



**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>	Reducing the Average Clinker Content in Cement at CEMEX Mexico Operations; Project activity 1356

**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.

<b>Section below to be filled in by UNFCCC secretariat</b>	
Date received at UNFCCC secretariat	31/12/2007

Reasons for request:

1. As per the methodology, the evidence to demonstrate additionality should be "substantiated through independent surveys and independent stakeholder interviews". Therefore, further justification is required on how the barriers have been validated.
2. As it is not clear if the investment barriers would have been overcome by savings from the project activity, further clarification is required to demonstrate additionality.
3. Further clarification is required on how the leakage calculations for the transportation of additives have been estimated.

4. Further clarification is required on how the surplus availability of the additives has been validated.
5. The monitoring plan should include the monitoring of fossil fuel consumption and its emission factor.
6. The PDD states that “No public funding is used for this project activity”. Further clarification is required on ODA funding.
7. CEMEX web page states that “As a global industry leader, we work to provide products of consistently high quality and reliable service to customers and communities around the world. We advance the well-being of those we serve through our unwavering focus on continuous improvement and our efforts to promote a sustainable future”. In addition, as per the web page, CEMEX has:
  - “Operations in more than 50 countries across five continents
  - Annual production capacity of more than 93 million metric tons of cement
  - Annual production levels of approximately 74 million cubic meters of ready-mix concrete and 166 million metric tons of aggregates
  - 66 wholly owned cement plants, more than 1,900 ready-mix concrete facilities, and a minority participation in 11 cement plants, 394 aggregate quarries, 258 land-distribution centers, and 80 marine terminals”.

Further clarification is required on the technological barriers mentioned in the PDD against these global industrial leadership and technical capabilities. In addition, the DOE is requested to clarify how they have validated these technological barriers.

8. Further, in the discussion on the technological barriers, the PP clearly stated that the implementation of the proposed project will require that methods and procedures be developed to produce a clinker with greater resistance levels. However, the possible emissions that could be related to these improved methods of clinker production do not appear to have been taken into account.
9. Further clarification is required on the referred market barriers as there is only a mention of consumer’s perception. Furthermore, no evidence is provided, as required in the methodology, to justify that the perception of market resistance, as common as this may be, actually exist in this particular case. Neither was there any indication of the magnitude of the impact that this perception will have on the market share of CEMEX for their proposed new Class 30R Portland Cement. Finally, the three proposed measures under market barriers could constitute an effective marketing strategy that could be expected as good common practice for ‘any’ new product, with or without CDM consideration.
10. There is a reference to investment costs of the project activity but no additional information on the difficulties to address those costs that per se might or might not be significant. Further clarification is required.
11. When presenting the prevailing practice barrier, the PDD states that “Another argument is the history of clinker content in CEMEX Mexico (see graph). After the introduction of the new norm (NMX C-414 ONNCCE, October 1999) in 1999 (which gives cement producers more options to reduce the clinker content CEMEX began to reduce its average clinker content over several years. In 2002 this “business-as-usual reduction” came to a halt; the average clinker content stabilized and even showed a slight upward trend, indicating that CEMEX Mexico has come to a new stable situation where a new external trigger is necessary in order to achieve another reduction”. This paragraph shows that clinker content was already being reduced following national regulations. Further clarification is required on the new prevailing practice barriers.
12. The DOE shall further clarify how it has checked and validated the installed capacity of all cement plants in this project activity.
13. The DOE shall further clarify how it has checked and validated that the project other benefits than GHG reduction, such as reduction of fossil fuel consumption, were considered and how it has validated that those benefits are not incentive enough to implement the project.
14. The DOE shall further clarify why interviews with only some of the plant managers enabled them to assess the circumstances in all plants considered.
15. The DOE shall further clarify how the DNA can confirm that no ODA is provided to the project.
16. The DOE shall further clarify that records from database provided by project developer were used to verify baseline emissions and how the baseline was cross checked and validated.
17. The DOE shall further clarify the reasons to close CAR 5.
18. The DOE shall further clarify whether NIR 9 was closed by the simple provision of list of procedures.
19. The project activity applies the approved consolidated baseline methodology ACM0005 “Consolidated Baseline Methodology for increasing the blend in cement production” Version 03, dated 19 May 2006. The project did not completely meet the applicability conditions of this methodology for the following reasons:

a. The project participant did not substantiate the surplus availability of additives and did not discount the project emissions as required by the methodology. A statement that the additives are available in abundance does not provide adequate substantiation.

b. Project emissions are not fully accounted for due to non consideration of possible emissions resulting from improved methods of clinker production that would be required as a result of this project.

c. Without any information on where the sources of the additives are located, it is not possible to assess whether leakage emissions due to transportation of additives have been determined correctly.

20. Editorial corrections to PDD and/or Validation Report are required:

- The project description in the PDD was very scanty.
- Discrepancy in the names of the cement plants – Campana listed in Table 2 (Page 4) and on Annex 3, but not in the locational map on Page 5. Hermosillo indicated on the map but not listed in Table 2 and on Annex 3.
- No information is provided on exact types of additive materials and in what quantities.
- No information on the sources or locations of the additives was provided in the PDD
- Information relating to recording frequency, how data would be archived, etc should be provided in the monitoring plan.