

2. It has established its assigned amount. The assigned amount in the first five-year commitment period from 2008 to 2012 for Canada is equal to 94% of its 1990 anthropogenic CO₂ equivalent emissions of GHGs times five.
3. It has a national system in place to estimate all sources of GHG emissions and removals by sinks.
4. It has in place a national registry to ensure the accurate accounting of the issuance, holding, transfer, acquisition, cancellation and retirement of ERUs, CERs, AAUs, and RMUs;
5. It submits an annual inventory of anthropogenic CO₂ equivalent emissions and removal by sinks. The annual inventory of emissions by Annex A sources/sectors must pass a quality assessment.
6. It submits all supplemental information on its assigned amount including additions to and subtractions from the assigned amount.

Baselines

A baseline is a quantification of the anthropogenic emissions by sources of GHGs that would occur in the absence of the proposed project. Baselines are critical to any CDM project as they provide the basis for calculating the emissions reductions achieved:

$$\text{Baseline} - \text{GHG emissions from project} = \text{Number of CERs from the project}$$

Baselines shall be established by project participants in accordance with methodologies previously approved by the EB and in a transparent and conservative manner. Project participants are not, however, limited to established methodologies on baselines and monitoring. If new methodologies are proposed, the OE will forward them to the EB for an expeditious review (no later than 4 months).

The baseline shall be defined in a way so that CERs cannot be earned for a reduction in a project's activity level due to forces outside the control of the proponents.

The EB has in its mandate to do further work and provide guidelines on baseline methodologies.

Crediting Period

As part of the Project Design Document, participants will need to select between one of two options for the crediting period, which begins after the registration of the project. Depending on the life cycle of the project, participants can select a crediting period of seven years which may be renewed at most two times, or a ten year period with no option for renewals. "Prompt start" of the CDM allows for projects to begin as of January 1st 2000. Any CDM project that has been initiated after 2000 can be registered as a CDM project prior to December 31 2005. The crediting period for these projects may begin prior to the date of registration but not prior to January 1, 2000.