

**Final Ruling Regarding the Request for Registration of
“Maesod Wastewater Treatment and Biogas Utilisation Project ” (5291)**

The CDM-Executive Board decided to reject the above proposed project activity on 11 May 2012, during its 67th meeting, in accordance with “Procedures for review of requests for registration”, version 1.2, EB 55, Annex 40, paragraphs 20, 21, 22, 24 and 28 (the procedures). In accordance with paragraph 27 of the procedures, the rulings shall contain the reasons and rationale for the final decision, which are as follows:

- The DOE (RINA) has failed to validate the additionality of the project activity, in particular the DOE failed to substantiate how it has assessed that the project activity would not have occurred due to the “access to finance barrier”, in accordance with version 1.2 of the validation and verification manual (VVM) paragraph 117.
- Paragraph 117 of the VVM states that *“The DOE shall.. (a) Determine whether the barriers are real. The DOE shall assess the available evidence and/or undertake interviews with relevant individuals (including members of industry associations, government officials or local experts if necessary) to determine whether the barriers listed in the PDD exist. The DOE shall ensure that existence of barriers is substantiated by independent sources of data such as relevant national legislation, surveys of local conditions and national or international statistics. If existence of a barrier is substantiated only by the opinions of the project participants, the DOE shall not consider this barrier to be adequately substantiated. If the DOE considers, on the basis of its sectoral or local expertise, that a barrier is not real or is not supported by sufficient evidence, it shall raise a CAR to have reference to this barrier removed from the project documentation.”*
- The DOE has failed to substantiate how it has assessed that the project activity would not have occurred due to the “access to finance barrier”, as the loan rejection letter issued by SCB bank in December 2009 states that the loan was rejected because of the financial situation of the company and the bank could re-consider the loan provided that the starch factory is commissioned. Since the starch factory and its construction activities are not components of the project activity, it is not clear whether the loan rejection is specific to the project activity and consequently whether the project activity was prevented by the “access to finance barrier”. Moreover, the loan and the funds from the ERPA for the project activity were obtained after the reported starting date of the project activity.

Please note, however, that, with appropriate revisions, this project activity may be resubmitted for validation and registration provided it meets the requirements for validation and registration, in accordance with paragraph 42 of the CDM Modalities and Procedures (Decision 3/CMP.1).

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History of the document

Project 5291	Related to EB 67 Meeting Report Paragraph 66 11 May 2012	Decision Class: Ruling Document Type: Ruling Note Business Function: Registration
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