May 23, 2013

The Chair &
Honourable Members of the CDM Executive Board
UNFCCC Secretariat
Martin Luther King Strasse 8
D 53153 Bonn.
Germany

Dear Chair and the Hon'ble members of EB,

Sub: SSC_680 and annotated agenda No. 49 of EB 73

In continuation to our comments dt. 17.5.2013 submitted to the Secretariat, we take the privilege of bringing to your kind notice that we have submitted a request for revision to SSCWG, proposing certain changes in procedures of SSC bundling validation. This was discussed at SSC WG40 and marked as agenda 49, as excerpted below, for your kind consideration.

“49. **Action:** The Board may wish to consider the recommendation not to revise the “Guidelines on assessment of debundling for SSC project activities”, in response to submission SSC_680. The request for revision suggests that for projects that include a managing entity/facilitator as one of the project participants, for the purposes of the debundling assessment, this managing entity shall not be considered a project participant. The SSC WG agreed that the definition of project participant contained in the “Glossary of CDM terms” should continue to apply to paragraph 2 of the “Guidelines on assessment of debundling for SSC project activities”.

Our submission sought for “Precluding debundling assessment to SSC Bundles constituted of individually operated SSC units with holistic production activity abided by the provisions of “General Principles for Bundling” (version 2.0 Annex 21, EB 66)”.

Debundling rules are meant for checking the fragmentation of large scale project activity in to small scale units and their sneaking in to SSC bundling program. While small scale unit such as brick production, which can never be imagined as large scale activity can never be subjected to fragmentation. Hence applying debundling assessment to such activity is contradicting the very provisions of EB for SSC bundling.

In this background, while we are requesting for preclusion of very applicability of debundling assessment to small scale projects, scanning through definitions of its various provisions is not relevant. Thus SSC WG has missed to address our concern on “Precluding debundling assessment to SSC Bundles”.

ECO CARBON PVT. LTD.
When two guidelines/rules framed by CDM-EB contradict each other, subjecting the genuine project participants to suffer and lose money on transaction costs, it is fair on the part of EB to evaluate and bring a demarcation between their own two rules. For the convenience of EB a chart is provided to determine the qualifications of SSC-Bundle for registration.

A judicious decision may please be taken to uphold the right of SSC units to claim for carbon credits within the provisions of version 2.0 Annex 21, EB 66.

Thanking you,

Sincerely yours,

Dr N Bhanumathidas                 N Kalidas

Contd… Chart on determining the qualifications of SSC Bundles.
Determining qualifications of SSC-Bundles for Registration

CDM Project Activity-SSC Bundle Submitted for Registration

DOE validates and submits Validation Report To EB with Request for Registration

Has each of the project entities submitted a written agreement to bundle their individual project activity vide Para 18 (a) of “General Principles for Bundling” (version 2.0 Annex 21, EB 66): yes/no

Is there a Bundler/Aggregator to represent all the project participants to communicate with the Board within the provisions of Para 18 (b) of “General Principles for Bundling” (version 2.0 Annex 21, EB 66): yes/no

Whether the party, involved and intend to participate as a private and/or public entity authorized by the DNA of a Party involved to participate in a CDM project activity or PoA, is the Project Participant, as defined by “Glossary of CDM terms” (Version 6.0, Annex 63, EB 66): yes/no

Has the DOE ensured 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. (in the lines of EB 54, Annex 13 vide para 4(a) for type I projects): yes/no

Is there support that each project participant is an independent small scale unit duly registered by statutory bodies: yes/no

Is there substantiation in PDD that each unit conducts production right from raw material to finished product as per description of technology in the PDD, ruling out chances of fragmentation: yes/no

If all the answers draw yes, proceed for Registration

If any one of the answers draw no, subject the bundle for debundle assessment.