

## Agenda item 4.1 and 4.2

Paragraph 25(a) and 27 of the annotated agenda

## Revision of Tool 19:

## Demonstration of additionality of micro-scale project activities

**CDM EB 96**

Bonn, Germany, 18 to 22 September 2017



- **SSC\_729:**
  - requesting to expand the criteria to determine special underdeveloped zone (SUZ) in Tool 19: *Demonstration of additionality of micro-scale project activities*
  - Also requesting to align data vintage requirement for determining SUZ in the procedure : “*Submission and consideration of microscale renewable energy technologies for automatic additionality*” with the Tool19 requirement



## Purpose

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- To present the SSC WG recommendation to the Board in response to the request for revision SSC\_729



## Key Issues and Proposed Solutions

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- Per Tool19, projects that qualify as micro-scale and implemented in LDCs/SIDs or **SUZ** deemed automatically additional.
- SUZ is a region in the host country identified by the government satisfying any one of the below conditions using most recent available data:
  - The proportion of population with **income < USD 2/day (PPP)** in the region is **> 50 %**;
  - The **GNI per capita** in the country **< USD 3000** and the population of the region is among the **poorest 20%** in the poverty ranking of the host country as per the applicable national policies and procedures;
- Or SUZ as **recommended by the DNA** using the criteria above and approved by the EB



## Key Issues and Proposed Solutions

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- **Issue 1: SUZ Criteria** in the tool not compatible to all countries:
  - a) GNI per capita of less than 3000 USD** : Only 17 countries (not LDCs) meet the criteria. Many do not have GNI/capita < 3000 but are still characterised by high inequality/underdeveloped.
  - b) USD 2 per day (PPP):** For many countries, is not a threshold under which national statistics are collected (*About USD 4 per day in the case of South Africa*)
- **Proposal: To expand providing additional criterion:**
  - *“The proportion of population in the region with income less than the national poverty line used by the host country for reporting on the sustainable development goals (SDGs) is greater than 50 per cent;”*



### Issue 2: Data vintage to determine SUZ

- Tool 19 prescribes ‘**most recent available data.**’
- The “Procedure for Submission and consideration of microscale renewable energy technologies” prescribe “**must not be older than three years from the date of submission**”
- Most recent 3 yrs data challenging, national censuses are only done once every 10 yrs and other national surveys on an ad hoc basis subject to availability of funding
- **Proposal:** To stipulate the ‘**most recent available data**’ in the procedure to make it consistent with the tool19 .



- If the revised tool is approved, it provides flexibility to determine the special underdeveloped zones hence facilitating the development of CDM projects in SUZ.



- a) **To approve** the revision of tool “Demonstration of additionality of microscale project activities” (TOOL19).
- b) **Provide the secretariat with a mandate** to revise the procedure at this meeting “Submission and consideration of microscale renewable energy technologies for automatic additionality”





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# Thank You



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