

# DRAFT

## Annex C

### DETERMINING THE OCCURRENCE OF DEBUNDLING

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 activities. 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:
  - With the same project participants;
  - In the same project category and technology/measure;
  - Registered within the previous 2 years; and
  - 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.7, the project activity can qualify to use simplified modalities and procedures for small-scale CDM project activities.