

**Annex #****Guidelines on assessment of debundling for SSC project activities  
(Version 03)****I. DETERMINING THE OCCURRENCE OF DEBUNDLING**

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

**A. COP/MOP Decision<sup>1</sup>**

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<sup>2</sup>. The full project activity or any component of the full project activity shall follow the regular CDM modalities and procedures.
2. A proposed small-scale project activity shall be deemed to be a debundled component of a large project activity if there is a registered small-scale CDM project activity or an application to register another small-scale CDM project activity:
  - (a) With the same project participants;
  - (b) In the same project category and technology/measure; and
  - (c) Registered within the previous 2 years; and
  - (d) Whose project boundary is within 1 km of the project boundary of the proposed small-scale activity at the closest point.
3. If a proposed small-scale project activity is deemed to be a debundled component in accordance with paragraph 2 above, but total size of such an activity combined with the previous registered small-scale CDM project activity does not exceed the limits for small-scale CDM project activities as set in paragraph 6 (c) of the decision 17/CP.7<sup>3</sup>, the project activity can qualify to use simplified modalities and procedures for small-scale CDM project activities.

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<sup>1</sup> Appendix C of the Simplified Modalities and Procedures for Small-Scale CDM project activities (contained in annex II to decision 21/CP.8, see document FCCC/CP/2002/7/Add.3).

<sup>2</sup> For the full text of the simplified modalities and procedures for small-scale CDM project activities see [http://cdm.unfccc.int/Projects/pac/pac\\_ssc.html](http://cdm.unfccc.int/Projects/pac/pac_ssc.html).

<sup>3</sup> Limits have been revised as set in paragraph 28 of decision 1/CMP.2.



## B. Clarifications from the Executive Board

### B.1 . Type I project activities<sup>4</sup>

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

- (a) The DOE shall ensure that these projects are described in the PDD and that the validation report contains specific details on how it has been determined that the project activities are not a debundled component of a large scale project activity;
- (b) The DOE shall consider the project activities to be a debundled component of a large scale project activity even in cases where they are taking place in different project categories, if the project activities are type 1 project activities providing energy to the same user and are registered, or submitted for registration, with 2 years of each other.

### B.2. Transport project activities<sup>5</sup>

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

- (a) With the same project participants; and
- (b) In the same project category and technology/measure; and
- (c) Registered within the previous 2 years;

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

### **B.3. Determining the occurrence of debundling for multiple CDM projects involving independent subsystem/measures**

7. If each of the independent subsystems/measures (e.g., biogas digesters, residential solar energy systems, kerosene or incandescent lighting replacements) included in one or more CDM project activities is no greater than 1% of the small scale thresholds defined by the applied methodology and the subsystems/measures are indicated in the PDDs to be each implemented at or in multiple locations (e.g., installed at or in multiple homes) then these CDM project activities are exempted from performing a de-bundling check, i.e., considered as being not a de-bundled component of a large scale activity.

<sup>4</sup> Extract of the report of the thirtieth meeting of the Executive Board, paragraph 37.

<sup>5</sup> Extract of the report of the thirty-fifth meeting of the Executive Board, paragraphs 58 and 59.



## II. GUIDANCE FOR DETERMINING THE OCCURRENCE OF DE-BUNDLING UNDER A PROGRAMME OF ACTIVITIES (PoA)

8. For the purposes of registration of a Programme of Activities (PoA)<sup>6</sup>, a proposed small-scale CPA of a PoA shall be deemed to be a de-bundled component of a large scale activity if there is already an activity<sup>7</sup>, which satisfies both conditions (a) and (b) below:

- (a) Has the same activity implementer as the proposed small scale CPA or has a coordinating or managing entity, which also manages a large scale PoA of the same technology/measure, and;
- (b) The boundary is within 1 km of the boundary of the proposed small-scale CPA, at the closest point.

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

10. If each of the independent subsystems/measures (e.g., biogas digester, solar home system) included in the CPA of a PoA is no larger than 1% of the small-scale thresholds defined by the methodology applied<sup>9</sup>, then that CPA of PoA is exempted from performing de-bundling check i.e., considering as not being a de-bundled component of a large scale activity.

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<sup>6</sup> Only those POAs need to be considered in determining de-bundling that are: (i) in the same geographical area; and (ii) use the same methodology; as the POA to which proposed CPA is being added.

<sup>7</sup> Which may be a (i) registered small-scale CPA of a PoA, (ii) an application to register another small-scale CPA of a PoA or (iii) another registered CDM project activity.

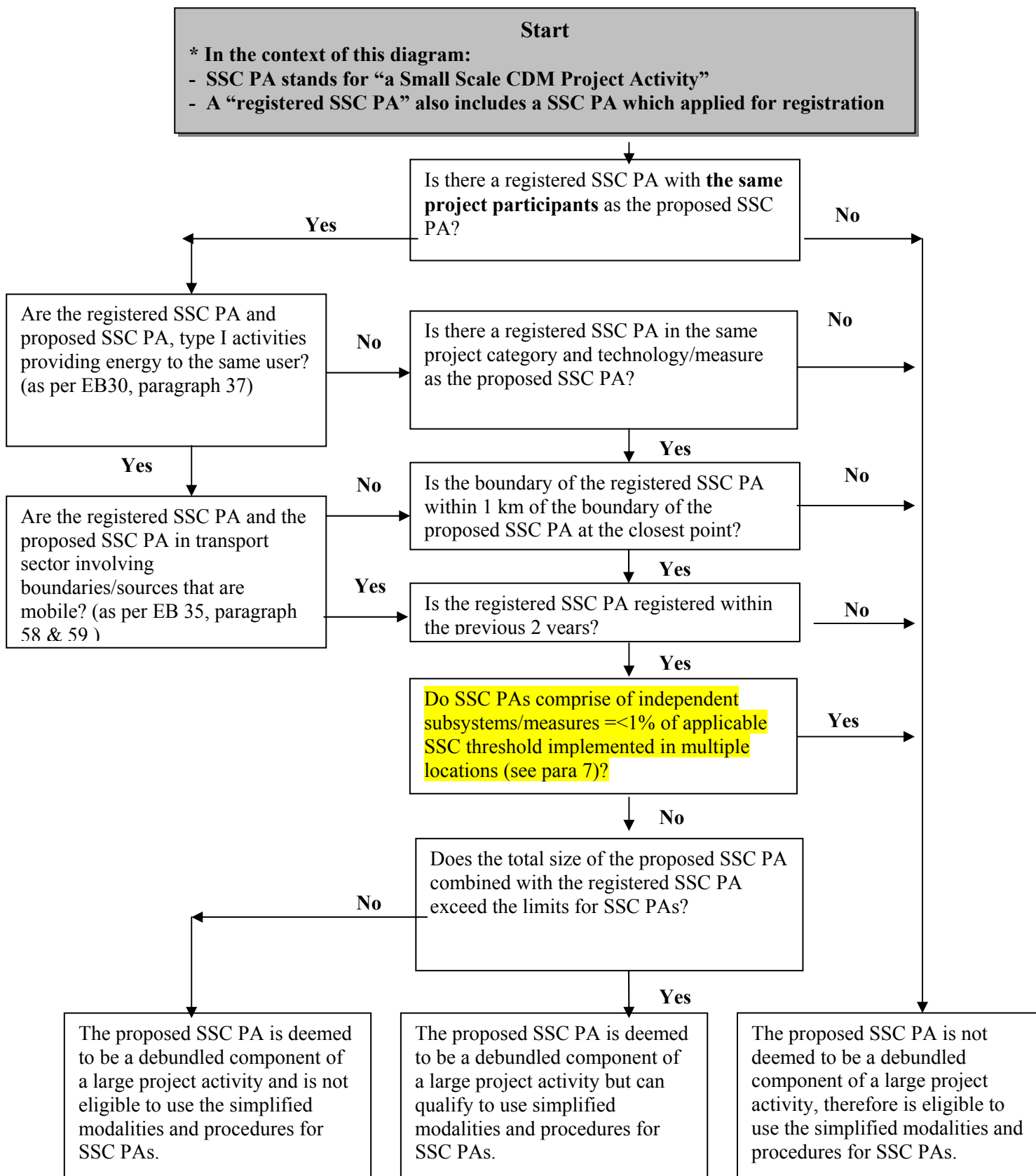
<sup>8</sup> Limits have been revised as set in paragraph 28 of decision 1/CMP.2.

<sup>9</sup> i.e., 15 kW installed capacity or 0.6 GWh annual energy savings or 0.6 ktCO<sub>2</sub>e annual emission reductions.



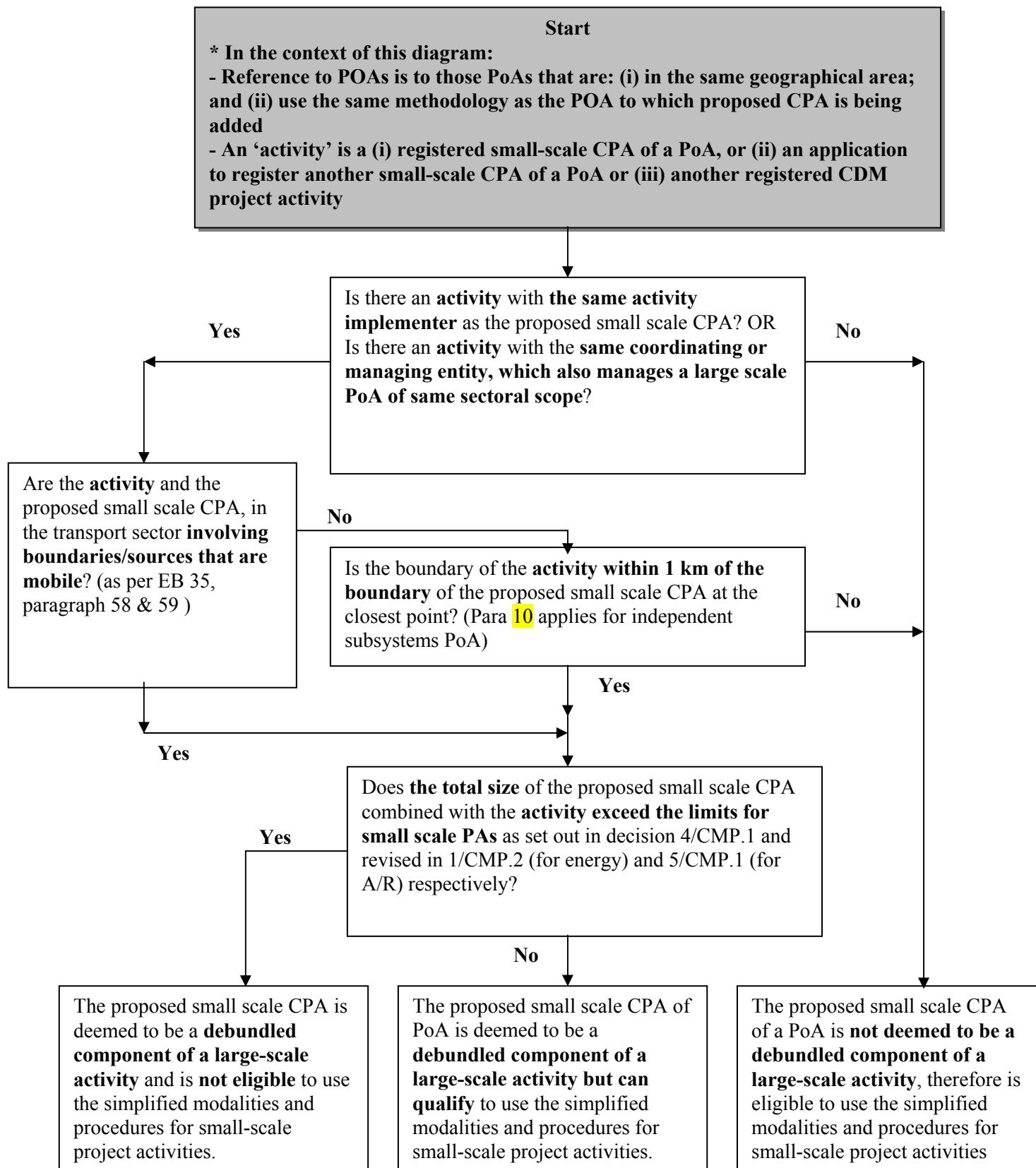
I. DETERMINING THE OCCURRENCE OF DEBUNDLING

II.





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**History of the document**

<b>Version</b>	<b>Date</b>	<b>Nature of revision</b>
03	EB xx, Annex # dd mm 2010	To provide an exempt from the debundling check for project activities comprising of small independent subsystem/measures no greater than 1%of applicable SSC threshold implemented in multiple locations.
02	EB 47, Annex 32 28 May 2009	The revision to introduce the clarification of the Board at its forty-seventh meeting that provides derogations from the debundling for provisions for POAs involving “micro-scale” applications, i.e. where the implemented units are 1% of the small-scale thresholds.
01	EB 36, Annex 27, 30 November 2007	Initial adoption.

The revision to introduce the clarification of the Board at its forty-seventh meeting that provides derogations from the debundling for provisions for POAs involving “micro-scale” applications, i.e. where the implemented units are 1% of the small-scale thresholds.