



**CDM: FORM FOR SUBMISSION OF A "LETTER TO THE BOARD"  
(Version 01.2)**

This form should be used only by project participants and other stakeholders for submitting a "Letter to the Board" in accordance with the latest version of the *Modalities and procedures for direct communication with stakeholders*

<i>Name of the stakeholder<sup>1</sup> submitting this form (individual/organization):</i>	N Kalidas, Executive Director/ Eco Carbon Pvt. Ltd. India
<i>Address and contact details of the individual submitting this form:</i>	Address: INSWAREB Lab Building, 32-10-55 Shri Venkateswara Colony, Visakhapatnam 530012 Telephone number: +91-891-2516411; +91-98481-91453 E-mail address: <a href="mailto:nkalidas@co2credits.biz">nkalidas@co2credits.biz</a> ; <a href="mailto:bhanukali@vsnl.com">bhanukali@vsnl.com</a>
<i>Title/Subject (give a short title or specify the subject of your submission)</i>	<a href="#">Request for personal hearing at Bonn or any other suitable place to represent the issue of non-applicability of debundling rules to bundles of small scale units owned individually and operated independently.</a>
<i>Please mention whether the submitter of the form is:</i>	<input type="checkbox"/> Project participant <input type="checkbox"/> Other stakeholder, please specify
<i>Specify whether you want the letter to be treated as confidential<sup>2</sup>:</i>	<input type="checkbox"/> To be treated as confidential <input type="checkbox"/> To be publicly available (UNFCCC CDM web site)
<i>Please choose any of the type(s) below<sup>3</sup> to describe the purpose of this submission.</i>	
<input type="checkbox"/> <b>Type I:</b> <input type="checkbox"/> <b>Request for clarification</b> <input type="checkbox"/> <b>Revision of existing rules</b> <input type="checkbox"/> Standards. Please specify reference <input type="checkbox"/> Procedures. Please specify reference <input type="checkbox"/> Guidance. Please specify reference                      EB 54 Annex 13 <input type="checkbox"/> Forms. Please specify reference <input type="checkbox"/> Others. Please specify reference  <input type="checkbox"/> <b>Type II: Request for Introduction of new rules</b> <input type="checkbox"/> <b>Type III: Provision of information and suggestions on policy issues</b>	
<i>Please describe in detail the issue on which you request a response from the Board, including the exact reference source and version (if applicable).</i>	

<sup>1</sup> DNAs and DOEs shall use the respective DNA/DOE forms for communication with the Board.

<sup>2</sup> As per the applicable modalities and procedures, the Board may make its response publicly available.

<sup>3</sup> Latest CDM regulatory documents and information are available at: <http://cdm.unfccc.int/Reference/index.html> .

We are inventors of patented FaL-G technology for manufacturing bricks and blocks based on fly ash, without using thermal energy, leading to abate use of coal totally. In view of its contribution to Sustainable Development, we have signed with the World Bank (CDCF) to promote 8 bundles and started enrolling our licensee-units into bundles since 2005, abided by the provisions of Bundling offered by CDM-EB vide SSC-WG 3 Annex 2 and EB 21 Annex 21. It should be clarified that FaL-G brick units, how big it may be, do not fall in large scale project activity. Thus fragmentation issue is irrelevant to FaL-G brick units.

However, the ‘Guidelines on Assessment of Debundling for SSC Project Activities’ vide EB 54 Annex 13, which is articulated to check the fragmentation of large scale project activity and sneaking into small scale bundles, is made applicable to our bundles despite their constitution with small scale units with independent entities, operations and licences. Thus Bundle 4 (Ref No. 5348), submitted for Registration, was negated Registration on the premise of Debundling Assessment, compelling DOE to stop processing of Bundle 5 and 6 for want of clarity.

1. Our request for revision SSC\_680 taken up at SSC-WG 40 appeared to have missed the subject as evident out of their reply covering altogether different aspect. For your kind ready reference we reproduce the excerpts as below:

We have requested for, [“Precluding Debundling Assessment to Bundles constituted of individually operated SSC units with holistic production activity right from raw materials to finished product.”](#)

SSC-WG 40 responded saying, [“Under the current requirements of the CDM, it is out of the scope of the DOE to validate the specific role of a project participant within a project activity, for example whether it has operational and/or financial control of the project or if it is only a technology supplier. As per the glossary of CDM terms, a project participant is defined as a “Party involved that intends to participate, or a private and/or public entity authorized by the DNA of a Party to participate in a CDM project activity or PoA, as applicable”.](#)

[The SSC WG understands that there may be cases when project participants listed in the PDD do not have operational or financial control of a project activity, however, once they are registered as a project participant in the PDD, they will be considered a project participant if an assessment of debundling is required as per the “Guidelines on the assessment of debundling”. It is out of the scope of the SSC WG to modify the definition or to create sub-categories for various types of project participants. Thus the SSC WG agreed to not recommend the revision.”](#)

2. The purpose of stakeholders’ interactions is defeated when SSCWG deviates in its response, without dealing with the basic issue for which the revision was requested by PP.

3. Also two of our Request letters, suggesting different ways to resolve the stalemate, are pending with CDM-EB on the same subject.

4. New CDM rules and definitions should not be detrimental to the Project Activity which is abided by the rules in vogue of CDM-EB. New rules and definitions should not be invoked on Bundling projects which have been signed earlier to the advent of new rules.

5. The confidence of innocent small scale units reposed on PP and the World Bank, should not be put at stake by invoking the rules on the projects signed earlier. The business models once signed cannot be changed with advent of EB rules from time to time.

6. In this background, in order to have fair discussion and to drive the point free of distortions, we solicit for personal meeting with CDM-EB at Bonn or at any other suitable place of their choice, giving sufficient notice to us for ticketing and obtention of Visa.

*Please provide any specific suggestions or further information which would address the issue raised in the previous section, including the exact reference source and version (if applicable).*

>> CDM: FORM FOR SUBMISSION OF A “LETTER TO THE BOARD” from Carbon Finance Unit of the World Bank dt. 17 Dec 2012.

*If necessary, list attached files containing relevant information (if any)*

- [1] Request for revision of the Guidelines on assessment of debundling for SSC project activities dt. 30.1.2013.
- [2] Response fm SSC-WG 40 dt 19.4.2013.
- [3] Letter to the Board from the World Bank dt. 17.12.12

**Section below to be filled in by UNFCCC secretariat**

Date when the form was received at UNFCCC secretariat	12 May 2013
Reference number	2013-263-S

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### History of document

Version	Date	Nature of revision
01.2	08 February 2012	Editorial revision.
01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.
<b>Decision Class:</b> Regulatory <b>Document Type:</b> Form <b>Business Function:</b> Governance		



(To be used for presenting questions/proposals/amendments related to the simplified methodologies for small-scale CDM project activity categories)

GENERAL INFORMATION	
<b>Name:</b>	Dr N Bhanumathidas Institution: Eco Carbon Pvt. Ltd.
<b>Affiliation:<sup>4</sup></b>	<input type="checkbox"/> DNA <input type="checkbox"/> DOE <input type="checkbox"/> PP <input type="checkbox"/> Stakeholder
<b>Title/Subject (max. 200 characters):</b>	Precluding Debundling Assessment to bundles constituted of Individually Operated SSC units with holistic production activity right from raw material to finished product.
<b>Purpose of the submission:</b>	<input type="checkbox"/> Query on an approved SSC methodology or small scale procedures <sup>5</sup> <i>(Fill in field 1. below)</i> <input type="checkbox"/> Request for revision of an approved SSC methodology /Procedure <i>(Fill in fields 2. and 3. below)</i> <input type="checkbox"/> Proposal for a new SSC methodology <i>(Fill in fields 4. and 5. below)</i>
<b>Approved SSC methodologies<sup>2</sup> to which your submission relates to, if applicable:</b>	To SSC bundles in all types, more so with particular reference to bundles under AMS III.Z
<b>Contact Information:</b> <i>(e-mail addresses to which the answers are to be delivered and phone contacts for possible dialogue on the submission)</i>	Dr N Bhanumathidas Alternate: Mr N Kalidas nbhanumathidas@co2credits.biz bhanukali@vsnl.com Land line: +91-891-2516411 Mobile: +91-9848369930
<b><u>Information for completing the form</u></b>	
Describe the questions related to the SSC methodologies, modalities and procedures below. If the questions are related to a project under development or implementation, you may describe the context in which they arose.	
<b>Query on an approved SSC methodology or SSC procedures</b>	
1. If you have questions relating to the application of an approved small-scale methodology (AMS) please specify and provide reference to the exact technology/measure below. If you have questions related to procedures for SSC project activities please clarify below:	

<sup>4</sup> Designated National Authority (DNA); Designated Operational Entity (DOE); Project Participant (PP), and Stakeholder.

<sup>5</sup> The list of all approved small-scale methodologies (AMS) can be found at <<http://cdm.unfccc.int> and go to CDM: small scale CDM methodologies>.

### Request for revision of an approved SSC methodology

2. If you are proposing an amendment/revision to an approved small-scale methodology (AMS), please provide justifications below:

This is request for revision of SSC procedure.

This is with regard to 'Debundling Assessment' referred to certain bundled projects, despite their constitution with individually operated small scale units. Applying 'Debundling Assessment' is defeating the very purpose for which "Bundling" was articulated by CDM-EB as defined vide EB 21 Annex 21; EB 66 Annex 21 and Glossary of terms in EB 70.

'Debundling' is clearly defined by EB at various occasions, including in the latest EB70 stating, "A large-scale CDM project activity or A/R CDM project activity that has been separated into smaller, separate parts". Thus 'Debundling Assessment' draws its definition as 'Assessment of large scale CDM project activity that has been separated into smaller, separate parts'.

If the above definition is applied for validation, only such CDM bundled project, which appear to be constituted with the defragmented units of large scale CDM project activity, needs to be subjected for 'Debundling Assessment'. Missing this rationality, some bundled projects are being referred under RfR, delaying the process of Registration. For example, projects with reference No. 4585 and 5348 have suffered RfR on the same issue, whereas project ref. No. 4831 was registered without such issue. This shows that certain members of CDM team do go by rationality where as certain others are strictly sitting tight within the frame of rule based mechanism.

In this background, in order to avoid confusion on applicability of 'Debundling Assessment' and put at rest all controversies on the subject during pending and future validations, we request EB to provide the following clarification under 'Debundling Assessment':

'As long as a SSC-Bundling CDM project demonstrates in PDD the constitution of independently owned individual production units with holistic production activity right from raw material input up to finished product output as described by technology, satisfying the criteria of bundling vide EB 21 Annex 21 and EB 66 Annex 21, such bundle need not be subjected to debundling assessment.

'As long as a SSC-Bundling CDM project, under any Type, demonstrates in PDD the constitution of independently owned individual production units with holistic production activity right from raw material input up to finished product output as described by technology, satisfying the criteria of bundling as per rules, though such bundle incidentally falls within the provisions of debundling assessment on one or multiple counts, these provisions are not applicable to such bundle, thereby precluding such bundle from debundling assessment.'

3. If you are proposing an amendment/revision to an approved small-scale methodology (AMS) please provide the draft methodology with changes highlighted:

**The following documents have been attached to this form:**

- Draft methodology with changes highlighted in Word and PDF formats
- PDD in PDF format (optional)
- Additional information (please specify if you are providing any information note, published paper or a report in support of the request for revision of the SSC methodology)

### Proposal for a new SSC methodology

4. If you are proposing a new small scale methodology, please provide justifications below :

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5. For submitting a new small scale methodology a filled in form "CDM: form for proposed new small scale methodologies (F-CDM-SSC-NM)" is required.:

**The following documents have been attached to this form:**

- Completely filled in form "CDM: form for proposed new small scale methodologies (F-CDM-SSC-NM)" in Word and PDF formats <sup>6</sup>
- A draft PDD (with sections A to C completed):
- Relevant annexes to the PDD are provided
- Additional information (please specify if you are providing any information note, published paper or a report in support of the new SSC methodology)

Request for Clarification was sought from EB on 27<sup>th</sup> September followed by a teleconference with CDM Team on 19<sup>th</sup> November 2012. Based on the advice from Secretariat dt.18<sup>th</sup> January 2013 suggesting to submit a proposal for a revision to the "Guidelines on assessment of debundling for SSC project activities", this revision request is filed. Relevant documents are attached.

<b>Date you are delivering the contribution:</b>	30 January 2013
SECTION TO BE FILLED IN BY THE UNFCCC SECRETARIAT	
<b>SSC-Submission number:</b>	

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**History of the document**

Version	Date	Nature of revision(s)
03.1	12 April 2012	Editorial changes to include new logo and other improvements.
03.0	EB34, Annex 11 14 September 2007	Revised to improve small-scale methodology consideration process.
02.1	7 February 2007	
02.0	EB25, Annex 34 28 July 2006	Revised to enhance user friendliness: to indicate when a submission is a: request for clarification, request for revision of a category or a request for creation of a new category.
01.0	5 February 2005	Initial publication.
<b>Decision Class:</b> Regulatory <b>Document Type:</b> Form <b>Business Function:</b> Methodology		

<sup>6</sup> The current version of the form (F-CDM-SSC-NM) is available on the UNFCCC CDM website (<http://cdm.unfccc.int>).



**CDM: Recommendation form for Small Scale Methodologies  
(Version 01.1)**

*(To be used for presenting questions/proposals/amendments to the simplified methodologies for small-scale CDM project activity categories)*

<b>Date of SSC WG meeting:</b>	16–19 April 2013, SSC WG 40
<b>Title/Subject (give a small title or specify the subject of your submission, maximum 200 characters):</b>	Revision of the Guidelines on assessment of debundling for SSC project activities
<b>Indicative methodology to which your submission relates</b> <i>(refer the items of Appendix B of the Simplified Modalities and Procedures), if applicable:</i>	AMS-III.Z “Fuel Switch, process improvement and energy efficiency in brick manufacture”
<b>Name of the authors of the query:</b>	Dr N Bhanumathidas Institution: Eco Carbon Pvt. Ltd. <a href="mailto:nbhanumathidas@co2credits.biz">nbhanumathidas@co2credits.biz</a> , <a href="mailto:bhanukali@vsnl.com">bhanukali@vsnl.com</a>

**Summary of the query:**

Please use the space below to summarize the query related to SSC methodologies/categories SSC Modalities and Procedures provide recommendation/analysis of the SSC WG.

Original text from PP:

This is request for revision of SSC procedure.

This is with regard to ‘Debundling Assessment’ referred to certain bundled projects, despite their constitution with individually operated small scale units. Applying ‘Debundling Assessment’ is defeating the very purpose for which “Bundling” was articulated by CDM-EB as defined vide EB 21 Annex 21; EB 66 Annex 21 and Glossary of terms in EB 70.

‘Debundling’ is clearly defined by EB at various occasions, including in the latest EB70 stating, “A large-scale CDM project activity or A/R CDM project activity that has been separated into smaller, separate parts”. Thus ‘Debundling Assessment’ draws its definition as ‘Assessment of large scale CDM project activity that has been separated into smaller, separate parts’.

If the above definition is applied for validation, only such CDM bundled project, which appear to be constituted with the defragmented units of large scale CDM project activity, needs to be subjected for ‘Debundling Assessment’. Missing this rationality, some bundled projects are being referred under RfR, delaying the process of Registration. For example, projects with reference No. 4585 and 5348 have suffered RfR on the same issue, whereas project ref. No. 4831 was registered without such issue. This shows that certain members of CDM team do go by rationality where as certain others are strictly sitting tight within the frame of rule based mechanism.

In this background, in order to avoid confusion on applicability of ‘Debundling Assessment’ and put at rest all controversies on the subject during pending and future validations, we request EB to provide the following clarification under ‘Debundling Assessment’:

‘As long as a SSC-Bundling CDM project demonstrates in PDD the constitution of independently owned individual production units with holistic production activity right from raw material input up to finished product output as described by technology, satisfying the criteria of bundling vide EB 21 Annex 21 and EB 66 Annex 21, such bundle need not be subjected to debundling assessment.

‘As long as a SSC-Bundling CDM project, under any Type, demonstrates in PDD the

constitution of independently owned individual production units with holistic production

F-CDM-SSCwg

SSC\_680

activity right from raw material input up to finished product output as described by technology, satisfying the criteria of bundling as per rules, though such bundle incidentally falls within the provisions of debundling assessment on one or multiple counts, these provisions are not applicable to such bundle, thereby precluding such bundle from debundling assessment.'

**Recommendation by the SSC WG:**

Please use the space below to provide amendments / change (in your expert view, if necessary).

Please refer to paragraph 46 of the meeting report of the SSC WG 40  
<[http://cdm.unfccc.int/Panels/ssc\\_wg](http://cdm.unfccc.int/Panels/ssc_wg)>.

**Answer to authors of query by the SSC WG:**

Please use the space below to provide answer to the authors of the above query.

The small-scale working group (SSC WG) of the CDM Executive Board would like to thank the author for the submission.

Under the current requirements of the CDM, it is out of the scope of the DOE to validate the specific role of a project participant within a project activity, for example whether it has operational and/or financial control of the project or if it is only a technology supplier. As per the glossary of CDM terms, a project participant is defined as a "Party involved that intends to participate, or a private and/or public entity authorized by the DNA of a Party to participate in a CDM project activity or PoA, as applicable".

The SSC WG understands that there may be cases when project participants listed in the PDD do not have operational or financial control of a project activity, however, once they are registered as a project participant in the PDD, they will be considered a project participant if an assessment of debundling is required as per the "Guidelines on the assessment of debundling". It is out of the scope of the SSC WG to modify the definition or to create sub-categories for various types of project participants. Thus the SSC WG agreed to not recommend the revision.

Signature of SSC WG Chair: Mr. Martin Cames

Date: 19/04/2013

Signature of SSC WG Vice-Chair: Mr. Washington Zhakata

Date: 19/04/2013

**SECTION TO BE FILLED IN BY THE UNFCCC SECRETARIAT**

**SSC-Submission number:**

SSC\_680

**Date when the form was received at UNFCCC secretariat:**

19 April 2013

**Date of transmission to the EB:**

19 April 2013

**Date of posting in the UNFCCC CDM web site:**

19 April 2013

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## History of the document

Version	Date	Nature of revision(s)
01.1	12 April 2012	Editorial changes to include new logo and other improvements.
01.0	2005	Initial publication.
<b>Decision Class:</b> Regulatory <b>Document Type:</b> Form <b>Business Function:</b> Methodology		

**CDM: FORM FOR SUBMISSION OF A “LETTER TO THE BOARD”  
(Version 01.2)**

Version 01.2/ 8 February 2012

This form should be used only by project participants and other stakeholders for submitting a “Letter to the Board” in accordance with the latest version of the *Modalities and procedures for direct communication with stakeholders*

	
<i>Name of the stakeholder<sup>7</sup> submitting this form (individual/organization):</i>	Carbon Finance Unit, the World Bank
<i>Address and contact details of the individual submitting this form:</i>	Address: 1818 H Street, NW, Washington, DC 20433 Telephone number: +1-202-458-2907 E-mail address: zcheng2@worldbank.org
<i>Title/Subject (give a short title or specify the subject of your submission)</i>	"India-FaL-G Brick and Blocks Project No.4. " (#Ref:5348):
<i>Please mention whether the submitter of the form is:</i>	<input type="checkbox"/> Project participant <input type="checkbox"/> Other stakeholder, please specify
<i>Specify whether you want the letter to be treated as confidential<sup>8</sup>:</i>	<input type="checkbox"/> To be treated as confidential <input type="checkbox"/> To be publicly available (UNFCCC CDM web site)
<i>Please choose any of the type(s) below<sup>9</sup> to describe the purpose of this submission.</i>	
<input type="checkbox"/> <b>Type I:</b> <input type="checkbox"/> <b>Request for clarification</b> <input type="checkbox"/> <b>Revision of existing rules</b> <input type="checkbox"/> Standards. Please specify reference <input type="checkbox"/> Procedures. Please specify reference <input type="checkbox"/> Guidance. Please specify reference <input type="checkbox"/> Forms. Please specify reference <input type="checkbox"/> Others. Please specify reference: Case specific clarification on request for review on application of "Guidelines on assessment of debundling for SSC project activities (V3, Annex 13, EB 54)" and "General Principles for Bundling" (V2, Annex 21, EB 66).  <input type="checkbox"/> <b>Type II: Request for Introduction of new rules</b> <input type="checkbox"/> <b>Type III: Provision of information and suggestions on policy issues</b>	
<i>Please describe in detail the issue on which you request a response from the Board, including the exact reference source and version (if applicable).</i>	

<sup>7</sup> DNAs and DOEs shall use the respective DNA/DOE forms for communication with the Board.

<sup>8</sup> As per the applicable modalities and procedures, the Board may make its response publicly available.

<sup>9</sup> Latest CDM regulatory documents and information are available at: <http://cdm.unfccc.int/Reference/index.html> .

1. Request for review of “India-FaL-G Brick and Blocks Project No.4. ” (the Project) (Ref#:5348).

The Project was requested to clarify how it is not a de-bundled component of a large scale project activity as per the requirements of EB 54, Annex 13, paragraph 2, with the query focused on Eco Carbon Pvt. Ltd (ECPL), which is listed as the project participant in the PDD and the host country LoA for this Project as well as two other SSC projects (UNFCCC Ref# 4585 and # 4831) that have been registered in the past two years.

The International Bank for Reconstruction and Development (IBRD) as the trustee of the Community Development Carbon Fund would like to submit that the project #5348 was developed in compliance of the *General Principles for Bundling* (EB21, Annex 21; EB66, Annex 21). The evidence presented in the PDD and the supporting documentation, and its validation by DOE be taken into account in the review. In this reference, information on the project’s compliance of the bundling procedures was shared with the UNFCCC Secretariat in the conference call on 4 December 2012 by IBRD, ECPL, and the DOE (DNU).

2. In the project, legally independent small scale brick manufacturing units through a written agreement bundled their activities and applied simplified baseline methodology to generate the emission reductions that are below the small scale threshold (EB 21 Annex 21; EB66, Annex 21). In this reference, the clarification on the application of ‘Debundling Assessment’, which is meant to check the fragmentation of large scale project activity to this project (paragraph 112, EB69), contradicts the paragraph 18 of *General Principles of Bundling* approved by the EB (EB66, Annex 21) to facilitate the implementation of small scale activities. With reference to the review, the below information clarifies that this project is compliant with the bundling guidelines and is not a debundled component of large scale project activity.
  - i. Per the paragraph 18 (a) of Annex 21, EB66, individual project participants listed in Annex 6 of the PDD bundled their project activities; and per the paragraph 18(b), Eco Carbon Pvt. Ltd represents all the project participants through written agreements established between ECPL, the bundling agent, and each of the brick manufacturing units, as Sub-Project Entities (SPEs); that the ECPL as the bundling agent and coordinator of bundling activity is expected to transfer carbon revenue to each independently owned and operated SPE of the bundle. This information is noted in the section A.3 (project participants) of the PDD, and the individual participating units in the bundle are listed in the Annex 6 of the PDD.
  - ii. The Project Concept Note was reviewed by the Indian DNA prior to the issuance of the LoA to the project. The LoA clearly states that the project is implemented at multiple locations (52 Micro Industrial Plants and Small scale Industrial Plants) in five states of India, whose details are presented in the Annex 6 of the PDD.
  - iii. The ECPL’s intention to bundle small brick manufacturing units is also established from the Emission Reduction Purchase Agreement (ERPA) signed with the IBRD as the trustee of the CDCF during 2006, based on the principles of bundling approved by EB in 2005.
  - iv. The DOE through its visits to the project sites has established in its validation report that the project is a bundle of small scale units owned and operated by independent entities listed in the Annex 6 of the PDD.
  - v. Multiple evidences from independent sources also prove the ECPL’s role as bundling agent, as organizer of the bundling process, and as coordinator of the participating units in the bundle. An example of evidence that clarifies the project as a bundle of independent brick manufacturing units is from the local newspaper “The Hindu” dated 8 August 2008, which reported on the transfer of carbon credits from 24 Fal G manufacturing units to the IBRD (World Bank) as the trustee of the CDCF through ECPL.
  - vi. The 183 Fal G units participating in the Fal-G projects 2 to 6, are located in 37 districts in eight states of India. With reference to the paragraph 2 (d) of the “Guidelines on assessment of debundling for SSC project activities”, the DOE has assessed that the annual emission reductions from 183 units located in each of the 37 clusters within 1 km range are below the small scale threshold.
3. Per the *General Principles of Bundling* (EB21, Annex 21; EB66, Annex 21), the ECPL is a project participant, representing independent participant units in the bundle. In the context of the Annex 13, EB54, paragraph 2 (d), even when considering independent units within 1km as clusters across Fal G 2-6 projects as bundles, the annual emission reductions from each bundle are below the threshold of type III small-scale CDM project activities.
4. In the above context, we submit that the project is in full compliance with the EB bundling procedures. The failure of this project’s registration even after its compliance with the EB guidelines on bundling will have adverse implications for participating small scale units. It would be unfortunate for this project if it is not registered at a time when CDM Executive Board and the High Level Panel have highlighted the need to simplify the CDM procedures to enable projects that are additional to be registered without delay. Taking

If necessary, list attached files containing relevant information (if any)

Attachment 1: cover page and section 6.01 of ERPA

TF056917

**Community Development Carbon Fund  
Clean Development Mechanism**

**Emission Reductions  
Purchase Agreement**

**Bundling of Micro Industrial Plants  
Manufacturing FaL-G Bricks and Blocks**

by and between

**ECO Carbon Private Limited**

and

**International Bank for Reconstruction and  
Development, as Trustee of the Community  
Development Carbon Fund**

Dated June 28, 2006

**Section 6.01 Project Development**

- (a) The number of sub-projects that form a single Project Activity ("Bundle") and expected Purchase Commencement Dates for each Bundle are set forth below:
  - (i) Subject to International Rules, eight Bundles are expected over the term of this Agreement. The dates for submitting draft PDDs for each Bundle are set out as follows:
    - (A) April 1, 2004 for the first Bundle
    - (B) November 1, 2006 for the second Bundle
    - (C) April 1, 2007 for the third Bundle
    - (D) November 1, 2007 for the fourth and fifth Bundle
    - (E) April 1, 2008 for the sixth and seventh Bundle
    - (F) November 1, 2008 for the eighth Bundle

Attachment 2: Newspaper "The Hindu" August 8, 2008

THE HINDU • MONDAY, AUGUST 11, 2008

## FaL-G units make money on 'carbon credit'

They have an advantage over conventional clay brick manufacturing units

**Special Correspondent**

**VIJAYAWADA:** Small-scale manufacturing units of fly ash bricks, known as FaL-G units because of the mix of fly ash, lime and gypsum they use, are walking away with substantial sums of money every year from the 'carbon credit' they are earning and transferring to the World Bank under an agreement valid till 2016.

A good number of these units, located mostly in the coastal districts, have entered into an agreement with the Eco Carbon Private Limited (ECPL), a project entity, which, in turn, entered into an 'Emission Reductions Purchase Agreement' with the World Bank to transfer the carbon credit earned by way of reduction of six lakh tonnes of carbon dioxide emissions till the agreement period.

These units are grouped into smaller 'bundles' for viable trading of carbon credit in international market.

At a function held here on Sunday, cheques for a total value of Rs.40 lakhs were distributed to 24 FaL-G units for


the carbon credit they earned and transferred to the World Bank through the ECPL for 2007-08.

Of the 24 units, 13 are under Bundle-1, while the remaining 11 are under Bundle-2. NPK Construction Systems, a Chennai-based unit, got the highest amount of Rs.3.23 lakhs, while most of the units got above Rs.1 lakh.

As much as Rs.52 lakhs, which was earned by transferring the carbon credit for 2004-07, was distributed to the Bundle-1 units last August.

ECPL executive director N. Kalidas said the FaL-G units had an advantage over conventional clay brick manufacturing units, as the latter burn 200 tonnes of coal for manufacture of 10 lakh bricks and release 380 tonnes of carbon dioxide into the air.

Since there would be no emission of this kind in the case of FaL-G bricks, FaL-G units were regarded as saving 350 tonnes of CO2 for every 10 lakh bricks they manufacture, after deducting credit for 30 tonnes towards the



Manufacturers of FaL-G bricks receive amounts for the 'carbon credits' they earned and transferred to the World Bank, at a function organised by Eco Carbon Private Limited in Vijayawada on Sunday. - PHOTO: RAJU V.

diesel and power they consumed.

"The initial price offered was only US \$ 4.8 for each tonne of CO2 reduced, but it has now gone up to US \$ 6.74. Already, 43 units have joined Bundle-3 which is now

closed, while doors are open for new FaL-G units to join Bundle-4," Mr. Kalidas said.

He said most of the FaL-G units were located in Vizianagaram, Vishakhapatnam, East Godavari, West Godavari, Krishna and Prakasam districts.

A part of the amount received from the World Bank was being spent directly by the ECPL for welfare of workers of these units, and only the remaining amount was being paid to entrepreneurs.

Section below to be filled in by UNFCCC secretariat	
Date when the form was received at UNFCCC secretariat	
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#### History of document

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