

**RESPONSE TO COMMENTS TO THE PUBLIC CONSULTATION OF**



**CERCARBONO TOOL FOR THE  
DEMONSTRATION OF ADDITIONALITY OF  
CLIMATE CHANGE MITIGATION INITIATIVES -  
VERSION 1.0**

Medellin, June 25, 2021

## **Response to public consultation comments “Cercarbono tool for the demonstration of additionality of climate change mitigation initiatives<sup>1</sup> - Version 1.0”**

**Addressed to:** Participants of the Public consultation of the "Tool for the demonstration of additionality of climate change mitigation initiatives within the framework of Cercarbono - Version 1.0".

**Subject:** Response to comments from the public consultation on the “Cercarbono Tool for demonstration of additionality of climate change mitigation initiatives under Cercarbono - Version 1.0”.

### **Dear participants,**

Cercarbono extends its sincere thanks for the participation and the great interest received in our public consultation of the "Cercarbono Tool for the demonstration of additionality of climate change mitigation initiatives under Cercarbono - Version 1.0", carried out from 13.05.2021 to 14.06.2021.

We received a total of **29** comments from **74** participants, most of them from **35** entities, both public and private located at the national level, that operate or are linked to the different economic sectors that contribute positively or negatively to climate change. This valuable feedback will allow us to generate a complete and more robust tool for climate change mitigation project developers to participate in the carbon market under our certification program.

As soon as we have the new version of the tool, we will be informing you and it will be available on our website.

Please find below, in the attached table, the comments received as well as their respective responses issued by our technical staff, document that will also be available on our website.

We are grateful once again for the time devoted to this review and for your valuable contribution.

Kind regards,



**Carlos Trujillo Echeverri**  
CEO Cercarbono

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<sup>1</sup> The initial name of the tool in the public consultation, "Tool for the demonstration of additionality of climate change mitigation initiatives under Cercarbono" was changed to "Cercarbono tool for the demonstration of additionality of climate change mitigation initiatives", in line with the final version that is under construction.



No.	Comment	Methodology section	Response
1	<p>Numeral 3. Page. 11.</p> <p><b>Proposed change or question:</b> Does it mean then that before applying for the registration of a project in Cercarbono the owner of the project must define which of the two additionality schemes will be accepted? Is there any change for those mitigation projects that are already registered to date?</p>	3. Additionality according to the end-use of carbon credits	<p>Indeed, it is necessary for the developer or owner of the project to choose at the time of registration of the project what the destination of the credits obtained by the project will be, since different rules on additionality and eligibility could apply. If the project developer subsequently wishes to use the credits earned for a different destination, it will be necessary to verify the compatibility of these under the target program or regulatory framework.</p> <p>Projects that are already registered and certified will not have any changes unless requested by the developer or project owner. Registered projects in the validation or verification process must choose the destination of their credits as mentioned in the previous paragraph.</p>
2	<p>Numeral 3. Page. 11.</p> <p><b>Proposed change or question:</b> If carbon credits will be used for the non-causation of the carbon tax in Colombia, would this use be included in numeral 3.1 as expressed in Annex 1?</p>	3. Additionality according to the end-use of carbon credits	Yes.
3	<p>Numeral 4.1. Page. 12.</p> <p><b>Proposed change or question:</b> Does it mean that only one initiative is the first of its kind to apply a different technology? so, do the second or third initiatives with the same technology (although it is very strange in the country) that are implemented no longer apply to the additionality criterion for this concept?</p>	4.1 First of its kind	The text will be adjusted to better specify the conditions under which a project is considered first of its kind.
4	<p>Numeral 4.1. Page. 12.</p> <p><b>Proposed change or question:</b> Could a project owner implementing a new technology present several initiatives grouped into a single umbrella project that contemplates several facilities, so that this "first of its kind" additionality criterion is approved for all activities involved in the umbrella project?</p>	4.1 First of its kind	Yes, the concept of "first of its kind" would apply equally whether or not the project is grouped together.

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5	<p>Numeral 5. Page. 12.</p> <p><b>Proposed change or question:</b> Is the identification of alternative scenarios one of the additionality requirements mentioned in paragraph 3.2 of this document?</p>	5 Identification of alternative scenarios	Yes.
6	<p>Numeral 5.1.3. Page. 14.</p> <p><b>Proposed change or question:</b> What if there are still no laws or regulations in the country for the mitigation initiative? How can we ensure that it is consistent with non-existent legislation? This could happen to the extent that initiatives could include new technologies.</p>	5.1.3 Analysis of the legal framework	In this case, under Cercarbono certification program and in relation to climate change mitigation, the general rules defined in the tool for the registration and use of carbon credits in other contexts would apply. It is worth mentioning that, in any case, compliance with <i>"mandatory legal and regulatory requirements is required, even those that have objectives other than that of generating to mitigate GHG emissions"</i> .
7	<p>Page. 9</p> <p><b>Proposed change or question:</b> It is suggested to provide greater clarity in the examples so that the information present in the graphs is clear to any reader (with or without experience in the formulation of projects). On the other hand, it is not clear what the example in Figure 2 refers to in relation to the displacement or destruction of GHGs by emission sources.</p>	2. Scope	The graphs and their corresponding titles will be changed for clarity. Texts and caption on Figure 2 will also be improved.
8	<p>Section 3.1. "An example of additionality in a specific national context is presented in Annex 1." Page 10.</p> <p><b>Proposed change or question:</b> The example described in Annex 1 indicates that the definition of additionality in the applicable regulation must be met. However, in the absence of other general criteria absent from the regulation, the possibility remains open for additional activities that are common practice in the country. Take into account that resolution 1447 of 2018 in its article 26 mentions that "The holders of the Sectoral GHG Mitigation Programs must apply in all their actions and procedures the additionality criteria established in this article, in a complementary way to the</p>	3.1. Registration and use of credits in carbon neutrality programmes in specific national and subnational contexts	The text will be adjusted considering the participant comment.



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	<p>additionality criteria established by the GHG Certification Program or carbon standard in which it is subscribed".</p>		
9	<p>The document summarizes the steps considered in the CDM additionality tool.</p> <p><b>Proposed change or question:</b> We suggest that tools be referenced that allow the reader to have a clearer guide on how to apply the criteria. Some examples: 1) What does it mean for a project to be first of its kind? How to define the study region? Would a silvopastoral project in a region where dense plantations are carried out be first of its kind? 2) In the financial analysis section it could be understood that any alternative or financial mechanism of project evaluation could be used to determine how attractive the investment is, is it? What would happen if an analysis of sensitivity and variability of the chosen financial indicators is not applied? Is this analysis mandatory or not?</p> <p>It is suggested to clarify that alternative activities must comply with the country's regulations.</p>	ND	The text will be adjusted considering the participant comment.
10	<p>Section 5. Paragraph "The justification for the application of this test shall be demonstrated objectively and based on quantifiable and traceable evidence." Page 11.</p> <p><b>Proposed change or question:</b> -There is an error in cross-references. Is other non-quantitative evidence accepted? For example, transparent and documented third-party evidence, such as national/international statistics, national/provincial policies and laws, studies/surveys by independent agencies, etc. Keep in mind that quantifiable and traceable information for many sites or regions of the country is not available.</p>	5. Identifying alternative scenarios	The text will be adjusted considering the participant comment.
11	<p>Numeral 4.2. Non-commercial restoration. Page 11</p> <p><b>Proposed change or question:</b> How can we guarantee that no use will be used over time?</p>	4.2 Restoration without commercial use	This text will be adjusted to indicate that only the areas that are designated for protection use according to official regulations can be considered additional under this criterion. This would be



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			the case for areas destined for protection according to the Territorial Planning at municipality level in Colombia.
12	<p>Numeral 5. Alternative scenario analyses should take into account all emissions associated with the transaction, including indirect sources. Page 11</p> <p><b>Proposed change or question:</b> This section is related to the quantification of baseline emissions and should have a clear guideline in the methodology applied. It is not clear how it should be included in the framework of the additionality analysis.</p>	5. Identifying alternative scenarios	It will be analysed and adjusted in the text to provide clarity.
13	<p><b>Proposed change or question:</b> The methodology proposes the identification of three types of alternative scenarios to the proposed project activity, for each of which a barrier analysis, financial and legal framework, must be carried out, to later compare them between them. It is considered that such an analysis is quite complex and long to perform for the desired objective, so it is suggested that only the definition of alternative scenarios with their respective legal framework analysis is mandatory and that in the case of financial and barrier analysis, the proposer is allowed to choose to develop at least one of the two, but not that it is mandatory to include both.</p>	5. Identifying alternative scenarios	It will be analysed and adjusted in the text to provide clarity.
14	<p><b>Proposed change or question:</b> About the financial analysis, it is recommended that the information be expanded and that the methodology for developing this analysis be described in detail, since in the document this methodology is proposed in a very general way.</p>	5.1.2 Financial analysis	The text will be adjusted considering the participant comment.
15	<p>In the absence of the market. Page 6.</p> <p><b>Proposed change or question:</b> It does not focus on demonstrating the additionality of the carbon market, but of the mitigation initiative. That this activity is effectively generating a net benefit to the atmosphere.</p>	1. Introduction	The text will be adjusted considering the participant comment.



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16	<p>Emissions destruction. Page. 8.</p> <p><b>Proposed change or question:</b> It is suggested to change the term destruction by transformation. You can leave the definitions separate if they correspond to capture and storage.</p>	2. Scope	<p>The project activity that integrates the destruction of GHGs is responsible for implementing actions that "destroy, fraction or make disappear" the GHG emissions generated in the limits of the project, instead of releasing them into the atmosphere. For this they use combustion processes or catalytic conversion. The term transformation cannot be used since most of the time the emissions generated are eliminated or fully exploited. GHG emissions capture can be part of the combustion, storage, transformation, or conduction process for its use.</p> <p>The GHG destruction project activity is covered by Cercarbono's methodology: M/MR-ER_DE01: Methodology for the execution of projects for the capture, destruct or use of biogas produced in landfills.</p>
17	<p>They can choose between two additionality analysis alternatives, depending on the end use that will be given to the carbon credits obtained. You have highlighted these lines.</p> <p><b>Proposed change or question:</b> None.</p>	3. Additionality according to the end-use of carbon credits	Yes.
18	<p>Cercarbono will also host the specific legal guidelines, in force and applicable on the duration of the initiative, validation, verification, the period of retroactivity, among others.</p> <p><b>Proposed change or question:</b> At least the national normative instruments that are considered and complied with between these criteria should be related (Resolutions 1447 and 831 and Decrees 926 and 446).</p>	3.1 Registration and use of credits in carbon neutrality programs in specific national and subnational contexts	The text will be adjusted considering the participant comment.
19	<p>As long as the credits are not commercialized but for internal use of the company or institution and as long as they are not the result of compliance.</p> <p><b>Proposed change or question:</b> None.</p>	3.1 Registration and use of credits in carbon neutrality programs in specific national and subnational contexts	The participant highlighted these lines but did no comment.



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20	They must comply with the additionality requirements defined below.  <b>Proposed change or question:</b> Highlight is in paragraphs 4 and 5 of this document.	3.2 Registration and use of carbon credits in other contexts	The text will be adjusted considering the participant comment.
21	It is the first of its kind. First paragraph, page. 11.  <b>Proposed change or question:</b> It is suggested to clarify on what scale it can be shown to be the first activity of its kind for greater objectivity of the criterion. Although the next paragraph indicates that it should be at the national level, it also allows it to be done at smaller scales but does not clarify what is considered an "essential justification that distinguishes it from the whole country".	4.1 First of its kind	The text will be adjusted considering the participant comment.
22	Ecosystem restoration (whether passive or active) without commercial purposes, which do not contemplate future timber harvests, are considered additional. Third paragraph, Page 11.  <b>Proposed change or question:</b> Automatic additionality for non-commercial ecological restoration?	4.2 Restoration without commercial use	Yes, although other guidelines will be specified to achieve compliance. See response to Item 11.
23	Error! sections The source of the reference cannot be found. and Error! The origin of the reference is not found., Fourth paragraph, page. 11.  <b>Proposed change or question:</b> Correct cross-references.	5. Identifying alternative scenarios	The text will be adjusted considering the participant comment.
24	More plausible potential scenario. Fourth paragraph, page. 11.  <b>Proposed change or question:</b> Within the framework of legality.	5. Identifying alternative scenarios	It will be analysed and adjusted in the text to provide clarity.
25	All potential line base scenarios. Fourth paragraph, page. 11.  <b>Proposed change or question:</b>	5. Identifying alternative scenarios	It will be analysed and adjusted in the text to provide clarity.





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	In the framework of legal activities, for example activities not allowed in the area, they cannot be considered alternative scenarios to the initiative.		
26	Alternative scenario analyses should take into account all emissions associated with the operation, including indirect sources. Seventh paragraph, page. 11.  <b>Proposed change or question:</b> The baseline and mitigation scenario must also be comprehensive in including all controlled and associated emissions (including indirect sources) in order to assess actual reductions or removals.	5. Identifying alternative scenarios	It will be analysed according to the change proposed by the participant.
27	<b>similar or not to.</b> Eighth paragraph, page. 11  <b>Proposed change or question:</b> Clarify in terms of what (projected reductions or removals, efficiency, etc?) may or may not be similar to reach the conclusion of the next sentence.	5. Identifying alternative scenarios	It will be analysed and adjusted in the text to provide clarity.
28	Investment/financing. Third paragraph, page. 13.  <b>Proposed change or question:</b> This balance sheet should take into account the income from the marketing of products of the activity (e.g. energy, timber products, non-timber products, etc.).	5.1.2 Financial analysis	It will be analysed and adjusted in the text to provide clarity.
29	<b>Proposed change or question:</b> How does the analysis of financial barriers differ?	5.1.2 Financial analysis	It will be reviewed and explained in accordance with the change proposed by the participant.

