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Att: CDM Executive Board

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QUESTIONS RAISED BY CDM EXECUTIVE BOARD MEMBERS	RESPONSE SUMMARY FROM DNV	ACTION TAKEN (IF RELEVANT)
<p>Q1: The DOE shall clarify how it has validated that the project activity is not a de-bundled component of a large scale project activity in line with EB 54, Annex 13, paragraph 2. In doing so, the DOE shall also explain 1) why the occurrence of de-bundling was demonstrated in terms of individual brick plants which are not the project participant as mentioned in the PDD and</p>	<p>The project activity is a bundling project of 52 small FaL-G (Fly ash-Lime-Gypsum) plants located in ten districts in the State of Andhra Pradesh, ten districts in Tamil Nadu, and one district in each of Chhattisgarh, Jharkhand and Madhya Pradesh. The project proponent, Eco Carbon Pvt. Ltd. (ECPL), acts as the coordinator and focal point. The project proponent is authorized by individual entrepreneurs to represent them for all matters related to CDM. As a result, the DNA of India authorized only Eco Carbon Pvt. Ltd. as CDM project participants and not all participating individual entrepreneurs. ECPL is not directly involved in the operation of the brick manufacturing units.</p> <p>In its validation of whether project activity 5348 is a de-bundled component of a large scale project activity, DNV considered the following similar registered small-scale CDM project activities 0707 (Fal-</p>	<p>The validation report has been revised to include these further explanations.</p>

the host country LoA; and 2) how EB 54, Annex 13, paragraph 2 (d) has been addressed. It is noted that two small scale project activities (UNFCCC Ref# 4585 and # 4831) have been registered in the past two years, using the same methodology/technology and they were developed by the same project participant ("Eco Carbon Pvt. Ltd"). Please refer to VVM v1.2 paragraph 136 (c).

G 1), 4585 (Fal-G 2) and 4831 (Fal-G 3) and the similar project activities "India Fal-G Brick and Block Project No. 5" (Fal-G 5) and "India FaL-G Brick and Blocks Project No.6" (Fal-G 6) which are applying to be registered as small-scale CDM project activities.

The project Fal-G 1 was registered on 16 Feb 2007. In accordance with paragraph 2 (c) of the "Guidelines on assessment of debundling for SSC project activities", Fal-G 1 does not have to be considered in the assessment of whether Fal-G 4 is a de-bundled component.

DNV's assessment of whether Fal-G 4 is a de-bundled component of Fal-G 2, Fal-G 3, Fal-G 5 and Fal-G 6 was based on the fact that all participating entrepreneurs in these projects are legally independent. Hence, DNV concluded that based on paragraph 2 (a) of the "Guidelines on assessment of debundling for SSC project activities", Fal-G 4 is not a de-bundled component of the other Fal-G projects.

However, based on the clarifications provided by the EB at EB 69 (EB 69 report, paragraph 112), it became evidence that ECPL shall be considered as the project participant in the context of paragraph 2 (a) of the "Guidelines on assessment of debundling for SSC project activities". Hence, as ECPL is a project participant in all Fal-G projects, DNV also further assessed whether the project Fal-G 4 needs to be considered a de-bundled component in context of paragraph 2 (d) of the "Guidelines on assessment of debundling for SSC project activities". It must be noted that the EB 69 clarification was not yet available at the time of the submission of the initial registration request for the project.

The total number of Fal G units in the projects Fal-G 2 to Fal-G 6 are:

Project activity name	Number of units
India-FaL-G Brick and Blocks Project No.2	11
India-FaL-G Brick and Blocks Project No.3	42
India-FaL-G Brick and Blocks Project No.4	52

India-FaL-G Brick and Blocks Project No.5	49
India-FaL-G Brick and Blocks Project No.6	29

The total number of FaL-G unit is 183. Please note that the number of units in project FaL-G 6 was reduced to 29 from 32 (as stated in webhosted PDD) and DNV in its on-going validation of project Fal-G 6 verified that these 3 units were removed from the bundle.

In line with paragraph 2 (d) and 3 of the “Guidelines on assessment of debundling for SSC project activities”, it has been assessed that the emission reduction from units within 1 km range are less than 60 000 tCO₂ per annum. To have a conservative assessment of paragraph 2 (d), the Fal-G units in one district have been considered as one cluster.

The participating 183 FaL-G units are located in 37 districts in 8 states of India. Considering all the participating 183 Fal-G units in India and each district as one cluster, it has been validated that the total number of clusters is 37. The emission reduction per year from each of these 37 clusters is in the range of 726 tCO₂ to 59 299 tCO₂ per year. Thus, it is demonstrated that emission reduction from each of the cluster is less than 60 000 tCO₂. Hence, even when considering each district as a bundle, the emission reductions from each bundle are below the eligibility limit for type III small-scale CDM project activities.

Hence, it is DNV’s opinion that in line with paragraph 3 of the “Guidelines on assessment of debundling for SSC project activities”, the project activity can qualify to use simplified modalities and procedures for small-scale CDM project activities.