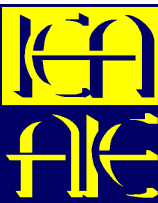


Transport Group: Recommendations

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Risoe, 7 May 2001



Overview

- **Baseline Principles**
- **Project Categories**
- **Baseline Calculation Methods**
- **Cross sector effects**
- **A Routine for Calculating Baselines**

Baseline Principles

- **Environmental Integrity**
- **Transparent and verifiable data**
- **Simple involving low transaction costs**
- **Offering certainty to investor, and sustainable development fulfilled**
- **Standardised as far as possible**

5 General Project Categories should be distinguished

- (1) Changing the fuel efficiency of vehicles**
- (2) Changing the type of fuel that vehicles use**
- (3) Switching transport mode to one that is less
GHG-intensive**
- (4) Reducing transport activity**
- (5) Increasing the load factor of vehicles**

**Priority should be given to develop
standardised baselines for (1) and (2)**

Increase Access Projects

- In many countries, the demand for transport is suppressed. A new project may thus - despite efficiency gains of the individual vehicles - lead to increase total emissions.
- But from a (sustainable) development point of view these projects are important. Work and research needs to be done on how such projects can adequately be treated under the CDM.

Baseline Calculation

- **Under each project category (1)-(5), standardized methods for calculation should be used. The following generic methods have been identified:**
 - Reductions with respect to BAU: trend in multiple parameters are estimated
 - Reduction in technical coefficient X Activity
 - Reduction in activity X technical coefficient
 - Control groups - identification and monitoring of group necessary

Cross sector effects --

Should be considered if they are significant -

- Infrastructure: emissions from fuel distribution, gas pipeline, etc.
- Emissions from the production of fuels
- Vehicle production
(moving production to NAI)
- Emissions from electricity generation: hydro vs. fossil fuel for rail transport, or for electric cars -- we found this point to be significant.

Baseline Calculation Routine

- **Step 1 : A project is initially categorized under project types (1) - (5)**
- **Step 2 : Direct emissions under this category are accounted for according to a standardized method.**
- **Step 3 : any 'cross-cutting' effects are identified with the following matrix**

Baseline Calculation

Project Types	Changing the fuel efficiency of vehicles		Changing the type of fuel that vehicles use	Switching transport mode to one that is less GHG-intensive	Reducing transport activity	Increasing the load factor of vehicles
	(A)	(B)				
1. Changing the fuel efficiency of vehicles (A)			(X) + or -		X (Rebound effect)	((X))
2. Changing the fuel efficiency of vehicles (B)			(X) + or -	X (+ for additional capacity, - for change in capacity)	X (+ for additional capacity, - for change in capacity)	X (+ for additional capacity, - for change in capacity)
3. Changing the type of fuel that vehicles use	X (+, -)				X (Rebound effect)	
4. Switching transport mode to one that is less GHG-intensive					X	X
5. Reducing transport activity	X					X
6. Increasing the load factor of vehicles	X (+)				X (+, -)	
Note: This table needs to be read from left to right. For example, a project changing the fuel efficiency of a project may have an impact on the fuel type used, and may reduce transport activity. + stands for increase of emissions, - stands for increase in emissions as a result of a project activity. This list is very tentative.						

Baseline Calculation Routine

- **Step 4: ...if the matrix indicates effects exist, then they should be accounted for in a standardised way.**
- **The recommendations include an ‘ad hoc’ method of how this could be done initially.**
- **Step 5: cross-sectoral effects should be identified, and taken account of if they are significant.**

Conclusions

- Many open questions remain such as
 - How can additionality be evaluated?Can sustainable development be useful here?
- Evaluation of crediting lifetimes / revision intervals
- This process has been useful and needs to be continued.

Conclusions

- **Reference databases should be developed and made available to the public**
- **There is a need to develop robust methodologies to promote CDM projects that address suppressed demand**
- **Freight transport and passenger transport need to be certified**