



**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)**

**Title of the proposed CDM project activity submitted for registration**

UHE Mascarenhas power upgrading project; Project activity 1232

**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

13/01/2008

Reasons for request:

1. The DOE should clarify why this project was submitted for registration as the validation report has determined that "The decision to go on with the project activity in 2003 does not consider the carbon credit revenue".
2. In addition, according to Annex 5 of the PDD, the BNDES has financed 70% of the investment in the 4<sup>th</sup> machine of the Mascarenhas hydro project in 2003. Further clarification and demonstration is required on the decision by the company to invest in this project activity.



3. The DOE should also clarify why, if that is the case, they have not raised a corrective action request regarding the project start date listed in the PDD.
4. Further clarification is required as to why the IRR has been calculated on a post tax basis when the taxation rate is also reflected in the calculation of the WACC.
5. The DOE shall further clarify how the validity and appropriateness of the benchmark applied was assessed and validated.
6. The DOE shall further clarify how they have validated the sensitivity analysis.
7. When describing the common practice in the region the PDD states that “There are other power generation plants, which were identified in the proposed project activity’s region/state operating under similar characteristics (similar age, installed power, power density, and technology) and taking place under similar market conditions (here understood as the regional grid). However, none of these power generation plants were able to carry on activities such as the proposed project activity. Further clarification is required as the footnote indicates that similar projects are not considered as being part of CDM project activities.
8. Version 3 of the Tool for the demonstration and assessment of additionality should be applied.