

 CDM project activity registration review form (F-CDM-RR) <i>(By submitting this form, a Party involved (through the designated national authority) or an Executive Board member may request that a review is undertaken)</i>	
Designated national authority/Executive Board member submitting this form	
Title of the proposed CDM project activity submitted for registration	0896 Cervecería Hondureña Methane Capture Project
<p>Please indicate, in accordance with paragraphs 37 and 40 of the CDM modalities and procedures, which validation requirement(s) may require review. A list of requirements is provided below. Please provide reasons in support of the request for review, including any supporting documentation.</p>	
<p><input type="checkbox"/> <i>The following are requirements derived from paragraph 37 of the CDM modalities and procedures:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> The participation requirements as set out in paragraphs 28 to 30 of the CDM modalities and procedures are satisfied; <input type="checkbox"/> Comments by local stakeholders have been invited, a summary of the comments received has been provided, and a report to the designated operational entity (DOE) on how due account was taken of any comments has been received; <input type="checkbox"/> Project participants have submitted to the DOE documentation on the analysis of the environmental impacts of the project activity, including transboundary impacts and, if those impacts are considered significant by the project participants or the host Party, have undertaken an environmental impact assessment in accordance with procedures as required by the host Party; <p>XXThe project activity is expected to result in a reduction in anthropogenic emissions by sources of greenhouse gases that are additional to any that would occur in the absence of the proposed project activity, in accordance with paragraphs 43 to 52 of the CDM modalities and procedures;</p> <ul style="list-style-type: none"> <input type="checkbox"/> The baseline and monitoring methodologies comply with requirements pertaining to methodologies previously approved by the Executive Board; <input type="checkbox"/> Provisions for monitoring, verification and reporting are in accordance with decision 17/CP.7, the CDM modalities and procedures and relevant decisions of the COP/MOP; <input type="checkbox"/> The project activity conforms to all other requirements for CDM project activities in decision 17/CP.7, the CDM modalities and procedures and relevant decisions by the COP/MOP and the Executive Board. <p><input type="checkbox"/> <i>The following are requirements derived from paragraph 40 of the CDM modalities and procedures:</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> The DOE shall, 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 project activity assists it in achieving sustainable development; <input type="checkbox"/> In accordance with provisions on confidentiality contained in paragraph 27 (h) of the CDM modalities and procedures, the DOE shall make publicly available the project design document; <input type="checkbox"/> The DOE shall receive, within 30 days, comments on the validation requirements from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available; <input type="checkbox"/> After the deadline for receipt of comments, the DOE shall make a determination as to whether, on the basis of the information provided and taking into account the comments received, the project activity should be validated; <input type="checkbox"/> The DOE shall inform project participants of its determination on the validation of the project activity. Notification to the project participants will include confirmation of validation and the date of submission of the validation report to the Executive Board; <input type="checkbox"/> The DOE shall submit to the Executive Board, if it determines the proposed project activity to be valid, a request for registration in the form of a validation report including the project design document, the written approval of the host Party and an explanation of how it has taken due account of comments received. <p><input type="checkbox"/> There are only minor issues which should be addressed by the DOE / project participants prior to the registration of the project.</p>	
Section below to be filled in by UNFCCC secretariat	
Date received at UNFCCC secretariat	07/06/2007

1. The explanation in A.4.3. of the PDD(page 7) is not appropriate: It does not give explanation “*why the emission reductions would not occur in the absence of the proposed small-scale activity taking into account national and/or sectoral policies and circumstances.*”



2. No data on the existing lagoon has been given. The default value for Methane Correction Factor (MCF) may differ depends upon the depth of the anaerobic lagoon according to the table III.1 of AMS-III.H. In section B.3. of the PDD, the PP/DOE should provide the detailed specification of the existing lagoons
3. Investment analysis: The PDD does not give convincing explanation with **the result of the investment analysis**. It simply states that "...The financial viability of the project is limited by the fact that its net contribution from operation is not enough to cover the initial investment done by Cerveceria Hondurena."
4. **Retroactive crediting highly questionable.** : The PDD states (Section B.3. page 10) that "*This project requires retroactive crediting. (The reason why has not been given) Evidence that it was thought to receive those credits is a report prepared by Cerveceria Hondurena's management in March 2000, considering the implementation of a Waste Water Treatment Project. It mentions protection of the ozone layer and carbon credits as a possible benefit.*" It is highly questionable if the company really thought about the ozone layer at that time. If so, the reason given for that should be submitted/demonstrated in documentation by the DOE.

The PDD (page 10,) states that "**...This corresponds to the fact that, besides CDM, there are almost no incentives for companies to invest in the more expensive, more complicated bio-digester system...**" If this is the case, without being approved as a CDM project/ without the CERs revenue, the project is totally not feasible. What was the management plan for the worst case which might be the rejection of the CDM registration? The above mentioned report prepared by Cerveceria Honduran's management in 2000 should have the counter measurement plan in it, Furthermore the project was started in the year 2000 when they did not have any confidence whether they would be successful in CDM registration. **The DOE shall be requested to introduce what kind of measures was planned in the said report** (the expansion of the existing lagoon?) and shall be requested to demonstrate why the DOE verified it appropriate..