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TÜV SÜD Industrie Service GmbH · 80684 München · Germany

CDM Executive Board

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Request for review

Dear Sirs,

Please find below the response to the request for review formulated for the CDM project with the registration number 0892. In case you have any further inquiries please let us know as we kindly assist you.

Yours sincerely,

Werner Betzenbichler
Carbon Management Service

Response to the CDM Executive Board

Issue 1:

Regarding the investment barrier, it is inappropriate to calculate the IRR of the project only for phase I. The project developer should calculate the IRR for the entire capacity of 90 MW for which the emission reductions are claimed.

Response by TÜV SÜD:

All aspects concerning additionality, baseline, monitoring etc. has already been discussed in detail within the accreditation process (August – October 2006) for scopes 8 and 9, because this particular project has been used as witnessing activity. It appears that unfortunately, the information discussed during that process has not comprehensively been shared with the RIT. This would have probably avoided the current misunderstanding. In order to provide the required clarity, the project developer prepared a specific discussion paper (see further attachment) presenting figures covering the full capacity. It demonstrates that there are only marginal changes in financial indicators that do not question the conclusion by the validating DOE on additionality. Hence the DOE does not see any necessity for a further revision of the PDD that clearly contains correct data, while the coverage of future investment phase has no impact on the decisive contents.

Issue 2a (Validation Report):

The DOE disregarded a public comment with an insufficient explanation in the first round of publication of the PDD. The comment should have been covered.

Response by TÜV SÜD:

After receiving the comment we requested the person sending the email to identify herself / himself as accredited observer or affected stakeholder. No response was given. The DOE's approach has been considered as sufficient during the witnessing process.

Issue 2b (Validation Report):

In the validation report the validator's answer to the public comment given in the second round of publication refers to annex 3 of the validation report, which is an empty page. The validator has to complete the validation report accordingly. On the UNFCCC website, the text of this Annex 3 is available but misleadingly labelled Appendix to the PDD.

Response by TÜV SÜD:

The response received by the project participants was given by a protected file not enabling to bind it in a joint pdf-document. Hence we decided to submit it separately. In order to avoid fur-

ther confusion we meanwhile received the same file in unprotected mode. It is now included in the revised validation report which is submitted with this response.

Issue 2c (Validation Report):

The signature of Werner Betzenbichler in the validation report has a wrong date (2006 instead of 2007).

Response by TÜV SÜD:

We apologize for this mistakes that sometimes occur short after the change of a calendar year. Unfortunately it has not been detected by the internal review process. Correction is provided by the revised validation report.

Issue 2d (Validation Report):

Annex 2 is labelled "Validation of the "Facilitating Reforestation for Guangxi Watershed Management in Pearl River Basin", China"; the correct project name should be inserted

Response by TÜV SÜD:

We apologize for this mistakes that sometimes occur in an area of low (technical) interest during internal review. Unfortunately it has not been detected by the internal review process. Correction is provided by the revised validation report. Advice has been given to the approving persons (certification body) to better take care on such formal issues.