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Main recommendations for the elaboration of the baseline scenario

Building the “without project” scenario within the EX-ACT tool

Capacity Building training on EX-Ante Carbon-balance Tool

22-23 January 2019 – Low Carbon Development Project, Ankara, Turkey

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After the first exercises…

The importance of the Baseline scenario

Capacity Building training on EX-Ante Carbon-balance Tool
22-23 January 2019 – Low Carbon Development Project, Ankara, Turkey

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Outline

- The baseline scenario
  - ✓Its importance
  - ✓What it is
  - ✓Key concepts
- Building baseline scenarios
  - ✓Three main type of scenarios
  - ✓More complex baselines for policies
  - ✓Sensitivity analysis
- Synthesis of the steps to follow to build the baseline

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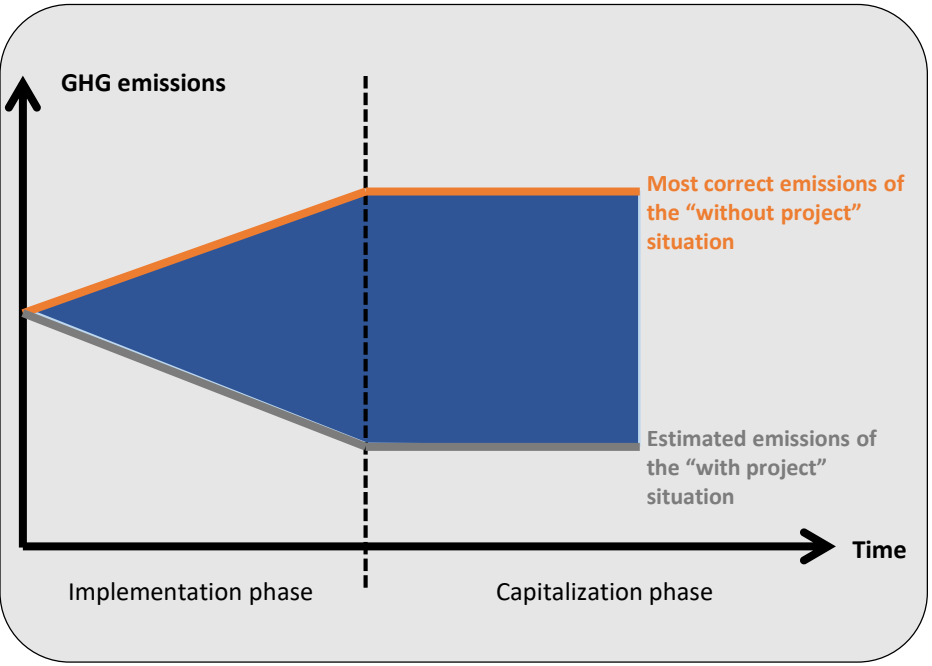
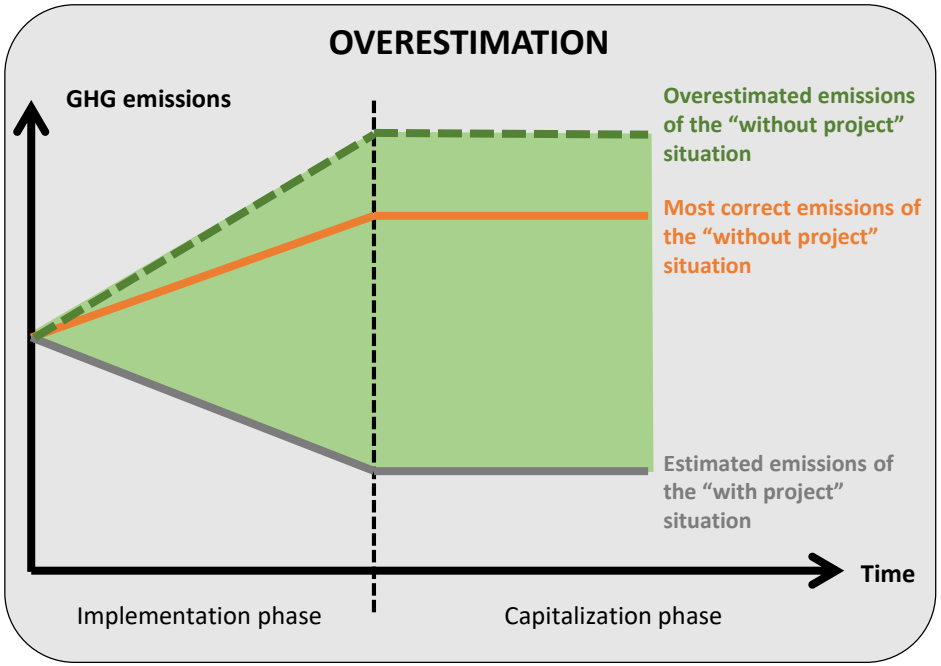
The importance of the baseline scenario to estimate the additionality of a project

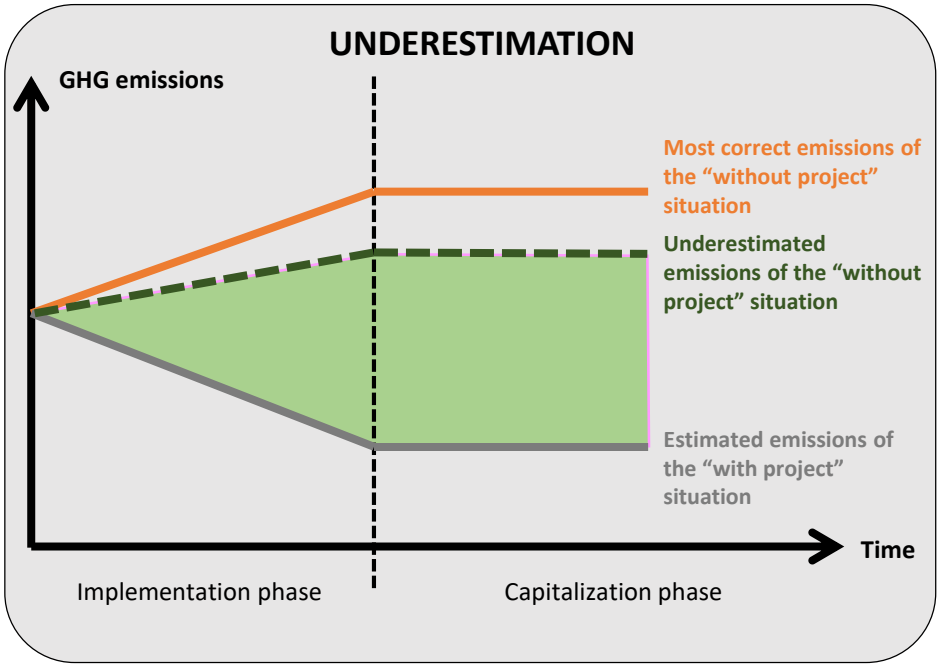
- **Additionality** = demonstrating that a project or a policy reduces emissions compared to a baseline

- The baseline scenario is the basis for testing the additionality of the project

Importance not to over or under estimate the baseline







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What is the baseline scenario?

- Baseline = Business As Usual = "without project" scenario

According to the UNFCCC:

"The baseline scenario should be the most plausible baseline scenario including the most credible options of land use, possible land use changes and main management practices that could have occurred on the land within the project boundary, without the implementation of the project".

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What is the baseline scenario?

No consensual accurate methodology to build the baseline scenario:
→Driven by many factors
(future economic development, population growth, international prices, technological development…)
→ Should consider specificities of different contexts/countries
→ Any projection have more or less uncertainty

… Defined on a **project-specific** basis

… But, some criteria/concepts have to be respected (consistency, transparency)

Key concepts of the baseline scenario

Level of emissions	Quantity of emissions as a projection of activities in future that are likely to occur in the absence of the proposed project.
Project's boundaries and leakage	Leakage = emissions occurring outside the boundaries but still attributable to the project's activities
Time frame	• Implementation • Capitalization
Transparency and conservatism	• Uncertainties, data sources, assumptions ... have to be highlighted • Baseline emissions estimated should be on the lower rather than the higher side

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Three main types of scenarios

Small-scale baseline

Large-scale baseline

NO CHANGE SCENARIO

- no change in the land use/practices with respect to the **current situation**

USE OF PAST TRENDS

- suppose a change on the basis of some assumptions
- **Forecast** using past trends (long term or short term past trends)

USE OF FUTURE TRENDS

- estimates of future land uses /practices from **models** based on country planning data

Possibility to combine these 3 scenarios

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Three main types of scenarios

- Type of scenario to prefer depending on the type of data to estimate for the future "without project" situation

Type of data	No change	Past trends	Future trend
Land uses	Only if country asks for it	First choice	Preferred if available
Technology adoption: irrigation and fertilizers	No	First choice (e.g. use FaoStat)	No
Technology adoption: SLM & improved varieties	First choice	Preferred if available	No

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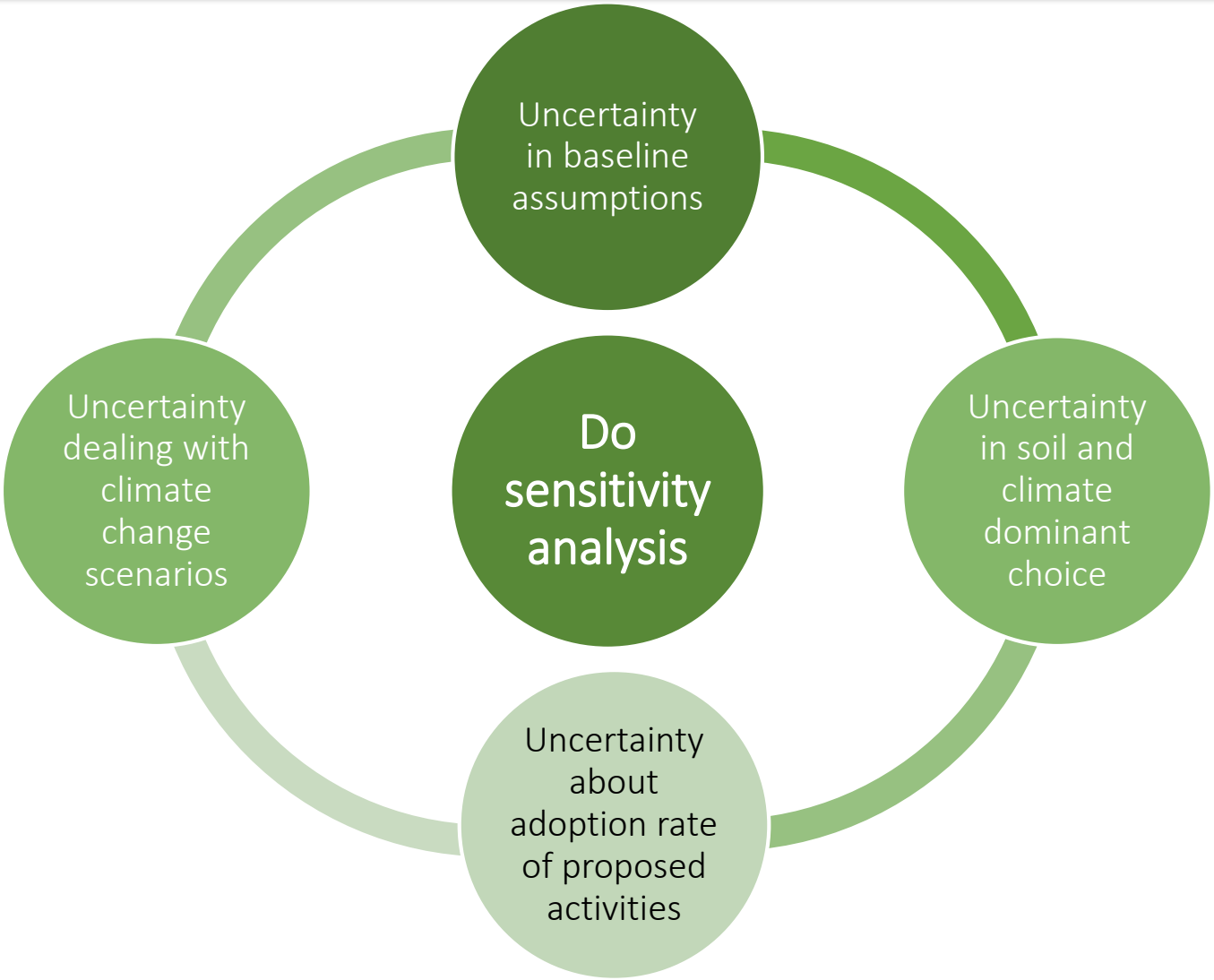
Development of several baselines: sensitivity analysis



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Synthesis of the steps to follow to build the baseline scenario within the EX-ACT tool

Get data at country level

- National scenarios,
- National policies,
- National inventories,
- National communications,
- NAPAs, NAMAs

Exchange with counterparts

- MoA, MoF, MoE, ...
- In order to get relevant data
- To negotiate with the country the main assumptions of the analysis

Decide baseline setting

- Based on the results from the negotiating process with country
- No change / past trends / future trends scenario
- Transparency and conservatism

Run several baseline scenarios

- Optimistic / pessimistic baseline scenario
- Sensitivity analysis

THANK YOU

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