

 <p>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></p>	
Designated national authority/Executive Board member submitting this form	
Title of the proposed CDM project activity submitted for registration	Kunak Bio Energy Project Project 1014
<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; <input checked="" type="checkbox"/> 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; <input checked="" type="checkbox"/> XXThe baseline and monitoring methodologies comply with requirements pertaining to methodologies previously approved by the Executive Board; <input checked="" type="checkbox"/> XX 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	22/05/2007

1- The investment analysis compares an IRR of 4.5% to a benchmark of 15%. However no justification of this benchmark has been provided. Further justification of the benchmark rate applied is required.

2- The PDD claims that the project is a greenfield site and applies scenario 3 of the methodology using the rationale that now power was exported to the grid in the baseline. This is an



incorrect application of the methodology as the project is a power capacity expansion project. Furthermore the estimation of methane avoidance would appear to be incorrect as the PDD assumes methane avoidance in year one of the project activity. Further justification is required regarding the application of scenario 3 of ACM0006v4, as the project would appear to be a power capacity expansion rather than a greenfield site. The chose of scenario has been accepted as there was no energy generation on the site prior to the project activity. This is not consistent with the statement in the PDD regarding the baseline for heat generation, “*the continuation of the use of existing biomass fired boilers with low efficiency*”. If the project is indeed a greenfield site where no energy production previously took place then an investment comparison would be more appropriate for the investment analysis. The generation of methane from landfill biomass should commence one year subsequent to the landfilling. Therefore more information should be provided as to why the methane avoidance is estimated to occur in year one of the project activity.

3- The validation report indicates that the validation has been conducted in accordance with the small scale criteria even though the project is applying a methodology for a large scale project.