Yes/ No
If yes, please complete the remainder of section E.3.

- E.3.2 Revisions are planned at regular intervals (please underline): Yes/ No
- If yes, please specify date of first planned revision and the length of the intervals:
 - If no, please explain revision schedule *(up to half a page):*

¹ Proposed revisions are highlighted.

E.3.3 Information on revisions

- If a baseline (and/or the project scenario) revision is covered by this report, describe briefly the nature of this revision, including parameters changed in the revision as well as the calculation of the new set of values in the column 'Revised baseline scenario' in table E.5.2, column (A): *(up to one page)*
- Date of last baseline revision: *(DD/MM/YYYY)*
- Date of next baseline revision: *(DD/MM/YYYY)*

Documentation box *(Please provide numerical data referred to in this section):*

E.4 Scope and performance of the actual project

Provide actual project data (E.5.3. Column B) and the calculations of the actual real, measurable and long-term emission reductions and/or removals as measured against the relevant (original/revised) baseline scenario values

Documentation box *(Please provide numerical data referred to in this section):*

E.5 Tables on real, measurable and long-term GHG emission reductions or removals by sinks (in CO₂ equivalent)

E.5.1 Projected real, measurable and long-term GHG emission reductions or removals by sinks

Projected real, measurable and long-term GHG emission reductions or removals by sinks over the lifetime of the AIJ activity
(in metric tons of CO₂ equivalent^a)

Insert rows as needed

Year	Baseline scenario ^b (A)				Project scenario ^b (B)				Projected real, measurable and long-term GHG emission reductions (-) or removals by sinks (+) ((B)-(A))			
	CO ₂	CH ₄ ^a	N ₂ O ^a	Other ^a	CO ₂	CH ₄ ^a	N ₂ O ^a	Other ^a	CO ₂	CH ₄	N ₂ O	Other
TOTAL												

^a Please convert values into global warming potentials, referring to annex 3 for conversion factors.

^b Including effects occurring outside the project boundary (leakage) as described in sections E.1.4, and E.2.4, as applicable

E.5.2 Revised projected real, measurable and long-term GHG emission reductions or removals by sinks
Please prepare for each revision a table starting with the year of the baseline revision

Revised projected real, measurable and long-term GHG emission reductions or removals by sinks of the AII activity
Revision number___ (Please fill in as appropriate)
(in metric tons of CO₂ equivalent^a)

Insert rows as needed

Year	Revised baseline scenario ^b (A)				Project scenario ^{b,c} (B)				Revised projected real, measurable and long-term GHG emission reductions (-) or removals by sinks (+) ((B)-(A))			
	CO ₂	CH ₄ ^a	N ₂ O ^a	other ^a	CO ₂	CH ₄ ^a	N ₂ O ^a	Other ^a	CO ₂	CH ₄	N ₂ O	Other
TOTAL												

^a Please convert values into global warming potentials, referring to annex 3 for conversion factors.

^b Including effects occurring outside the project boundary (leakage) as described in sections E.1.4, E.2.4 and E.3.4, as applicable.

^c If the project scenario is revised in conjunction with the baseline scenario, please reflect the new values; otherwise, please reflect the values reported in table E.5.1.

E.5.3 Actual real, measurable and long-term GHG emission reductions or removals by sinks

Actual real, measurable and long-term GHG emission reductions or removals by sinks of the AIJ activity
(in metric tons of CO₂ equivalent^a)

Please insert values assessed ex post i.e. after measurement. Insert rows as needed.

Year	Baseline scenario ^{b c} (A)				Actual project ^{b c} (B)				Actual real, measurable and long-term GHG emission reductions (-) or removals by sinks (+) ((B)-(A))				Values indicated are assessed independently (Yes/No)
	CO ₂	CH ₄ ^a	N ₂ O ^a	Other ^a	CO ₂	CH ₄ ^a	N ₂ O ^a	Other ^a	CO ₂	CH ₄	N ₂ O	Other	
TOTAL													

^a Please convert values into global warming potentials, referring to annex 3 for conversion factors.

^b Including effects occurring outside the project boundary (leakage) as described in sections E.1.4, E.2.4, E.3.4 and E.4, as applicable.

^c Values that differ from those in table E.5.1 or E.5.2 should be marked in **bold**.

Annex II

PROPOSED REVISIONS TO SECTION E.6 OF THE DRAFT REVISED URF¹

E.6 Mutually agreed assessment procedures

Please note that :

- *Under the AIJ pilot phase, there are neither prescribed procedures for mutually agreed assessment procedures nor any agreed assessment criteria for independent third party assessment, in particular of emission reductions and/or removals by sinks.*
- *Any assessment requirements/criteria and or procedures reported under either of the subsections below are not to be considered as endorsed by the UNFCCC and shall not be reflected and referred to as such.*

[The co-chairs suggest that the specific clause on “no credits” contained in paragraph 1 (f) of decision 5/CP.1 not be inserted here because reference to the full text of decision 5/CP.1 is made in the first paragraph of the draft revised URF (page 6 of FCCC/SB/2000/6/Add.1) and a copy of the decision is part of the draft revised URF (see annex 5)].

If the AIJ activity provides for mutually agreed assessment procedures, please fill subsections E.6.1 or E.6.2, as applicable.

E.6.1 Assessment procedures that use all or one of the following steps:

E.6.1.1 Initial independent assessment of the project activity:

- Has the project design been subject to such an assessment?
(Please underline): Yes/No
- If yes, what organization(s) is/are involved: *Please indicate the type of organization(s) (consultancy, accredited certification body, government body, university, etc.), and provide their detailed contact information in annex 1 to this report.*

E.6.1.2 Monitoring

- Does the project have a monitoring plan? (Please underline): Yes / No
- Summarize briefly the key elements of the monitoring plan (*i.e. which parameters are being monitored, with what frequency, providing sampling intensities if appropriate, methods and equipment; associated uncertainties, etc.*) (not more than 1 page):
- Is the monitoring conducted by project proponents? (Please underline): Yes / No
- If no, which organization(s) is/are involved: *Kindly indicate the type of organization(s): consultancy, accredited certification body, government body, university, etc. and provide their detailed contact information in annex 1 to this report:*

E.6.1.3 Independent assessment of the project performance

- Is the activity subject to such an assessment? (Please underline): Yes / No
- If no, is such an assessment intended? (Please underline): Yes / No
- If yes, what organization(s) is/are involved: *Please indicate the type of organization(s) (consultancy, accredited certification body, government body, university, etc.), and provide their detailed contact information in annex 1 to this report. Indicate the*

¹ Proposed revisions are highlighted.

frequency of the assessments, how many assessments have taken place to date, and whether the assessment report(s) is/are publicly available if requested.

- Summarize briefly the key elements of the **assessment** activities: *(Please describe issues such as criteria used; the project design; project implementation; assessment of the baseline; key project parameters being verified; the frequency of assessment/surveillance; sampling approach applied by the assessing organization) (up to one page):*

E.6.1.4 Provision of written statement by an independent entity regarding the performance of the project activity

Please note that such a statement is not a formal requirement under the AIJ pilot phase (see also the note at the beginning of section E.6). If the project has made provision for such a statement, please indicate the name of the independent body and attach a copy of the written statement(s):

E.6.2 Other form of mutually agreed assessment procedure (please specify):

Annex III**PROPOSED REVISIONS TO SECTION E.7 OF THE DRAFT REVISED URF**

The items which were acceptable to all participants, if the section was to be retained, are marked within the signs ">" and "<"

E.7.2 >Project costs< and revenues¹

Please list cost/revenue figures per year (insert rows as needed)

>Year<	>Cost</revenue >description<	>Incurred/ projected ^(a) <	>Amount in US\$<	NPV ^(b) in US\$
(A)	(B)	(C)	(D)	(E)
Project development costs				
(1) Subtotal project development costs				
>Capital costs<				
(2) Subtotal capital costs				
>Installation costs<				
(3) Subtotal installation costs				
>Operational and maintenance costs<				
(4) Subtotal operational and maintenance costs				
Other costs				
(5) Subtotal other costs				
Transaction costs (Please include and distinguish validation, monitoring, verification and certification costs, as applicable)				
(6) Subtotal transaction costs				
Revenues				
(7) Subtotal revenues				
(8) >Gross AIJ project costs< (sum subtotals (1) to (5) above)				
(9) Gross AIJ transaction costs (repeat value (6) above)				
(10) >Projected costs per metric ton of CO₂< (sum totals (8) and (9) above divided by total reductions/removals from table E.5.1 or E.5.2 as applicable)				
(11) >Incurred costs per metric ton of CO₂< (sum totals (8) and (9) above divided by total reductions/removals from table E.5.3)				
(12) Gross AIJ project revenues (repeat value (7) above)				

^a Enter I = incurred, P = projected

^b Use net present value method to calculate values. Please indicate here relevant assumptions on, inter alia, exchange rates, discount rates and interest rates.

¹ A Party suggested that, instead of total costs and revenues of a project, only the AIJ component should be considered using an approach similar to the GEF incremental cost approach. The Party offered to provide tables and technical guidance.