Annex 7

GUIDELINES ON ADDITIONALITY OF FIRST-OF-ITS-KIND PROJECT ACTIVITIES

(Version 02.0)

1. Definitions

1. **Applicable geographical area** should be the entire host country. If the project participants opt to limit the applicable geographical area to a specific geographical area (such as province, region, etc.) within the host country, then they shall provide justification on the essential distinction between the identified specific geographical area and rest of the host country.

2. **Measure** \(^1\) (for emission reduction activities) is a broad class of greenhouse gas emission reduction activities possessing common features. Four types of measures are currently covered in the framework:

   (a) Fuel and feedstock switch (example: switch from naphtha to natural gas for energy generation, or switch from limestone to gypsum in cement clinker production);

   (b) Switch of technology with or without change of energy source including energy efficiency improvement as well as use of renewable energies (example: energy efficiency improvements, power generation based on renewable energy);

   (c) Methane destruction (example: landfill gas flaring);

   (d) Methane formation avoidance (example: use of biomass that would have been left to decay in a solid waste disposal site resulting in the formation and emission of methane, for energy generation).

3. **Output** is goods/services produced by the project activity including, among other things, heat, steam, electricity, methane, and biogas unless otherwise specified in the applied methodology.

4. **Different technologies** are technologies that deliver the same output and differ by at least one of the following (as appropriate in the context of the measure applied in the proposed clean development mechanism (CDM) project activity and applicable geographical area):

   (a) Energy source/fuel (example: energy generation by different energy sources such as wind and hydro and different types of fuels such as biomass and natural gas);

   (b) Feed stock (example: production of fuel ethanol from different feed stocks such as sugar cane and starch, production of cement with varying percentage of alternative fuels or less carbon-intensive fuels);

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\(^1\) Identified measures do not cover the industrial gases, transport and afforestation/reforestation projects.
(c) Size of installation (power capacity)/energy savings:
   (i) Micro (as defined in paragraph 24 of decision 2/CMP.5 and paragraph 39 of decision 3/CMP.6);
   (ii) Small (as defined in paragraph 28 of decision 1/CMP.2);
   (iii) Large.

II. Identification of a first-of-its-kind project activity

5. A proposed project activity is the first of its kind in the applicable geographical area if:
   (a) The project is the first in the applicable geographical area that applies a technology that is different from technologies² that are implemented by any other project, which are able to deliver the same output and have started commercial operation in the applicable geographical area before the project design document (CDM-PDD) is published for global stakeholder consultation or before the start date of the proposed project activity, whichever is earlier;
   (b) The project implements one or more of the measures;
   (c) The project participants selected a crediting period for the project activity that is “a maximum of 10 years with no option of renewal”.

III. Additionality of the first-of-its-kind project activity

6. A proposed project activity that has been identified as a first-of-its-kind project activity is additional.

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History of the document

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Nature of revision(s)</th>
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<tbody>
<tr>
<td>02.0</td>
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<td>EB 69, Annex 7 Revision to improve the clarity of the definitions and the requirements on the reference time to identify the other technologies. Due to the overall modification of the document, no highlights of the changes are provided.</td>
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² While identifying other technologies, project participants may also use publically available information, for example from government departments, industry associations, international associations on the market penetration of different technologies etc.