



**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>	Biomass thermal energy plant – Hartalega Sdn.Bhd, Malaysia; Project activity 1186

**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	26/09/2007
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Reason for request:

1. The PP shall further demonstrate the additionality of the project activity:
  - a. The work on Phase 1 of the project activity began in February 2002 (page 12 of 92 of the Validation Report), before the Board of Directors for Hartalega Sdn Bhd considered CDM revenue as important to improve the viability of the project as was demonstrated through a "Directors' Circular Resolution" regarding the project, which was dated 28 January 2002. Hence the starting date is prior to CDM consideration and the project would be a business as usual project. Further clarification is needed.



- b. As stated in the Validation Report the predominant use of the biomass residues in the country is for energy purposes. Further clarification and evidences on the analysis of alternatives to the project activity are required to substantiate the selection of the project activity.
  - c. Clarification is required in relation to investment and financial barriers. In the Validation Report (page 15 of 92) the DOE states that “The cost of installing and operating biomass fuelled boilers was demonstrated to be higher than that of fossil fuel boilers. The extra costs are associated with the additional manpower requirements, the need for a large storage area for the biomass and the variable price of EFB and PKS”. The costs mentioned are mainly operation cost rather than capital costs.
  - d. Both technological barriers and prevailing practice barriers analysis is generic and vague. Further demonstration is required. In addition, there are two other large glove manufacturing plants in Malaysia utilizing oil palm waste for thermal energy generation.
  - e. Regarding the impact of CDM registration the DOE states that it would be essentially of a financial nature while the PP has chosen the use of barriers instead of financial analysis.
- 2. The required documentation on the typical average technical lifetime of boilers in the country/sector should be provided.
  - 3. The DOE shall inform under which contractual arrangements were being retained the assessors that participated in the validation team.