

CERT

Certified Emissions Reduction Technologies Foundation

COMBINED BASELINE AND ADDITIONALITY ASSESSMENT

CERT Methodological Tool · Version 1.0

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Table of Contents

Document Control	2
Version History	2
Table of Contents	3
1. Summary Description.....	4
2. Sources.....	5
3. Definitions	6
4. Applicability Conditions	7
5. Procedures.....	8
5.1 Applicable Geographic Area.....	8
5.2 Step 1: Identify Alternative Scenarios	8
5.3 Step 2: Investment Comparison Analysis.....	8
5.4 Consistency Requirement	8
5.5 Outcome and Validation	8
References.....	10

1. Summary Description

This tool provides a combined procedure to identify the baseline scenario and demonstrate additionality in a single, internally consistent analysis. It is used where the applied CERT methodology so requires — typically for retrofit, rehabilitation, replacement, or other activities where the baseline scenario is not predetermined by the methodology. Consistent with Rulebook 5.1, the combined assessment relies exclusively on legal-compliance screening and investment comparison analysis: the baseline scenario is the most economically attractive lawful alternative, and the project is additional where it is not that alternative in the absence of CRU revenue. Barrier analysis and common practice analysis do not form part of this tool and shall not be used.

2. Sources

This tool draws on internationally recognised combined baseline-and-additionality practice, including concepts from UNFCCC Clean Development Mechanism combined tools, restructured to implement the financial-only additionality requirement of the CERT Registry Rulebook (CERT-REG-001). It is applied together with CERT-TOOL-001, whose input, benchmark and sensitivity requirements apply to all financial calculations under this tool.

3. Definitions

The definitions of CERT-TOOL-001 and the CERT Registry Rulebook apply. "Alternative scenario" means a plausible course of action available to the project proponent delivering outputs or services comparable to the project activity.

4. Applicability Conditions

4.1 This tool applies where required by the applied CERT methodology. Methodology-specific alternative lists (e.g., the P1/P2/P3 structure of CERT-MTH-001 §6.2) prevail over the generic guidance in Step 1.

4.2 For project activities spanning multiple countries, the analysis must be conducted separately for each country.

5. Procedures

5.1 Applicable Geographic Area

5.1.1 The applicable geographic area is the country of the project activity unless the applied methodology defines otherwise with justification. Data used to define alternatives and financial inputs must come from this area or be demonstrably applicable to it.

5.2 Step 1: Identify Alternative Scenarios

5.2.1 Step 1a — Define alternatives. Identify all realistic and credible alternative scenarios available to the project proponent that provide comparable outputs or services, including as a minimum: (a) the project activity undertaken without registration under any GHG programme; (b) continuation of the current situation with business-as-usual maintenance; and (c) other technically feasible alternatives, including different scales or configurations of the intervention. Alternatives need not be limited to on-site options where the methodology so provides.

5.2.2 Step 1b — Legal compliance screen. Eliminate alternatives that do not comply with mandatory applicable laws and regulations, unless documented evidence demonstrates that non-compliance with the requirement concerned is widespread in the applicable geographic area. If only one alternative remains and it is the project activity without CRU revenue, the project is not additional. If only one alternative remains and it is not the project activity, that alternative is the baseline scenario and the project is additional only upon satisfying Step 2 against it.

5.3 Step 2: Investment Comparison Analysis

5.3.1 Calculate a suitable financial indicator (per CERT-TOOL-001 §5.2.1) for every alternative remaining after Step 1b, including the project activity without CRU revenue, using consistent assumptions, periods and evidence standards (CERT-TOOL-001 §5.3).

5.3.2 Rank the alternatives transparently. The baseline scenario is the alternative with the most attractive indicator (highest IRR/NPV or lowest levelised cost, as applicable). Where two alternatives are financially indistinguishable within the sensitivity ranges, select the more conservative alternative (that with lower baseline emissions) as the baseline scenario.

5.3.3 Additionality conclusion. The project activity is additional where it is not the baseline scenario identified in 5.3.2 — that is, where without CRU revenue it is not the most economically attractive alternative — and this conclusion is robust under the sensitivity analysis of CERT-TOOL-001 §5.4 applied to the ranking.

5.3.4 Where the remaining alternatives include continuation of the current situation and the methodology so directs, benchmark analysis under CERT-TOOL-001 §5.2.2 may be applied instead of investment comparison, with the baseline scenario then being the continuation scenario.

5.4 Consistency Requirement

5.4.1 The baseline scenario used for quantification must be identical to the scenario identified by this tool, and the same financial model and assumptions must underpin both the baseline identification and the additionality demonstration. Divergence between the two is a validation non-conformity.

5.5 Outcome and Validation

5.5.1 Record in the project description: the alternatives, the legal screen results, the full ranking with indicators, the identified baseline scenario, the additionality conclusion, and the sensitivity results. The VVB reproduces the analysis per CERT-TMP-005 §3.4.

References

- CERT Registry Rulebook (CERT-REG-001), Sections 5.1–5.3; CERT-TOOL-001; CERT-MTH-001 §6.2; CERT-TMP-001 §§3.4–3.5.
- UNFCCC CDM combined baseline and additionality tools (conceptual antecedents; investment-analysis elements only).