Compendium of guidance on the debundling for SSC project activities

(Version 02)

I. DETERMINING THE OCCURRENCE OF DEBUNDLING

The Board at its thirty-fifth meeting requested the secretariat to consolidate all guidance into one document, regarding the determination of the occurrence of debundling including Appendix C of the simplified modalities and procedures for small-scale CDM project activities, PoA debundling guidance, the guidance on mobile boundaries and debundling guidance for Type I methodologies (EB 30 paragraph 37) and in doing so to supplement this with a diagrammatic representation of the procedure.

A. COP/MOP Decision¹

1. Debundling is defined as the fragmentation of a large project activity into smaller parts. A small-scale project activity that is part of a large project activity is not eligible to use the simplified modalities and procedures for small-scale CDM project activities². The full project activity or any component of the full project activity shall follow the regular CDM modalities and procedures.

2. A proposed small-scale project activity shall be deemed to be a debundled component of a large project activity if there is a registered small-scale CDM project activity or an application to register another small-scale CDM project activity:
   (a) With the same project participants;
   (b) In the same project category and technology/measure; and
   (c) Registered within the previous 2 years; and
   (d) Whose project boundary is within 1 km of the project boundary of the proposed small-scale activity at the closest point.

3. If a proposed small-scale project activity is deemed to be a debundled component in accordance with paragraph 2 above, but total size of such an activity combined with the previous registered small-scale CDM project activity does not exceed the limits for small-scale CDM project activities as set in paragraph 6 (c) of the decision 17/CP.7³, the project activity can qualify to use simplified modalities and procedures for small-scale CDM project activities.

¹ Appendix C of the Simplified Modalities and Procedures for Small-Scale CDM project activities (contained in annex II to decision 21/CP.8, see document FCCC/CP/2002/7/Add.3).
² For the full text of the simplified modalities and procedures for small-scale CDM project activities see <http://cdm.unfccc.int/Projects/pac/pac_ssc.html>.
³ Limits have been revised as set in paragraph 28 of decision 1/CMP.2.
B. Clarifications from the Executive Board

B.1 Type I project activities

4. The Board agreed that in cases where a DOE has, in assessing the possibility that a small scale project is a debundled component of a large scale project activity, determined that two or more project activities are taking place within one kilometer of each other and with the same project participants:

   (a) The DOE shall ensure that these projects are described in the PDD and that the validation report contains specific details on how it has been determined that the project activities are not a debundled component of a large scale project activity;

   (b) The DOE shall consider the project activities to be a debundled component of a large scale project activity even in cases where they are taking place in different project categories, if the project activities are type 1 project activities providing energy to the same user and are registered, or submitted for registration, with 2 years of each other.

B.2. Transport project activities

5. The Board clarified that a proposed small-scale transport sector project activity involving boundaries/sources that are mobile, shall be deemed to be a debundled component of a large project activity if there is a registered small-scale CDM project activity or an application to register another small-scale CDM project activity:

   (a) With the same project participants; and

   (b) In the same project category and technology/measure; and

   (c) Registered within the previous 2 years;

6. The above clarification thereby excludes the condition to check that the project boundary is within 1 km of the project boundary of the proposed small-scale activity at the closest point and is also applicable to the guidance for determining the occurrence of debundling under a programme of activities (PoA).

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4 Extract of the report of the thirtieth meeting of the Executive Board, paragraph 37.
5 For the purpose of this guidance a project activity with a primary Type III or Type II component and a secondary Type I component is not considered a Type I project activity (e.g. a project activity that captures methane from the wastewater treatment plant and uses it for electricity or heat generation; majority of the reductions would occur in the former or the primary component while the reduction on account of energy generation or the secondary component would have a minor contribution).
6 Extract of the report of the thirty-fifth meeting of the Executive Board, paragraphs 58 and 59.
II. GUIDANCE FOR DETERMINING THE OCCURRENCE OF DE-BUNDLING UNDER A PROGRAMME OF ACTIVITIES (PoA)

7. For the purposes of registration of a Programme of Activities (PoA), a proposed small-scale CPA of a PoA shall be deemed to be a de-bundled component of a large scale activity if there is already an activity, which:

(a) Has the same activity implementer as the proposed small scale CPA or has a coordinating or managing entity, which also manages a large scale PoA of the same sectoral scope, and;

(b) The boundary is within 1 km of the boundary of the proposed small-scale CPA, at the closest point.

8. If a proposed small-scale CPA of a PoA is deemed to be a debundled component in accordance with paragraph 2 above, but the total size of such a CPA combined with a registered small-scale CPA of a PoA or a registered CDM project activity does not exceed the limits for small-scale CDM and small-scale A/R project activities as set out in Annex II of the decision 4/CMP.1 and 5/CMP.1 respectively, the CPA of a PoA can qualify to use simplified modalities and procedures for small-scale CDM and small-scale A/R CDM project activities.

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7 Only those POAs need to be considered in determining de-bundling that are: (i) in the same geographical area; and (ii) use the same methodology; as the POA to which proposed CPA is being added.

8 Which may be a (i) registered small-scale CPA of a PoA, (ii) an application to register another small-scale CPA of a PoA or (iii) another registered CDM project activity.

9 Limits have been revised as set in paragraph 28 of decision 1/CMP.2.
I. DETERMINING THE OCCURRENCE OF DEBUNDLING

II. Start

* In the context of this diagram:
- SSC PA stands for “a Small Scale CDM Project Activity”
- A “registered SSC PA” also includes a SSC PA which applied for registration

Yes

Is there a registered SSC PA with the same project participants as the proposed SSC PA?

No

Are the registered SSC PA and the proposed SSC PA, type I activities providing energy to the same user? (as per EB30, paragraph 37)

No

Are the registered SSC PA and the proposed SSC PA in transport sector involving boundaries/sources that are mobile? (as per EB 35, paragraph 58 & 59)

Yes

Is the boundary of the registered SSC PA within 1 km of the boundary of the proposed SSC PA at the closest point?

No

Is the registered SSC PA registered within the previous 2 years?

Yes

Does the total size of the proposed SSC PA combined with the registered SSC PA exceed the limits for SSC PAs?

No

The proposed SSC PA is deemed to be a debundled component of a large project activity and is not eligible to use the simplified modalities and procedures for SSC PAs.

The proposed SSC PA is deemed to be a debundled component of a large project activity but can qualify to use simplified modalities and procedures for SSC PAs.

The proposed SSC PA is not deemed to be a debundled component of a large project activity, therefore is eligible to use the simplified modalities and procedures for SSC PAs.
ILGUIDANCE FOR DETERMINING THE OCCURRENCE OF DE-BUNDLING UNDER A PROGRAMME OF ACTIVITIES (PoA)

* In the context of this diagram:
  - Reference to POAs is to those PoAs that are: (i) in the same geographical area; and (ii) use the same methodology as the POA to which proposed CPA is being added
  - An ‘activity’ is a (i) registered small-scale CPA of a PoA, or (ii) an application to register another small-scale CPA of a PoA or (iii) another registered CDM project activity

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**Start**

Is there an activity with the same activity implementer as the proposed small scale CPA? OR Is there an activity with the same coordinating or managing entity, which also manages a large scale PoA of same sectoral scope?

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No

Are the activity and the proposed small scale CPA, in the transport sector involving boundaries/sources that are mobile? (as per EB 35, paragraph 58 & 59)

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No

Is the boundary of the activity within 1 km of the boundary of the proposed small scale CPA at the closest point?

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No

Does the total size of the proposed small scale CPA combined with the activity exceed the limits for small scale PAs as set out in decision 4/CMP.1 and revised in 1/CMP.2 (for energy) and 5/CMP.1 (for A/R) respectively?

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Yes

The proposed small scale CPA of PoA is deemed to be a debundled component of a large-scale activity but can qualify to use the simplified modalities and procedures for small-scale project activities.

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No

The proposed small scale CPA is deemed to be a debundled component of a large-scale activity and is not eligible to use the simplified modalities and procedures for small-scale project activities.

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Yes

The proposed small scale CPA of PoA is deemed to be a debundled component of a large-scale activity, therefore is eligible to use the simplified modalities and procedures for small-scale project activities.
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<tr>
<th>Version</th>
<th>Date</th>
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<tr>
<td>02</td>
<td>EB 46, Annex #, 25 March 2009</td>
<td>Further guidance on debundling test for project activities with more than one component, where one of the components is a Type I activity.</td>
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<tr>
<td>01</td>
<td>EB 36, Annex 27, 30 November 2007</td>
<td>Initial adoption.</td>
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