



**GUIDELINES FOR COMPLETING  
THE SIMPLIFIED PROJECT DESIGN DOCUMENT (CDM-SSC-PDD) , THE FORM FOR  
SUBMISSIONS ON METHODOLOGIES FOR SMALL-SCALE CDM PROJECT  
ACTIVITIES (F-CDM-SSC-Subm) AND **THE FORM FOR SUBMISSION OF BUNDLED  
SMALL-SCALE CDM PROJECT ACTIVITIES (F-CDM-SSC-BUNDLE)****

**Version 01**

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### Revision history of this document

Version Number	Date	Description and reason of revision
01	8 July 2005	<p>Initial adoption</p> <ul style="list-style-type: none"><li>• The Board agreed to develop the guidelines for completing the CDM SSC PDD in order to assist project participants when filling out the CDM SSC PDD and to reflect guidance and clarifications provided by the Board since version 01 of the CDM SSC PDD was adopted.</li><li>• As a consequence, the CDM SSC PDD has been revised accordingly (version 2). The latest version can be found at <a href="http://cdm.unfccc.int/Reference/Documents">http://cdm.unfccc.int/Reference/Documents</a>.</li></ul>



## PART I

### **A. General information on the Simplified Project Design Document for Small-Scale project activities (CDM-SSC-PDD)**

1. These guidelines seek to assist project participants in completing the Simplified Project Design Document for Small-Scale project activities (CDM-SSC-PDD) and the form for submission of queries, proposed new categories and/or amendments to the indicative simplified baseline and monitoring methodologies for selected small-scale CDM project activity categories (F-CDM-SSC-Subm).
2. The forms CDM-SSC-PDD and the F-CDM-SSC-Subm were developed by the CDM Executive Board in conformity with the relevant simplified modalities and procedures for the Project Design Document for small-scale CDM project activities as defined in Appendix A “Project Design Document” to the simplified modalities and procedures for small-scale CDM project activities (Annex II to decision 21/CP.8 contained in document FCCC/CP/2002/7/Add.3).
3. If project participants wish to submit a small-scale CDM project activity for validation and registration, they shall submit a fully completed CDM-SSC-PDD.
4. If project participants wish to submit queries and/or proposals for new categories and/or amendments to the indicative simplified baseline and monitoring methodologies for selected small-scale CDM project activity categories they shall submit a fully completed F-CDM-SSC-Subm.
5. The CDM-SSC-PDD and F-CDM-SSC-Subm may be obtained electronically from the UNFCCC CDM web site (<http://unfccc.int/cdm>), by e-mail ([cdm-info@unfccc.int](mailto:cdm-info@unfccc.int)) or in printed format from the UNFCCC secretariat (Fax: +49-228-8151999).
6. Terms, which are underlined with a broken line in the CDM-SSC-PDD, are explained in the “CDM-SSC-PDD Glossary of Terms”, included in these guidelines. It is recommended that before or during the completion of the forms that project participants consult the most recent version of the “CDM-SSC-PDD Glossary of Terms”.
7. Project participants should also consult the section “Guidance – clarifications” available on the UNFCCC CDM web site (<http://unfccc.int/cdm>) or available from the UNFCCC secretariat by e-mail ([cdm-info@unfccc.int](mailto:cdm-info@unfccc.int)) or in print via fax (+49-228-815 1999).
8. The Executive Board may revise the CDM-SSC-PDD and F-CDM-SSC-Subm, if necessary.
9. Revisions come into effect, once adopted by the Executive Board.
10. Revisions to the CDM-SSC-PDD do not affect projects already validated, or already made publicly available by an operating entity for receiving comments as referred to in paras 23 (b) and (c) of the simplified modalities and procedures for small-scale CDM project activities prior to the adoption of the revised CDM-SSC-PDD. The Executive Board will not accept documentation using previous versions of the CDM-SSC-PDD six (6) months after the adoption of the new version.



11. In accordance with the simplified modalities and procedures for small-scale CDM project activities and CDM modalities and procedures, the working language of the Board is English. The CDM-SSC-PDD and F-CDM-SSC-Subm shall therefore be completed and submitted in English language to the Executive Board. However, the CDM-SSC-PDD is available on the UNFCCC CDM web site for consultation in all six official languages of the United Nations.
12. The CDM-SSC-PDD and F-CDM-SSC-Subm templates shall not be altered, that is, shall be completed using the same font without modifying its format, font, headings or logo.
13. Tables and their columns shall not be modified or deleted. Rows may be added, as needed.
14. The CDM-SSC-PDD and F-CDM-SSC-Subm are not applicable to small-scale afforestation and reforestation CDM project activities. Please consult the UNFCCC CDM web site for obtaining information regarding the CDM-PDD documentations for small-scale afforestation and reforestation CDM project activities.



## B. Glossary of CDM-SSC terms

**The following CDM and CDM-SSC glossary intends to assist in clarifying terms used in the Small-Scale Project Design Document (CDM-SSC-PDD), in the simplified modalities and procedures for small-scale CDM project activities and in the CDM modalities and procedures in order to facilitate the completion of the CDM-SSC-PDD, by project participants.**

### **Clean development mechanism (CDM):**

Article 12 of the Kyoto Protocol defines the clean development mechanism. “The purpose of the clean development mechanism shall be to assist Parties<sup>1</sup> not included in Annex I in achieving sustainable development and in contributing to the ultimate objective of the Convention, and to assist Parties included in Annex I in achieving compliance with their quantified emission limitation and reduction commitments under article 3”.

At its seventh session, the Conference of the Parties (COP) adopted modalities and procedures for a clean development mechanism (CDM modalities and procedures, see annex to decision 17/CP.7, document FCCC/CP/2001/13/Add.2) and agreed on a prompt start of the CDM by establishing an Executive Board and agreeing that until the entry into force of the Kyoto Protocol (a) this Board should act as the Executive Board of the CDM and (b) the Conference of the Parties (COP) should act as the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) as required by the Protocol and the CDM modalities and procedures.

### **Terms in alphabetical order:**

#### **Additionality:**

*See Attachment A to Appendix B.*

#### **“Appropriate equivalent of 15 megawatts”:**

*See “Type (i) project activities”.*

#### **“Appendix A”:**

Refers to the Appendix A of the simplified modalities and procedures for small-scale CDM project activities which provides for a simplified project design document. The latest form for simplified project design document for small-scale CDM project activities is available in the section on reference/forms of the UNFCCC CDM web site: <http://cdm.unfccc.int/Reference/Forms>.

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<sup>1</sup> In this glossary, the term “Party” is used as defined in the Kyoto Protocol: “Party” means, unless the context otherwise indicates, a Party to the Protocol. “Party included in Annex I” means a Party included in Annex I to the Convention, as may be amended, or a Party which has made a notification under Article 4, paragraph 2(g), of the Convention.

**“Appendix B”:**

The Appendix B of the simplified modalities and procedures for small-scale CDM project activities corresponds to the indicative list of simplified baseline and monitoring methodologies for selected small-scale CDM project activity categories. This list is updated and modified by decisions by the Executive Board based on inputs by project participants. The latest version of the list is available on the UNFCCC CDM web site under the section on approved small-scale methodologies (please refer to <http://cdm.unfccc.int/methodologies/SSCmethodologies/approved>).

**“Appendix C”**

The Appendix C of the simplified modalities and procedures for small-scale CDM project activities corresponds to the procedures for determining the occurrence of debundling. *See also “Debundling”.*

**Approval by Parties involved:**

A written approval constitutes the authorization by a designated national authority (DNA) of specific entity(ies)’ participation as project proponents in the specific CDM project activity. The approval covers the requirements of paragraphs 33 and 40 (a) and (f) of the CDM modalities and procedures.

The DNA of a Party involved in a proposed CDM project activity shall issue a statement including the following:

- The Party has ratified the Kyoto Protocol.
- The approval of voluntary participation in the proposed CDM project activity
- In the case of Host Party(ies): statement that the proposed CDM project activity contributes to sustainable development of the host Party(ies).

The written approval shall be unconditional with respect to the above.

Multilateral funds do not necessarily require written approval from each participant’s DNA. However those not providing a written approval may be giving up some of their rights and privileges in terms of being a Party involved in the project.

A written approval from a Party may cover more than one project provided that all projects are clearly listed in the letter.

The Board agreed that the registration of a CDM project activity can take place without an Annex I Party being involved at the stage of registration. Before an Annex I Party acquires certified emission reductions from such a project activity from an account within the CDM Registry, it shall submit a letter of approval to the Board in order for the CDM Registry administrator to be able to forward CERs from the CDM Registry to the national registry of the Annex I Party.

The DOE shall receive documentation of the approval.

**“Attachment A to Appendix B”:**

The attachment A to Appendix B corresponds to list of barriers project participants shall use in order to demonstrate that a small-scale project activity would not have occurred otherwise (i.e. is additional). The latest version of the attachment A to Appendix B can be found on the UNFCCC CDM web site



under the section on approved small-scale methodologies (please refer to <http://cdm.unfccc.int/methodologies/SSCmethodologies/approved>).

A simplified baseline and monitoring methodology listed in Appendix B to the simplified modalities and procedures for small-scale CDM project activities may be used for a small-scale CDM project activity if the project participants are able to demonstrate to a designated operational entity that the project activity would otherwise not be implemented due to the existence of one or more of the barriers listed in attachment A of appendix B. Where specified in appendix B for a project category, quantitative evidence that the project activity would otherwise not be implemented may be provided instead of a demonstration based on the barriers listed in attachment A to appendix B.

**“Attributable”:**

See “*measurable and attributable*”.

**Authorization of a private and/or public entity to participate in a CDM project activity:**

See “*Approval by Parties involved*”

**Baseline:**

See “*baseline scenario*”.

**Baseline approach:**

A baseline approach is the basis for a baseline methodology. The Executive Board agreed that the three approaches identified in sub-paragraphs 48 (a) to (c) of the CDM modalities and procedures be the only ones applicable to CDM project activities. They are:

- Existing actual or historical emissions, as applicable; or
- Emissions from a technology that represents an economically attractive course of action, taking into account barriers to investment; or
- The average emissions of similar project activities undertaken in the previous five years, in similar social, economic, environmental and technological circumstances, and whose performance is among the top 20 per cent of their category.

**Baseline methodology:**

A methodology is an application of an approach as defined in paragraph 48 of the CDM modalities and procedures, to an individual project activity, reflecting aspects such as sector and region. No methodology is excluded a priori so that project participants have the opportunity to propose a methodology. In considering paragraph 48, the Executive Board agreed that, in the two cases below, the following applies:

- (a) Case of a new methodology: In developing a baseline methodology, the first step is to identify the most appropriate approach for the project activity and then an applicable methodology;
- (b) Case of an approved methodology: In opting for an approved methodology, project participants have implicitly chosen an approach.

**Baseline for small-scale CDM project activities - approved methodology:**

A baseline methodology approved by the Executive Board is included in an indicative list of simplified baseline and monitoring methodologies for selected small-scale CDM project activity categories (contained in the Appendix B to the simplified modalities and procedures for small-scale CDM project



activities) and is publicly available along with relevant guidance on the UNFCCC CDM website (<http://cdm.unfccc.int/methodologies/SSCmethodologies/approved>) or through a written request sent to [cdm-info@unfccc.int](mailto:cdm-info@unfccc.int) or Fax: (49-228) 815-1999.

**Baseline for small-scale CDM project activities - new methodology:**

Project participants may propose a new baseline methodology established in a transparent and conservative manner.

In accordance with paragraphs 15 and 16 of the simplified modalities and procedures for small-scale CDM project activities, project participants may propose changes to the simplified baseline and monitoring methodologies or propose additional project categories for consideration by the Executive Board. Project participants willing to submit a new small-scale project activity category or revisions to a methodology shall make a request in writing to the Board providing information about the technology/activity and proposals on how a simplified baseline and monitoring methodology would be applied to this category. The Board may draw on expertise, as appropriate, in considering new project categories and/or revisions of and amendments to simplified methodologies. The Executive Board shall expeditiously, if possible at its next meeting, review the proposed methodology. Once approved, the Executive Board shall amend the indicative list of simplified baseline and monitoring methodologies contained in Appendix B.

**Baseline scenario:**

The baseline for a CDM project activity is the scenario that reasonably represents the anthropogenic emissions by sources of greenhouse gases (GHG) that would occur in the absence of the proposed project activity. A baseline shall cover emissions from all gases, sectors and source categories listed in Annex A (of the Kyoto Protocol) within the project boundary. A baseline shall be deemed to reasonably represent the anthropogenic emissions by sources that would occur in the absence of the proposed project activity if it is derived using a baseline methodology referred to in paragraphs 37 and 38 of the CDM modalities and procedures.

Different scenarios may be elaborated as potential evolutions of the situation existing before the proposed CDM project activity. The continuation of a current activity could be one of them; implementing the proposed project activity may be another; and many others could be envisaged. Baseline methodologies shall require a narrative description of all reasonable baseline scenarios.

To elaborate the different scenarios, different elements shall be taken into consideration, including related guidance issued by the Executive Board. For instance, the project participants shall take into account national / sectoral policies and circumstances, ongoing technological improvements, investment barriers, etc. (see Appendix C paragraph b (vii) and paragraphs 45 (e), 46, 48 (b) of the CDM modalities and procedures contained in decision 17/CP.7).

Simplified baseline scenarios for a small-scale CDM project activity specified in Appendix B to the simplified modalities and procedures for small-scale CDM project activities shall be deemed to reasonably represent the anthropogenic emissions that would occur in the absence of the proposed small-scale project activity. If a simplified baseline is not used, the baseline proposed shall cover emissions from all gases, sectors and source categories listed in Annex A to the Kyoto Protocol within the project boundary.



**Bundle:**

~~Bringing together of several small-scale CDM project activities, to form a single CDM project activity or portfolio without the loss of distinctive characteristics of each component project activity and with the total bundle not exceeding the limits stipulated in para 6(c) of decision 17/CP.7 with the aim of lowering transaction costs per unit.~~

~~The distinctive characteristics of each component project include: its technology/measure; location; application of simplified baseline methodology.~~

Bringing together of several small-scale CDM project activities, to form a single CDM project activity or portfolio without the loss of distinctive characteristics of each project activity. Project activities within a bundle can be arranged in one or more sub-bundles, with each project activity retaining its distinctive characteristics. Such characteristics include its: technology/measure; location; and application of simplified baseline methodology. Project activities within a sub-bundle belong to the same type. The sum of the output capacity of projects within a sub-bundle must not be more than the maximum output capacity limit for its type.

**Bundled project activities:**

See “Bundle”.

**Categories of small-scale CDM project activities:**

See “Small-scale CDM project activity categories”.

**Certification:**

Certification is the written assurance by the designated operational entity that, during a specified time period, a project activity achieved the reductions in anthropogenic emissions by sources of greenhouse gases (GHG) as verified.

**Certified emission reductions (CERs):**

A certified emission reduction or CER is a unit issued pursuant to Article 12 and requirements there under, as well as the relevant provisions in the CDM modalities and procedures, and is equal to one metric tonne of carbon dioxide equivalent, calculated using global warming potentials defined by decision 2/CP.3 or as subsequently revised in accordance with Article 5 of the Kyoto Protocol.

**Component project activity:****Small-scale CDM project activity which is part of a bundle or portfolio bundle .**

Each component project activity has to retain its distinctive characteristics. These include its technology/measure; location; application of simplified baseline methodology.

**Confidential/proprietary information:**

In accordance with paragraph 6 of the CDM modalities and procedures, information obtained from CDM project participants marked as proprietary or confidential shall not be disclosed without the written consent of the provider of the information, except as required by national law. Information used to determine additionality, to describe the baseline methodology and its application, and to support an environmental impact assessment shall not be considered as proprietary or confidential.



Bearing in mind paragraph 6 of CDM modalities and procedures, project participants shall submit documentation that contains confidential and proprietary information in two versions:

- One marked up version where all confidential/proprietary parts shall be made illegible by the project participants (e.g. by covering those parts with black ink) so that this can be made publicly available.
- A second version containing all information which shall be treated as strictly confidential by all handling this documentation (DOEs/AEs, Board members and alternates, panel/committee and working group members, external experts requested to consider such documents in support of work for the Board, and the secretariat).

**Conservative:**

See “Transparent and conservative”.

**Crediting period:**

The crediting period for a CDM project activity is the period for which reductions from the baseline are verified and certified by a designated operational entity for the purpose of issuance of certified emission reductions (CERs). Project participants shall choose the starting date of a crediting period to be after the date the first emission reductions are generated by the CDM project activity. A crediting period shall not extend beyond the operational lifetime of the project activity.

The crediting period may only start after the date of registration of the proposed activity as a CDM project activity. In exceptional cases, for project activities starting between 1 January 2000 and the date of the registration of a first clean development mechanism project, the starting date of the crediting period may be prior to the date of registration of the project activity if the project activity is submitted for registration before 31 December 2005 (please refer to paras 12 and 13 of decision 17/CP.7, paragraph 1 (c) of decision 18/CP.9 and clarifications by the Executive Board, available on the UNFCCC CDM web site).

The project participants may choose between two options for the length of a crediting period: (i) fixed crediting period or (ii) renewable crediting period, as defined in paragraph 49 (a) and (b) of the CDM M & P.

**Crediting period – fixed (also fixed crediting period):**

“Fixed Crediting Period” is one of two options for determining the length of a crediting period. In the case of this option, the length and starting date of the period is determined once for a project activity with no possibility of renewal or extension once the project activity has been registered. The length of the period can be a maximum of ten years for a proposed CDM project activity. (paragraph 49 (b) of CDM modalities and procedures).

**Crediting period – renewable (also renewable crediting period):**

“Renewable crediting period” is one of two options for determining the length of a crediting period. In the case of this option, a single crediting period may be of a maximum of seven years. The crediting period may be renewed at most two times (maximum 21 years), provided that, for each renewal, a designated operational entity determines that the original project baseline is still valid or has been updated taking account of new data, where applicable, and informs the Executive Board accordingly (paragraph 49 (a) of the CDM modalities and procedures). The starting date and length of the first crediting period has to be determined before registration.

**De-bundled project activity:**

See “*Debundling*”.

**Debundling:**

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.

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 a request for registration by another small-scale project activity:

- By the same project participants;
- In the same project category and technology/measure; and
- 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.

If a proposed small-scale project activity is deemed to be a debundled component, but the 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.

See also “*Project activity*”.

**Designated operational entity (DOE):**

An entity designated by the COP/MOP, based on the recommendation by the Executive Board, as qualified to validate proposed CDM project activities as well as verify and certify reductions in anthropogenic emissions by sources of greenhouse gases (GHG). A designated operational entity shall perform validation or verification and certification on the same CDM project activity. Upon request, the Executive Board may however allow a single DOE to perform all these functions within a single CDM project activity. COP at its eight session decided that the Executive Board may designate on a provisional basis operational entities (please refer to decision 21/CP.8).

**Energy consumption**

See “*Type (ii) project activities*”.

**Energy efficiency**

See “*Type (ii) project activities*”.

**Energy efficiency improvement project activities:**

See “*Type (ii) project activities*”.

**Equipment performance**

To determine equipment performance, project participants shall use:

- (a) The appropriate value specified in Appendix B for the simplified modalities and procedures for small-scale CDM project activities;
- (b) If the value specified in sub-paragraph (a) is not available, the national standard for the performance of the equipment type (project participants shall identify the standard used);
- (c) If the value specified in sub-paragraph (b) is not available, an international standard for the performance of the equipment type, such as International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC) standards (project participants shall identify the standard used);
- (d) If a value specified in sub-paragraph (c) is not available, the manufacturer's specifications provided that they are tested and certified by national or international certifiers.

Project participants have the option of using performance data from test results conducted by an independent entity for equipment installed under the project activity.

**Fixed Crediting Period:**

See crediting period – fixed.

**Host Party:**

A Party not included in Annex I to the Convention on whose territory the CDM project activity is physically located. A project activity located in several countries has several host Parties. At the time of registration, a Host Party shall meet the requirements for participation as defined in paragraphs 28 to 30 of the CDM modalities and procedures.

**Issuance of certified emission reductions (CERs):**

Issuance of CERs refers to the instruction by the Executive Board to the CDM registry administrator to issue a specified quantity of CERs for a project activity into the pending account of the Executive Board in the CDM registry, in accordance with paragraph 66 and Appendix D of the CDM modalities and procedures.

Upon issuance of CERs, the CDM registry administrator shall, in accordance with paragraph 66 of CDM modalities and procedures, promptly forward the CERs to the registry accounts of project participants involved, in accordance with their request, having deducted the quantity of CERs corresponding to the share of proceeds to cover administrative expenses for the Executive Board and to assist in meeting costs of adaptation for developing countries vulnerable to adverse impacts of climate change, respectively, in accordance with Article 12, paragraph 8, to the appropriate accounts in the CDM registry for the management of the share of proceeds.

**Leakage:**

Leakage is defined as the net change of anthropogenic emissions by sources of greenhouse gases (GHG) which occurs outside the project boundary, and which is measurable and attributable to the CDM project activity. Reductions in anthropogenic emissions by sources shall be adjusted for leakage in accordance with the provisions of Appendix B for the relevant project categories. The Executive Board shall consider simplification of the leakage calculation for any other project categories added to Appendix B. (*see also Appendix B*).



In the cases where leakage is to be considered, it shall be considered only within the boundaries of non-Annex I Parties.

**Measurable and attributable**

In an operational context, the terms measurable and attributable in paragraph 51 (project boundary) of the CDM modalities and procedures should be read as “which can be measured” and “directly attributable”, respectively.

**Modalities of communication of project participants with the Executive Board:**

The modalities of communication between project participants and the Executive Board are indicated at the time of registration by submitting a statement signed by all project participants. All official communication from and to project participants, after a request for registration is submitted by a DOE, shall be handled in accordance with these modalities of communication. If these modalities have to be modified, the new statement shall be signed by all project participants and submitted in accordance with the modalities that are to be replaced.

**Monitoring of a CDM project activity:**

Monitoring refers to the collection and archiving of all relevant data necessary for determining the baseline, measuring anthropogenic emissions by sources of greenhouse gases (GHG) within the project boundary of a CDM project activity and leakage, as applicable.

**Monitoring methodology:**

A monitoring methodology refers to the method used by project participants for the collection and archiving of all relevant data necessary for the implementation of the monitoring plan.

**Monitoring methodology for small-scale CDM project activities - approved:**

A monitoring methodology approved by the Executive Board is included in an indicative list of simplified baseline and monitoring methodologies for selected small-scale CDM project activity categories (contained in the Appendix B to the simplified modalities and procedures for small-scale CDM project activities) and is publicly available along with relevant guidance on the UNFCCC CDM website (<http://cdm.unfccc.int/methodologies/SSCmethodologies/approved>) or through a written request sent to [cdm-info@unfccc.int](mailto:cdm-info@unfccc.int) or Fax: (49-228) 815-1999.

**Monitoring methodology for small-scale CDM project activities - new:**

In accordance with paragraphs 15 and 16 of the simplified modalities and procedures for small-scale CDM project activities, project participants may propose changes to the simplified baseline and monitoring methodologies or propose additional project categories for consideration by the Executive Board. Project participants willing to submit a new small-scale project activity category or revisions to a methodology shall make a request in writing to the Board providing information about the technology/activity and proposals on how a simplified baseline and monitoring methodology would be applied to this category. The Board may draw on expertise, as appropriate, in considering new project categories and/or revisions of and amendments to simplified methodologies. The Executive Board shall expeditiously, if possible at its next meeting, review the proposed methodology. Once approved, the Executive Board shall amend the indicative list of simplified baseline and monitoring methodologies contained in Appendix B.

**Other project activities:**



See “Type (iii) project activities”.

**Operational lifetime of a project activity:**

It is defined as the period during which the project activity is in operation. No crediting period shall end after the end of the operational lifetime (calculated as from starting date).

**Overall monitoring plan:**

If project activities are bundled, a separate monitoring plan shall apply for each of the constituent project activities in accordance with paragraphs 32 and 33 of the simplified modalities and procedures, or an overall monitoring plan shall apply for the bundled projects, as determined by the designated operational entity at validation to reflect good monitoring practice appropriate to the bundled project activities and to provide for collection and archiving of the data needed to calculate the emission reductions achieved by the bundled project activities (paragraph 34 of the simplified modalities and procedures).

Only projects within the same category and technology/measure can use an overall monitoring plan, as foreseen in paragraph 34 of the simplified modalities and procedures.

**Party involved:**

A Party involved is a Party that provides a written approval.

See “Approval by Parties involved”.

**Portfolio bundling:**

Refers to bundle of project activities of different categories.

**Project activity:**

A project activity is a measure, operation or an action that aims at reducing greenhouse gases (GHG) emissions. The Kyoto Protocol and the CDM modalities and procedures use the term “project activity” as opposed to “project”. A project activity could, therefore, be identical with or a component or aspect of a project undertaken or planned.

**Project boundary for small-scale CDM project activity:**

The project boundary shall encompass significant anthropogenic emissions by sources of greenhouse gases under the control of the project participants that are reasonably attributable to the small-scale CDM project activity, in accordance with provisions of Appendix B for the relevant project category. (*see also Appendix B*)

The project boundary shall be limited to the physical project activity. Project activities that displace energy supplied by external sources shall earn certified emission reductions (CERs) for the emission reductions associated with the reduced supply of energy by those external sources.

**Project participants:**

In accordance with the use of the term project participant in the CDM modalities and procedures, a project participant is (a) a Party involved, or (b) a private and/or public entity authorized by a Party involved to participate in a CDM project activity.



In accordance with Appendix D of the CDM modalities and procedures, the decision on the distribution of CERs from a CDM project activity shall exclusively be taken by project participants.

Project participants shall communicate with the Executive Board, through the secretariat, in writing in accordance with the “modalities of communication” as indicated at the time of registration or as subsequently altered (*see “Modalities of communication ...” above*).

If a project participant does not wish to be involved in taking decisions on the distribution of CERs, this shall be communicated to the Executive Board, through the secretariat, at the latest when the request regarding the distribution is made.

*See also: “Approval by Parties involved”, “Party involved” and “Request for distribution of CERs”*

**Registration:**

Registration is the formal acceptance by the Executive Board of a validated project activity as a CDM project activity. Registration is the prerequisite for the verification, certification and issuance of CERs related to that project activity.

**Renewable crediting period:**

See Crediting period - renewable

**Renewable energy project activities:**

See “Type (i) project activities”.

**Request for distribution of CERs:**

The request regarding the distribution of CERs can only be changed if all signatories of the previous instruction have agreed to the change and signed the appropriate document.

A change of project participants shall immediately be communicated to the Executive Board through the secretariat in accordance with the modalities of communication. The indication of change shall be signed by all project participants of the previous communication and by all new and remaining project participants. Each new project participant needs authorization, as required.

**Small-scale CDM project activities:**

*See “Types of small-scale CDM project activities”.*

**Small-scale CDM project activities categories:**

Appendix B includes simplified baseline and monitoring methodologies for selected CDM small-scale categories. The project participants are allowed to propose new categories if their project activity is not covered by Appendix B categories.

**Stakeholders:**

Stakeholders mean the public, including individuals, groups or communities affected, or likely to be affected, by the proposed CDM project activity or actions leading to the implementation of such an activity.



**Starting date of a CDM project activity:**

The starting date of a CDM project activity is the date at which the implementation or construction or real action of a project activity begins. Project activities starting between 1 January 2000 and the date of the registration of a first clean development mechanism project have to provide documentation, at the time of registration, showing that the starting date fell within this period, if the project activity is submitted for registration before 31 December 2005.

**Sub bundle:**

An aggregation of project activities within a bundle having the characteristics that all project activities within a sub-bundle belong to the same type.

**Transparent and conservative:**

Establishing a baseline in a transparent and conservative manner (paragraph 45 (b) of the CDM modalities and procedures) means that assumptions are made explicitly and choices are substantiated. In case of uncertainty regarding values of variables and parameters, the establishment of a baseline is considered conservative if the resulting projection of the baseline does not lead to an overestimation of emission reductions attributable to a CDM project activity (that is, in the case of doubt, values that generate a lower baseline projection shall be used).

**Types of small-scale CDM project activities:**

In accordance with decision 17/CP.7 (contained in document FCCC/CP/2001/13/Add.2), paragraph 6 (c), simplified modalities and procedures have been developed for the following types of small-scale CDM project activities:

- (i) Renewable energy project activities with a maximum output capacity equivalent to up to 15 megawatts (or an appropriate equivalent);
- (ii) Energy efficiency improvement project activities which reduce energy consumption, on the supply and/or demand side, by up to the equivalent of 15 gigawatt/hours per year;
- (iii) Other project activities that both reduce anthropogenic emissions by sources and directly emit less than 15 kilo tonnes of carbon dioxide equivalent annually;

The simplified modalities and procedures for small-scale project activities are available in annex II to decision 21/CP.8 contained in document FCCC/CP/2002/7/Add.3.

The three types of project activities outlined in decision 17/CP.7, paragraph 6 (c), are mutually exclusive. In a project activity with more than one component that will benefit from simplified CDM modalities and procedures, each component shall meet the threshold criterion of each applicable type, e.g. for a project with both a renewable energy and an energy efficiency component, the renewable energy component shall meet the criterion for “renewable energy” and the energy efficiency component that for “energy efficiency”.

Small-scale CDM project activities shall remain under the limits for small-scale CDM project activities types, as stipulated in paragraph 6 (c) of the CDM modalities and procedures, every year during each year of the crediting period.

If a project activity goes beyond the limit of its type in any year of the crediting period, the emission reductions that can be claimed by the project during this particular year will be capped at the maximum





emission reduction level estimated in the CDM-SSC-PDD by the project participants for that year during the crediting period.

Project participants shall demonstrate in the CDM-SSC-PDD that the project activity characteristics are defined in a way that precludes project activities to go beyond the limits:

- (a) For type I: project participants shall provide proof that the installed capacity of the proposed project activity will not increase beyond 15 MW;
- (b) For type II: project participants shall provide proof that the efficiency improvements are below the equivalent of 15 gigawatt hours per year every year throughout the crediting period;
- (c) For type III: project participants shall provide an estimation of emissions of the project activity over the crediting period and proof that the emissions every year will not go beyond the limits of 15 ktCO<sub>2</sub>e/y over the entire crediting period.

Project activities using a renewable crediting period shall reassess their compliance with the limits at the time when they request renewal of the crediting period.

#### **Types of small-scale CDM project activities – new types:**

In accordance with paragraphs 15 and 16 of the simplified modalities and procedures for small-scale CDM project activities, project participants may propose changes to the simplified baseline and monitoring methodologies or propose additional project categories for consideration by the Executive Board. Project participants willing to submit a new small-scale project activity category or revisions to a methodology shall make a request in writing to the Board providing information about the technology/activity and proposals on how a simplified baseline and monitoring methodology would be applied to this category. The Board may draw on expertise, as appropriate, in considering new project categories and/or revisions of and amendments to simplified methodologies. The Executive Board shall expeditiously, if possible at its next meeting, review the proposed methodology. Once approved, the Executive Board shall amend the indicative list of simplified baseline and monitoring methodologies contained in Appendix B.

#### **Type (i) project activities:**

Renewable energy project activities with a maximum output capacity equivalent to up to 15 megawatts (or an appropriate equivalent) (decision 17/CP.7, paragraph 6 (c) (i)), where:

- Small-scale “renewable energy” project activities may use an indicative list of simplified methodologies for energy sources/eligible small-scale project activities<sup>2</sup>. In developing such a list, the Executive Board shall consider recognized classifications of renewable energy technologies/sources and take into account experience based on completed or ongoing small-scale projects in relevant fields. Following the “bottom-up” project cycle approach of the CDM, this list shall evolve and be further elaborated over time as new project activities are proposed and registered;
- Maximum “output” is defined as installed/rated capacity, as indicated by the manufacturer of the equipment or plant, disregarding the actual load factor of the plant;

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<sup>2</sup> Project activities referring to the burning of peat and non-biogenic waste should not be included in the indicative list. See “Appendix B” for list of methodologies and project categories.



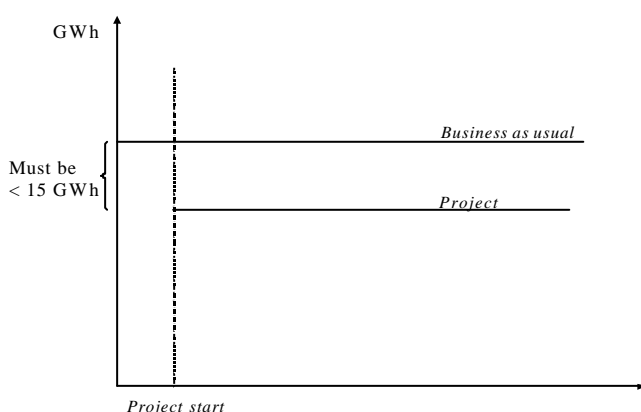
-“Appropriate equivalent” of 15 megawatts is defined as “Appropriate equivalent” of 15 megawatts 15 MW(e); projects referring to MW(p) or MW(th) will have to use a conversion factor to 15 MW (e)<sup>3</sup>.

**Type (ii) project activities:**

Energy efficiency improvement project activities which reduce energy consumption, on the supply and/or demand side, by up to the equivalent of 15 gigawatt hours per year (decision 17/CP.7, paragraph 6 (c) (ii)) where:

- Energy efficiency improvement project activities may use an indicative list of simplified methodologies for energy sources/eligible small-scale project activities<sup>4</sup>. In drawing up such a list, the Board shall consider recognized classifications of energy efficiency and take into account experience based on completed or ongoing small-scale projects in relevant fields. Following the CDM “bottom-up” approach, this list shall evolve and be further elaborated over time as new project activities are proposed and registered;
- Energy efficiency is the improvement in the service provided per unit power, that is, project activities which increase unit output of traction, work, electricity, heat, light (or fuel) per MW input are energy efficiency project activities;
- Energy consumption is the consumption reduced and measured in watt-hours with reference to an approved baseline. Lower consumption as a result of lower activity shall not be taken into consideration;
- Demand side, as well as supply side, projects shall be taken into consideration, provided that a project activity results in a reduction of maximum 15 gigawatt hours (GWh), as illustrated by figure 1. A total saving of 15 GWh is equivalent to 1000 hours of operation of a 15 MW plant or  $15 \times 3.6 \text{ TJ} = 54 \text{ TJ}$ , where TJ stands for terajoules.

Figure 1: eligibility for type (ii) project activities



<sup>3</sup> Where (p) stands for peak, (e) stands for electric and (th) stands for thermal.

<sup>4</sup> See “Appendix B” for list of methodologies and project categories.

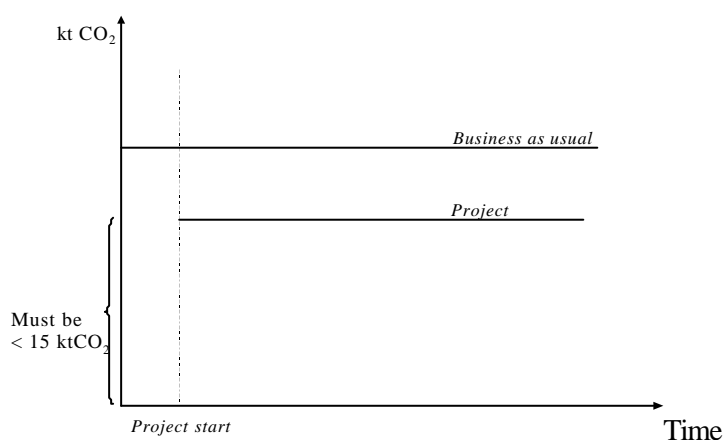
**Type (iii) project activities:**

Are other project activities that both reduce anthropogenic emissions by sources and directly emit less than 15 kilo tonnes of carbon dioxide equivalent annually (decision 17/CP.7, paragraph 6 (c) (iii)), where:

- Other project activities may use an indicative list of simplified methodologies for energy sources/eligible small-scale project activities<sup>5</sup>. Type (iii) CDM project activities could include agricultural projects, fuel switching, industrial processes and waste management. Possible examples in the agricultural sector include improved manure management, reduction of enteric fermentation, improved fertilizer usage or improved water management in rice cultivation. Other project activities that could qualify include CO<sub>2</sub> recycling, carbon electrodes, adipic acid production and the use of hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>) making reference to the emission reductions generated by such projects expressed in CO<sub>2</sub> equivalent. In order for these to be calculated in a consistent and transparent manner, appropriate baseline methodologies need to be developed. Following the CDM “bottom-up” approach, this list shall evolve and be further elaborated over time as new project activities are proposed and registered.

- As figure 2 illustrates, type (iii) projects shall not exceed total direct emissions of 15 kilo tonnes (kt) of carbon dioxide (CO<sub>2</sub>) equivalent annually, and must reduce greenhouse gas emissions.

Figure 2: eligibility for type (iii) project activities

**Validation:**

Validation is the process of independent evaluation of a project activity by a designated operational entity against the requirements of the CDM as set out in decision 17/CP.7, the CDM modalities and procedures and relevant decisions of the COP/MOP, on the basis of the project design document (CDM-PDD).

**Verification:**

Verification is the periodic independent review and ex post determination by a designated operational entity of monitored reductions in anthropogenic emissions by sources of greenhouse gases (GHG) that

<sup>5</sup> See “Appendix B” for list of methodologies and project categories.



have occurred as a result of a registered CDM project activity during the verification period. There is no prescribed length of the verification period. It shall, however, not be longer than the crediting period.



## PART II

### **A. General information on the Small-Scale Project Design Document (CDM-SSC-PDD)**

1. The CDM-SSC-PDD presents information on the essential technical and organizational aspects of the proposed small-scale project activity and is a key input into the validation, registration, and verification of the small-scale project as required under the Kyoto Protocol to the UNFCCC. The relevant detailed simplified modalities and procedures are detailed in annex II to decision 21/CP.8 contained in document FCCC/CP2001/13/Add.2.
2. The CDM-SSC-PDD contains information on the project activity, the project category, the simplified baseline methodology applied to the project activity, and the simplified monitoring methodology applied to the project. It discusses and justifies the choice of the project category, the simplified baseline methodology and the applied monitoring concept, including monitoring data and calculation methods.
3. Project participants should submit the completed version of the CDM-SSC-PDD, together with attachments if necessary, to an accredited designated operational entity for validation. The designated operational entity then examines the adequacy of the information provided in the CDM-SSC-PDD, especially whether it satisfies the relevant simplified modalities and procedures concerning small-scale CDM project activities. Based on this examination, the designated operational entity makes a decision regarding validation of the project.
4. A small-scale project activity with different components eligible to be proposed as a small-scale CDM project activity may submit one SSC-PDD, provided that information regarding the following subsections is provided separately for each of the components of the project activity:
  - A.4.2 (Type and category(ies) and technology of project activity);
  - A.4.3 (brief statement on how anthropogenic emissions of greenhouse gases (GHGs) by sources are to be reduced by the proposed CDM project activity);
  - sections B (Baseline methodology);
  - D (Monitoring methodology and plan); and
  - E (Calculation of GHG emission reductions by sources).
5. If the project activity does not fit any of the project categories in Appendix B of the simplified modalities and procedures for small-scale CDM project activities, project proponents may propose additional project categories for consideration by the Executive Board, in accordance with paragraphs 15 and 16 of the simplified modalities and procedures for small-scale CDM project activities. The project design document should, however, only be submitted to the Executive Board for consideration after Appendix B has been amended by the Board as necessary.



6. If project participants wish to propose such amendments to the simplified methodologies for small-scale CDM project activities, and/or new categories of small-scale project activities they shall use the form Submission form for new categories of projects and/or amendments to simplified methodologies (F-CDM-SSC-Subm) referred to in Part III of these guidelines.

*(Note: additional information on bundling is to be developed by the Small-Scale Working Group following the guidance by the EB)*



**B. Specific guidelines for completing the Project Design Document (CDM-SSC-PDD)**

**CONTENTS**  
**PROJECT DESIGN DOCUMENT (CDM-SSC-PDD)**

- A. General description of the small-scale project activity
- B. Application of a baseline methodology
- C. Duration of the project activity / Crediting period
- D. Application of a monitoring methodology and plan
- E. Estimation of GHG emissions by sources
- F. Environmental impacts
- G. Stakeholders' comments

**Annexes**

Annex 1: Contact information on participants in the project activity

Annex 2: Information regarding public funding

**SECTION A. General description of the small-scale project activity****A.1. Title of the small-scale project activity:****A.2. Description of the small-scale project activity:**

Please include in the description:

- the purpose of the project activity;
- the view of the project participants of the contribution of the project activity to sustainable development (max. one page)

**A.3. Project participants:**

Please list project participants and Party(ies) involved and provide contact information in Annex 1. Information shall be indicated using the following tabular format.

Name of Party involved (*) (host) indicates a host Party)	Private and/or public entity(ies) project participants (*) (as applicable)	Kindly indicate if the Party involved wishes to be considered as project participant (Yes/No)
Name A (host)	<ul style="list-style-type: none"> <li>• Private entity A</li> <li>• Public entity A ...</li> </ul>	
Name B	<ul style="list-style-type: none"> <li>• None</li> </ul>	
Name C	<ul style="list-style-type: none"> <li>• None</li> </ul>	
...	<ul style="list-style-type: none"> <li>• ...</li> </ul>	...

(\*) In accordance with the CDM modalities and procedures, at the time of making the CDM-PDD public at the stage of validation, a Party involved may or may not have provided its approval. At the time of requesting registration, the approval by the Party(ies) involved is required.

**Note:** When the PDD is filled in support of a proposed new methodology at least the host Party(ies) and any known project participant (e.g. those proposing a new methodology) shall be identified.

**A.4. Technical description of the small-scale project activity:****A.4.1. Location of the small-scale project activity:****A.4.1.1. Host Party(ies):****A.4.1.2. Region/State/Province etc.:****A.4.1.3. City/Town/Community etc.:**



**A.4.1.4. Detail of physical location, including information allowing the unique identification of this small-scale project activity(ies):**

Please fill in the field and do not exceed one page.

**A.4.2. Type and category(ies) and technology of the small-scale project activity:**

Please specify the type and category of the project activity using the categorization of Appendix B to the simplified modalities and procedures for small-scale CDM project activities, hereafter referred to as Appendix B. Note that Appendix B may be revised over time and that the most recent version will be available on the UNFCCC CDM web site.

In this section you shall justify how the proposed project activity conforms with the project type and category selected (for simplicity, the rest of this document refers to “project category” rather than “project type and category”).

Please demonstrate that the project is eligible as small-scale and that it will remain under the limits for small-scale project activities types every year over the crediting period:

For Type (i): provide proof that the capacity of the proposed project activity will not increase beyond 15 MW,

For Type (ii): provide proof that the efficiency improvements are below the equivalent of 15 gigawatt hours per year every year throughout the crediting period,

For Type (iii): provide an estimation of emissions of the project over the crediting period and proof that the emissions every year will not go beyond the limits of 15 KtCO<sub>2</sub>e/y over the entire crediting period.

If your small-scale project activity does not fit any of the project categories in Appendix B, you may propose additional project categories for consideration by the Executive Board, in accordance with paragraphs 15 and 16 of the simplified modalities and procedures for small-scale CDM project activities. The final CDM-SSC-PDD project design document shall, however, only be submitted to the Executive Board for consideration after the Board has amended Appendix B, as necessary.

This section should include a description of how environmentally safe and sound technology and know how to be used is transferred to the Host Party.



**A.4.3. Brief explanation of how the anthropogenic emissions of anthropogenic greenhouse gas (GHGs) by sources are to be reduced by the proposed small-scale project activity, including why the emission reductions would not occur in the absence of the proposed small-scale project activity, taking into account national and/or sectoral policies and circumstances:**

Please explain briefly how anthropogenic greenhouse gas (GHG) emission reductions are to be achieved (detail to be provided in section B) and provide the estimate of anticipated total reductions in tonnes of CO<sub>2</sub> equivalent as determined in section E. Max. length one page.

**A.4.3.1 Estimated amount of emission reductions over the chosen crediting period:**

Please indicate the chosen crediting period and provide the total estimation of emission reductions as well as annual estimates for the chosen crediting period. Information on the emission reductions shall be indicated using the following tabular format.

For type (iii) small-scale projects the estimation of project emissions is also required.

Years	Annual estimation of emission reductions in tonnes of CO <sub>2</sub> e
Year A	
Year B	
Year C	
Year ...	
<b>Total estimated reductions</b> (tonnes of CO <sub>2</sub> e)	
<b>Total number of crediting years</b>	
<b>Annual average over the crediting period of estimated reductions</b> (tonnes of CO <sub>2</sub> e)	

**A.4.4. Public funding of the small-scale project activity:**

In case public funding from Parties included in Annex I to the Convention is involved, please provide in annex 2 information on sources of public funding for the project activity from Parties included in Annex I which shall provide an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties.

Note: When the CDM-SSC-PDD is filled in support of a proposed new simplified methodology, it is to be indicated whether public funding from Parties included in Annex I is likely to be involved indicating the Party(ies) the extent possible.

**A.4.5. Confirmation that the small-scale project activity is not a debundled component of a larger project activity:**



Please refer to Appendix C to the simplified modalities and procedures for the small-scale CDM project activities for guidance on how to determine whether the proposed project activity is not a debundled component of a larger project activity.

## **SECTION B. Application of a baseline methodology:**

### **B.1. Title and reference of the approved baseline methodology applied to the project activity:**

Please refer to the UNFCCC CDM web site for the most recent list of the small-scale CDM project activity categories contained in Appendix B of the simplified modalities and procedures for small-scale CDM project activities.

### **B.2. Project category applicable to the small-scale project activity:**

Justify the choice of the applicable baseline calculation for the project category as provided for in Appendix B of the simplified modalities and procedures for small-scale CDM project activities, by showing that the proposed project activity meet the applicability conditions. Describe how the methodology is applied in the context of the project activity: Please explain the basic assumptions of the baseline methodology in the context of the project activity. Provide the key information and data used to determine the baseline scenario (variables, parameters, data sources etc.) in table form.

### **B.3. Description of how the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the registered small-scale CDM project activity:**

Justify that the proposed project activity qualifies to use simplified methodologies and is additional using attachment A to Appendix B of the simplified modalities and procedures for small-scale CDM project activities.)

National policies and circumstances relevant to the baseline of the proposed project activity shall be summarized here as well.

### **B.4. Description of how the definition of the project boundary related to the baseline methodology selected is applied to the project activity:**

Define the project boundary for the project activity using the guidance specified in the applicable project category for small-scale CDM project activities contained in Appendix B of the simplified modalities and procedures for small-scale CDM project activities.

**B.5. Details of the baseline and its development:**

Specify the baseline for the proposed project activity using a methodology specified in the applicable project category for small-scale CDM project activities contained in Appendix B of the simplified modalities and procedures for small-scale CDM project activities.

Please provide date of completion in *DD/MM/YYYY*.

Please provide contact information and indicate if the person/entity is also a project participant listed in Annex 1.

**SECTION C. Duration of the project activity / Crediting period:****C.1. Duration of the project activity:****C.1.1. Starting date of the project activity:**

The starting date of a CDM project activity is the date on which the implementation or construction or real action of a project activity begins.

Project activities starting between 1 January 2000 the date of the registration of a first clean development mechanism project, if the project activity is submitted for registration before 31 December 2005; have to provide documentation, at the time of registration, showing that the starting date fell within this period.

**C.1.2. Expected operational lifetime of the project activity:**

Please state the expected operational lifetime of the project activity in years and months.

**C.2. Choice of crediting period and related information:**

Please state whether the project activity will use a renewable or a fixed crediting period and complete C.2.1 or C.2.2 accordingly.

Note that the crediting period may only start after the date of registration of the proposed activity as a CDM project activity. In exceptional cases, (see instructions for section C.1.1. above) the starting date of the crediting period may be prior to the date of registration of the project activity as provided for in paragraphs 12 and 13 of decision 17/CP.7, paragraph 1 (c) of decision 18/CP.9 and through any guidance by the Executive Board, available on the UNFCCC CDM web site.

**C.2.1. Renewable crediting period:**

Each crediting period shall be at most 7 years and may be renewed at most two times, provided that, for each renewal, a designated operational entity determines and informs the



Executive Board that the original project baseline is still valid or has been updated taking account of new data where applicable.

**C.2.1.1. Starting date of the first crediting period:**

Please state the dates in the following format: (DD/MM/YYYY).

**C.2.1.2. Length of the first crediting period:**

Please state the length of the first crediting period in years and months.

**C.2.2. Fixed crediting period:**

Fixed crediting period shall be at most ten (10) years.

**C.2.2.1. Starting date:**

Please state the dates in the following format: (DD/MM/YYYY).

**C.2.2.2. Length:**

Please state the length of the crediting period in years and months

**SECTION D. Application of a monitoring methodology and plan:**

The monitoring plan shall incorporate a monitoring methodology specified for the applicable project category for small-scale CDM project activities contained in Appendix B of the simplified modalities and procedures for small-scale CDM project activities and represent good monitoring practice appropriate to the type of project activity.

The monitoring plan shall also provide information on the collection and archiving of the data specified in Appendix B of the simplified modalities and procedures for small-scale CDM project activities to:

- Estimate or measure emissions occurring within the project boundary;
- Determine the baseline, as applicable;
- Estimate leakage, where this needs to be considered.

Project participants shall implement the registered monitoring plan and provide data, in accordance with the plan, through their monitoring reports.

Designated operational entities will verify that the monitoring methodology and plan have been implemented correctly and check the information in accordance with the provisions on verification. This section shall provide a detailed description of the monitoring plan, including an identification of the data to be collected, its quality with regard to accuracy, comparability,



completeness and validity, taking into consideration any guidance contained in the methodology, and archiving of the data collected.

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 emission reductions achieved shall cover all of the bundled project activities.

Please note that data monitored and required for verification and issuance are to be kept for two years after the end of the crediting period or the last issuance of CERs for this project activity, whatever occurs later.

**D.1. Name and reference of approved monitoring methodology applied to the small-scale project activity:**

Please refer to the UNFCCC CDM web site for the most recent version of the indicative list of small-scale CDM project activities contained in Appendix B of the simplified modalities and procedures for small-scale CDM project activities.

If a national or international monitoring standard has to be applied to monitor certain aspects of the project activity, please identify this standard and provide a reference to the source where a detailed description of the standard can be found.

**D.2. Justification of the choice of the methodology and why it is applicable to the small-scale project activity:**

Justify the choice of the monitoring methodology applicable to the project category as provided for in Appendix B.

**D.3. Data to be monitored:**

The table in the CDM-SSC-PDD form specifies the minimum information to be provided for monitored data. Please complete the table for the monitoring methodology chosen for the proposed project activity from the simplified monitoring methodologies for the applicable small-scale CDM project activity category contained in Appendix B of the simplified modalities and procedures for small-scale CDM project activities.

Please note that for some project categories it may be necessary to monitor the implementation of the project activity and/or activity levels for the calculation of emission reductions achieved.

Please add rows or columns to the table, as needed.

The monitored data are used to calculate baseline, project or leakage emissions.

Please include a comment in the 'Comments' column, identifying the use of each data (i.e. if used for baseline, project, leakage).



**D.4. Qualitative explanation of how quality control (QC) and quality assurance (QA) procedures undertaken:**

Please refer to the monitoring methodology.

**D.5. Please describe briefly the operational and management structure that the project participant will implement in order to monitor emission reductions and any leakage effects generated by the project activity:**

**D.6. Name of person/entity determining the monitoring methodology:**

Please provide contact information and indicate if the person/entity is also a project participant listed in Annex 1 of this document.

**SECTION E.: Estimation of GHG emissions by sources:**

Please fill section E. following the selected baseline and monitoring methodologies.

**E.1. Formulae used:**

In E.1.1 please provide the formula used to calculate the GHG emission reductions by sources in accordance with the applicable project category of small-scale CDM project activities contained in Appendix B of the simplified modalities and procedures for small-scale CDM project activities.

In case the applicable project category from Appendix B does not indicate a specific formula to calculate the GHG emission reductions by sources, please complete section E.1.2 below.

**E.1.1. Selected formulae as provided in Appendix B:**

Describe the calculation of GHG emission reductions in accordance with the formula specified for the applicable project category of small-scale CDM project activities contained in Appendix B of the simplified modalities and procedures for small-scale CDM project activities.

**E.1.2. Description of formulae when not provided in Appendix B:**

**E.1.2.1. Describe the formulae used to estimate anthropogenic emissions by sources of GHGs due to the project activity within the project boundary:**

For each gas, source, formulae/algorithm, emissions in units of CO<sub>2</sub> equiv.



**E.1.2.2. Describe the formulae used to estimate leakage due to the project activity, where required, for the applicable project category in Appendix B of the simplified modalities and procedures for small-scale CDM project activities:**

For each gas, source, formulae/algorithm, emissions in units of CO<sub>2</sub> equiv.

**E.1.2.3. The sum of E.1.2.1 and E.1.2.2 represents the small-scale project activity emissions:**

For each gas, source, formulae/algorithm, emissions in units of CO<sub>2</sub> equiv.

**E.1.2.4. Describe the formulae used to estimate the anthropogenic emissions by sources of GHG's in the baseline using the baseline methodology for the applicable project category in Appendix B of the simplified modalities and procedures for small-scale CDM project activities:**

For each gas, source, formulae/algorithm, emissions in units of CO<sub>2</sub> equiv.

**E.1.2.5. Difference between E.1.2.4 and E.1.2.3 represents the emission reductions due to the project activity during a given period:**

**E.2. Table providing values obtained when applying formulae above:**

## **SECTION F.: Environmental impacts:**

**F.1. If required by the host Party, documentation on the analysis of the environmental impacts of the project activity:**

If applicable, please provide a short summary and attach documentation.

## **SECTION G. Stakeholders' comments:**

**G.1. Brief description of how comments by local stakeholders have been invited and compiled:**

Please describe the process by which comments by local stakeholders have been invited and compiled. An invitation for comments by local stakeholders shall be made in an open and transparent manner, in a way that facilitates comments to be received from local stakeholders and allows for a reasonable time for comments to be submitted. In this regard, project participants shall describe a project activity in a manner which allows the local stakeholders to understand the project activity, taking into account confidentiality provisions of the CDM modalities and procedures.

**G.2. Summary of the comments received:**





Please identify stakeholders that have made comments and provide a summary of these comments.

**G.3. Report on how due account was taken of any comments received:**

Please explain how due account have been taken of comments received.



**Annex 1**

**CONTACT INFORMATION ON PARTICIPANTS IN THE PROJECT ACTIVITY**

Please copy and paste table as needed.

**Annex 2**

**INFORMATION REGARDING PUBLIC FUNDING**

Please provide information from Parties included in Annex I to the Convention on sources of public funding for the project activity which shall provide an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties

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### PART III

#### **A. General Information on the form to submit proposals of changes to the simplified baseline and monitoring methodologies specified in Appendix B or propose additional project categories for consideration by the Executive Board**

In accordance with paragraph 15 of the simplified modalities and procedures project participants involved in small-scale CDM project activities may propose changes to the simplified baseline and monitoring methodologies specified in Appendix B to the simplified modalities and procedures or propose additional small-scale project categories for consideration by the Executive Board.

A downloadable form (F-CDM-SSC-Subm) shall be used for submitting queries or proposals to be considered by the Executive Board through the working group to assist the Executive Board in reviewing proposed methodologies and project categories for small-scale CDM project activities (SSC WG). The following instructions apply:

- 1) Use one form for each submission;
- 2) If a new Project Category is proposed, it shall be presented using the same format as the approved ones;
- 3) The submissions will be considered by the SSC-WG in its next meeting, if presented at least four weeks in advance.

Given that the three types of eligible small-scale project activities are mutually exclusive, project participants submitting a new category of projects shall first consider whether its belongs to type I (renewable energy projects), to type II (energy efficiency improvements) and if not eligible under the two previous types, type III (other project activities).

For information regarding deliberations of the SSC WG please refer to the section on panels / working groups of the UNFCCC CDM web site (<http://unfccc.int/cdm>).

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## **PART IV**

### **A. Information note on bundling of small scale CDM Project Activities**

#### **General Characteristics**

1. Project activities wishing to be bundled shall indicate this when making the request for registration;
2. The composition of bundles shall not change over time (i.e. the submission of project activities to be used in a bundle shall be made at the same time). A project activity shall not be taken out of a bundle nor shall a project activity be added to the bundle after registration.
3. All project activities in the bundle shall have the same crediting period (i.e. the same length and same starting date of the crediting period).
4. Each small-scale CDM project in the bundle should comply with the simplified modalities and procedures for small-scale CDM project activities and use an approved simplified baseline and monitoring methodology included in Appendix B of the simplified modalities and procedures for small-scale CDM project activities.
5. Project participants shall at registration provide a written statement along with the submission of the bundle indicating:
  - That all project participants agreed that their individual project activities are part of the bundle;
  - One project participant who represents all project participants in order to communicate with the Board in accordance with approved Modalities and Procedures for Communication.
6. Bundled project activities shall be submitted in a single submission to the Board and pay only one fee proportional to the amount of expected average annual emission reductions of the total bundle;
7. If three Board members or a Party involved in a component project activity requests the review of the component project activity, the total bundle remains under review and the implications and recommendations on the review of project activity shall lead to a decision by the Board to register or not register the bundle.

#### **Form**

8. A form with information related to the bundle (F-CDM-BUNDLE) must be included in the submission;
9. The form should cover issues such as title of the bundle, general description, project participants, locations, types and categories, estimated amount of emission reduction, crediting period and monitoring plans;

#### **Small scale limits**

10. The sum of the size (capacity for type I, energy saving for type II and direct emissions of project activity for type III) of the technology or measure utilized in the bundle should not exceed the limits for small-scale CDM project activities as set in paragraph 6 (c) of the decision 17/CP.7
11. It should be demonstrated that the bundle will remain under the limit for the type every year during the crediting period. The total emission reduction estimated for the crediting period must be included in the draft CDM-PDD and further monitored;
12. If a bundle goes beyond the limits for the selected small-scale CDM project activities type, the emission reduction that can be claimed for this particular year will be capped at the maximum



emission reduction level estimated for the bundle by the project participants in the “Bundle” form for that year during the crediting period.

#### **Validation and verification**

13. One DOE can validate this bundle;
14. One verification report is adequate, one issuance will be made at the same time for the same period, and a single serial number will be issued for all the project;
15. For projects submitting multiple CDM-SSC-PDDs, all CDM-SSC-PDDs shall be made publicly available for comments at validation stage at the same time. If, for corrective actions the DOE considers that major changes would be required in any of the project activities of the bundle, and that this would require the CDM-SSC-PDD to be made publicly available for comments another time, the whole bundle would need to be made publicly available for public comments. The DOE validating the bundle shall consider the public comments for each of the CDM-SSC-PDDs;

#### **Letter of approval**

16. The letter of approval by the host Party(ies) has to indicate that the Party is aware that the component project activity(ies) taking place in its territory is part of the bundle;

#### **Issuance**

17. If a bundle of project activities is submitted with a single or different CDM-SSC-PDDs it shall have only one identifier for purposes of issuance of CERs .

#### **Use of a single PDD covering all activities**

18. If all project activities in the bundle belong to the same type, same category and technology/measure, Project participants may submit a single CDM-SSC-PDD covering all activities in the bundle. If project participants use the same baseline for all the project activities in the bundle, it should be justified by considering the particular situation of each project activity in the bundle. As an example two project activities using the same technology to produce electricity but connected to different grids must use different baselines. A common monitoring plan can be utilized for the bundle with the submission of one monitoring report, under conditions to be specified. If different baselines are used, the proposed procedure for sampling must consider this situation, including the proportionate representative samples of each baseline used. In this case (a single PDD is used) a single verification and certification report shall be submitted by the DOE;
19. In all other cases (if the bundle includes project activities with (a) the same type, same category and different technology/measure; (b) same type, different categories and technologies/measures and; and (c) different types), Project participants would have to make the submission of the bundle using a CDM-SSC-PDD for each of the component project activities contained in the bundle. Different monitoring plans will be required for project activities in the bundle and separate monitoring reports must be prepared. In these cases a single verification and certification report can be submitted for the bundle provided that it appraises each of the component project activities of the bundle separately and covers the same verification period;



**B. Specific guidelines for completing the Form (CDM-SSC-BUNDLE)**

**SECTION A. General description of the Bundle**

**A.1. Title of the Bundle: (Include cross references to PDD)**

**A.2. Description of the Bundle and the subbundles:**

Please include in the description:

- the purpose of bundling the project activities;

Fill in the following tables.

	Type	Category	Technology/Measure
<b>Project activity</b>			

**A.3. Project participants:**

Please list Project participants and **Party(ies)** involved and provide contact information in Annex 1. If the list of **Project Participants** exceeds one page it shall be included in Annex 1 together with the contact information. Information shall be indicated using the following tabular format.

<b>Name of <u>Party involved</u> (*) (host) indicates a host Party</b>	<b>Private and/or public entity(ies) project participants (*) (as applicable)</b>
Name A (host).....	<ul style="list-style-type: none"> <li>• entity A</li> <li>• entity B ...</li> </ul>
Name B (host)...	<ul style="list-style-type: none"> <li>• entity A</li> <li>• entity B</li> </ul>

(\*) In accordance with the CDM modalities and procedures, at the time of making the CDM-PDD public at the stage of validation, a Party involved may or may not have provided its approval. At the time of requesting registration, the approval by the Party(ies) involved is required.

**B. Technical description of the Bundle:**

**B.1. Location of the Bundle:**

**B.1.1. Host Party(ies):**

**B.1.2. Region/State/Province etc.:****B.1.3. City/Town/Community etc:****B.1.4. Details of physical location, including information allowing the unique identification of this Bundle :**

Please fill in the field and do not exceed one page.

**B.2. Type/s , Category(ies) and Technology/(ies)/Measure/(s) of the bundle :**

Please specify the type/s and category/(ies) of the bundle using the categorization of Appendix B to the simplified modalities and procedures for small-scale CDM project activities, hereafter referred to as Appendix B. Note that Appendix B may be revised over time and that the most recent version will be available on the UNFCCC CDM web site.

Please demonstrate that the sub bundle will remain under the limits for small-scale project activities type every year over the crediting period:

For Type (i): provide proof that the added capacity of the proposed projects in the sub bundle will not increase beyond 15 MW,

For Type (ii): provide proof that the added efficiency improvements are below the equivalent of 15 gigawatt hours per year every year throughout the crediting period,

For Type (iii): provide an estimation of added direct emissions of the proposed projects in the sub bundle over the crediting period and proof that the emissions every year will not go beyond the limits of 15 KtCO<sub>2</sub>e/y over the entire crediting period.

If a bundle goes beyond the limits for the selected small-scale CDM project activities type, the emission reduction that can be claimed for this particular year will be capped at the maximum emission reduction level estimated for the bundle by the project participants in the 'Bundle' form for that year during the crediting period.

**B.3. Estimated amount of emission reductions over the chosen crediting period:**

Please indicate the chosen crediting period and provide the total estimation of emission reductions as well as annual estimates for the chosen crediting period. Information on the emission reductions shall be indicated using the following tabular format.

For type (iii) Project Activities the estimation of project emissions is also required.



<b>Years</b>	<b>Annual estimation of emission reductions in tonnes of CO<sub>2</sub> e</b>
Year A	
Year B	
Year C	
Year ...	
<b>Total estimated reductions (tonnes of CO<sub>2</sub> e)</b>	
<b>Total number of crediting years</b>	
<b>Annual average over the crediting period of estimated reductions (tonnes of CO<sub>2</sub> e)</b>	

### **C. Duration of the project activity / Crediting period:**

#### **C.1. Duration of the Bundle:**

##### **C.1.1. Starting date of the Bundle:**

The starting date of the Bundle is the date on which the implementation or construction or real action of the earliest project activity begins.

##### **C.1.2. Expected operational lifetime of the project activities:**

Please state the expected operational lifetime of the project activities in the bundle in years and months.

#### **C.2. Choice of crediting period and related information:**

Please state whether the Bundle will use a renewable or a fixed crediting period and complete C.2.1 or C.2.2 accordingly.

Note that the crediting period may only start after the date of registration of the proposed activity as a CDM project activity. In exceptional cases, (see instructions for section C.1.1. above) the starting date of the crediting period may be prior to the date of registration of the project activity, as provided for in paragraphs 12 and 13 of decision 17/CP.7, paragraph 1 (c) of decision 18/CP.9 and through any guidance by the Executive Board, available on the UNFCCC CDM web site.

##### **C.2.1. Renewable crediting period:**

Each crediting period shall be at most 7 years and may be renewed at most two times, provided that, for each renewal, a designated operational entity determines and informs the





Executive Board that the original project baseline is still valid or has been updated taking account of new data where applicable.

**C.2.1.1. Starting date of the first crediting period:**

Please state the dates in the following format: (DD/MM/YYYY).

**C.2.1.2. Length of the first crediting period:**

Please state the length of the first crediting period in years and months.

**C.2.2. Fixed crediting period:**

Fixed crediting period shall be at most ten (10) years.

**C.2.2.1. Starting date:**

Please state the dates in the following format: (DD/MM/YYYY).

**C.2.2.2. Length:**

Please state the length of the crediting period in years and months

**SECTION D. Application of a monitoring methodology:**

State whether an overall monitoring plan is being applied to the bundle or separate monitoring plans are being applied to the project activities.

If all project activities in the bundle belong to the same type, same category and technology/measure, a common monitoring plan can be utilized for the bundle with the submission of one monitoring report, under conditions to be specified (e.g. conditions for sampling). In all other cases (if the bundle includes project activities with (a) the same type, same category and different technology/measure; (b) same type, different categories and technologies/measures and; and (c) different types) different monitoring plans will be required for the bundle and separate monitoring reports must be prepared.



**Annex 1**

**CONTACT INFORMATION ON PARTICIPANTS IN THE BUNDLE**

Please copy and paste table as needed.