

Replies to Review Request for “Methane Capture and use as fuel at Rajaram Maize Products, Chattisgarh (Project-0945)”	
Comments	Replies
Reason for Request 1:	
<p>The barriers presented by the PP/DOE in the additionality analysis should be further substantiated. For example, the “skills” or capacity barrier seems not to have been properly justified in the PDD, nor in the Validation Report. India is a country with a substantial engineering and technical operation capacity at the national level, which reduces the transaction costs related to technical capacity building in relation with developing countries with a less advanced engineering and technical capacity. This barrier needs to be further justified, e.g., based on factors that affect differences in regional technical capacities, or either withdrawn from the analysis.</p>	<p>Although India, as a country, has good potential in terms of managerial resources in the engineering and technical field, availability of such skill-set is restricted only to certain industrial sectors. The project activity under consideration is implemented in a starch manufacturing unit which falls under the small scale unorganized sector. This sector primarily comprises of a number of small players with a very few manpower being employed in the sector. Therefore there is scarcity of technically competent people in the starch manufacturing sector in India. Rajaram Maize Products (RMP) did not have their in-house expertise for proper operation of even their starch manufacturing unit. In order to develop in-house competency in their core business sector <i>i.e.</i> starch manufacturing, RMP has taken the help of technical experts from foreign countries (Supportive-I). Further, the project activity itself is technically complex since its result, to a great extent, depends on the successful commissioning and operation of the UASB system. With such a background, RMP was finding it difficult to implement such a technically complex project activity without employing skilled manpower of the relevant field. Furthermore the plant is located in a rurally backward area- Rajnandgaon, where it is extremely difficult to get technically equipped and skilled manpower. Moreover it is an even bigger challenge to retain the skilled personnel in order to ensure sustained operation.</p> <p>After extensive search with the assistance of GETP Systems Private Limited-the project consultant, RMP appointed four graduate people (Supportive-II) and GETP Systems Private Limited provided them with necessary operation and maintenance related trainings on the job for the first month of operation. These personnel have a comparatively higher compensation (Supportive-III) as compared to the other qualified personnel in the production. In a span of few months, two of the qualified people associated to the project activity decided to leave the organization because of better job opportunities in hand at locations which are better equipped in terms of other standard living facilities (Supportive-IV). This did lead to major set back in the project activity and RMP had to retain these personnel by increasing their</p>

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	<p>compensation structure (Supportive-V) just to ensure smooth operation of the project activity.</p> <p>However it is important to note that since Rajnandgaon is a small rural township, and the Starch Manufacturing Sector falls under the small scale industry category, it is extremely difficult to get qualified personnel to do the job and retaining them is even more difficult. This justifies the serious resource crunch being faced by RMP in order to implement and operate the project activity.</p>
Reason for Request 2:	
<p>There was a comment posted in the global stakeholder process (cfr. comment number 2 posted by “:Agg. Individual” on 26th August 2006) that seems not to have been properly addressed by the DOE. There was also a comment inserted by peri. individual on 30th November 2005, regarding the inexistence of investment barriers for the project activity (see Validation Report, page 10, 3rd para of the comment), seems not to have been properly addressed by the DOE. Although it does not affect the arguments of project proponents on additionality, which are based on technology and risk barriers, and lack of common practice, at least a proper explanation should have been sought from project participants.</p>	<p>The justification for the comments received during Global Stakeholder Consultation has been provided to the DOE with supportive documents.</p>