



## CLIMATE FOCUS

# Submission on Additionality

From: Climate Focus  
To: CDM Executive Board  
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### Introduction

In response to paragraph 25 of the COP/MOP1 decision “Further guidance relating to the clean development mechanism”, the EB in its 23<sup>rd</sup> meeting issued an open call for public inputs on new proposals to demonstrate additionality, including options to combine the selection of the baseline scenario and the demonstration of additionality.

This note responds to this call for public input, and proposes that the test for additionality should be based on a plain and literal reading of paragraphs 43 – 45 of the modalities and procedures for a clean development mechanism. A CDM project activity should therefore be considered additional if it reduces emissions below the baseline. The question of “why” a project is implemented which is an important issue in the “Tool for the demonstration and assessment of additionality” currently used in most CDM project activities does not appear in paragraphs 43-45 and should therefore be left out of a test for additionality.

### Analysis of paragraphs 43-45 of the CDM modalities and procedures

Paragraph 43 states:

*“A CDM project activity is additional if anthropogenic emissions of greenhouse gases by sources are reduced below those that would have occurred in the absence of the registered CDM project activity.”*

Paragraph 44 states:

*“A baseline for a CDM project activity is the scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases that would occur in the absence of the proposed project activity.”*

Paragraph 45 consequently lists the factors that should be taken into account to establish a baseline.

These paragraphs clearly and unambiguously state that a CDM project activity is to be considered additional if it reduces emissions below the baseline. The question of “why” a project is implemented does not appear in these paragraphs, or in paragraph 45 or elsewhere in the CDM modalities and procedures. This clear intent of the COP/MOP to focus on “how” or “that” emissions are reduced below the baseline is reinforced in Appendix B “project design document” of the CDM modalities and procedures. Paragraph 2(b) of Appendix B states that the PDD must include a “*Description of how the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the registered CDM project activity.*” Again, the required test is not one of “why” the emission reductions occur, but rather an explanation *how* the project activity reduces emissions below the baseline.

The concepts of “investment or project additionality” and “barrier analysis” that focus on demonstration “why” a project is going ahead as the cornerstone for demonstrating additionality clearly falls outside the definition of additionality and should be abandoned.