



**CDM project activity registration review form (F-CDM-RR)**  
*(By submitting this form, a Party involved (through the designated national authority) or an Executive Board member may request that a review is undertaken)*

<b>Designated national authority/Executive Board member submitting this form</b>	
<b>Title of the proposed CDM project activity submitted for registration</b>	Golden Hope Composting Project-Kerdu; Project activity 1107

**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.**

- The following are requirements derived from paragraph 37 of the CDM modalities and procedures:*
- The participation requirements as set out in paragraphs 28 to 30 of the CDM modalities and procedures are satisfied;
  - 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;
  - 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;
  - The 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;
  - The baseline and monitoring methodologies comply with requirements pertaining to methodologies previously approved by the Executive Board;
  - 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;
  - 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.
- The following are requirements derived from paragraph 40 of the CDM modalities and procedures:*
- 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;
  - 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;
  - 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;
  - 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;
  - 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;
  - 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.
- There are only minor issues which should be addressed by the DOE / project participants prior to the registration of the project.

**Section below to be filled in by UNFCCC secretariat**

Date received at UNFCCC secretariat	28/08/2007
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Reason for request:

- The PP/DOE shall further demonstrate the additionality of the project activity, as the benchmark used for the investment analysis has not been selected from a documented source and the rates of POME production per year that are used are higher than those values actually measured at the plant.
- Because the project has already started (start-date 02 May 2006), the DOE understands that it has verified that the CDM was seriously considered in the decision to initiate the project, through the documentation that demonstrates that Hope Composting began talking to the Danish government in September 2002 during their mission to Malaysia to

identify potential CDM projects. An LOI between the two parties was signed in April 2003 to jointly develop CDM composting projects. Further clarification is required in regard to this LOI and further demonstration is needed in relation to the additionality of this specific project and whether the LOI refers to it, to a set of prospective projects or to the plans of the company at large.

3. Further clarification is required of the benchmark analysis that has been carried out using the project IRR as the financial indicator. The benchmark was selected to be 10% based on the claim that this is higher than Malaysia's lending rates (these have ranged from 5.98 to 6.78 since the year 2000) and lower than the rate of 15% that is apparently used by other palm oil industries in Malaysia. This rate of 15% is not documented in the PDD and there is no clear evidence that it was verified by the DOE. The validation report simply states that "Justification for selecting a 10% benchmark IRR was provided in the PDD and is deemed acceptable". Further demonstration shall be provided and evidence of the validation work carried through.
4. The methodology requires the volume of the run off water to be monitored.