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Annex 14

DRAFT GUIDELINES FOR ESTABLISHMENT OF STANDARDIZED BASELINES FOR AFFORESTATION AND REFORESTATION PROJECT ACTIVITIES UNDER THE CLEAN DEVELOPMENT MECHANISM

(Version 01.0)

I. Background

1. The use of standardized baselines can potentially reduce transaction costs, enhance transparency, objectivity and predictability, facilitate access to the clean development mechanism (CDM), particularly with regard to under-represented project types and regions, and scale up the abatement of greenhouse gas (GHG) emissions, while ensuring environmental integrity. At the sixth meeting of the conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol in Cancun (CMP 6), the Parties agreed to implement standardized baselines under the CDM (decision 3/CMP.6, paragraphs 44–52).

2. CMP 6 decided that the Parties, the project participants, as well as international industry organizations or admitted observer organizations may, through the host country's designated national authority (DNA), submit proposals for standardized baselines under new or existing methodologies for consideration by the CDM Executive Board (hereinafter referred to as the Board).

3. CMP 6 also requested the Board to develop standardized baselines, as appropriate, in consultation with relevant DNAs, prioritizing methodologies applicable to project activities particularly suited for least developed countries (LDCs), small island developing states (SIDS), Parties with 10 or fewer registered CDM project activities as of 31 December 2010, as well as methodologies applicable to under-represented project activity types including, inter alia, energy generation in isolated systems, transport and agriculture.

4. In response to the request from the CMP 6, the Board requested the secretariat to develop a general methodological framework for development and assessment of standardized baselines.[1]

II. Scope and applicability

5. The present guidelines provide a framework for development of standardized baselines, including demonstration of additionality, and optionally including approaches for demonstration of land eligibility, for afforestation or reforestation (A/R) CDM project activities.

6. These guidelines are not exhaustive. Project participants or other stakeholders may propose revisions that further expand applicability of these guidelines (e.g. by proposing to include additional criteria in appendix 1), or include other approaches.

III. Definition

7. For the purpose of these guidelines, a standardized baseline for A/R CDM project activities:

[1] EB 60 report, paragraph 39(a).

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(a) Is established for a geographic region entirely located within a host Party country or extending across a group of host Party countries;

(b) Provides one or more approaches for determination of the baseline scenario;

(c) Provides one or more approaches for demonstration of additionality of proposed A/R project activities; and

(d) Optionally, provides one or more approaches for: (i) estimation of baseline carbon stocks and baseline net GHG removals by sinks in the above-ground carbon pool, and/or (ii) demonstration of eligibility of land.

IV. Developing standardized baselines for A/R CDM project activities

Criteria for identification of land types and/or land-uses

8. Criteria are selected for identification of land types and/or land-uses and socio-economic conditions in which afforestation or reforestation project activities are unlikely to be implemented without the financial incentives of the CDM. Developers of proposed standardized baselines may:

(a) Use the default criteria contained in Appendix 1 of these guidelines; or

(b) Propose different criteria along with justification based on transparent and verifiable information.

Identification of areas of land

9. Areas of land in which the proposed standardized baselines are to be applied are identified and delineated as lands meeting one or more of the criteria selected under paragraph 8. Such delineation includes lists of geo-coordinates (e.g. latitudes and longitudes) allowing unique identification of the areas. Developers of proposed standardized baselines should demonstrate, on the basis of transparent and verifiable information, that the criteria selected apply to the identified areas of land.

Example: Existing precipitation maps may be used for delineation of areas of land as dryland areas to which criterion A.1 (ii) of Appendix 1 applies.

Identification of the baseline land-use scenario

10. The baseline land-use scenario of an A/R project activity implemented in the areas of land identified for standardized baselines are be deemed to be the same as the pre-project land-use scenario, provided that:

(a) The pre-project land-use scenario is in accordance with the mandatory applicable legal and regulatory land-use requirements, in effect in the host Party country, for tree planting or establishment of tree/shrub vegetation in the lands contained within the boundary of the A/R CDM project activity; OR

(b) An examination of the current practice in the region, in which the mandatory law or regulation requiring tree planting or establishment of tree/shrub vegetation applies, reveals that those applicable mandatory legal or regulatory requirements are systematically not enforced and that non-compliance with those requirements is widespread.

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Demonstration of additionality

11. An A/R project activity implemented in areas of land identified for approved standardized baselines are deemed to be additional.

Standardized estimation of baseline stocks and removals

12. Proposed standardized baselines may, depending upon availability of data, include estimated values of baseline carbon stocks and baseline net GHG removals by sinks in the above-ground carbon pool, on a per hectare basis. Proposed values may be reported by strata within the areas of land. Where the values are based on sample-based estimation, these must have a precision of 10% relative margin of error, or better, estimated at 90% confidence level. Where required precision cannot be demonstrated, the values must be demonstrated to be conservative estimates.

13. While estimating baseline carbon stocks and baseline net GHG removals by sinks in the above-ground carbon pool, as provided above, one of the following requirements should be met:

(a) Tree planting or establishment of tree/shrub vegetation in the lands is not required by mandatory applicable legal and regulatory requirements;

(b) Tree planting or establishment of tree/shrub vegetation to the extent required by mandatory applicable legal and regulatory requirements is reflected in the estimation of baseline carbon stocks and baseline net GHG removals by sinks proposed under paragraph 12.

Demonstration of land eligibility

14. Proposed standardized baselines may, depending upon availability of data, provide one or more approaches for demonstrating that the lands in the identified geographic regions are eligible for afforestation or reforestation under the CDM according to the criteria defined under paragraph 1 of the annex to decision 16/CMP.1; or, provide a confirmation that lands located within the identified geographic region are eligible for afforestation or reforestation under the CDM according to the criteria defined under paragraph 1 of the annex to decision 16/CMP.1.

V. Submitting proposals for standardized baselines

15. Proposals for standardized baselines under these guidelines should be submitted through the DNAs of host Party countries within which the identified areas of land are located.

16. While developing proposals for standardized baselines under these guidelines, the developers should follow, *mutatis mutandis*, the latest version of the "Guidelines for quality assurance and quality control of data used in the establishment of standardized baselines". However, the developers of proposed standardized baselines under these guidelines may propose their own data template.

17. While submitting proposals for standardized baselines under these guidelines, the DNAs should follow, *mutatis mutandis*, the latest version of the "Procedure for submission and consideration of standardized baselines".

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Appendix 1

Land types and/or land-uses and socio-economic conditions in which afforestation/reforestation project activities are not likely to be implemented without the financial incentives of the CDM

A. Lands with limited productivity

Rationale: The land types listed in Table 1 are identified by their biophysical limitations to productivity and afforestation/reforestation activities implemented on these lands are not likely to generate sufficient financial returns to make these activities financially viable. Therefore, the financial incentive of the CDM is required for implementation of afforestation/reforestation activities on these lands. The baseline scenario for these land types is continuation of pre-project land-use.

Table 1

Land type	Objective criteria / evidence
A.1 Drylands	Lands meet any one of the following criteria: (i) Lands are identified as drylands, arid lands, or lands affected by desertification, in a public document that was: (i) submitted to the UNCCD secretariat along with the National Action Programme; or (ii) published prior to 31 December 2011; (ii) Lands receive an annual average precipitation of 600 mm or less[2]; (iii) Ratio of annual precipitation to potential evapotranspiration (P/PET) for the lands is 0.65 or less.
A.2 Lands containing low productivity and/or degraded soils	Lands meet any one of the following criteria: (i) Soil pH is less than 4.0; (ii) Soil salinity is greater than 7.5 dS/m; (iii) Soil sodium absorption ratio (SAR) is greater than 8.0; (iv) Soils are calcareous soils with calcium carbonate equivalent of 20% or more; (v) Soils are shallow with a mean soil depth of 30 cm or less.
A.3 Lands containing contaminated soils including soils with toxicity, closed/abandoned municipal landfill areas and mine tailings areas	Lands meet any one of the following criteria: (i) In case of lands affected by industrial pollution or by agricultural activities (e.g. over-use of chemical fertilizers, irrigation, or pesticides), appropriate data should be provided to demonstrate that the productive capacity of the lands has been

[2] Average of annual precipitation calculated over past 10 years or more.

	impaired; (ii) In case of closed/abandoned municipal landfill areas and mine tailing areas, the lands should have been officially designated for these purposes, or demonstrated to actually been used for this purpose.

B. Lands with restricted land-use rights

Rationale: The land types listed in Table 2 are identified by their legal status that allows afforestation/reforestation activities but prevents intermediate or final harvesting, although removal of trees for management operations (e.g. salvage of fallen or dead trees, over-mature trees, etc) is permitted. Afforestation/reforestation activities implemented on these lands are not likely to generate sufficient financial returns to make these activities financially viable because no intermediate or final harvest is permitted. Therefore, the financial incentive of the CDM is required for implementation of afforestation/reforestation activities on these lands. The baseline scenario for these land types is continuation of pre-project land-use.

Table 2

Land type	Objective criteria /evidence
B.1 Protected watersheds, protected forest lands, and reserved forest lands; B.2 Biodiversity conservation areas; B.3 National parks, wildlife sanctuaries/refuges; B.4 Lands along roads, highways, railways, canals, and waterways; B.5 Lands along riverbanks, lands with steep slopes, gullied and ravinous lands.	Lands were legally classified under one of these categories under the applicable legal provisions in the host Party country and the applicable legal provisions do not permit intermediate or final harvesting.

C. Lands located in under-represented regions

Rationale: The lands listed in Table 3 are indentified by their location in areas where there is no experience or precedence of afforestation/reforestation activities. Afforestation/reforestation activities implemented on these lands are not likely to generate sufficient financial returns to make these activities financially viable because no prior experience or precedence of such activities exists. Therefore, the financial incentive of the CDM is required for implementation of afforestation/ reforestation activities on these lands. The baseline scenario for these land types is continuation of pre-project land-use.

Table 3

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Land type	Objective criteria /evidence
C.1 Lands located in host Party countries that are least developed countries or small island developing states (LDCs / SIDs) and have no precedence of raising commercial forestry plantations, and have no registered A/R CDM project activity as of 31 December 2010; C.2 Lands located in host Party countries with less than 10 CDM projects as of 31 December 2010 and have no precedence of raising commercial forestry plantations, and have no registered A/R CDM project activity as of 31 December 2010.	Lands are located in specified host Party countries lacking experience/capacity.

References

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