

**Annex 32****Guidelines on assessment of de-bundling for SSC project activities****(Version 02)****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 Decision¹

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 activities². 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.7³, the project activity can qualify to use simplified modalities and procedures for small-scale CDM project activities.

¹ 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).

² 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

³ 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 activities⁴

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 activities⁵

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).

⁴ Extract of the report of the thirtieth meeting of the Executive Board, paragraph 37

⁵ 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)

7. For the purposes of registration of a Programme of Activities (PoA)⁶, 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 activity⁷, 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.

8. 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.1⁸ 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.

9. If each of the independent subsystems/measures (e.g. biogas digester, solar home system) included in the CPA of a PoA is no greater than 1% of the small scale thresholds defined by the methodology applied⁹, then that CPA of PoA is exempted from performing de-bundling check i.e. considered as being not a de-bundled component of a large scale activity.

⁶ 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

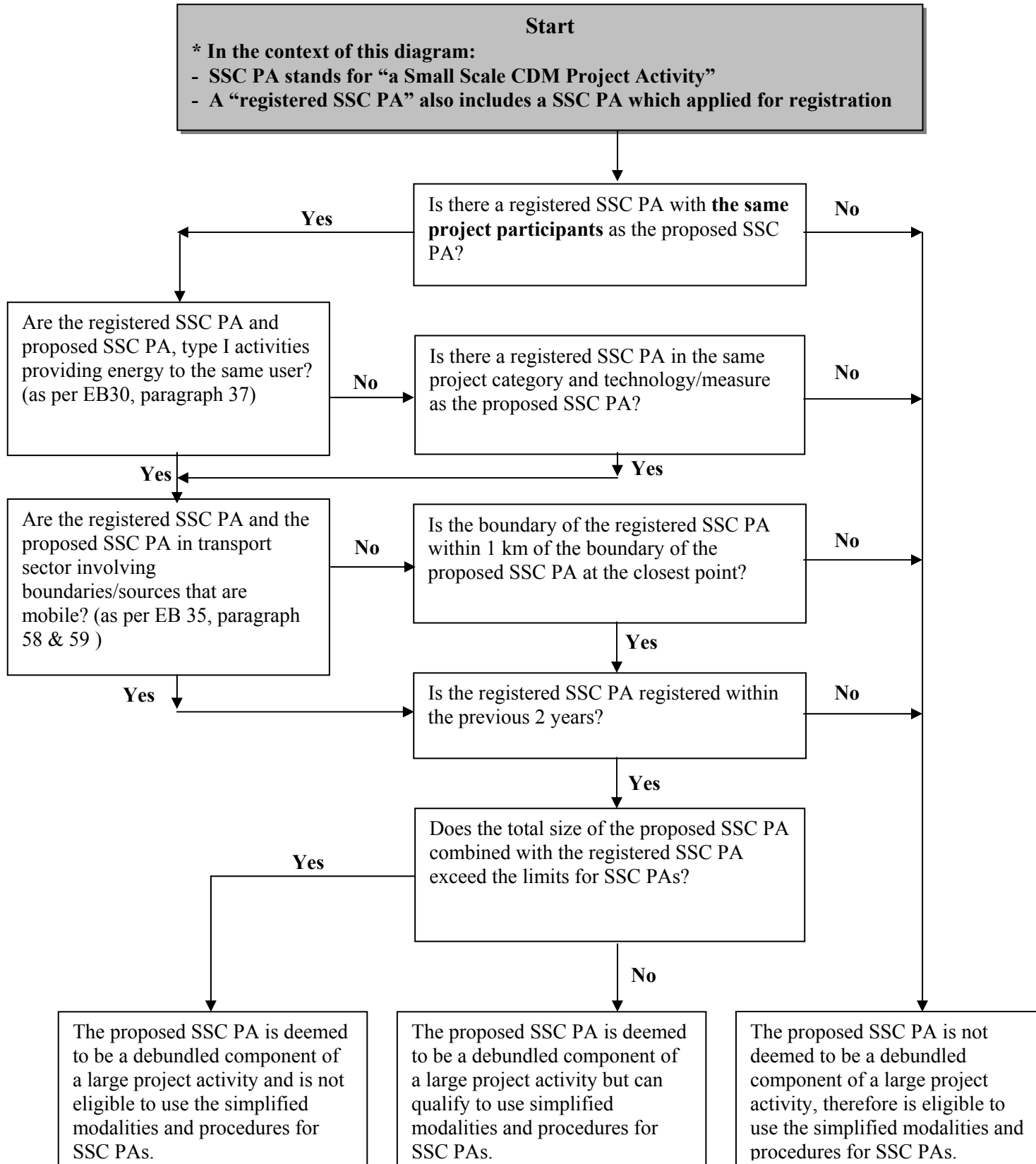
⁷ Which may be a (i) registered small-scale CPA of a PoA, (ii) an application to register another small-scale CPA of a PoA or (iii) another registered CDM project activity

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

⁹ i.e. 15 kW installed capacity or 0.6 GWh annual energy savings or 0.6 ktCO₂e annual emission reductions.

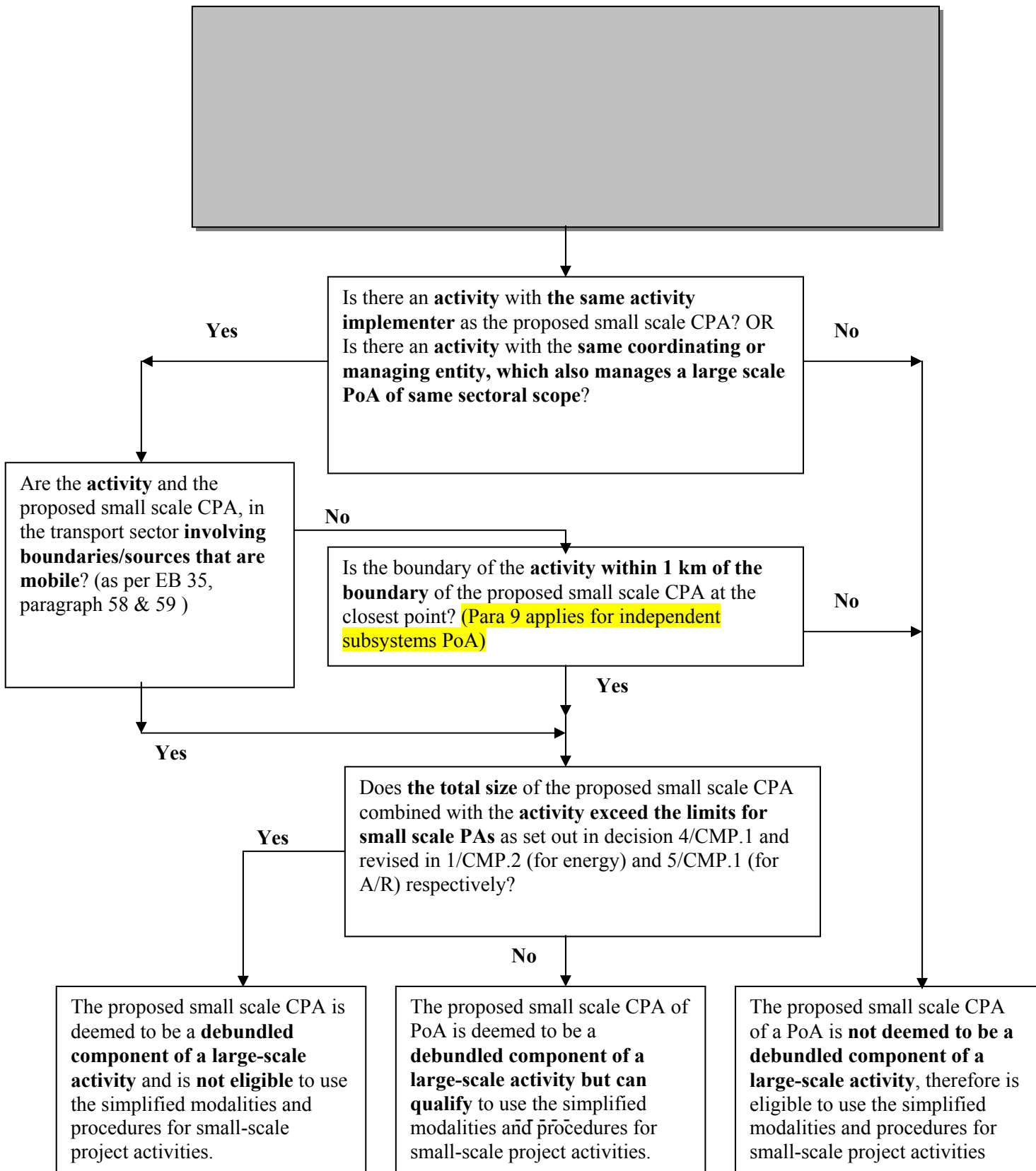


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II.





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Version	Date	Nature of revision
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