

TOOL21

Methodological tool

Demonstration of additionality of small-scale project activities

Version 13.1



United Nations
Framework Convention on
Climate Change

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1. Introduction

1. This methodological tool provides a general framework to demonstrate and assess the additionality of small-scale project activity and component project activity (CPA) of the programme of activities.

2. Scope, applicability, and entry into force

2.1. Scope

2. This methodological tool provides a general framework for demonstrating and assessing additionality and is applicable to a wide range of project types.
3. In validating the application of this methodological tool, Designated Operation Entities (DOEs) shall carefully assess and verify the reliability and creditability of all data, rationales, assumptions, justifications and documentation provided by project participants to support the demonstration of additionality. The elements checked during this assessment and the conclusions shall be documented transparently in the validation report.

2.2. Applicability

4. The use of the methodological tool “Demonstration of additionality of small-scale project activities” is not mandatory for project participants when proposing new methodologies. Project participants and coordinating/managing entities may propose alternative methods to demonstrate additionality for consideration by the Executive Board.
5. Project participants and coordinating/managing entities may also apply “TOOL19: Demonstration of additionality of microscale project activities” as applicable.

2.3. Entry into force

6. The date of entry into force is the date of the publication of the EB 105 meeting report on 28 November 2019.

3. Normative references

7. Project participants shall follow the applicable provisions for the demonstration of additionality in the CDM Project Standard.
8. This methodological tool refers to the following document:
 - (a) “Non-binding best practice examples to demonstrate additionality for SSC project activities” (EB 35 Annex 34);
 - (b) “TOOL19: Demonstration of additionality of microscale project activities”;
 - (c) “TOOL32: Positive lists of technologies”.

4. Definitions

9. The definitions contained in the Glossary of CDM terms shall apply.

5. Methodology procedure

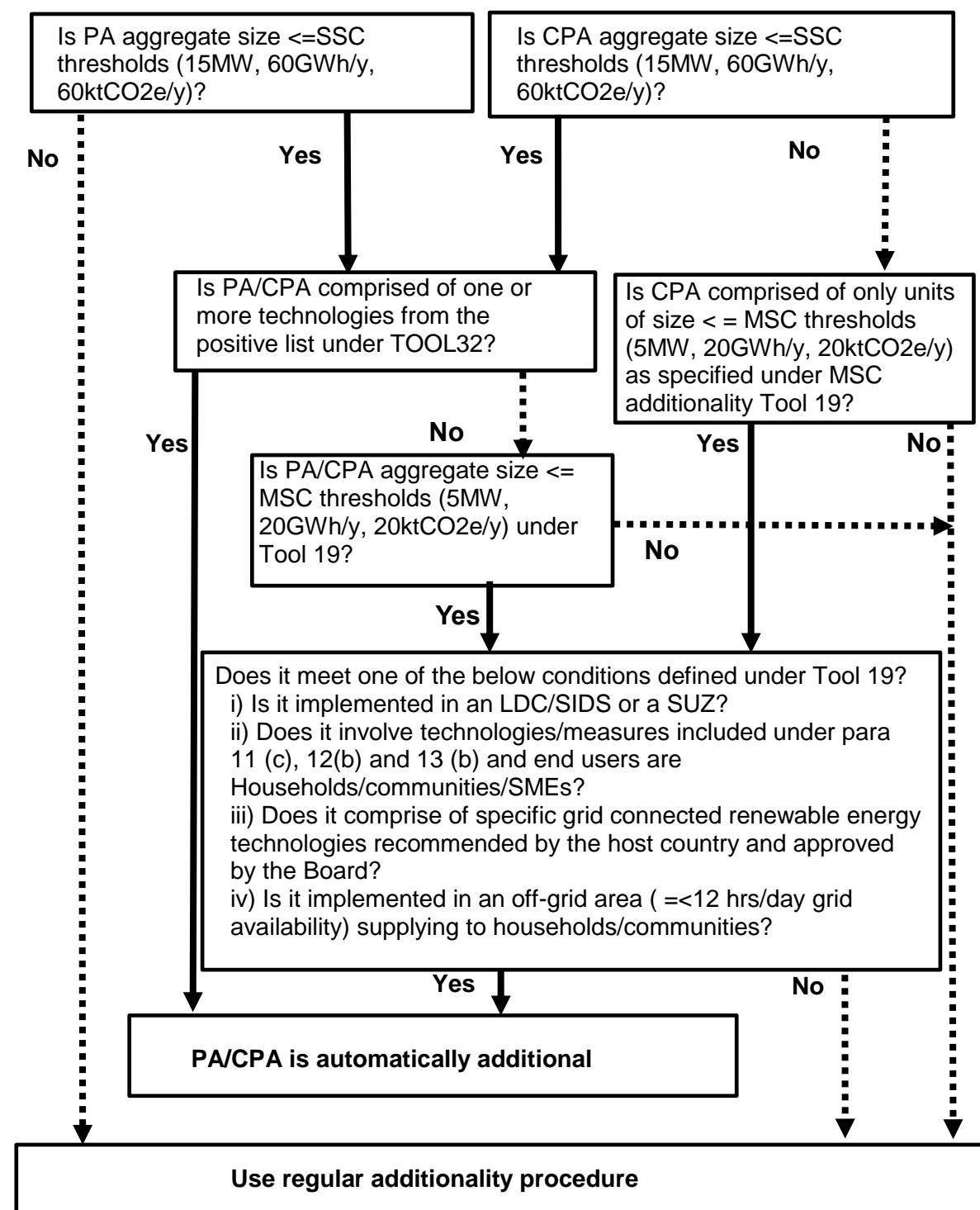
10. Project participants shall provide an explanation to show that the project activity would not have occurred anyway due to at least one of the following barriers¹:
 - (a) Investment barrier: a financially more viable alternative to the project activity would have led to higher emissions;
 - (b) Technological barrier: a less technologically advanced alternative to the project activity involves lower risks due to the performance uncertainty or low market share of the new technology adopted for the project activity and so would have led to higher emissions;
 - (c) Barrier due to prevailing practice: prevailing practice or existing regulatory or policy requirements would have led to implementation of a technology with higher emissions;
 - (d) Other barriers: without the project activity, for another specific reason identified by the project participant, such as institutional barriers or limited information, managerial resources, organizational capacity, financial resources, or capacity to absorb new technologies, emissions would have been higher.
11. Documentation of barriers, as per paragraph 10 above, is not required for the positive list of technologies and project activity types that are defined as automatically additional² for project sizes up to and including the small-scale CDM thresholds (e.g. installed capacity up to 15 MW). For the positive list of technologies, the project proponent shall refer to methodological tool “TOOL32: Positive lists of technologies”.

¹ Project participant may like to refer to “Non-binding best practice examples to demonstrate additionality for SSC project activities” (EB 35 Annex 34).

² The appendix provides a flow chart to guide the users to help navigate provisions for automatic additionality across “Tool for Demonstration of additionality of small-scale project activities” and “Tool for Demonstration of additionality of microscale project”.

Appendix. Provisions of small-scale and microscale tools for automatic additionality

Figure 1. Criteria for automatic additionality using provisions of small-scale (SSC) or microscale (MSC) additionally tools



Note:

- (a) SSC: Small-scale; MSC: Microscale;
 - (b) TOOL32: Positive lists of technologies;
 - (c) MSC Additionality Tool: TOOL19 - Demonstration of additionality of microscale project activities;
 - (d) MSC thresholds, ≤ 5MW capacity or 20 GWh energy savings per year or 20 ktCO₂ emission reductions per year;
 - (e) SSC thresholds, i.e. equal to or less than 15 MW capacity or 60 GWh energy savings per year or 60 ktCO₂ emission reductions per year;
 - (f) Positive list: It refers to the list of technologies under TOOL32 that are deemed automatically additional.
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Document information*

<i>Version</i>	<i>Date</i>	<i>Description</i>
13.1	01 September 2020	Revision to correct the flow chart in Appendix as per requirements in TOOL19.
13.0	28 November 2019	<p>EB 105, Annex 4</p> <p>Revision to:</p> <ul style="list-style-type: none"> • Remove the positive list and introduce reference to “TOOL32: Positive lists of technologies” (as the positive list was moved to TOOL32); <p>Introduce reference to “TOOL19: Demonstration of additionality of microscale project activities”.</p>
12.0	26 April 2018	<p>EB 99, Annex 3</p> <p>Revision to replace the unit size criterion in the positive list.</p>
11.0	4 May 2017	<p>EB 94, Annex 11</p> <p>Revision to amend the unit-size threshold (paragraph 11(c)), rural electrification threshold (paragraph 11(d)), and to expand the positive list of technologies (paragraph 11(a)(v) and paragraph 11(e)).</p>
10.0	16 April 2015	<p>EB 83, Annex 14</p> <p>Revision to reclassify this document from a guideline to a tool.</p>
09.0	20 July 2012	<p>EB 68, Annex 27</p> <ul style="list-style-type: none"> • Title changed from Attachment A of Appendix B to “Guidelines on the demonstration of additionality of small-scale project activities”; • Expanded positive list to include isolated units (5% of SSC threshold), renewable electrification in countries with <20% electrification rate, selected off-grid technologies.

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<i>Version</i>	<i>Date</i>	<i>Description</i>
08.0	29 September 2011	EB 63, Annex 24 To include guidelines on positive list of grid-connected renewable electricity generation technologies that are automatically defined as additional.

Decision Class: Regulatory

Document Type: Tool

Business Function: Methodology

Keywords: additionality, positive list, SSC project activities

- * This document, together with the 'General Guidance' and all other approved SSC methodologies, was part of a single document entitled: Appendix B of the Simplified Modalities and Procedures for Small-Scale CDM project activities until version 07.

History of the document: Appendix B of the Simplified Modalities and Procedures for Small-Scale CDM project activities

Appendix B of the Simplified Modalities and Procedures for Small-Scale CDM project activities contained both the General Guidance and Approved Methodologies and 'Attachment A to Appendix B' until version 07. After version 07 the document was divided into separate documents: 'Attachment A to Appendix B', 'General Guidance', and separate approved small-scale methodologies (AMS).

<i>Version</i>	<i>Date</i>	<i>Description</i>
07.0	25 November 2005	EB 22, Para. 59 References to "non-renewable biomass" in Appendix B deleted.
06.0	20 September 2005	EB 21, Annex 22 Guidance on consideration of non-renewable biomass in Type I methodologies, thermal equivalence of Type II GWhe limits included.
05.0	25 February 2005	EB 18, Annex 6 Guidance on 'capacity addition' and 'cofiring' in Type I methodologies and monitoring of methane in AMS-III.D. included.
04.0	22 October 2004	EB 16, Annex 2 AMS-II.F. was adopted, leakage due to equipment transfer was included in all Type I and Type II methodologies.
03.0	30 June 2004	EB 14, Annex 2 New methodology AMS-III.E. was adopted.
02.0	28 November 2003	EB 12, Annex 2 Definition of build margin included in AMS-I.D., minor revisions to AMS-I.A., AMS-III.D., AMS-II.E.
01.0	21 January 2003	EB 7, Annex 6

Appendix B of the Simplified Modalities and Procedures for Small-Scale CDM project activities contained both the General Guidance and Approved Methodologies and 'Attachment A to Appendix B' until version 07. After version 07 the document was divided into separate documents: 'Attachment A to Appendix B', 'General Guidance', and separate approved small-scale methodologies (AMS).

<i>Version</i>	<i>Date</i>	<i>Description</i>
		Initial adoption. The Board at its seventh meeting noted the adoption by the Conference of the Parties (COP), by its decision 21/CP.8, of simplified modalities and procedures for small-scale CDM project activities (SSC M&P).

Decision Class: Regulatory
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