



Annex 3

STANDARD FOR DEMONSTRATION OF ADDITIONALITY, DEVELOPMENT OF ELIGIBILITY CRITERIA AND APPLICATION OF MULTIPLE METHODOLOGIES FOR PROGRAMME OF ACTIVITIES

(Version 01.0)

I. Background

1. In decision 3/CMP.6 paragraph 4, Parties requested the clean development mechanism (CDM) Executive Board (hereinafter referred to as the Board) to reassess its existing regulations related to programmes of activities (PoAs) in order to:
 - (a) Further clarify the application of existing rules regarding the demonstration of additionality to programmes of activities and the definition of eligibility criteria for the inclusion of component project activities in a programme of activity;
 - (b) Simplify the application of programmes of activities to activities applying multiple methods and technologies, including for possible city-wide programmes, while ensuring environmental integrity to the extent required by the Kyoto Protocol and decisions of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol.
2. The Board, at its sixty-third meeting, adopted three PoA-related standards as contained in annexes 2, 3 and 4 to the report of the sixty-third meeting of the Board and requested the secretariat to consolidate these three standards into one PoA standard as indicated in paragraph 72 of the report of the sixty-third meeting of the Board. This standard is prepared in response to the request made by the Board at its sixty-third meeting.
3. This standard replaces the requirements in “Procedures for approval of the application of multiple methodologies to a Programme of Activities” (EB 47 report, annex 31). This document consolidates and thus supersedes the following 3 annexes:
 - (a) Standard for demonstration of additionality of GHG emission reductions achieved by a Programme of Activities (version 01.0) (Annex 02, EB 63 meeting report);
 - (b) Standard for the development of eligibility criteria for the inclusion of a project activity as a CPA under the POA (version 01.0) (Annex 03, EB 63 meeting report);
 - (c) Standard for application of multiple CDM methodologies for a Programme of Activities (version 01.0) (Annex 04, EB 63 meeting report).

II. Definitions, scope and applicability

B. Scope and applicability

4. This standard is applicable to coordinating and/or managing entities (CMEs):
 - (a) To demonstrate the additionality of emissions reductions achieved under a PoA;
 - (b) To develop/update eligibility criteria for inclusion of a project activity as a component project activity (CPA) under the PoA; and
 - (c) When applying multiple technologies/measures and/or approved methodologies in one PoA.



5. This standard is also applicable to designated operational entities (DOEs) for validating and/or verifying activities referred to under paragraph 4.

C. Definitions

6. In addition to the definitions contained in the Glossary of CDM terms, the following terms apply in this standard:

- (a) **Measures** are a broad class of greenhouse gas emission reduction activities possessing common features, for example fuel and feedstock switch, switch of technology with or without change of energy source (including energy efficiency improvement), methane destruction, and methane formation avoidance.

Note: Two different activities can be considered to be using the same measure if they constitute the same course of action and result in the same kind of effect.

Note: Two different activities can be considered to be applying the same technology if they provide the same kind of output and use the same kind of equipment and conversion process.

- (b) **Cross effects** refers to the interactive effects between the technologies/measures of a CPA.

Note: Estimating emission reductions from each single technology/measure in an isolated manner ignoring cross effects may potentially result in over-estimation of the emission reductions from the PoA.¹

III. Requirements

A. Demonstration of additionality

7. Additionality shall be demonstrated by establishing that in the absence of CDM, none of the implemented CPAs would occur.

8. PoAs that consist of one or more microscale projects as CPAs shall include eligibility criteria derived from all the relevant requirements of the “Guidelines for demonstrating additionality of microscale project activities”.

9. PoAs that consist of one or more small-scale projects as CPAs shall include eligibility criteria derived from all the relevant requirements of attachment A of Appendix B of the “Simplified modalities and procedures for small-scale CDM project activities”.

10. PoAs that consist of one or more large scale projects as CPAs shall include eligibility criteria derived from all the relevant requirements contained in the additionality section of the large scale methodologies.

¹ For example, consider a CPA for implementing energy efficiency measures in a building. Lighting energy efficiency is achieved under one component by replacing the inefficient bulb with an efficient one applying a relevant methodology. Lighting control efficiency is also implemented as a separate component applying a different methodology in the same building. If historic energy consumption for lighting is used by both components then it is likely that the emission reductions are overestimated due to cross effects. Reduced energy consumption of the lights should be taken into account when determining savings from the lighting controls project.



11. The CME shall demonstrate that compliance with the additionality-related eligibility criteria set in the PoA design document will ensure that all the relevant additionality-related guidelines, tools or any requirements embedded in the methodologies are met.

12. For PoAs involving combinations of technologies/measures and/or methodologies, the eligibility criteria relative to each of them shall be proposed to demonstrate additionality. Types of combinations as indicated in paragraph 29(a) to 29(d) below shall be taken into account.

B. Development and update of eligibility criteria

1. Development of eligibility criteria

13. The CME shall develop eligibility criteria for inclusion of a CPA under the PoA and shall include these criteria in the PoA design documents (e.g. CDM-PoA-DD, CDM-SSC-PoA-DD) and demonstrate their usability to assess the inclusion of CPAs in the generic CDM-CPA-DD.

14. The eligibility criteria shall cover as a minimum the following:²

- (a) The geographical boundary of the CPA including any time-induced boundary³ consistent with the geographical boundary set in the PoA;
- (b) Conditions that avoid double counting of emission reductions like unique identifications of product and end-user locations (e.g. programme logo);
- (c) The specifications of technology/measure including the level and type of service, performance specifications including compliance with testing/certifications;
- (d) Conditions to check the start date of the CPA through documentary evidence;
- (e) Conditions that ensure compliance with applicability and other requirements of single or multiple methodologies applied by CPAs;
- (f) The conditions that ensure that CPAs meet the requirements pertaining to the demonstration of additionality as specified in Section A above;
- (g) The PoA-specific requirements stipulated by the CME including any conditions related to undertaking local stakeholder consultations and environmental impact analysis;⁴
- (h) Conditions to provide an affirmation that funding from Annex I parties, if any, does not result in a diversion of official development assistance;
- (i) Where applicable, target group (e.g. domestic/commercial/industrial, rural/urban, grid-connected/off-grid) and distribution mechanisms (e.g. direct installation);⁵
- (j) Where applicable, the conditions related to sampling requirements for a PoA in accordance with the approved guidelines/standard from the Board pertaining to sampling and surveys;
- (k) Where applicable, the conditions that ensure that every CPA in aggregate meets the

² Validating DOE and/or the Board may specify additional criteria depending on the specific characteristics of a PoA.

³ For example, an emission factor for electricity generation is dependent on the boundaries of regional or state or sub-regional grids.

⁴ See also relevant paragraphs of “Clean Development Mechanism Project Cycle Procedure”.

⁵ This is to re-test the validity of assumptions made at the PoA level. For example, in a lighting efficiency application, lighting usage hours of 3.5 hours per day would be valid if the target group is residences/households. Usage hours would be different in commercial applications and vice versa.



small-scale or microscale threshold criteria⁶ and remains within those thresholds throughout the crediting period of the CPA;

- (l) Where applicable, the requirements for the debundling check, in case CPAs belong to small-scale (SSC) or microscale project categories.⁷

15. The eligibility criteria shall be verifiable.

16. The validating DOE shall determine whether the eligibility criteria are sufficiently objective and comprehensive to permit the assessment of the inclusion of CPAs in the PoA.

17. The CME shall have the competencies to check the features of potential CPAs and ensure that each CPA meets all requirements and eligibility criteria before inclusion in the registered PoA. The CME shall develop and implement a management system that includes the following made available to the DOE at the time of validation of the PoA:

- (a) A clear definition of roles and responsibilities of personnel involved in the process of inclusion of CPAs, including a review of their competencies;
- (b) Records of arrangements for training and capacity development for personnel;
- (c) Procedures for technical review of inclusion of CPAs;
- (d) A procedure to avoid double counting (e.g. to avoid the case of including a new CPA that has already been registered either as a CDM project activity or as a CPA of another PoA);
- (e) Records and documentation control process for each CPA under the PoA;
- (f) Measures for continuous improvements of the PoA management system;
- (g) Any other relevant elements.

18. The DOE shall assess the elements of the management system referred to in paragraph 17 as part of the validation of the PoA or as part of the validation of the CPA inclusion.

19. The CPAs shall be included in the PoA on the basis that the DOE has confirmed the eligibility of CPAs where applicable undertaking sample-based checks in accordance with the approved guidelines/standard from the Board.

20. For PoAs that include combinations of technologies/measures and/or methodologies, distinct eligibility criteria shall be developed per combination as specified in paragraph 29(a) to 29(d), in Section C below.

2. Updating eligibility criteria

21. If the version of methodologies applied by the PoA is revised or replaced, subsequent to being placed on hold, the CME shall update the eligibility criteria to the requirements of the revised or new methodologies with immediate effect. A new version of the PoA DD (e.g. version 1.1) and generic CDM-CPA-DD containing updated eligibility criteria validated⁸ by a DOE shall be submitted to the Board for approval.

⁶ Please refer to the latest approved version of the “Guidelines for demonstrating additionality of microscale project activities” and the latest approved version of the “General Guidelines to SSC CDM methodologies”.

⁷ Please refer to the latest approved version of the “Guidelines on assessment of debundling for SSC project activities”.

⁸ In this case the stakeholder consultation is not required.



- (a) Once changes have been approved by the Board, the inclusion of all new CPAs shall be based on the updated eligibility criteria applying the new generic CDM-CPA-DD;
 - (b) CPAs that were included before the methodology was put on hold shall apply the revised version of the generic CDM-CPA-DD only at the time of the renewal of the crediting period.
22. No action is required if the version of methodologies applied by the PoA is revised without being placed on hold or is withdrawn for the purpose of inclusion in a consolidated methodologies, unless otherwise indicated in the respective report of the meeting of the Board that has approved the new methodologies.
23. If the boundary of the PoA is amended post-registration to expand the geographic coverage or to include one or more additional host Parties, the CME shall update the eligibility criteria to reflect the consequent changes. A new version of the PoA DD (e.g. version 1.2) and generic CDM-CPA-DD containing updated eligibility criteria validated by a DOE shall be submitted to the Board for approval.
 - (a) Once changes have been approved by the Board, the inclusion of all new CPAs shall be based on the updated eligibility criteria applying the new generic CDM-CPA-DD;
 - (b) CPAs that were included before the boundary of the PoA was amended shall apply the revised eligibility criteria only at the time of the renewal of the crediting period.
24. The revision of eligibility criteria of a registered PoA may be initiated by the Board at any time during the lifetime of the PoA if an issue related to environment integrity is identified, as follows:
 - (a) In the event that the revision of the eligibility criteria of a PoA is requested by the Board, the CME shall update the eligibility criteria to reflect the consequent changes. A new version of the PoA DD (e.g. version 1.3) and generic CDM-CPA-DD validated by a DOE shall be submitted to the Board for approval;
 - (b) Once changes have been approved by the Board, the inclusion of all new CPAs shall be based on the updated eligibility criteria applying the new generic CDM-CPA-DD;
 - (c) CPAs that were included before the revision of the eligibility criteria shall apply the revised eligibility criteria only at the time of the renewal of the crediting period.
25. At the renewal of the crediting period of a PoA (at the renewal of the first CPA), the CME shall update the eligibility criteria as per the latest revised applicable methodologies. A new version of the PoA DD (e.g. version 1.4) and generic CDM-CPA-DD validated⁹ by a DOE shall be submitted to the Board for approval.
 - (a) Once changes have been approved by the Board, the inclusion of all new CPAs shall be based on the revised eligibility criteria;
 - (b) The subsequent CPAs requesting the renewal of the crediting period shall apply the revised version of the generic CDM-CPA-DD.

C. Application of multiple methodologies

1. General requirements

26. The CME shall list in the PoA-DD and the generic CPA-DD various combinations of technologies/measures and/or approved methodologies that will be implemented in the PoA.

⁹ In this case, the stakeholder consultation is not required.



27. The CME shall define the eligibility criteria for CPA inclusion and, where applicable, sampling plans for each of the combinations separately in accordance with the guidelines in section B above as well as any approved guidelines/standard from the Board pertaining to sampling and surveys. If a CPA uses technologies/measures from several methodologies, it shall be in compliance with all the eligibility criteria derived from the requirements of all the methodologies. These eligibility criteria shall be identified in the validated PoA-DD.

2. Application of multiple small-scale CDM methodologies

28. Combinations of technologies/measures and/or methodologies for a PoA are eligible where it is demonstrated that there are no cross effects between the technologies/measures applied.¹⁰ Where such cross effects do exist, the CME shall propose methods to account for such cross effects using the “Procedures for requests to the executive board for deviation from an approved methodology” so as to ensure that the calculation of emission reductions is accurate.

29. In particular, the following situations for applying combinations of technologies/measures and/or methodologies are eligible:

- (a) The same combination of technologies/measures under the same combination of methodologies applied consistently in each and every CPA of a PoA. For example, methane recovered from an anaerobic digester to treat animal manure under AMS-III.D is used for heat generation applying AMS-I.C;
- (b) A single methodology is consistently applied in each CPA of a PoA but using multiple technologies/measures. For example, different waste water treatment technologies can be applied across CPAs of one PoA, using AMS-III.H;
- (c) A principle technology/measure is applied consistently in each CPA using multiple combinations of methodologies. For example, waste water treatment projects¹¹ with different ways of utilizing recovered methane (AMS-I.C for heat, AMS-I.D and AMS-I.F for electricity, or both), biomass/biogas projects with different fuel displacement (AMS-I.C and AMS-I.I for fossil fuel, AMS-I.E for non-renewable biomass, or both);
- (d) Combinations of technologies/measures and methodologies vary across CPAs of a PoA, i.e. the policy or goal can only be realized through the use of multiple and disparate methodologies. Therefore in such situations the CME shall demonstrate that the implementation of the activities is integrated through the design of the programme. This may include, for example, a range of activities within different sectors such as energy generation (e.g. wind electricity using AMS-I.D, solar water heaters using AMS-I.J), energy efficiency (e.g. efficient lighting using AMS-II.J, building energy efficiency using AMS-III.AE, efficient street lighting using AMS-II.L), water management (e.g. efficient irrigation), waste management (e.g. landfill gas recovery using AMS-III.G, composting using AMS-III.F, recycling using AMS-III.AJ), transport (e.g. using AMS-III.C) and agriculture (using AMS-III.D for manure management).¹²

¹⁰ Combinations of approved methodologies contained in the “General guidelines to SSC CDM methodologies” may be applied without further assessment of cross effects, while other combinations can be applied with the analysis of cross effects.

¹¹ Biogas/methane recovery from an anaerobic digester is the principle technology/measure in this example.

¹² Choosing this option may influence the choices for the sampling plan. Furthermore, this option is eligible under the condition that the intended sectoral scopes and the combinations of methodologies intended for implementation is known *ex ante*, and no revisions of PoA documentation are foreseen for the duration of one crediting period, i.e. seven or 10 years of PoA implementation.



30. The CME may optionally use the “Procedure for the submission and consideration of request for clarification on the application of approved small scale methodologies” (see EB 34 report, annex 6)¹³ to seek clarifications on cross effects in the proposed combinations. CDM-POA-DD and CDM-CPA-DD are presented with completed sections for detailed technical descriptions. Where possible, these requests shall be treated under “fast track procedures” (see EB 34 report, annex 6) and the response shall be provided within four weeks.

31. The compliance with the SSC threshold of a CPA shall be met by following the “General Guidelines to SSC CDM methodologies”.

3. Application of multiple large scale CDM methodologies

32. For PoAs applying large scale CDM methodologies, only combinations explicitly permitted in the methodologies can be applied without pre-approval.¹⁴ In other cases, the CME shall seek a clarification by following the latest version of the “Procedure for the submission and consideration of queries regarding the application of approved methodologies and methodological tools by designated operational entities to the Meth Panel”¹⁵ (see EB 42 report, annex 9) for the eligibility of the proposed combination.

4. Application of combination of multiple large scale and small-scale CDM methodologies

33. In case of a combination of multiple large scale and small-scale CDM methodologies in a PoA, the same procedures detailed in Section C.3 above shall be applied.

History of the document

Version	Date	Nature of revision
01.0	EB 65, Annex 3 25 November 2011	<p>Initial adoption. This document consolidates and thus supersedes the following 3 annexes:</p> <ul style="list-style-type: none"> • Standard for demonstration of additionality of GHG emission reductions achieved by a Programme of Activities (version 01.0) (Annex 02, EB 63 meeting report); • Standard for the development of eligibility criteria for the inclusion of a project activity as a CPA under the POA (version 01.0) (Annex 03, EB 63 meeting report); • Standard for application of multiple CDM methodologies for a Programme of Activities (version 01.0) (Annex 04, EB 63 meeting report). <p>This document also supersedes the requirements in the Procedures for approval of the application of multiple methodologies to a Programme of Activities (version 01.0 (Annex 31, EB 47 meeting report).</p>
<p>Decision Class: Regulatory Document Type: Standard Business Function: Methodology, Registration</p>		

¹³ <http://cdm.unfccc.int/Reference/Procedures/methSSC_proc01_v01.pdf>

¹⁴ For example, the combined use of AM0053 with ACM0001 is allowed in AM0053.

¹⁵ <http://cdm.unfccc.int/Reference/Procedures/meth_proc01.pdf>