



Annex 12

Guidance on double-counting in CDM project activities using blended biofuel for energy use

The following guidance serves to avoid double-counting of emission reductions that could occur in project activities if both biofuel production and biofuel use are eligible to generate CERs and where such double-counting could occur at different points in the production chain.

1) Type of biofuel project activities covered under the guidance

Methodological proposals for the CDM project activities that seek to claim certified emissions reduction (CERs) from the substitution of fossil fuels by biofuels may be proposed for project activities where:

1. The consumers (end-users) of biofuels claim CERs from displacing fossil fuel consumption with biofuel.
2. The producer of biofuels claim CERs, for biofuel production, provided:
 - i. the consumers, to whom the biofuel is sold, are included in the project boundary; and
 - ii. the emissions reduction from use of biofuel are estimated based on monitored consumption by the consumers included within the project activity.

2) Export of biofuels to Annex I countries

No biofuel production exported to Annex I countries is eligible to claim CERs under the CDM.

3) Monitoring

The methodology shall provide a monitoring scheme/framework with elements (e.g. electronic loggers) that can be used to verify without doubt the actual amount of biofuel consumed by the consumer (end user) for displacement of fossil fuels. The monitored elements of the consumption by the end-user shall correspond to the production of the biofuel and be used to calculate and claim emission reductions. The methodology for project activities undertaken by consumers of biofuel shall provide an estimate of leakage, which is measurable and attributable to the CDM project activity.

4) Cultivation, harvesting and preparation of biofuel

Emissions associated with the production of biomass used to produce the biofuel shall be accounted for when calculating emission reductions achieved by the blended biofuel project activity. However, in the case that it can be demonstrated that the project activity is using biomass originating from a registered A/R project activity (i.e. through contractual agreement for procurement of biomass), emissions related to the production of the biomass need not be accounted for (see EB 25 paragraph 38).