Overview

For the purposes of this webpage, additionality is defined as whether an emissions reduction or removal would have occurred in the absence of new incentives, such as a payment for emissions reductions.

Additionality is important when emission reductions or removals are used as offsets. This is because if an offset does not represent a real emission reduction or removal and it is used to offset an emission elsewhere there is a net increase in emissions and the atmosphere is worse off. Additionality can be challenging, however, due to its counterfactual nature. Establishing a workable way to judge whether reductions in emissions are additional to what would have happened in the absence of the activity is a common reason why methodologies and projects have been rejected (where such requirements apply), i.e. project proponents are unable to credibly demonstrate additionality.

Additionality has its roots in Article 12.5(c) of the Kyoto Protocol, which states that emission reductions from project activities conducted within the context of the Clean Development Mechanism (CDM) shall be certified on the basis of: (a) voluntary participation approved by each party involved; (b) real, measurable, and long-term mitigation benefits; and (c) reductions in emissions that are additional to any that would occur in the absence of the certified project activity. Additionality under the CDM was further defined by Parties to the Kyoto Protocol in 2005 (Decision 3/CMP.1): “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.”

There is an implicit difference in how additionality is treated for project-scale approaches versus jurisdictional (or national) approaches, for example, CDM versus economy-wide commitments under the Kyoto Protocol. The achievement of “additionality” is required for all CDM projects whereas economy-wide commitments (or “targets”) for Kyoto Parties are not subject to additionality tests. Similarly, if a project or sectoral commitment (e.g. JI and LULUCF accounting for Annex I parties under Kyoto) falls under a country’s national accounting, there may not be specific additionality requirements, or such requirements may be less stringent than for stand-alone projects.
Similar to the above precedent, domestic programs and voluntary standards tend to treat requirements around additionality differently at the project versus jurisdictional scale, with more stringent tests required at smaller scales. The tools and requirements for project-based crediting often follow the CDM but there is also variability amongst the standards, such as the application of different tests—for example, whether the project activity is already required by law, financially viable without income from the offsets, common practice, or other ways to assess that the reduction would not have occurred in the absence of the project. The last several years has also seen the development of “positive lists” of projects that are automatically deemed to be additional as a way of simplifying an often complex counterfactual analysis.

Assessing additionality in the land use sector at larger scales can present specific challenges. For example, quantifying the role of new legislation, improved enforcement of existing regulation, clarification of land tenure, or the implementation of new mining and logging concessions and their effects on deforestation can be difficult to determine. For initiatives that favor larger-scale or jurisdictional approaches (e.g. JNR, ROW, Carbon Fund and REM) or country level initiatives (e.g. Brazil, Guyana), the tendency is to favor the use of conservative baseline setting that attempts to factor in such policies over requirements for specific additionality tests.

Finally, most safeguard standards appear to demonstrate additionality through the use of reference scenarios (e.g. “business as usual” scenarios) and requirements of documenting baseline social and environmental conditions in the absence of the project.

See another Design Feature

Further reading

Legal Frameworks for REDD - Additionality and Permanence [13]

Related encyclopaedia articles

- Activity [14]
- Anthropogenic [15]
- Baseline [16]
- Concession [17]
- Deforestation [18]
- Emissions Reductions [19]
- Forest [20]
- Greenhouse Gases [21]
- Kyoto Protocol [22]
- Land Tenure [23]
- Mitigation [24]
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