Attachment A to Appendix B (including non-binding best practice examples)

1. 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 barriers:

(a) Investment barrier: a financially more viable alternative to the project activity would have led to higher emissions;
   
   Best practice is considered to be application of investment comparison analysis using a relevant financial indicator, application of a benchmark analysis or a simple cost analysis (where CDM is the only revenue stream such as end-use energy efficiency). It is recommended to use national or global accounting practices and standards for such an analysis.

(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;
   
   Best practice is considered to be demonstration of non-availability of human capacity to operate and maintain the technology, lack of infrastructure to utilize the technology, unavailability of the technology and high level of technology risk.

(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;
   
   Best practice is to show that project is among the first of its kind in terms of technology, geography, sector, type of investment and investor, market etc.

(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.
   
   Best practice is to detail and relate the specified barrier to the project activity and explain how the barrier will be addressed by the project activity.

General non-binding best practice examples:

- Provide explanations to clearly show how the SSC project activity under consideration is affected by the barrier and provide evidence to support the relevance of the barrier;

- Project participants are encouraged to use investment barrier analysis;

- Provide transparent and documented evidence making specific link to the actual project activity to carry out the barrier analysis and use evidence such as national/international statistics, national/provincial policy and legislation, studies/surveys by independent agencies etc.