



Annex 21

GENERAL PRINCIPLES FOR BUNDLING

(Version 02.0)

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I. Introduction

A. Background

1. The Executive Board of the clean development mechanism (CDM) (hereinafter referred to as the Board) adopted at its sixty-fifth meeting the “Clean development mechanism project standard” (hereinafter referred to as the Project standard) along with other regulatory documents as deliverables of objective 3(b) (“Clarification, consolidation and enhancement of the consistencies of all the existing regulatory decisions of the board that relate to validation and verification of project activities”) of the “CDM management plan 2011”.
2. The Project standard contains requirements for project participants to comply with in designing as well as in implementing any type of CDM project activities and programme of activities (PoAs) and monitoring greenhouse gas (GHG) emission reductions by sources or GHG removals by sinks.
3. More specifically, the Project standard requires project participants to follow the “General principles for bundling” (hereinafter referred to this document) if they bring together more than one small-scale CDM project activities as a bundle.

B. Objectives

4. The objective of this document are to:
 - (a) Enhance consistency and clarity of provisions applicable to bundling of proposed small-scale CDM project activities, and facilitate and promote a clear and common understanding by all parties involved in the CDM;
 - (b) Improve the quality and consistency of proposed bundled small-scale CDM project activities submitted by project participants in the CDM project cycle.

II. Scope and applicability

5. This document provides project participants with requirements and guidance in bundling proposed small-scale CDM project activities (hereinafter referred to as project activities).

III. Terms and definitions

6. In addition to the definitions contained in the “Glossary of CDM terms”, the following terms are used in this document:
 - (a) “Shall” is used to indicate requirements to be followed;
 - (b) “Should” is used to indicate that among several possibilities, one course of action is recommended as particularly suitable;
 - (c) “May” is used to indicate what is permitted.

IV. Requirements and guidance for any bundles

7. Each project activity in a bundle shall comply with all applicable provisions in the Project standard.



8. Once a project activity becomes part of a bundle for a project cycle stage, it shall not be de-bundled for this stage. The Board may consider debundling in exceptional situations.
9. The composition of bundles shall not change over time (i.e. the submission of project activities to be used in a bundle shall be made at the same time. A project activity shall not be taken out of a bundle nor shall a project activity be added to the bundle after registration).
10. All project activities in the bundle shall have the same crediting period (i.e. the same length and start date of the crediting period).
11. To submit a bundle of project activities for validation, project participants shall complete the “CDM small-scale project activities bundling form” (F-CDM-SSC-BUN) and provide all necessary information and documentation to demonstrate compliance of the bundle with all applicable CDM rules and requirements.
12. When completing the F-CDM-SSC-BUN, project participants should follow the applicable guidelines.
13. The sum of the size of the technology or measure utilized in the bundle shall not exceed the limits of each type of small-scale project activities as defined in the Project standard (type I, II or III).
14. It shall be demonstrated that the bundle will remain under the limit of its type every year during the crediting period. The total emission reductions estimated for the crediting period shall be included in the project design document (PDD) of each project activity and further monitored.
15. If during its crediting period a bundle goes beyond the limits of its type, the emission reductions that can be claimed for this particular year shall be capped at the maximum emission reductions estimated in the PDD of the registered project activities in the bundle for that year during the crediting period.
16. The letter of approval by the host Party(ies) shall indicate that the Party is aware that the project activity(ies) taking place in its territory is part of the bundle.
17. Whether a bundle of project activities is submitted with a single or multiple PDDs, it will have only one reference number for all project activities in the bundle for the issuance of certified emission reductions (CERs).
18. As an element to be part of the request for registration, project participants shall provide a written statement indicating:
 - (a) The agreement of all project participants to bundle their individual project activities;
 - (b) One project participant who shall represent all project participants to communicate with the Board, in accordance with the Project standard and the “Clean development mechanism project cycle procedure”.
19. A single designated operational entity (DOE) may validate the bundle of project activities.
20. For a bundle of project activities using multiple PDDs, all PDDs shall be made publicly available at the same time for public comments in the global stakeholder consultation. If the validating DOE considers that major changes are required in any of the project activities of the bundle, and that this requires the PDD(s) to be made publicly available for public comments another time, the whole bundle shall be made publicly available for public comments. The DOE shall consider the public comments for each project activity.



21. Bundled project activities shall be submitted in a single submission to the Board and pay only one fee proportional to the amount of expected average annual emission reductions of the total bundle.
22. If three Board members or a Party involved in a project activity of the bundle requests the review of the project activity, all project activities in the bundle remain under review and the implications and recommendations on the review of the project activity shall lead to a decision by the Board to register or not all project activities together.
23. One verification report is adequate for the bundle of project activities, and one issuance of CERs will be made, if all applicable CDM rules and requirements are met, at the same time for the same crediting period.

V. Specific requirements and guidance for bundling of project activities of the same type, methodology and technology/measure

24. The following requirements and guidance apply to the bundling of project activities of the same type, methodology and technology/measure:
- (a) Project participants may submit a single PDD covering all project activities in the bundle, in addition to a completed F-CDM-SSC-BUN;
 - (b) Project activities may use the same baseline under some conditions (details on these conditions will be further elaborated). In such case, project participants should justify the same baseline by considering the particular situation for each project activity in the bundle;¹
 - (c) A common monitoring plan may be utilized for all project activities in the bundle with the submission of one monitoring report, under conditions to be specified (e.g. conditions for sampling);
 - (d) If different baselines are used, and project participants use a sampling approach, such approach shall address specificities of different baselines, including the proportionate representative samples of each baseline used;
 - (e) If a single PDD is used for all project activities, a single verification and certification report shall be submitted by the DOE.

VI. Specific requirements and guidance for bundling of project activities of different type, methodology or technology/measure

25. The following requirements and guidance apply to bundling of project activities of: (a) the same type, same methodology and different technology/measure; (b) same type, different methodologies and technologies/measures and; and (c) different types:
- (a) Project participants shall submit a single PDD for each project activity in the bundle, in addition to a completed F-CDM-SSC-BUN;
 - (b) Project activities may use the same baseline under some conditions (details on these conditions will be further elaborated);

¹ As an example, two project activities using the same technology to produce electricity but connected to different grids shall use different baselines.



- (c) Separate monitoring plans are required for each project activity in the bundle and separate monitoring reports shall be prepared;
- (d) One verification and certification report may be submitted for the bundle provided that it addresses each project activity of the bundle separately. The report shall cover the same period as the monitoring period of all project activities.

History of the document

| Version | Date | Nature of revision |
|--|---------------------------------------|--|
| 02.0 | EB 66, Annex 21 2 March 2012 | Revision required to ensure consistency with the CDM Project Standard and Project Cycle Procedure as referenced in Appendix 1, <i>Implementation plan for the CDM Project Standard, Validation and Verification Standard and Project Cycle Procedure</i> (EB 65 report, annex 6, appendix 1) |
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