



Mr. R K Sethi  
Chair, CDM Executive Board  
UNFCCC Secretariat  
CDMinfo@unfccc.int

19<sup>th</sup> December 2008

Dear Mr. R. K. Sethi,

**Re: Review of the request for registration for the CDM project activity “Siam Quality Starch Wastewater Treatment and Energy Generation Project in Chaiphum, Thailand” (UNFCCC Ref No1993)**

SGS has been informed that the request for registration for the proposed CDM project activity “Siam Quality Starch Wastewater Treatment and Energy Generation Project in Chaiphum, Thailand” (Ref. no. 1993) is under consideration for review because three requests for review have been received from members of the Board.

The requests for review are based on the reasons outlined below which SGS would like to provide a response to:

***Request for clarification to the DOE/PP:***

**Request for Review 1-3, Issue 1:**

*The DOE is requested to clarify how they have validated that the project is not a common practice.*

**SGS Response to Issue 1:**

The analysis of common practice is based on the following. There are two databases available, one database was of DIW (Department of Industrial Works) and the other is the database list obtained from the Thai Tapioca Starch association which lists all the starch plants and technologies that were employed for wastewater treatment.

The Thai Tapioca Starch association provides list of all starch factories irrespective of size and similarity. For the purpose of demonstration of common practice only the native starch Industries were considered and this was accepted as only the Native starch Industry has the waste characteristics that can result in biogas recovery.

Further to achieve the common practice on the same scale, the projects were segregated using the list from the DIW [refer Appendix 1.1(TTSA - DIW merged list)] in terms of production capacity using the factories power which is also an indicator for the size and broadly similar technology.

The results were the following plants which had biogas recovery system:

- Project 1. Sanguan Wongse Industry Co., Ltd.
- Project 2. Eiamheng Tapioca Flour Industry Co., Ltd<sup>1</sup>
- Project 3. Eiamburapa Co., Ltd<sup>2</sup>
- Project 4. Siam Quality Starch Co., Ltd

This was verified and it was also found that the Project 1 was already a registered UNFCCC project (Ref 1040) and the projects 2 and 3 were applying for CDM while project 4 is the project activity in question in this response.

<sup>1</sup> [http://www.tgo.or.th/index.php?option=com\\_content&task=view&id=37&itemid=29&task=view&id=37&itemid=29](http://www.tgo.or.th/index.php?option=com_content&task=view&id=37&itemid=29&task=view&id=37&itemid=29)

<sup>2</sup> <http://cdm.unfccc.int/Projects/Validation/DB/A8JT0K03JKGLSDSV1O1Y0JISTYYNHN/view.html>

Based on this available information the common practice barrier is analysed and it is concluded that the project activity is not a common practice in the country of Thailand. The PDD was revised to include this information (see enclosed referenced document 10 provided with this letter).

**Request for Review 1-3, Issue 2:**

*The DOE is requested to provide reliable evidence to demonstrate that continuing and real actions were taken to secure CDM status for the project activity in parallel with its implementation following the guidelines from paragraph 5, Annex 46, EB 41.* **SGS Response to Issue 2:**

SGS had raised a CAR 5 typically asking the project proponents to substantiate Serious CDM consideration. The timelines were verified during the project validation. It should be kindly considered that the project was already in the final stages of submission (Submission of the project to the UNFCCC was on 6<sup>th</sup> August and hence the explicit requirement is as such not detailed as EB41 Annex 46) as the overlap actually falls in the time period the EB 41 report was out.

Please find below the verified and validated timelines by SGS that complies with EB 41 Annex 46

Date	Event	Verified Information and evidence submitted by PP
14/11/2003	Due to the planned expansion of the factory capacity, a review of the wastewater treatment method discussion.	Meeting minutes produced by Avebe, SQS' former company partner (Already submitted during request for registration: refer Appendix 6)
19/09/2004	Email communication from the mail archiving systems which states the decision that after running a pilot scale biogas operation the Project will not be viable without the extra revenue	SQS Internal email report to the Managing Director (Already submitted during request for registration: refer Appendix 4)
29/10/2004	SQS invited and received a proposal from a technology provider / consultant that included the CDM/Carbon Credit component	The proposal from Waste solutions was verified (Already submitted during request for registration: refer Appendix 7)
20/01/2005	Contract Signing between SQS and Waste Solutions	The contract was verified (Already submitted during request for registration: refer Appendix 5)
31/03/2005	SQS ordered the linings for the Project, commencing the project activity	This was considered as the start date and was verified through the purchase orders. The steps before the start date are a clear indication of the awareness of SQS to go ahead with the project with prior knowledge of CDM.
20/12/2005	SQS contacting MUS for consultancy services	Email communication was verified (Already submitted during request for registration: refer Appendix 1)
24/03/2006	Formal CDM consultancy proposal from MUS after extensive discussions.	Proposal excerpts were verified. Appendix 2.1
31/03/2006 – 19/05/2006	Acceptance of the initial proposal by SQS	Email between SQS and MUS was verified The email trail was verified from 31st March to 19th May 2006 Appendix 2.2
23/06/2006	Email from the Lawyer to MUS on the contract conditions	Email between Pakdee Paknara and MUS Appendix 2.3
05/10/2006 – 29/12/2006	Finalisation of agreement after deliberation by Lawyers as stated	Email Trail Appendix 2.4
13/10/2006	Email Sent to UNFCCC by MUS for extension of deadline in the context of Thai projects	This shows the delay in the Thai approval process and MUS knowledge of the local situation (Already submitted during request for registration: refer Appendix 2)

Date	Event	Verified Information and evidence submitted by PP
30/01/2007	Thai cabinet approves first batch of projects	This was verified by the Local assessors The first batch of projects were approved on January 30, 2007. The LoA for ATB <sup>3</sup> , which was one of the 7 projects approved at this time. Appendix 2.5
08/06/2007	MUS enquires with ONEP regarding the new approval process	Email communication was verified Appendix 2.6
06/07/2007	Thailand Greenhouse Gas Management Organization (TGO) established with a view to taking over approval process from cabinet	This point is important to understand the changing varsity in the Thai scenario where it shows the development of DNA and the slow movement
11/07/2007 & 01/08/2007	SQS receives formal quotes for IEE in response to new rules	Formal proposal and contract was verified Appendix 2.7 & Appendix 2.8
26/07/2007	MUS requests SGS proposal for Validation	

While taking the EB41 Annex 46 the above chronology of events clearly points out to the fact an ongoing effort was undertaken by the project proponent and MUS in parallel to the activities. The timeline has been verified with objective evidence such as contracts, and emails along with interviews. The evidence provided in the whole list has been found reliable and credible.

The point of the nascent state of the Thai DNA also has been taken into consideration as the decisions and timelines also rest with the parity of the national situation of Thailand.

The PDD was revised to include this information (see enclosed referenced document 10 provided with this letter).

We apologize if the initial validation report was unclear and hope that this letter and the attached information address the concerns of the members of the Board.

Kamesh Iyer (+91 9871794710) will be the contact person for the review process and is available to address questions from the Board during the consideration of the review in case the Executive Board wishes.

Yours sincerely

Sanjeev Kumar  
Technical Reviewer,  
[Sanjeev.Kumar@sgs.com](mailto:Sanjeev.Kumar@sgs.com)  
T: + 91 124 2399990 - 98  
M: +91 98717 94628

Kamesh Iyer  
Lead Auditor  
[Kamesh.Iyer@sgs.com](mailto:Kamesh.Iyer@sgs.com)  
T: + 91 124 2399990 - 98  
M: + 91 98717 94710

Encl. :-

1. Appendix 1.1
2. Appendix 2.1
3. Appendix 2.2
4. Appendix 2.3
5. Appendix 2.4
6. Appendix 2.5
7. Appendix 2.6
8. Appendix 2.7
9. Appendix 2.8
10. Revised PDD in clean and track change mode

<sup>3</sup> <http://cdm.unfccc.int/UserManagement/FileStorage/PDKPUFT871YNB05XWV0NN6CURB87BB>.