

Baseline standard

Para / issue/ option	Discussion/ comments	Guidance by the SBM
<p>Whitelists/ blacklists (para 22ff)</p>	<ul style="list-style-type: none"> - Any such list should be decided by the host Party and approved by the SBM; - Establishing such lists is not feasible (e.g. need for constant updating) /not acceptable / may be questioned by CMA; - Third party / other sources cannot be the basis of such lists for an intergovernmental mechanism; - Reference to GST is out of place / unacceptable / discriminatory to activity type - Whitelist options are not mutually exclusive and a combination could be a way forward; - Such lists may not be appropriate for all regions; - Preference for A.1 (iii); - See merit in lists as a procedural element/ approach; - Risk of lists being discriminatory in terms of mitigation options; - Perhaps a cross-cutting issue with lock-in (in additionality standard); 	<p>Annex # to the meeting report of SBM 015</p> <p>The SBM agreed to provide the following guidance/feedback to the MEP on the proposed draft standard "Setting the baseline in mechanism methodologies":</p> <ul style="list-style-type: none"> (i) Whitelists and blacklists of activity types or technologies (paragraphs 22-26 of the cover note of the proposed draft standard) should not be used; (ii) The MEP may wish to note that eligibility of activities is considered in the additionality standard as part of assessment of lock-in
<p>Downward adjustment for alignment with temperature goal (para 28ff)</p>	<ul style="list-style-type: none"> - Temperature goal exists in a specific context, global or national; how to quantify at activity level is not evident (issue of differentiation, equity, responsibility, etc.) - thus SBM cannot go with it; - Alignment to temperature goal is beyond all technical capabilities; we are limited to guessing; only the CMA can say what it is about; - Option B.3: as long as we have a downward adjustment which provides ambition over time and ensures below BAU we are showing alignment with the Paris Agreement; - Preference is for option B.3, alignment is not a given, need to mention it; - More work to be done on this. 	<ul style="list-style-type: none"> (i) Option B.3 under paragraph 28 of the cover note of the proposed draft standard should be selected for further elaboration while keeping the following considerations in view: <ul style="list-style-type: none"> a. Any quantification of the downwards adjustment should not be linked to the ambition/NDC of the host Party or to the long-term temperature goal of the Paris Agreement; The purpose of downwards adjustment is for activities to be below BAU; b. The scale of activities and any exemptions or exceptions, should be taken into account; c. Any double downwards adjustment should be avoided;

		<p>d. Any impact of downwards adjustment on the economic viability of an activity should be taken into account;</p> <p>(ii) The SBM requests the MEP to explore the feasibility of various options for aligning the downward adjustment with the temperature goal of the Paris Agreement, including by hiring external expertise. Such an analysis shall in particular consider impacts, risk, opportunities of the different options.</p>
BAT	<ul style="list-style-type: none"> - There should be more guidance on what BAT is and host countries may need to be consulted; - Three usual options for setting BAT: at level of (i) methodology, (ii) project proponent; (iii) SBM (to ultimately decide/approve). 	<p>(i) The options on by whom and how the list BATs should be determined, as mentioned under paragraph 34 of the proposed draft standard, are not necessarily mutually exclusive;</p> <p>(ii) Different definitions of BAT exist;</p> <p>(iii) BAT could be set at the methodology level or another level;</p> <p>(iv) A distinct tool for determining the BAT could be considered.</p>
Level of aggregation at which baseline approaches are applied	<p>Not discussed yet.</p> <p>Main provisions are as follows (based on para 15 of the cover note): The baseline determination may be done:</p> <ul style="list-style-type: none"> - in the methodology (e.g. in a methodology on improved cook stoves, baseline is set by the methodology developer) - in the PDD (e.g. in an energy efficiency project, by the activity participants); - in a standardized baseline (e.g. in a renewable energy project, the baseline grid emissin factor is proposed by the host Party and approved by the SBM). 	<p>Expected: clarify whether allowing to choose the baseline setting from any of the three levels proposed is fine.</p>
Need for mechanism methodologies to be revised regularly	<i>Not discussed yet</i>	<i>Expected: articulate SBM views on the matter.</i>
Consideration of legal requirements, policies and targets in determining BAU	<i>Not discussed yet</i>	<i>Expected: clarify whether elements from NDCs should be considered in paragraph 59 of the draft standard.</i>
General	<ul style="list-style-type: none"> - Applicability of the draft standard to removals (technology-based and nature-based) needs to be checked; 	<p>(i) The MEP should refrain from using any categorization of Parties/countries, such as high-income and low-income countries, that is not agreed under the Paris Agreement, as well as</p>

		<p>making references to matters not related to its work, such the global stocktake (GST) outcomes;</p> <p>(ii) The MEP should maintain transparency and balance while considering the needs and circumstances of developing and developed countries;</p> <p>(iii) The MEP is encouraged to use clear and self-explanatory text in documents developed by it. For example, the text of paragraph 34(e) of the cover note of the proposed draft standard could be re-phrased.</p>
<p>Process related: Need for public inputs</p>	<ul style="list-style-type: none"> - Public inputs in the midst of process, where we are not clear, does not help; - Public inputs: is part of our agreed process, can be useful; - Public inputs can delay, but can be useful; inclusion is ok. 	
	<ul style="list-style-type: none"> - 	
<p>Process related: Others</p>	<ul style="list-style-type: none"> - The document was made available only last week; There is therefore an issue on its availability for public comments (as part of the annotated agenda); - The document (or parts of it) needs more work; - The document is still overly complex (even with the graphs) – it is nowhere clarified that downwards adjustment only happens once; - It would have been helpful to have another presentation (besides the one delivered on the options) to understand how the baseline setting works; - The presentation was felt to be to “bare bones”/ issues only while it should have covered the full substance of the document; - It would be helpful if webcasts could be structured/located by agenda item; - There is a need to understand transparently the MEP process: <ul style="list-style-type: none"> o Which options were considered o On which item it reached a conclusion and made a choice (and how) o On which item it is asking for guidance 	

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| | <ul style="list-style-type: none">- An intersessional meeting with the MEP could potentially be organised, to discuss (i) what they worked on, how they approached the work, how they came to decisions in a balanced manner, etc. | |
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