



**UNITED
NATIONS**



**Framework Convention
on Climate Change**

Distr.
LIMITED

FCCC/SBSTA/2004/L.9
24 June 2004

Original: ENGLISH

SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE

Twentieth session

Bonn, 16–25 June 2004

Agenda item 3 (b)

Methodological issues

**Small-scale afforestation and reforestation project
activities under the clean development mechanism**

**Draft conclusions proposed by the Chair of the contact group
on agenda item 3 (b)**

1. The Subsidiary Body for Scientific and Technological Advice (SBSTA) welcomed the information provided in documents FCCC/SBSTA/2004/MISC.3 and FCCC/SBSTA/2004/MISC.4. It took note of documents FCCC/TP/2004/2 (which the secretariat had prepared in response to a request by decision 19/CP.9), FCCC/WEB/2004/1 and FCCC/WEB/2004/2.
2. The SBSTA made progress in its consideration of simplified modalities and procedures for small-scale afforestation and reforestation project activities under the clean development mechanism (CDM) and prepared a draft negotiating text for further consideration by the SBSTA at its twenty-first session (see the annex to this document).
3. The SBSTA requested the Chair of the SBSTA, with the assistance of the secretariat and on the basis of submissions by Parties contained in documents FCCC/SBSTA/2004/MISC.3 and FCCC/SBSTA/2004/MISC.4, and of inputs by Parties during the twentieth session of the SBSTA, to prepare a draft text for a decision on simplified modalities and procedures for small-scale afforestation and reforestation project activities under the CDM and on measures to facilitate the implementation of these project activities, for consideration by the SBSTA at its twenty-first session.
4. The SBSTA requested the secretariat to prepare documentation on any administrative and budgetary implications, in accordance with decision 16/CP.9, resulting from the adoption of a decision on simplified modalities and procedures for small-scale afforestation and reforestation project activities under the CDM and on measures to facilitate the implementation of these project activities, for consideration by the SBSTA at its twenty-first session.
5. The SBSTA agreed to continue this work at its twenty-first session, with a view to recommending a decision on simplified modalities and procedures for small-scale afforestation and reforestation project activities under the CDM and on measures to facilitate the implementation of these project activities, for adoption by the Conference of the Parties (COP) at its tenth session.

Annex

Draft negotiating text on simplified modalities and procedures for small-scale afforestation and reforestation project activities under the clean development mechanism

A. Introduction

1. Small-scale afforestation and reforestation project activities under the clean development mechanism (CDM) shall follow the stages of the project cycle specified in the modalities and procedures for afforestation and reforestation project activities under the CDM contained in the annex to decision 19/CP.9 (hereinafter referred to as the modalities and procedures for afforestation and reforestation project activities under the CDM). In order to reduce transaction costs, modalities and procedures are simplified for small-scale afforestation and reforestation project activities under the CDM as follows:

- (a) [Project activities may be bundled or portfolio bundled at the following stages in the project cycle: the project design document, validation, registration, monitoring, verification and certification. [The size of the total bundle should not exceed the limits stipulated in paragraph 1 (i) of the modalities and procedures for afforestation and reforestation project activities under the CDM]];
- (b) The requirements for the project design document are reduced;
- (c) Baseline methodologies by project type are simplified to reduce the cost of developing a project baseline;
- (d) Monitoring plans are simplified, including simplified monitoring requirements, to reduce monitoring costs;
- (e) The same operational entity may undertake validation, and verification and certification.

2. Simplified baseline and monitoring methodologies may be developed for types of small-scale afforestation and reforestation project activities under the CDM. They are presented in appendix B below. This list shall not preclude other types of small-scale afforestation and reforestation project activities under the CDM. If a proposed small-scale afforestation or reforestation project activity under the CDM does not fall into any of the types in appendix B below, the project participants may submit a request to the Executive Board of the CDM (hereinafter referred to as the Executive Board) for approval of a simplified baseline and/or monitoring plan developed bearing in mind the provisions in paragraph 8 below.

3. The modalities and procedures for afforestation and reforestation project activities under the CDM shall apply to small-scale afforestation and reforestation project activities under the CDM except for its paragraphs 12–30. The following paragraphs 4–35 apply instead. Appendix A below should replace, as appropriate, the provisions in appendix B of the modalities and procedures for afforestation and reforestation project activities under the CDM.

B. Simplified modalities and procedures for small-scale afforestation and reforestation project activities under the clean development mechanism

4. To use simplified modalities and procedures for small-scale afforestation and reforestation CDM project activities, a proposed project activity shall:

- (a) Meet the eligibility criteria for small-scale afforestation and reforestation project activities under the CDM set out in paragraph 1 (i) of the modalities and procedures for afforestation and reforestation project activities under the CDM;
 - (b) Conform to one of the project types in appendix B below;
 - (c) Not be a debundled component of a larger project activity, as determined through appendix C below.
5. Project participants shall prepare a project design document in accordance with the format specified in appendix A below.
6. Project participants may use the simplified baseline and monitoring methodologies specified in appendix B below.
7. Project participants involved in small-scale afforestation and reforestation project activities under the CDM may propose changes to the simplified baseline and monitoring methodologies specified in appendix B below or propose additional project types for consideration by the Executive Board.
8. Project participants willing to submit a new small-scale afforestation or reforestation project activity under the CDM type or revisions to a methodology shall make a request in writing to the Executive Board providing information about the activity and proposals on how a simplified baseline and monitoring methodology would be applied to this type. The Board may draw on expertise, as appropriate, in considering new project types and/or revisions of and amendments to simplified methodologies. The Executive Board shall expeditiously, if possible at its next meeting, review the proposed methodology. Once it is approved, the Executive Board shall amend appendix B below.
9. The Executive Board shall review and amend, as necessary, appendix B below at least once a year.
10. Any amendments to appendix B below shall apply only to small-scale afforestation and reforestation project activities under the CDM which are registered subsequent to the date of amendment and shall not affect already registered small-scale afforestation and reforestation project activities under the CDM during the crediting periods for which they are registered.
11. [Several small-scale afforestation and reforestation project activities under the CDM may be bundled for the purpose of validation. An overall monitoring plan that monitors performance of the constituent project activities on a sample basis may be proposed for bundled project activities. If bundled project activities are registered with an overall monitoring plan, this monitoring plan shall be implemented and each verification/certification of the net anthropogenic removals by sinks achieved shall cover all of the bundled project activities.]
12. A single designated operational entity (DOE) may perform validation as well as verification and certification for a small-scale afforestation and reforestation project activity under the CDM [or bundled small-scale afforestation and reforestation project activities under the CDM.]
13. The Executive Board, in proposing the share of proceeds to cover administrative expenses and registration fees to recover any project-related expenses, may consider proposing lower fees for small-scale afforestation and reforestation project activities under the CDM.

C. Validation and registration

14. The DOE selected by project participants to validate a proposed small-scale afforestation and reforestation project activity under the CDM, being under a contractual arrangement with them, shall review the project design document and any supporting documentation to confirm that the following requirements have been met:

- (a) The participation requirements set out in paragraphs 28–30 of the annex to decision 17/CP.7 and paragraphs 8 and 9 of the modalities and procedures for afforestation and reforestation project activities under the CDM are satisfied;
- (b) Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the DOE on how due account was taken of any comments has been received;
- (c) Project participants have submitted to the DOE documentation on the analysis of the socio-economic and environmental impacts, including impacts on biodiversity and natural ecosystems, and impacts outside the project boundary, of the proposed small-scale afforestation or reforestation project activity under the CDM. If any negative impact is considered significant by the project participants or the host Party, project participants have undertaken a socio-economic impact assessment and/or an environmental impact assessment in accordance with the procedures required by the host Party. Project participants shall submit a statement that confirms that they have undertaken such an assessment in accordance with the procedures required by the host Party and include a description of the planned monitoring and remedial measures to address them;
- (d) The proposed small-scale afforestation and reforestation project activity is additional if the actual net greenhouse gas removals by sinks are increased above the sum of the changes in carbon stocks in the carbon pools within the project boundary that would have occurred in the absence of the registered small-scale afforestation or reforestation project activity under the CDM, in accordance with paragraphs 18–20 below;
- (e) Project participants have specified the approach proposed to address non-permanence in accordance with paragraph 38 of the modalities and procedures for afforestation and reforestation project activities under the CDM;
- (f) The proposed small-scale afforestation and reforestation project activity conforms to one of the types in appendix B below and uses one of the simplified baseline and monitoring methodologies specified in appendix B below, and the estimation of the existing carbon stock is conducted in an appropriate manner;
- (g) [A bundle of small-scale afforestation and reforestation project activities satisfies the conditions for bundling and the overall monitoring plan for the bundled small-scale afforestation and reforestation project activities is appropriate;]
- (h) Project participants provide information regarding leakage in accordance with appendix B;
- (i) The proposed project activity conforms to all requirements, including monitoring, verification and reporting, for afforestation and reforestation project activities under the CDM in decision 19/CP.9, its annex on modalities and procedures for afforestation and

reforestation project activities under the CDM that are not replaced by these simplified modalities and procedures, as well as relevant decisions by the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (COP/MOP) and the Executive Board.

15. The DOE shall:
- (a) Prior to the submission of the validation report to the Executive Board, have received from the project participants written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the proposed small-scale afforestation or reforestation project activity under the CDM assists it in achieving sustainable development [and is developed or implemented by low-income communities and individuals];
 - (b) [Prior to the submission of the validation report to the Executive Board, have received from the project participants a written declaration that the proposed small-scale afforestation or reforestation project activity under the CDM is developed or implemented by low-income communities and individuals as determined by the Host Party.]
 - (c) In accordance with the provisions on confidentiality contained in paragraph 27 (h) of the annex to decision 17/CP.7, make the project design document publicly available;
 - (d) Receive, within 30 days, comments on the validation requirements from Parties, stakeholders and UNFCCC-accredited non-governmental organizations, and make them publicly available;
 - (e) After the deadline for receipt of comments, make a determination as to whether, on the basis of the information provided and taking into account the comments received, the proposed small-scale afforestation or reforestation project activity under the CDM should be validated;
 - (f) Inform project participants of its determination on the validation of the small-scale afforestation or reforestation project activity under the CDM. The notification to the project participants will include a confirmation of validation and the date of submission of the validation report to the Executive Board, or an explanation of reasons for non-acceptance if the proposed small-scale afforestation or reforestation project activity under the CDM, as documented, is judged not to fulfil the requirements for validation;
 - (g) Submit to the Executive Board, if it determines the proposed small-scale afforestation or reforestation project activity under the CDM to be valid, a request for registration in the form of a validation report including the project design document, the written approval of voluntary participation from the designated national authority of each Party involved, as referred to in paragraph 15 (a) above, and an explanation of how it has taken due account of comments received;
 - (h) Make this validation report publicly available upon transmission to the Executive Board.
16. The registration by the Executive Board shall be deemed final four weeks after the date of receipt by the Executive Board of the request for registration, unless a Party involved in the proposed small-scale afforestation or reforestation project activity under the CDM, or at least three members of the Executive Board, request a review of the proposed small-scale afforestation or reforestation project activity under

the CDM. The review by the Executive Board shall be made in accordance with the following provisions:

- (a) It shall be related to issues associated with the validation requirements;
- (b) It shall be finalized no later than at the second meeting following the request for review, with the decision and the reasons for it being communicated to the project participants and the public.

17. A proposed small-scale afforestation or reforestation project activity under the CDM that is not accepted may be reconsidered for validation and subsequent registration after appropriate revisions, provided that this project activity follows the procedures and meets the requirements for validation and registration, including those relating to public comments.

18. A small-scale afforestation or reforestation project activity under the CDM is additional if the actual net greenhouse gas removals by sinks are increased above the sum of the changes in carbon stocks in the carbon pools within the project boundary that would have occurred in the absence of the registered small-scale CDM afforestation or reforestation project activity.

19. The baseline for a proposed small-scale afforestation or reforestation project activity under the CDM is the scenario that reasonably represents the sum of the changes in carbon stocks in the carbon pools within the project boundary that would have occurred in the absence of the proposed project activity. A baseline shall be deemed to reasonably represent the sum of the changes in carbon stocks in the carbon pools within the project boundary that would occur in the absence of the proposed small-scale afforestation or reforestation project activity under the CDM if it is derived using a baseline methodology referred to in appendix B below.

20. A simplified baseline and monitoring methodology listed in appendix B below may be used for a small-scale afforestation and reforestation project activity under the CDM if the project participants are able to demonstrate to a DOE that the project activity would otherwise not be implemented due to the existence of one or more of the barriers listed in attachment A of appendix B below. Where specified in appendix B below for a project type, quantitative evidence that the project activity would otherwise not be implemented may be provided instead of a demonstration based on the barriers listed in attachment A to appendix B below.

21. The crediting period shall begin at the start of the small-scale afforestation or reforestation project activity under the CDM. The crediting period for a proposed small-scale afforestation or reforestation project activity under the CDM shall be either:

- (a) A maximum of 20 years which may be renewed at most two times, provided that, for each renewal, a DOE determines and informs the Executive Board that the original project baseline is still valid or has been updated taking account of new data where applicable; or
- (b) A maximum of 30 years.

22. A small-scale afforestation or reforestation project activity under the CDM shall be designed in such a manner as to minimize leakage.

D. Monitoring

23. Project participants shall include, as part of the project design document for a small-scale afforestation or reforestation project activity under the CDM [or a bundle of small-scale afforestation or reforestation project activities under the CDM,] a monitoring plan that provides for:
- (a) The collection and archiving of all relevant data necessary for estimating or measuring the actual net greenhouse gas removals by sinks during the crediting period as specified in appendix B below;
 - (b) The collection and archiving of all relevant data necessary for determining the baseline net greenhouse gas removals by sinks during the crediting period as specified in appendix B below;
 - (c) [Unless project participants have successfully shown to the DOE that significant leakage is not expected to occur, the identification of all potential sources of, and the collection and archiving of data on, leakage during the crediting period as specified in appendix B below;]
 - (d) Changes in circumstances within the project boundary that affect legal title to the land or rights of access to the carbon pools;
 - (e) [Simplified] Quality assurance and quality control procedures for the monitoring process in accordance with appendix B;
 - (f) Procedures for the periodic calculation of the net anthropogenic greenhouse gas removals by sinks due to the small-scale afforestation or reforestation project activity, and documentation of the steps involved in those calculations;
 - (g) Procedures for the review of implementation of relevant measures to minimize leakage where the circumstances of the project activity have changed in a manner that may result in, or increase, leakage.
24. The monitoring plan for a proposed small-scale afforestation or reforestation project activity under the CDM may use the monitoring methodology specified in appendix B below for the relevant project activity if the DOE determines at validation that the monitoring methodology reflects good monitoring practice appropriate to the circumstances of the project activity.
25. [If small-scale afforestation or reforestation project activities under the CDM are bundled, a separate monitoring plan shall apply for each of the constituent project activities in accordance with paragraphs 23 and 24 above, or an overall monitoring plan shall apply for the bundled projects, as determined by the DOE at validation to reflect good monitoring practice appropriate to the bundled project activities and to provide for the collection and archiving of the data needed to calculate the net anthropogenic greenhouse gas removals by sinks achieved by the bundled project activities. Good practice may include monitoring of a sample of projects in a bundle.]
26. Project participants shall implement the monitoring plan contained in the registered project design document, archive the relevant monitored data and report the relevant monitoring data to a DOE contracted to verify the net anthropogenic greenhouse gas removals by sinks achieved during the crediting period specified by the project participants.
27. Revisions, if any, to the monitoring plan to improve the accuracy and/or completeness of information shall be justified by project participants and shall be submitted for validation to a DOE.

28. The implementation of the registered monitoring plan and its revisions, as applicable, shall be a condition for verification, certification and the issuance of tCERs or lCERs.

29. The project participants shall provide to the DOE contracted by the project participants to perform the verification a monitoring report in accordance with the registered monitoring plan set out in paragraph 23 above for the purpose of verification and certification.

E. Additional proposals for simplified modalities

30. [Small-scale afforestation and reforestation project activities under the CDM shall be exempt from the share of proceeds to cover the costs of adaptation.]

31. [Project participants may incorporate additional areas within the project boundary until net anthropogenic greenhouse gas removals by sinks achieved by the small-scale afforestation or reforestation project activity under the CDM are equal to 8 kt of CO₂ per year, provided that the newly incorporated areas have similar characteristics of baselines and additionality.]

32. [Option 1: Project participants may decide which carbon pools will be included in the assessment of changes in carbon stocks. They may choose to exclude any pool without having to provide further information.

Option 2: Project participants may exclude from the monitoring of the baseline net greenhouse gas removals by sinks and actual greenhouse gas removals by sinks those carbon pools for which no significant changes in carbon stocks are expected or those which it is not possible to assess.]

33. [Non-CO₂ emissions resulting from small-scale afforestation or reforestation project activities under the CDM, such as increases of nitrous oxide due to fertilization, should be estimated and deducted from the net anthropogenic greenhouse gas removals by sinks only if they represent 15 per cent or more of the proposed net anthropogenic GHG removals by sinks. [Default methods as outlined in the IPCC good practice guidance may be used for their assessment.]]

34. [In the absence of formal land property, tenure or use rights, recognized customary or access rights to the land should be a sufficient condition for low-income communities and individuals to participate in the CDM. A substantial proportion of the benefits from the small-scale afforestation or reforestation project activity under the CDM should be assigned to these low-income communities and individuals.]

35. [The host Party and/or the investor Party may, with the [consent] of the project participants, coordinate several small-scale afforestation and reforestation project activities under the CDM with a view to diminishing the costs of validation, verification and certification.]

Appendix A**Project design document for small-scale afforestation and reforestation project activities under the clean development mechanism**

1. The purpose of this appendix is to outline the information required in the project design document for small-scale afforestation or reforestation project activities under the CDM. A project activity shall be described in detail in a project design document, taking into account the provisions for small-scale afforestation and reforestation project activities under the CDM as set out in the present annex, in particular in section C. on validation and registration, and section D on monitoring. The description shall include the following:

- (a) A description of the small-scale afforestation or reforestation project activity comprising the project purpose; a technical description of the project activity, including species and varieties selected and how technology and know-how will be transferred, if appropriate; a description of the physical location and boundaries of the project activity; and a specification of the gases whose emissions will be part of the project activity;
- (b) A description of the present environmental conditions of the area including a description of climate, hydrology, soils, ecosystems, and the possible presence of rare or endangered species and their habitats;
- (c) A description of legal title to the land, rights of access to the sequestered carbon, and current land tenure and land use;
- (d) Carbon pools selected, as well as transparent and verifiable information, in accordance with paragraph 21 of the modalities and procedures for afforestation and reforestation project activities under the CDM;
- (e) A statement of which baseline and monitoring methodologies in appendix B have been selected;
- (f) A description of how the simplified baseline methodology in appendix B will be applied in the context of the small-scale afforestation or reforestation project activity;
- (g) Measures to be implemented to minimize potential leakage, as applicable;
- (h) The start date for the project activity, with justification, and the choice of crediting periods during which the project activity is expected to result in net anthropogenic greenhouse gas removals by sinks;
- (i) A statement of which approach for addressing non-permanence was selected in accordance with paragraph 38 of the modalities and procedures for afforestation and reforestation project activities under the CDM;
- (j) A description of how the actual net greenhouse gas removals by sinks are increased above the sum of the changes in carbon stocks in the carbon pools within the project boundary that would have occurred in the absence of the registered small-scale afforestation or reforestation project activity under the CDM;

- (k) Environmental impacts of the project activity:
 - (i) Documentation on the analysis of the environmental impacts, including impacts on biodiversity and natural ecosystems, and impacts outside the project boundary, of the proposed small-scale afforestation or reforestation project activity under the CDM. This analysis should include, where applicable, information on, inter alia, hydrology, soils, risk of fires, pests and diseases;
 - (ii) If any negative impact is considered significant by the project participants or the host Party, a statement that project participants have undertaken an environmental impact assessment [adequate to scale], in accordance with the procedures required by the host Party, including conclusions and all references to support documentation.
- (l) Socio-economic impacts of the project activity:
 - (i) Documentation on the analysis of the socio-economic impacts, including impacts outside the project boundary, of the proposed small-scale afforestation or reforestation project activity under the CDM. This analysis should include, where applicable, information on, inter alia, local communities, indigenous peoples, land tenure, local employment, food production, cultural and religious sites, and access to fuelwood and other forest products;
 - (ii) If any negative impact is considered significant by the project participants or the host Party, a statement that project participants have undertaken a socio-economic impact assessment [adequate to scale], in accordance with the procedures required by the host Party, including conclusions and all references to support documentation.
- (m) A description of planned monitoring and remedial measures to address significant impacts referred to in paragraph 1 (k) (ii) and (l) (ii) above;
- (n) Information on sources of public funding for the project activity from Annex I Parties which shall provide an affirmation that such funding does not result in a diversion of official development assistance and is separate from and is not counted towards the financial obligations of those Parties;
- (o) Stakeholder comments, including a brief description of the process, a summary of the comments received, and a report on how due account was taken of any comments received;
- (p) A description of how the simplified monitoring methodology of appendix B will be applied in the context of the small-scale afforestation or reforestation project activity.

Appendix B**Indicative simplified baseline and monitoring methodologies for selected types of small-scale afforestation and reforestation project activities under the clean development mechanism**

1. The Executive Board shall develop an indicative list of simplified methodologies for selected types of small-scale afforestation and reforestation project activities under the CDM, in accordance with the following guidance:

Baseline methodology

2. If project participants can provide relevant information that indicates that in the absence of the small-scale afforestation or reforestation project activity no significant changes in the carbon stocks within the project boundary would have occurred, they shall assess the existing carbon stocks prior to the implementation of the project activity. The existing carbon stocks shall be considered as the baseline and shall be assumed to be constant throughout the crediting period.

3. If significant changes in the carbon stocks within the project boundary would be expected to occur in the absence of the small-scale afforestation or reforestation project activity, project participants shall use simplified baseline methodologies to be developed by the Executive Board.

4. The Executive Board shall develop simplified baseline methodologies, for the following types of small-scale afforestation or reforestation project activities:

- (a) Grassland¹ to forested land
- (b) Cropland¹ to forested land
- (c) Wetland¹ to forested land
- (d) Settlements¹ to forested land

5. The Executive Board shall consider the types referred to in paragraph 4 above and develop, for consideration by the COP at its eleventh session, default factors for assessing the existing carbon stocks and for simplified baseline methodologies, taking into account, if appropriate, types of soils, lifetime of the project and climatic conditions. Project participants may use either the default factors or project-specific methods, provided they reflect good practice appropriate to the type of the project activity.

Monitoring methodology

6. No monitoring of the baseline is requested.

7. The Executive Board shall develop, for consideration by the COP at its eleventh session, simplified monitoring methodologies based on appropriate statistical methods to estimate or measure the actual net greenhouse gas removals by sinks. As appropriate, the Executive Board may indicate different methods for different types of afforestation and reforestation project activities and propose default

¹ These land categories shall be consistent with those defined in chapter 2 (Basis for consistent representation of land areas) of the IPCC good practice guidance for land use, land-use change and forestry.

factors, if any, to facilitate the estimation or measurement of actual net greenhouse gas removals by sinks.

8. The Executive Board shall consider ways to simplify the information requirements needed to determine that one or more carbon pools and/or greenhouse gas emissions can be excluded from the estimation of the baseline net greenhouse gas removals by sinks and/or the actual net greenhouse gas removals by sinks.

Leakage

9. If project participants demonstrate that the small-scale afforestation or reforestation project activity does not result in the displacement of activities or people, or does not trigger activities outside the project boundary, that would have been attributable to the small-scale afforestation or reforestation project activity, such that an increase in greenhouse gas emissions by sources occurs, a leakage estimation is not required. In all other cases leakage estimation is required. The Executive Board shall develop guidelines to estimate leakage.

Attachment A to Appendix B

(The attachment A to appendix B, referred to in paragraph 20 of the simplified modalities and procedures for small-scale afforestation and reforestation project activities, shall be developed by the Executive Board, taking into consideration the existing list of barriers for non-afforestation and reforestation CDM project activities, as contained in attachment A to appendix B of annex II to decision 21/CP.8.)

Appendix C**Criteria for 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 that is part of a large project activity is not eligible to use the simplified modalities and procedures for small-scale afforestation and reforestation project activities under the CDM. The full project activity or any component of the full project activity shall follow the regular modalities and procedures for afforestation and reforestation project activities under the CDM.
2. A proposed small-scale afforestation or reforestation project activity shall be deemed to be a debundled component of a large project activity if there is a registered small-scale afforestation or reforestation project activity under the CDM or an application to register another small-scale project activity under the CDM:
 - (a) With the same project participants
 - (b) Registered within the previous two years
 - (c) 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 afforestation or reforestation project activity is deemed to be a debundled component in accordance with paragraph 2 above, but the total size of such an activity combined with the previously registered small-scale afforestation or reforestation project activity under the CDM does not exceed the limits for small-scale afforestation or reforestation project activities under the CDM as set out in paragraph 1 (h) of the annex to decision 19/CP.9, the project activity can qualify to use simplified modalities and procedures for small-scale afforestation and reforestation project activities under the CDM.
