



Setting national and sectoral baselines

Andrew Prag and Christa Clapp (OECD)

Seminar on MRV and Carbon Markets
28/03/11

Outline of presentation

- **What is a baseline?**
- **Types of baseline**
- **Decision-making in baseline setting**
- **Variables in baseline setting**
- **Questions for discussion**

What is a baseline?

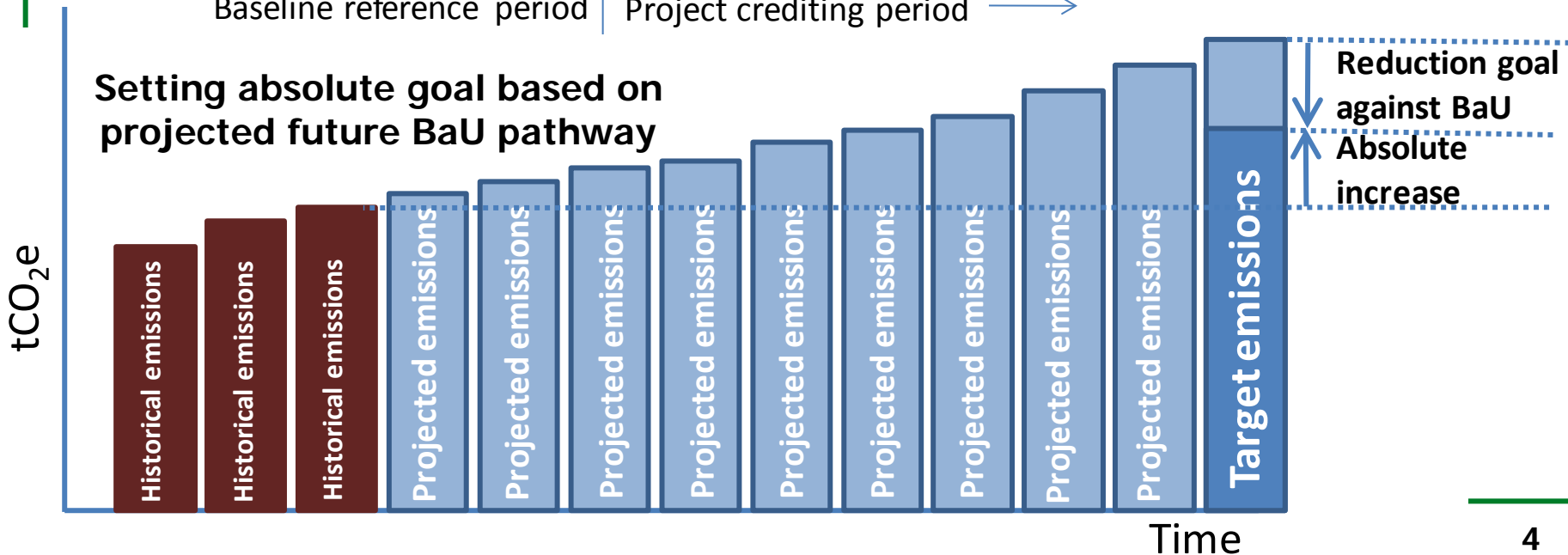
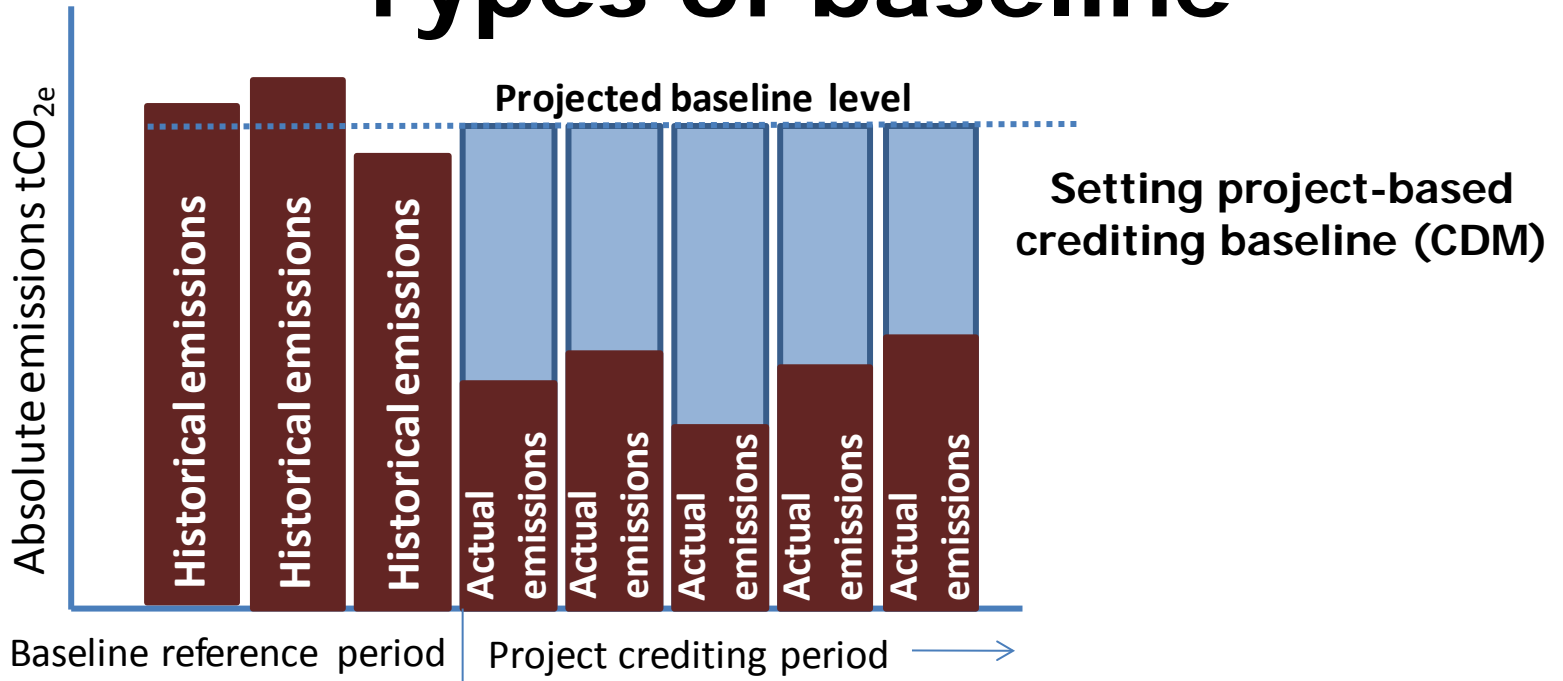


A baseline can be defined as a level of emissions that serves as a reference level to set a *goal/target* and/or to *measure progress*

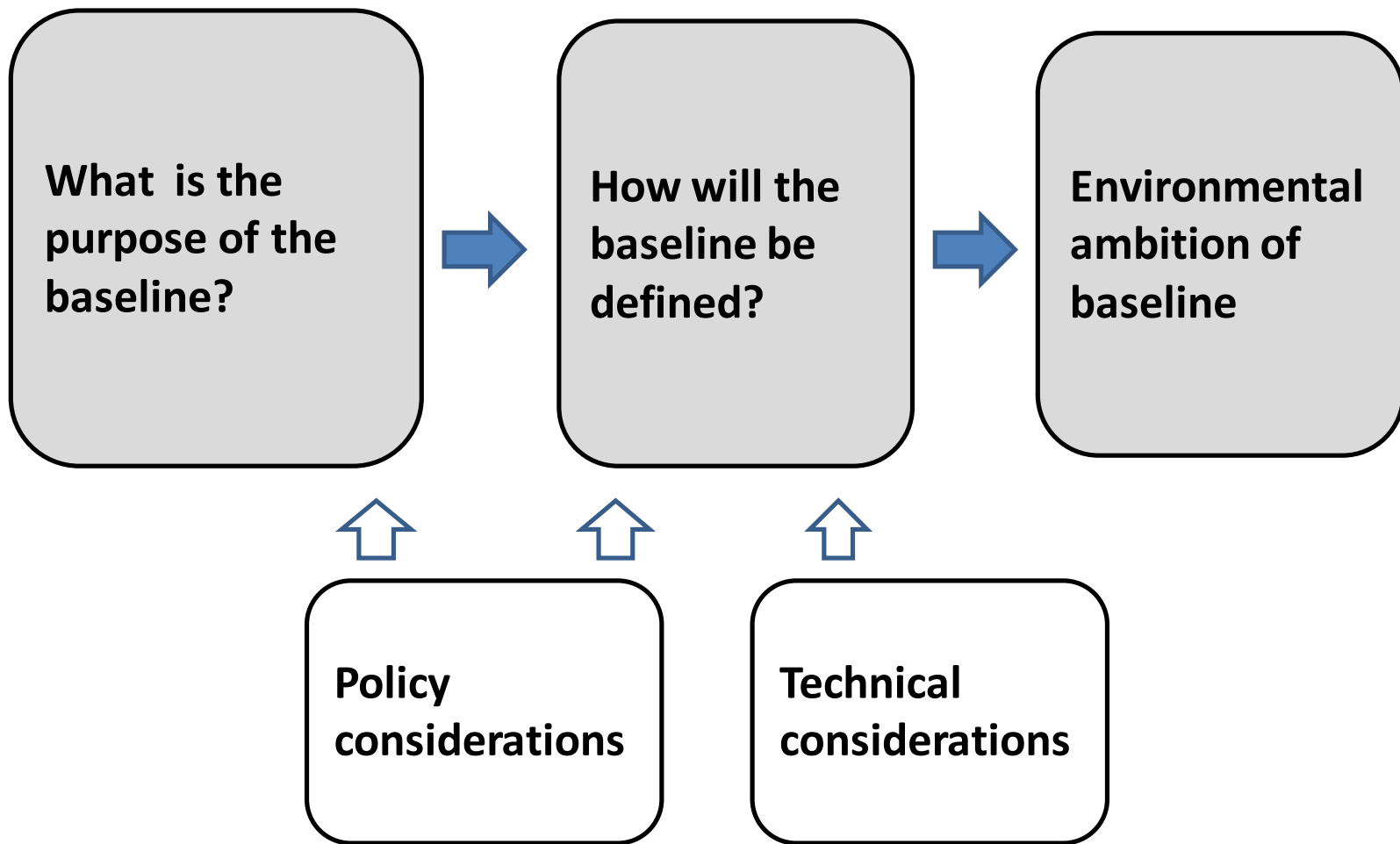
- Usage still ambiguous even after nearly 20 years of UNFCCC
- Can be based on a fixed point or a time-series
- Could be equivalent to a 'Business as usual' emissions pathway, or defined to be a deviation from that

Goal / target	Measuring performance
e.g. Setting national target or sector allocation	e.g. Defining a crediting baseline for a market mechanism

Types of baseline



Decision points in setting baselines



Variables in baseline setting



SCOPE

- Project
- Programme
- Sub-sector or sector
- Country/ies
- In some cases could also be specific to technology type or age of plant/entity

METRIC

- Absolute GHG or CO₂ emissions
- Relative GHG emissions

HISTORICAL REFERENCE DATA

- Single time period (eg one year)
- Multiple time periods (eg an average over several years)

FUTURE ASSUMPTIONS

- Assumed continuation of historical emissions (project)
- Continued rate of growth of emissions/emission intensity (sector)
- Modelling, based on policies included in baseline

Questions for discussion



How can environmental integrity of baselines be assured?

SCOPE

Could national baselines exclude certain sectors or gases, under what circumstances?

METRIC

What are the pros and cons of absolute and relative metrics?

HISTORICAL REFERENCE DATA

How to encourage countries to collect robust data; do MRV provisions for developing countries play a role in this?

FUTURE ASSUMPTIONS

How to determine which policies should be included in the baseline, and how to isolate overlapping policies?