



## Annex 1

### Bundling SSC A/R for validation only

#### Explanation by the secretariat

In response to the request by the Board the secretariat has prepared draft procedures, taking into account the issue of de-bundling of large scale AR project activities, in order to operationalize the clarification provided in paragraph 42 of the thirty-second meeting report of the Board. The objective of the guidance aims to reduce costs for the project participant, by allowing for the bundling of several SSC-AR project activities at validation only. The secretariat's understanding is that the following part of the paragraph 11 would not be applicable because the activities become stand-alone after the stage of validation. Hence could not implement: *'An overall monitoring plan that monitors performance of the constituent project activities on a sample basis may be proposed for bundled project activities. If bundled project activities are registered with an overall monitoring plan, this monitoring plan shall be implemented and each verification/certification of the net anthropogenic removals by sinks achieved shall cover all of the bundled project activities.'*<sup>1</sup>

The substantial cost savings at the validation stage are however expected to be realized only if the DOE could carry out validation by assessing the projects bundled for validation only by sampling. If that were acceptable this would in turn mean not applying the same level of scrutiny to each activity. This in turn exposes some project participants the risk that subsequent project cycle steps could not be implemented as relevant issues were not identified at the stage of validation.

Based on above, the draft procedures below prescribes that bundling SSC-AR project activities for the purposes of validation has to ensure that each project is validated by the DOE so it that may be registered as separate project activities providing a high level of assurance to project participants.

Noting the level of effort required to organize a bundle for validation only is likely to be equivalent to establishing a managing/coordinating entity for a PoA, **the Board may wish to agree that instead of issuing below procedure** it recommends that project participants register such bundled activities as small scale CPAs under a PoA, using a SSC-AR methodology. This would facilitate validation cost savings and addition provide flexibility of inclusion at any stage and of differing crediting periods for each CPA.

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### **DRAFT PROCEDURE FOR BUNDLING SEVERAL SMALL-SCALE AFFORESTATION AND REFORESTATION PROJECT ACTIVITIES UNDER THE CDM FOR THE PURPOSE OF VALIDATION**

#### **(Version 01)**

1. These procedures further clarify that the provisions of paragraph 11 of annex to decision 6/CMP.1 apply to bundles of small scale A/R project activities created for the purpose of validation. The sum of net anthropogenic green house gas removals by the project activities in a bundle created

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<sup>1</sup> Paragraph 11 of annex to decision 6/CMP.1 .



for the purposes of validation only may exceed the limits for small scale A/R CDM project activities as provided for in paragraph 1 (a) of Annex to 6/CMP.1.

2. Small scale CDM A/R project activities may be bundled for purposes of validation only and shall not contain sub-bundles that exceed the limit stipulated in paragraph 1 (a) of 6/CMP.1 (8 kt CO<sub>2</sub>/year). Each small scale A/R project activity within this bundle shall be registered as an individual small scale A/R project activity for purposes of monitoring, verification, certification and issuance.

3. Each project activity within the bundle for validation, shall be validated by single DOE on its own merit and an independent validation report shall be issued to enable registration of project activities as individual project activities following validation.

4. The following principles shall apply to bundles of small-scale afforestation or reforestation (A/R) project activities under the clean development mechanism (CDM) when bundled for the purpose of validation only:

(a) Each small-scale A/R project activity under the CDM in the bundle shall comply with decision 6/CMP.1 (Simplified modalities and procedures for small-scale A/R project activities under the CDM in the first commitment period of the Kyoto Protocol and measures to facilitate their implementation);

(b) Each small-scale A/R project activity under the CDM shall use the same approved simplified baseline and monitoring methodologies for small-scale A/R project activities under the CDM;

(c) Project participants shall provide at validation a written statement along with submission of the bundle indicating:

- i. The agreement of all project participants to bundle their project activities for the purpose of validation
- ii. One project participant who shall represent all project participants for communication with the Board in accordance with approved Modalities and Procedures for Communication.

(d) Each small-scale A/R project activity under the CDM within the bundle shall have the same crediting period, i.e. the same length and same starting date of the crediting period;

(e) Once a project activity becomes part of a bundle for validation, it shall not be de-bundled for validation;

(f) The composition of bundles shall not change over time during validation (i.e. the submission of all project activities to be used in a bundle shall be made at the same time).

5. The form with information related to the bundle (F-CDM A/R SSC Bundle validation) must be included in the submission<sup>2</sup>. Project participants of proposed small-scale A/R project activities under the CDM who wish to bundle their project activities for the purpose of validation shall provide information including: title of the bundle, list of project participants identified for each activity, location, crediting period, approved methodology for small-scale A/R project activities applied by all the project activities in the bundle, monitoring plan, estimated amount of net anthropogenic GHG removals, , statement that all the project activities are developed or implemented by low-income

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<sup>2</sup> This form shall be made available on the UNFCCC CDM website <<http://www.unfccc.int/cdm>>



communities and individuals as determined by the host Party, and information required in paragraph 7 (a) and (b) to the DOE selected by them to perform the validation.

6. If the DOE identifies that project participants of proposed small-scale A/R project activities under the CDM request to bundle them for the purpose of validation, it shall determine whether the proposed activities did not result from de-bundling a large scale A/R project activities under the CDM and reject bundling for validation of all the proposed small-scale A/R project activities which have resulted from de-bundling of a large scale A/R project activities under the CDM.

7. Transparent and verifiable information enabling determination whether the proposed activities did not result from de-bundling a large scale A/R project activities under the CDM shall be provided by project participants. The information should include at minimum:

(a) List of all of the A/R CDM project activities registered with the same project participants within the previous two years or with an application to register and A/R CDM project activities requested to be bundled for the purpose of validation, including information on date of registration and the expected annual net anthropogenic greenhouse gas removals by sinks for each project activity. Project activities not yet registered shall be placed at the top of the list;

(b) Spatially explicit location of all the A/R CDM project activities listed in a) indicating for each the shortest distance between boundaries to closest A/R CDM project activities of the bundle and to another other CDM project activity.

8. If a proposed small-scale project activity in the proposed validation bundle is deemed to be a de-bundled component in accordance with the procedures for de-bundling<sup>3</sup>, but the total size of such a small-scale project activity is combined with a registered small-scale project activity does not exceed the limits for small-scale A/R project activities as set out in paragraph 1 (i) of 5/CMP.1, the DOE shall accept the request for bundling of the proposed small-scale A/R project activity under the CDM for the purpose of validation.

9. The DOE shall ensure that all project activities bundled for the purposes of validation 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 de-bundled component of a large scale project activity.

10. All the CDM SSC A/R PDDs in the bundle for the purpose of validation shall be made publicly available for public comment at validation, at the same time. The DOE validating the bundle for the purpose of validation bundle shall consider the public comments for each of the CDM SSC A/R PDDs submitted.

11. The validation bundle shall be assigned a single serial number with an identifier for each project activity in the bundle for purposes of registration.

12. Project participants shall make the submission of the bundle for the purpose of validation using a separate CDM-SSC-A/R -PDD for each of the project activity in the validation bundle. Project activities in the validation bundles shall have separate monitoring plans.<sup>4</sup>

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<sup>3</sup> Appendix C of the Simplified Modalities and Procedures for Small-Scale A/R CDM project activities (contained in Decision 6/CMP.1, FCCC/KP/CMP/2005/8/Add.1, page 92)

<sup>4</sup> This form shall be made available on the UNFCCC CDM website <<http://www.unfccc.int/cdm>>