

Annex 7

**Appendix C<sup>1</sup> of the Simplified Modalities and Procedures for Small-Scale CDM project activities**

**DETERMINING THE OCCURRENCE OF DEBUNDLING**

1. Debundling is defined as the fragmentation of a large project activity into smaller parts. A small-scale project activity<sup>2</sup> 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>3</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:
  - With 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.
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, the project activity can qualify to use simplified modalities and procedures for small-scale CDM project activities.

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<sup>1</sup> This appendix has been developed in accordance with 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) and it constitutes appendix B to that document.

<sup>2</sup> A project activity is a measure, operation or an action that aims at reducing 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 a component/aspect of a project undertaken/planned.

<sup>3</sup> For the full text of the simplified modalities and procedures for small-scale CDM project activities see <http://unfccc.int/cdm/ssc.htm>.