



**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>	Changshu Haike HFC 23 Decomposition Project; Project activity 1105

**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	14/11/2007
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Reasons for request:

1. The PDD states that "In Changshu Haike's case, only one existing production facility dedicated exclusively for HCFC 22 started its operation in May 2000. The actual annual production of HCFC 22 production was 7,937.7 tons in 2002, 13,179.3 tons in 2003 and 18,106.5 tons in 2004 respectively". Further clarification is required regarding the actual production capacity of the project activity.
2. The PDD states that "Changshu Haike Chemical Co. Ltd. is the project owner and operator. This legal entity, a Sino-French Joint Venture, is located within the HCFC 22 facility of Arkema (Changshu) Fluorochemical Co. Ltd to treat HFC 23 gas emission from the HCFC 22 process within Arkema (Changshu) Fluorochemical Co. Ltd HCFC 22 facility, which started the HCFC 22 production in May 2000. Arkema (Changshu) Fluorochemical Co. Ltd proposes to

transfer exclusively its total HCFC 22 facility HFC 23 waste gas emission during CDM project period to Changshu Haike Chemical Co. Ltd for appropriate destruction and the latter (Changshu Haike Chemical Co. Ltd) accepts this transfer". The PP is requested to further clarify what is the meaning of this proposed transfer, the nature of the transfer in terms of physical implications, and whether this transfer implies the modification of existing facilities or other changes in the facility or its capacity.

3. The Validation report states that "Through the Site-visit, the total annual productions of the existing HCFC22 facility were confirmed to be 7,937.7 tons in 2002, 13,179.3 tons in 2003 and 18,106.5 tons in 2004 respectively, from checking the monthly and daily data sheets, including the inventory of HCFC22 and the amounts filled in the containers". Further clarification is required in relation to amounts filled in the containers and source, purpose and use of those containers.
4. The applied Methodology (p.5) includes the following section: "The historical production data of HCFC-22 ... in each production line and the determination of ... HCFC-22 production capacities ... and the maximum annual HCFC-22 production quantity that is eligible for crediting ( $Q_{HCFCy,max}$ ) should be documented transparently in the CDM-PDD." However, the Validation Report states in page 11 that "several production lines operate" and the PDD in Section B6.2 includes data of HCFC22 production totals of all production lines in years 2002-2004, while the number of HCFC22 production lines is not detailed and it does not include production data of each production line. Further clarification is required.
5. According to PDD section B6.2 - Source of HCFC22 historical production data is: "Provided by Changshu Haike". Further clarification is required on the data provided and its reliability and sources.
6. The DOE shall further clarify how they have assessed, verified and validated HCFC22 historical production data.
7. In relation with HCFC22 production capacities the applied methodology and the above referred methodology section clearly requires determination of each production line of HCFC22 capacity data. However, the PDD does not include information about any production line and does not include information about any installed capacity.
8. The DOE shall further clarify how they have assessed, verified and validated data related to each production line capacity of HCFC22.
9. In relation to the maximum eligible value of parameter w that shall be used for monitoring, the PDD in page 17 states that "The cut-off condition, specified in the parameter w in the methodology, is to be checked against the actual situation on an ex-post basis." According to the above PDD declaration, ex-post w value (limited to the methodology maximum  $w=3.0$ ) maybe used directly without relation to  $w=1.64\%$  baseline maximum eligible value. It is not clear if the eligible value of parameter w during the monitoring period will be the lower between 1.64% and the ex-post calculations. Further clarification is required.
10. The DOE shall further clarify how they have assessed and validated the maximum eligible value of parameter w that shall be used for monitoring and whether the determination in the PDD is in line with the applied methodology.
11. In relation to the available data for calculation of parameter w, the applied methodology -in page 5- includes the following section: "If insufficient data is available for the calculation of HFC23 release for all three (3) most recent years of operation up to 2004, then the default value for w to be used is 1.5%." According to PDD, section B6.2, the source of data is as: "Provided by Changshu Haike's Internal procedure", which maybe regarded as insufficient. Further clarification is required. Furthermore, if the source and transparency of data is "insufficient", a reduction of the eligible maximum value of parameter w to  $w=1.5\%$  may be appropriate.
12. The monitoring plan should include the monitoring of two (2) important parameters as prescribed in the monitoring methodology: the quantity of HFC23 generated in each HCFC22 production line, and hourly HCFC22 production capacity.
13. The applied methodology in page 9 to 14 includes ID number for each monitored parameter. The PDD does not apply any ID numbers. The Monitoring Plan shall follow the Methodology ID numbers of the monitored parameters.
14. The Methodology requires the following parameters to be monitored using meters:
  - a. ID 8 - HFC23 sold by the facility generating the HFC23 waste. According to the PDD in page 24 this parameter is based on "Sales record". This way of monitoring of this parameter is different than required by the applied Methodology.
  - b. ID 9 - Quantity of HCFC22 produced based on the historical production records. According to the PDD in page 17 this parameter is "Provided". This way of monitoring of this parameter is different than required by the applied Methodology.
15. In the PDD (page 36) Table 3 describes the increase of noise to very high levels and noise reduction measures, which shall be included in the project activity. However the Monitoring Plan does not include the monitoring of noise level. The Monitoring Plan should include monitoring the following parameters related to the efficiency of noise reduction measures, that are part of the project:
  - a. air blower of the thermal oxidizer;

- b. induced draft fan for waste gas treatment;
  - c. various kinds of water pumps.
- 16. The DOE shall sequentially identify CARs and CLs that in the Validation report have no ID number.
- 17. The DOE shall provide a list of CARs and CLs to facilitate consideration and assessment of the project activity.
- 18. The DOE shall further clarify why it has closed CL as identified in Validation Report page 15: "The measurement procedures, calculations and assumptions used to determine "w" should be documented transparently in the PDD, whereas It has been just added in the revised methodology." This CL was closed as per the following reason: "The description of the procedures as well as calculations and assumptions used, was added in the PDD, in accordance with the methodology." However, the only information regarding the source of w yearly values is: "Provided by Changshu Haike's Internal procedure". The above statement "Provided by Changshu Haike's Internal procedure" cannot be regarded as proper corrective action and the PDD still does not include the following elements initially required by the DOE:
  - a. measurement procedures
  - b. calculations
  - c. assumptions
  - d. "documented transparently in the PDD"
- 19. The Validation Report, in its Section 3.7 "Environmental Impacts", does not include requirements for noise reduction and monitoring of the relevant data. Further clarification is required.
- 20. The DOE shall further clarify how they have checked that "the calibration by an external accredited entity, (e.g. The Center Metrology Station of Yangzi Petrochemical Co. Ltd.)" is deemed appropriate and how they have verified that the external entity is fully qualified for that activity.
- 21. The DOE shall further clarify how they have ensured that uncertainties are to be addressed in a systematic manner in the documentation.
- 22. The DOE states in the Validation report that "Mr. Toshimizu Okada is an assessor of CDM and ISO 14001. He has Master of Forest Resources. He has several experiences of CDM project validation and JI project determination including HFC23 decomposition, small-scale renewable energy, energy-efficiency improvement and biomass utilization". However, the grant of sectoral scope as CDM assessor to Mr. Okada by JQA is dated on 1<sup>st</sup> November 2006, just a month before the contractual arrangement for this project activity was signed. In addition, Mr. Okada academic background is in Forest Resources. Further clarification is required as to how Mr. Tomada gained experience in HFC decomposition projects without having been granted the certificate as assessor in the pertinent sectoral scope.