



PROJECT SCALE ANALYSIS TOOL, V2.0  
CERTIFICATION PROGRAM  
TERO CARBON AVALIAÇÕES E CERTIFICAÇÕES S.A.



**PROJECT SCALE ANALYSIS TOOL**

**VERSION 2.0**

**CERTIFICATION PROGRAM**

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## IDENTIFICATION

<b>DOCUMENT</b>	Project Scale Analysis Tool
<b>VERSION</b>	2.0
<b>INTEGRAL PART OF THE</b>	Certification Program
<b>STATUS</b>	Under Public Consultation
<b>PUBLICATION DATE</b>	04/01/2025
<b>STANDARD</b>	Tero Carbon Avaliações e Certificações S.A. ( <a href="mailto:contato@terocarbon.com">contato@terocarbon.com</a> )
<b>PROGRAM</b>	All
<b>SECTOR</b>	All
<b>TYPE</b>	All

## LIST OF ACRONYMS

<b>GHG</b>	Greenhouse Gas
<b>CGEE</b>	Center for Management and Strategic Studies, in Portuguese, <i>Centro de Gestão e Estudos Estratégicos</i>
<b>GHG</b>	Greenhouse Gas
<b>NBS</b>	Nature-Based Solutions
<b>SDG</b>	Sustainable Development Goals
<b>TBS</b>	Technology-Based Solutions
<b>UN</b>	United Nations



## LIST OF PROGRAMS

Certification Program
Methodologies Program
Assets Program



## LIST OF SUPPORTING DOCUMENTS

NAME	PROGRAM
Definitions	All



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## 1. INTRODUCTION

Differentiating between small and large-scale projects plays a crucial role in simplifying and democratizing the environmental asset market. In this sense, the Certification Program established by Tero Carbon is a vital tool.

Small-scale projects often face significant barriers due to the complexity and costs associated with governance processes. These barriers can discourage valuable and innovative environmental initiatives from being implemented, especially in disadvantaged communities or developing countries. Simplifying governance procedures for these projects is essential to promote equity and enable a wide range of stakeholders to actively participate in mitigating climate change and promoting sustainability.

By differentiating projects according to their scale, requirements and governance processes can be adapted appropriately. This means less bureaucracy and reduced costs for smaller projects, without compromising the environmental integrity or quality of the initiatives. Furthermore, by simplifying the process for smaller projects, Tero Carbon encourages participation from a wider variety of actors, including local communities, civil society organizations and small businesses.

This approach not only promotes equal market access for environmental assets, but also drives innovation and diversity of solutions. Small-scale projects often have a localized focus and can address specific community needs, resulting in significant impacts at the micro- and macro-environmental level.

Therefore, the differentiation between small and large-scale projects, combined with simplified governance procedures such as those proposed by the Clean Development Mechanism (CDM) of the United Nations (UN)<sup>1</sup>, is essential to democratize the environmental assets market. This approach not only facilitates access for a wider range of actors, but also strengthens global efforts to address the urgent challenges of climate change and promote a sustainable future for all, and especially achieve the Sustainable Development Goals of the 2030 Agenda (UN, 2015)<sup>2</sup>.

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<sup>1</sup> THE CLEAN DEVELOPMENT MECHANISM: A USER'S GUIDE. CHAPTER 4: Simplified Procedures for Small-Scale Projects. ONU.

<sup>2</sup> ODS ONU BRASIL: <https://brasil.un.org/pt-br/sdgs>. Accessed in March 2025.

## 2. OBJECTIVE

The objective of this tool is to guide the Developer in identifying the scale of the project.

## 3. SCALE

### 3.1 NBS Projects

The scale of NBS projects (such as agricultural crops, avoided deforestation, afforestation, and reforestation) is primarily determined by the amount of greenhouse gases (GHG) avoided and/or removed annually. To be considered a small-scale project, the net annual avoidance and/or removal must not exceed 16,000 tons of CO<sub>2</sub>e. Tero Carbon adheres to this parameter, applying the methodologies established by the Clean Development Mechanism (CDM)<sup>3</sup> for afforestation and reforestation.

SMALL SCALE	LARGE SCALE
up to 16,000 tCO <sub>2</sub> e / year	more than 16,000 tCO <sub>2</sub> e / year

### 3.2 TBS Projects

According to a study presented by the Center for Management and Strategic Studies (CGEE)<sup>4</sup>, Technology-Based Solution (TBS) projects are classified by Type in the Clean Development Mechanism (CDM). To determine the scale of the project, Tero Carbon chose to follow the same parameters used by the international body:

- I. Type I project activities: renewable energy project activities with a maximum production capacity of 15 MW (or a suitable equivalent);
- II. Type II project activities: energy efficiency improvement project activities that reduce energy consumption, on the supply and/or demand side, by up to a maximum of 60 GWh per year (or a suitable equivalent);

<sup>3</sup> CDM small-scale methodologies.

<https://cdm.unfccc.int/methodologies/SSCmethodologies/index.html>. Accessed in March 2025.

<sup>4</sup> Training Manual. Climate change and clean development mechanism projects.

[https://www.cgее.org.br/documents/10195/11009696/Manual+CPMDL\\_CD\\_9566.pdf/774278d4-17fa-4863-af1d-22984933d6ff?version=1.3](https://www.cgее.org.br/documents/10195/11009696/Manual+CPMDL_CD_9566.pdf/774278d4-17fa-4863-af1d-22984933d6ff?version=1.3). Accessed in March 2025.



III. Type III project activities: other project activities that result in emission reductions of less than or equivalent to 60 ktCO<sub>2</sub> equivalent annually.

TYPE	METHODOLOGY	SMALL SCALE
I	-	Maximum production capacity of 15 MW (or a suitable equivalent)
II	-	Maximum 60 GWh/year (or a suitable equivalent)
III	005	Maximum 60,000 tCO <sub>2</sub> e / year



## VERSION HISTORY

VERSION	DATE	NOTES
2.0	04/01/2025	Layout adjustments for document standardization.
1.0	08/19/2024	Initial version approved by Management and released for public consultation.