



DRAFT

Annex 11

DRAFT GUIDELINES FOR THE DEMONSTRATION OF ADDITIONALITY FOR CDM PROGRAMME OF ACTIVITIES

A. Background

1. The Executive Board at its forty-seventh meeting requested the secretariat to prepare a guideline on the demonstration of additionality in the context of CDM programme of activities, with the purpose of clarifying how the demonstration of additionality can be spread between the programme of activities (PoA) and CDM programme activity (CPA) levels of the programme.
2. A PoA is not required to demonstrate additionality both at PoA level and CPA level and the criteria for additionality demonstration in these two levels may be different as PoA is a long-term programme and a CPA is a project. The purpose of these guidelines is to provide clarity to programme developers and Designated Operational Entities regarding how to structure the demonstration of additionality for a PoA.
3. Paragraph 4(e) of the “Procedures for registration of a programme of activities as a single CDM project activity and issuance of certified emission reductions for a programme of activities, version 3.0” confirms that the PoA level demonstration of additionality shall constitute that in the absence of CDM:
 - (a) The proposed voluntary measure would not be implemented, or
 - (b) The mandatory policy/regulation would be systematically not enforced and that non-compliance with those requirements is widespread in the country/region, or
 - (c) The PoA will lead to a greater level of enforcement of the existing mandatory policy / regulation.

B. Large-scale programmes of activities

4. Large scale programmes of activities are defined as those which apply one or more large scale methodologies. Such PoAs are required to comply with the additionality requirements of the applied methodology.
5. The coordinating/managing entity shall, within the CDM-POA-DD, apply the additionality provisions of the applied methodology to a typical CPA. The outcome of this assessment shall also specify the precise eligibility criteria that each of the CPA should satisfy to be considered additional.
6. These eligibility criteria shall be specific enough to confirm that the core rationale which demonstrates the additionality for the PoA will be applicable to each CPA proposed for later inclusion. For large scale PoAs it is therefore expected that the eligibility criteria will require CPA specific retesting of either the decisive barrier which is used to demonstrate additionality or a CPA specific investment analysis.

C. Small-scale programmes of activities:

7. Small-scale programmes of activities are defined as those which exclusively apply one or more small scale methodologies. Such PoAs shall comply with Attachment A to Appendix B of 4/CMP.1 Annex II.



8. The coordinating/managing entity shall, within the CDM-SSC-POA-DD, apply the additionality provisions to a typical CPA. The outcome of this assessment shall also specify the precise eligibility criteria that each of the CPA should satisfy to be considered additional.

9. For small-scale PoAs it is not expected that the eligibility criteria would require CPA specific retesting of either the decisive barrier which is used to demonstrate additionality or a CPA specific investment analysis.

10. If each of the independent subsystems/measures (e.g. biogas digester, solar home photovoltaic or thermal system, improved cook stove, CFL etc.) included in the CPA of a PoA is no greater than 1% of the small-scale thresholds defined by the methodology applied, then that CPA of PoA is exempted from performing additionality demonstration. If each CPAs of a PoA are exempted from additionality demonstration at CPA level then additionality demonstration will not be a part of eligibility criteria for CPA inclusion in a specific PoA.

11. If one or more of the sub-system/measure included in a CPA exceeds 1% of the small-scale threshold and each CPA of a small scale PoA are within the threshold defined by the methodology applied, coordinating/managing entity shall establish the eligibility criteria which are sufficiently specific to ensure that the core rationale which demonstrates the additionality for the PoA will be applicable to each CPA proposed for later inclusion.
