CDM: FORM FOR SUBMISSION OF A "LETTER TO THE BOARD"
(Version 01.2)

This form should be used only by project participants and other stakeholders for submitting a "Letter to the Board" in accordance with the latest version of the *Modalities and procedures for direct communication with stakeholders*

Name of the stakeholder[1] submitting this form (individual/organization):	Ambachew F. Admassie Ethan Bio-Fuels Pvt. Ltd.Co Date submitted: April 8; 2014
Address and contact details of the individual submitting this form:	Address: Addis Ababa; Ethiopia Telephone number: 00251-911-218626 E-mail address: ethanbiofuelsltd@gmail.com; Abi_Fek@yahoo.com
Title/Subject (give a short title or specify the subject of your submission)	Tangible evidences of Double Standard at the Kyoto Protocol's operational platform and fake promise to improve unfair Regional Distribution of Clean Development Mechanism (CDM) projects to LDCs/SIDs; **Our objection to CDM-PA7632-Rule 01; the Decision of the EB to reject request for registration Project 7632: "Clinker Optimization in cement types' production at Derba MIDROC Cement Plant" hosted in Ethiopia.**
Please mention whether the submitter of the form is:	☒ Project participant ☐ Other stakeholder, please specify ; affected
Specify whether you want the letter to be treated as confidential[2]:	☐ To be treated as confidential ☒ To be publicly available (UNFCCC CDM web site)

Please choose any of the type(s) below[3] to describe the purpose of this submission.

☐ **Type I:**

☒ **Request for clarification** ☐ **Revision of existing rules**

- ☐ Standards. Please specify reference
- ☐ Procedures. Please specify reference
- ☐ Guidance. Please specify reference
- ☐ Forms. Please specify reference
- ☐ Others. Please specify reference

☒ **Type II: Request for Introduction of new rules**

☒ **Type III: Provision of information and suggestions on policy issues**

☒ ***Type IV: Request for reversal of misguided ruling*** : **CDM-PA7632-Rule 01**

[1] DNAs and DOEs shall use the respective DNA/DOE forms for communication with the Board.
[2] As per the applicable modalities and procedures, the Board may make its response publicly available.
[3] Latest CDM regulatory documents and information are available at: http://cdm.unfccc.int/Reference/index.html .

Please describe in detail the issue on which you request a response from the Board, including the exact reference source and version (if applicable).

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Dear Sir;

We have received on March 31, 2014; the final ruling (CDM-PA7632-Rule 01) of the EB with respect to request for registration of Project 7632. We had information that the DOE and the RIT advised EB to approve Registration of the project while the registration unit of the Secretariat proposed the contrary and the case is waiting EB ruling. We have in fact been watching since we read the initial decision from the report of EB 77, although we were quite convinced that, with current modus-operandi; members of the EB would not have the right information to help them make unbiased initial decision or change their initial misguided ruling. This is because we understood EB exclusively heavily relies on the advice of the Registration Unit of the Secretariat (without even hearing the opposing argument of the RIT team that has assessed the case in parallel as per Para 86 of PCP or without giving direct venue for affected Project Participants, PPs). The time slot between the "initial decision" and the "Final ruling" is clearly a "diplomatic slot" for that privileged unit of the Secretariat to give itself some more room to either facelift its initial list of false concerns misleading to rejection; which is not sound enough to be presented to the ever watching eyes of the public. We believe the EB should not have made its decision based on the initial "outstanding review concerns" of the unit of the Secretariat without EB consulting PPs and RIT; the absence of which step renders irrelevance to the two ruling steps dubbed "initial ruling" and "final ruling". This was and is critical since the Registration Unit of the Secretariat doesn't present ALL and SPECIFIC facts regarding the case appropriately (as is the case as supported in number 2 below) and most importantly incase it didn't honestly inform EB about its own conflicting parallel hoax behind curtain in the same week and what it decided on registration of other similar cases; with respect to each point of "concern" it says it has on ours (facts provided below). For the record; the registration team of the Secretariat quickly sent another similar project (Project 8726: Xinxiang Pingyuan Tongli Cement Corporation Ltd. Increasing Blend in P·O42.5 Cement Project) to Registration "behind the Curtain" during the same week while EB-77 was made to blind-folded dwell on the secretariats false concerns on our project 7632. Elements of the project 8726 registered on 27th February 2014; are our additional fresh evidence that have the exact main issue as ours; that has however not been presented to the EB for scrutiny as "review" case and in fact was successfully assisted (within a year since initial application on December 2012!) to quickly escape to the "registered" cart at the backdoor. While hairsplitting our baseline disproportionately; they didn't raise any on the above when it used plants "within 200km market" to establish its baselines. It also used clinker benchmark of PO (80<PO<95) for project cement produced at 75% clinker; which is clearly not PO (See details in official letter and Annexes below).

We also all know it is technically difficult to prove Additionality with Methodology ACM 0005 V5, 6 &7 in many of the lavishly CDM represented territories due to clear existence of massive common practice and financial attractiveness of cement blending. Secretariat's unit infact vetted Additionality of Registered CDM Project 8726 and 8748 (Quantou Group Zaozhuang Jinqiao Cement Corporation., Ltd Increasing Blend In Cement Production Project); using "Financial Analysis" though we know is unrealistic and EB installed very stringent requirements in the Methodology. Both have also been allowed to use "cement plants within 200km sales radius of the project plant" for demonstrating common practice (Page 15 of its PDD) instead of considering all plants in the Host Country; none of which were allowed by the methodology.

Enclosure: Official letter (dut to restricted space in this form designed by Secretariat); Annex 1 and Annex 2

Please provide any specific suggestions or further information which would address the issue raised in the previous section, including the exact reference source and version (if applicable).
Noting on contrary that there are NO CONCERNS of ADDITIONALITY by Secretariat or EB or DOE or RIT on project 7632 but only false concerns and hairsplits of baselines by secretariat; which we proved wrong including by ample evidence of double standard; we would like to encourage the EB to seize this opportunity to; a. Reverse its ill informed decision on project 7632 and execute the same privilege differentially offered to projects 8726, 8748 and 6811; on the ground of secretariat's error as per Para 60 of the "MODALITIES AND PROCEDURES FOR DIRECT COMMUNICATION WITH STAKEHOLDERS" (Version 01). Note that RIT recommended EB for registration of the project. **b.** quickly launch a full inquiry into clarifying the facts described in the official letter below and annexes; as well as other stakeholder concerns and additionally also arrange a public venue for the registration unit of the secretariat to defend their action; in front of presence of PPs, DOE; respective DNA and independent observers; **c.** Extend period of public call launched in April 2014 of the procedural document (PCP Version 5 and others); for the sake of genuine revision of several elements of the procedural standards that are not transparent or usher lack of accountability.

If necessary, list attached files containing relevant information (if any)	I. Formal PP letter II. Annex 1and Annex 2

Section below to be filled in by UNFCCC secretariat	
Date when the form was received at UNFCCC secretariat	8 April 2014
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History of document

Version	Date	Nature of revision
01.2	08 February 2012	Editorial revision.
01.1	09 August 2011	Editorial revision.
01	04 August 2011	Initial publication date.
Decision Class: Regulatory **Document Type**: Form **Business Function**: Governance		

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Date (dd/mm/yyyy): 08/04/2014
Ref.No: EBF/ CDM EB-001/2014

The Chair of the Executive Board (EB) of the Clean Development Mechanism (CDM)

Bonn; Germany

Subject: Tangible evidences of Double Standard at the Kyoto Protocol's CDM operational platform and fake promise to improve unfair Regional Distribution of Clean Development Mechanism (CDM) projects to LDCs/SIDs; Our **o**bjection to the Decision of the EB to reject request for registration Project 7632: "Clinker Optimization in cement types' production at Derba MIDROC Cement Plant" hosted in Ethiopia.

Dear Sir;

We have received on March 31, 2014; the final ruling (CDM-PA7632-Rule 01) of the EB with respect to request for registration of Project 7632. We had information that the DOE and the RIT advised EB to approve Registration of the project while the registration unit of the Secretariat proposed the contrary and the case is waiting EB ruling. We have in fact been watching since we read the initial decision from the report of EB 77, although we were quite convinced that, with current modus-operandi; members of the EB would not have the right information to help them make unbiased initial decision or change their initial misguided ruling. This is because we understood EB exclusively heavily relies on the advice of the Registration Unit of the Secretariat (without even hearing the opposing argument of the RIT team that has assessed the case in parallel as per Para 86 of PCP or without giving direct venue for affected Project Participants, PPs) and other individuals of confused publicly acknowledged role. The time slot between the "initial decision" and the "Final ruling" is clearly a "diplomatic slot" for that privileged unit of the Secretariat to give itself some more room to either facelift its initial list of false concerns misleading to rejection and send sarcastic dictation to PPs and DOEs; which are both not sound enough to be presented to the ever watching eyes of the public. We believe the EB should not have made its decision based on the initial "outstanding review concerns" of the unit of the Secretariat without EB consulting PPs and RIT; the absence of which step renders irrelevance to the two ruling steps dubbed "initial ruling" and "final ruling" as utterly bogus. For the record; the EB members may not have noticed the fact that the points stated in the ruling statement have diverged significantly and became vaguer, shifted blame on to DOE than the detailed "outstanding review issues" the secretariat originally misguided the EB with for its "initial ruling"; as its basis of proposal for rejection. We found these "list of hair splits" and of the outcome of parallel

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review earlier (by RIT and Secretariat's unit) informally from a person in number 3 below few weeks before EB 77.

Clearly; the existing mysterious procedure (a procedure that doesn't show the outcome of the RIT's and Secretariat's assessment of review; publicly to stakeholders) and partial representation (a procedure that doesn't allow RIT members to defend their decisions or asks PPs present facts; while the relevant unit of the Secretariat is privileged to) would not allow giving the complete picture to the Board members before EB makes its decision. This was and is critical since the Registration Unit of the Secretariat doesn't present ALL and SPECIFIC facts regarding the case appropriately (as is the case as supported in number 2 below) and most importantly as it didn't honestly inform EB about its own conflicting parallel hoax behind curtain in the same week and what it decided on registration of other similar cases; with respect to each point of "concern" it says it has on ours (facts provided below). For the record; the registration team of the Secretariat quickly sent another similar project (Project 8726: Xinxiang Pingyuan Tongli Cement Corporation Ltd. Increasing Blend in P·O42.5 Cement Project) to Registration "behind the Curtain" during the same week while EB-77 was made to blind-folded dwell on the secretariats false concerns on our project 7632.

Elements of this project 8726 registered on 27th February 2014; are our additional fresh evidence that have the exact main issue as ours; that has however not been presented to the EB for scrutiny as "review" case and in fact was successfully assisted (within a year since initial application on December 2012!) to quickly escape to the "registered" cart at the backdoor. While hairsplitting our baseline unacceptably disproportionately;

a. Secretariat didn't raise any issue on the above project when it only used plants "within 200km market" and "once province in China" to establish its baselines.

   On contrary; it asked our project should have used ALL plants in Ethiopia and rejected it on this ground.

b. Secretariat didn't raise any issue on the above project when it also used benchmark of PO (80<PO<95) for project cement which is produced at 75% clinker, clearly not PO. Secretariat didn't raise any issue on project 6811 which used benchmark of Unblended OPC cement (Clinker >95%) for project cement which is CEM II (Clinker 65%) which is clearly not OPC.

   On contrary; it asked our project should not have used clinker data of OPC in benchmark calculation and rejected it on this ground.

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c. Secretariat turned blind eye to Projects 8726 and 8748 when; we all know it is technically difficult to prove Additionality with Methodology ACM 0005 V5, 6 &7 in many of the lavishly CDM represented territories due to clear existence there of massive common practice and financial attractiveness of cement blending. Secretariat's unit on contrary vetted Additionality of Registered CDM Project 8726 and 8748 (Quantou Group Zaozhuang Jinqiao Cement Corporation., Ltd Increasing Blend in Cement Production Project); using unrealistically cooked unattractiveness result in its "Financial Analysis".

d. Secretariat allowed Projects 8726 and 8748 to use "cement plants within 200km sales radius of the project plant" for demonstrating common practice (Page 15 of its PDD) instead of considering all plants in the Host Country; none of which were allowed by the methodology.

Would the EB justify how it's "rationale of rejection" number 2, 3 & 4 on our baseline (Annex 1 below) confirms with this exactly sheer discrimination, double standard, preferential treatment and even registration of Non- Additional projects? Our project 7632 is in fact rejected even if there are NO ADDITIONALITY CONCERNS by any regulatory body; be it Secretariat or EB or DOE or RIT.

We have elaborated elements of Registered CDM Projects 8726; Project 6811 and Project 8748; and are used in this letter of our objection as evidence of precedent and double standard on each "rationale and explanation" of the EB ruling. We know we should have definitely been privileged to the same level of "red carpet and expedite" treatment or otherwise it confirms to a practice that is disgracefully Corrupt.

To convince ourselves of the source of this kind of atrocious regulatory conduct; we have made careful observation and progressive enquiries so far to various individuals of high accolade in CDM (and related in one way or another to the process); over the way the subject team of the secretariat conducts business and some of the shocking findings are listed below. Most of the following observations and enquiries were made in Bonn where the office of the UNFCCC Secretariat resides;

A. Information and practices directly affecting discrimination in project registration

1. It is a known fact that once a registration application is submitted from DOE to the registration unit of the secretariat; the outcome of each stage of sub-process would be dispatched to the applicant Project Participants and DOE automatically electronically at close of business of the deadline date of the specific milestone.

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We have received such for the first round of "completeness check" and "Information reporting check" and the second round of "completeness check". Although we were supposed to receive the second round outcome of the "Information and reporting check" on October 3; 2013; we surprisingly didn't. Having been obviously keen to hear the "theatrical" outcome; we dialed to a person referred in number **2** below; and learned that it "should not have happened per his experience" except in "some cases where they forget". A week after this deadline when our chairman was in Bonn for a personal trip; he managed to ask a very famous fresh employee referred in number **3** below of whether this situation is common. The person was surprisingly able to access the outcome of the process handled by another unit of the secretariat on his laptop, in just a minute and tell the "positive outcome" and tell that PPs would receive in the afternoon. We received it in the afternoon! This tells a good story about a rotten standard of conformity with requirement of confidentiality of applications and irregularity of reporting. No wonder "three EB members" then "requested for review" when NO party did; confirming the troubling modus operandi of how "request for review" is and is not kick started. See in number 2 below.

2. We have been told (by a person related to some employees and "guys" of the registration unit whose company has successfully registered many projects); that he could have provided us with "safeguard with guys at the Unit"; had we told him before our project was "kicked to review". Explaining how, the person told us that in practice it is <u>not a Party or an EB member</u> that triggers a review in relation to Para 72 of PCP. Instead; abusing the term "through the secretariat"; individuals from the subject unit of the secretariat or other units with some relationship to "guys" of this unit depending on "some kind of interest on a CDM project requesting registration" would either "lobby or deceive some three busy or indifferent members of EB" to "sign on a paper" thereby fulfilling request for review. Such members would "mostly simply sign" as it is the easiest path of disposing responsibility of assuring "environmental integrity".

3. While we were desperately left with no other transparent option than seeking insider information and some kind of "professional poverty pimp"; we have allowed ourselves to be approached by a privileged charismatic fresh employee of the secretariat in the month of January 2014; (working at another Unit of the Secretariat who as stated above told us the outcome of the IRC way before we

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officially received it) who again informally provided us with the document of lists of "outstanding review issues regarding project 7632" of the registration unit of the secretariat that they say is "left unresolved" from review process and sent to the EB. He promised us that "since the relevant colleague of the registration unit who presents the case to the Board during the meeting may present it intentionally in a way that would bias the EB or allow balanced understanding by members"; he "would use his methodologically savvy to explain for us; yet only if he is asked by any member of a board during the meeting" and advised us to, in the meantime "Lobby" any capable EB member (before the meeting happens in February 2014) to "enquire curiously" regarding the case. We didn't rule out the possibility of double personality at play by our poverty pimp and its connotation involved. Unfortunately; we couldn't know what went after this; as the specific process at EB is already protected by a systematic procedure that would keep such troubling decision making to be made under "closed door discussion" and would "not be podcasted" to the public.

4. We have talked to another individual (not employee of the institution) in the same week who informed us that his company faced similar cases where the RIT and the registration unit of the secretariat have different opinions about a specific project requesting registration. Asked how he was able to resolve it; he told us that he "met the guys at the registration unit of the secretariat and talked to the guy and "explained" to him before the EB meets" and then the project was registered since the "guys didn't intentionally defend their position at EB". Asked how he met these influential "guys at the secretariat"; he told us that another famous guy related to them then; now employee of another unit of the Secretariat; has "arranged the meeting".

5. We have immediately made test proofing inquiry in the same month to another seasoned CDM market player about the possibilities of the revelation stated above and he extended the same story telling us that "No EB member would have the time or incentive to thoroughly prepare on a case; defend injustice or even exhaustively scrutinize review proposals from the relevant unit of secretariat" and hence that EB relies on the registration unit trusting it as a "reliable advisor" and "safeguard of environmental integrity". Project 8726 and 8748 tell a different and appalling story. Stakeholders also know that this is a unit that has registered and issued millions of credits for many other Non Additional projects that the

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mechanism harvested limps in its image for and new coal fired power plants; just because they are better performing than older vintages; all of them residing in very few specific territories.

B. Other Information that may be helpful to the EB and stakeholders to know indirectly influenced decision

- It is also worth mentioning that both registration and issuance is being handled by the same department and approving line officers. For those of us who know that "a contractor" and "a supervisor who sign a payment check" cannot be the same entity; it would not be too much to suspect possibility of massive conflict of interest. How does the EB trust this would "safeguard environmental integrity" and "social integrity" too?

- Every time we receive electronic mails of milestones from initial "completeness check" to "IRC" stages of project 7632; we have been receiving barrages of interests from some companies residing in a particular non-annex nation to "purchase" potential credits from this project who in some cases hinted names of their connection in this unit of the Secretariat that would "safeguard registration".

- It is easy to demonstrate that approval of many registration/issuance cases in the CDM could be handled A to Z by individuals of the same racial background or national identity giving very poor profile of and troubling representation in handling the UN registration process. Ours would fall definitely into a 100% scale. The UN is made up of 192 nations on the contrary. Asked rationale for poor profile of national diversity; interest groups would wish the following story to survive: "No competent experts of diversity available in the market who can handle complexity of the CDM". This theory guarantees them survival of corrupt modus operandi; poverty pimping for underrepresented territories and then creates venue for the service of CDM god fathers. We rather warn technical competence and corrupt deceptive moral standards require different parameters to be judged with.

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- We were asked by the unit of the secretariat to change our email address through new MOC arguing that "the account earlier communicated replies them that it was not receiving emails". It has been a year since we sent the new MOC and we were not receiving communications on the status of registration through the new email address; telling another story of who knows what its message was?

- Of broader picture; we consistently hear a "conspiracy theory" that with the EU and Scandinavian nations expressing intention to purchase ER credits from CDM projects hosted in LDCs/SIDs only, there is "an intentional opposite twist and massive effort to abort pipe line projects from these territories before bearing fruit"; thereby twisting arms of reviving purchase schemes; to be left with no other option than purchasing from them at "rates above the market rate".

All of these are disgusting revelations both in the form of reliable information, informal activities and evidence of rot; that clearly explain why if EB continues relying on the current regulatory procedure (including the Para's of the PCP that allow unchecked exclusive informal role of the relevant unit) and personnel asymmetry, it would continue to give rooms for corrupt individuals (and collective group of individuals) to implement personal egos, jealousy; vendettas and possibly propagate own culture of corruption to the international operational platform under the disguise of "technical grounds". It is a fundamental breach of a key Sustainable Development Criteria i.e Social Integrity. It is also counterproductive to the EB rhetoric of "Regional distribution" and "CDM Reform" unless it tangibly walks its talks demonstrably. In fact Project 7632 was disproportionately scrutinized, repelled and queued last line in each step; by the unit of the secretariat and kept rolling for several round of back and forth and for many other artificial hair split concerns (for three years!) yet other projects in lavishly bestowed territories were not asked for the same "concerns" even once (in fact even registered in one year!). This would not match the spirit of meeting "unbiased regional distribution" the EB cries fool often about. The current procedures and personnel asymmetry may in fact be suitable for those "guys" who wish to maintain the operational code of their babysitting, carbon cartel and gang rape of the mechanism. But for those of us who believe that the UN platform is in fact theoretically our collective dining room and hell-not a rotten kitchen of individuals with pervert worldview, change is mandatory.

With this level of registration/issuance integrity; no wonder Kyoto's CDM credit is currently worth less than a quarter kilo of onion and required the EB's desperate flea-marketing. The EB may hence change its theory of "low ambition", "tough market condition" or any other phony reasons for its poor harvest; to sound teeth of fighting

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corruption that crippled the contribution of genuine experts; capable bureaucrats of better moral standard at the Secretariat and other Climate Change stakeholders with honest aspirations. No developed country party should in fact be willing to "raise ambition" just to finally finance a carbon cartel under the Clean Development Mechanism (CDM) that is increasingly helplessly falling prey to corrupt practice of individuals. That is partly why discussion of other types of mechanisms looms large.

We understand that EB members cannot pin down such a complex atrocity in few allowable minutes slot within its occasional meeting period i.e five days of a week in two months. However; we would not like to skip expressing that it is still not impressive to learn that though the EB is instituted by Parties to assure unbiased judgments or substandard treatment on any applicant by any employee or unit of the institution. We expected independence and not work as another extension of units of the secretariat or at least not with a confused borderline between cooperation and independence.

We would have trusted the EB's advice at the end of the ruling note (annex 1 point 5 below) which seems purposed to "encouraging" us to resubmit the request for registration of the project again through following the infamously lengthy and vague procedures. However; the advice is counterproductive in that it doesn't allow the PPs to know what the specific concerns of the unit of the secretariat were; since the publicly posted points are pretty vague and deceptive versions of the detailed false concern used secretively internally in its decision making. In fact they are our evidences of double standard. There is also no guarantee that the same level of unchecked atrocity would not misguide the EB again in future or if the "rationale" weren't purposed by the Cartel to somehow send a message through EB to PPs or DOEs, to succumb. We assure you we would certainly be mistreated again along the same procedural line of corrupt cartel after spending another hundreds of thousands of hard earned LDC dollars and pursued another half decade. We can't trust the ever unreliable CDM procedural standards that are vulnerable to be tampered by the corrupt hands of such cartel powerful enough to change CDM rules at boring frequency, mostly inconsistently again and targeting abortion of or favoring specific applicants.

We were on six years cautiously optimistic learning curve to understand which of the elements receive the greatest share among the main reasons often suggested as causes of biased regional CDM distribution; and the answer is now clear. We rather prefer waiting for a genuine reform or replacement of the scheme by a better one. However labor; the current setup is certainly capable of surely directing us to spending funds (including from CDM loan scheme) inappropriately even if we engage poverty pimps.

We will surely keep disclosing the spirit of corruption in the CDM regulatory process. In the mean time we have here below Annexed the technical reasons for our objection to the flawed decision to reject our request for registration of project 7632 with technical

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explanation and evidence to each of the three points listed as "reasons of rejection" as numbered in the ruling statement. We did this, taking into account that the original list of hair split versions of the secretariat has been replaced by the unit's deceptively blanket version called "ruling note" except wearing EB flag now than telling substance, allowing for another round of public misinformation and lack of accountability for its ill treatment of our case. We have listed in the following Annexes; the "rationale" of the ruling as well as the facts explaining why they are artificial concerns. In fact they are examples of double standard and corrupt practices as to how the registration unit of the Secretariat conducts its business and EB indifferently endorsed it.

Finally; we would like to encourage the EB to seize this opportunity to

a. Reverse its ill informed decision on project 7632 and execute the same privilege differentially offered to projects 8726, 8748 and 6811 on the ground of secretariat's error as per Para 60 of the "MODALITIES AND PROCEDURES FOR DIRECT COMMUNICATION WITH STAKEHOLDERS" (Version 01)

b. quickly launch an inquiry into clarifying the facts described in this letter as well as other stakeholder concerns for the sake of saving the remaining already battered image and additionally also arrange a public venue for the registration unit of the secretariat to defend their action and preferential handling of registration applications including confidentiality of applications; in front of presence of PPs, DOE; respective DNA and independent observers; as immediately as possible.

c. Extend period of public call launched in April 2014 of the procedural document (PCP Version 5 and others); for the sake of genuine revision of several elements of the procedural standards that are either not transparent or usher lack of accountability.

We assure EB that this letter is only the beginning phase of the cycle of our objection until we find justice. As a follow up we guarantee you we will be educating the public and global climate change community very consistently about the lessons we learned being applicant from intentionally poorly represented CDM territory.

Sincerely;

Ambachew F. Admassie
Chairman; Ethan Bio-Fuels Pvt. Ltd. Co

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Annex 1

The following are lists stated in the purposeless ruling note (CDM-PA7632-Rule 01) publicly posted as reasons of rejection of request for registration of Project 7632. They are publicly available on https://cdm.unfccc.int/Reference/Rulings/index.html#proj_cycle

1. The CDM-Executive Board decided to reject the above proposed project activity on 21 February 2014, in accordance with *the "Clean development mechanism project cycle procedure"* (PCP), version 5.0, paragraphs 85, 86 and 88 (the procedures). In accordance with paragraph 89 of the procedures, the rulings shall contain an explanation of the reasons and rationale for the final decision, which are as follows:

2. The DOE (Carbon Check) failed to substantiate the appropriateness and conservativeness of the ex-ante baseline benchmarks for clinker share of all blended cement types (BCs) produced in the project activity in accordance with ACM0005 v7.1, page 9.

   Evidence of fresh Precedents and Double standard: Project Projects 8726; Project 6811 and Project 8748; (Ps see annex 2)

3. ACM0005 v7.1, page 9 states that "Step 2.1: Determination of baseline benchmark of share of clinker per tonne of BC at the start of the project activity (BBlend,1)…Data concerning average blending ratio, annual production and import of the relevant cement type(s) in the region shall be collected for one year prior to the start date of CDM project activity.…Identify the amount of the relevant cement type produced by each plant in the region;…"

   The EB should have observed few lines below its quotation above in the same page and step of the methodology which reads;

   "In addition to cement production data, if the average annual amount of the relevant cement type imported by the host country is more than 10% of the total production volume in the region, the average mass percentage of clinker in the relevant cement type imported shall also be considered in the analysis under (i) and (ii) above as it would be produced in a virtual one plant. For example, if there are several companies importing the relevant cement type, the imported cement from each company shall be considered as it would have been produced in a virtual one plant. In this case, the clinker share of the imported cement type may be obtained as specified on the cement bag or import document."

   From publicly available documents of the Secretariats own website with the following link; it is easy to see that PPs have justified with supporting evidence that >10% of the total production is imported into the Host Country; prior to the start date of the project activity. http://cdm.unfccc.int/Projects/DB/CarbonCheck_Cert1349705724.42/history

4. The DOE failed to justify that all relevant cement plants in the region (including private and public cement plants in the host country) have been taken into account while calculating the baseline benchmark of share of clinker of BCs given the fact that Ethiopia has relevant private and public cement plants whereas the baseline benchmark of share of clinker of BCs has been calculated only based on private cement plants. Further, Portland cement, which is not a relevant cement type for the project activity, has also been taken into account to determine the benchmarks, which is not in accordance with the methodology.

   Evidence of fresh precedents and Double standard:

   1. Project Projects 8726 (registered the same week of EB 77) and Project 8748 (Registered April 2013) have only considered cement plants in One province of China to establish their baseline benchmark. Setting the possibility to adapt "similar circumstances" in baselines.

      Surprisingly; they were actually even allowed to use "cement plants within 200km sales radius of the project plant" for demonstrating Common Practice (Page 15 of the PDD) instead of considering all plants in the Host Country; which provisions were not allowed by the methodology. (Ps see annex 2). Can EB justify how this was made possible?

      On the contrary we established baselines for 7632 using plants in "similar circumstances" and considered plants IN THE WHOLE OF THE HOST COUNTRY with similar circumstances in the establishing benchmark; as allowed by ".

   2. We encourage the EB to turn to page 10 and 12 of the Registered PDD for Project 8726 (registered the same week of EB 77). The project PPs used the clinker share of PO (80<PO<95) as baseline benchmark to the project activity cement which is clearly not OPC since its intended clinker share is 75% which is below the minimum of the above requirement for PO in the Chinese National cement standard. We again encourage the EB to turn to Pages 3,13 &14 of Project 6811 (registered April 2012) which used clinker share of OPC (>95%) as baseline benchmark for the Project Activity cement type CEM II even if type CEMI has never been produced in the Host Country.

      We applied strict guidance of Step 2.1 of the methodology taking all relevant cement statistics including that of OPC into the calculation, and has resulted in 87.71% clinker share as its baseline benchmark on year 1 (BBlend1).
      Link: http://cdm.unfccc.int/Projects/DB/CarbonCheck_Cert1349705724.42/history

5. 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).

   Please see our covering letter

Annex 2

The following are "black' lists we found informally from an employee of the secretariat (as stated in number 3 of our covering letter) just before the meeting of EB 77; that was originally prepared by the secretariats registration unit as "outstanding review points left unresolved" from previous long lists of the IRC and used as reasons for "initial decision" of rejection. They are just specific versions of the above publicly available document. We have provided responses to each in blue color as to why they are fake concerns and in fact are evidences of double standard in many cases. All of these facts were explained to the secretariat previously and all documents are available publicly on link http://cdm.unfccc.int/Projects/DB/CarbonCheck_Cert1349705724.42/history

a. Issue 2 – (this section is related to point 2 of the vague points of the ruling note in Annex 1 above)

Sub issue 1

Portland cement with 95% clinker does not have a comparable quality of cement CEMII/ B-L & CEM IV/B produced in the project activity, as:

(i) As per the definition of "blended cement types" in the applied methodology, blended cement types are distinct products with different uses that have different additives and different shares of clinker.

This definition is for "blended cement types" used to help identify what differentiates between different blended cement types in case where there are multiple of them in a host country. When we refer to the definition of "blended cement" however, the methodology states;"it is a mixture of clinker and additives containing less than 95% clinker." taking 95% as cut-off line. Please refer the Methodology ACM 0005 V7.1.0.

(ii) The five different types of cement have different additives and different shares of clinker. Despite the ultimate (standard) strength of different types of cements may similar or same, the other technical parameters (e.g. early strength, initial setting time) are different.

As a start point; kindly please note that the Methodology is based on National Cement Standard and is not even applicable where there is no National cement standard (Page 1/36) in the host country; suggesting that judgment is based

on comparison with the elements of national cement standard. Relevant pages of Ethiopian cement standard were sent to the secretariat before and are available on website even now.

We agree with the first sentence that different “blended cement types” have different types of Additive and their clinker share may fall within range of clinker share as specified for each on the annexed Ethiopian standard. However the early strength and initial setting time requirements of the Ethiopian cement classes is not exclusive to a specific type of blended cement. In fact all and each type of cement including OPC with >95% clinker share, shall confirm to any of the three cement classes (32.5N & 32.5R, 42.5N & 42.5R, 52.5N & 52.5R) as described by the stated early strength, ultimate (standard) compressive strength, setting time and soundness requirements. Moreover each type of blended cement will be produced with the choice of class left to the producer as far as meeting the standard of the class chosen. In other words for the same Additive type (blended cement type) one can produce several different classes among the three by varying fineness of Additives, clinker share within the allowable range etc. The choice by the producer plant, regarding which class to produce for a certain cement type, depends on what he wants to send to the market and may changes from time to time. Kindly please note that we have already annexed evidence from Ethiopian cement standard Page 11 section 8 under “designation”, which clearly supports this fact further. We have already demonstrated using the standard as well as confirmation letter that continuous routine spot sampling and testing are mandatorily conducted in cement plants to confirm that whatever cement type produced meets the requirements of the national standard as described in the table 001a in our response for review issues (which is one and the same for all types of cement but classes).

Precedents

Project Projects 8726; Project 6811 and Project 8748 applied National cement codes of respective countries.

(iii) Ethiopian building code standard is not applicable to the justification for the issue, since Ethiopian building code standard is for concrete (mixture of gravel/sand, cement and water) not for cement.

Ethiopian building code has been included in Addition to Ethiopian Cement standard, just as an Additional evidence to justify that even the concrete casted using the Ethiopian cement as a critical component shall attain the ranges achievable by compressive strength of a mortar cube cast using either classes of Ethiopian cement. It is an indirect evidence for assuring the comparable quality.

In light of this, we confirm that Portland cement (which with 95% clinker) has a comparable quality of cement as others as it should always fall under either of the Ethiopian cement classes (32.5N & 32.5R, 42.5N& 42.5R, 52.5N& 52.5R). This

can be confirmed by consulting this fact from table 001a in our response for review issues and also Page 9 of the main Ethiopian cement standard document already Annexed with review documents. The Import confirmation document Annexed, clearly also states that Portland cement is imported for use in all construction applications.

Sub issue 2

(i) The DOE has only simply confirmed the baseline scenario and baseline benchmarks of clinker share have been determined as per ACM 0005 V07.1, without any detailed explanation.

We (PP) have provided to the DOE, the full explanation of how we developed the baseline benchmarks as shown in the submitted DOE response as well as spreadsheets for review issues. We have also seen the DOE's revised Validation report posted publicly covers this.

(ii) The DOE has not explained why the production of CEM II/B-L with 65% clinker share and CEM IV/B with 45% clinker share are not possible baseline alternatives, considering that those alternatives are in line with Ethiopian cement standard ES 1177 - 1:2005.

Production of CEM II/B-L with 65% clinker share and CEM IV/B with 45% clinker share have been considered as one of the alternative scenarios/ possible baseline alternatives under "the project activity undertaken without being registered as a CDM project activity". As described in PDD, "The project activity plans to produce CEM II/B-L using Limestone as Additive, while producing the CEM II/B-P and CEM IV /B types using Pumice as Additive; at lower clinker share without exceeding the legal lowest 65%, 65% and 45% clinker share respectively. However these types of blended cement have never been produced in the country by any cement plant in the country. Moreover 65% and 45% are the lowest allowable clinker shares in these types of cement as per the national cement standard. We have demonstrated in PDD, using the guidance in the Methodology that the benchmark reduction achieved so far without the CDM is 87.81%. The purpose of the project activity is to bring down clinker share in cement to these lowest allowable levels with the incentives from the CDM and hence cannot be possible baseline candidates.

(iv) Blended cements CEMII/B-L and CEM IV/B have never been produced in or imported to the host country. The baseline scenarios of CEM II/B-L and CEM IV/B are not described consistently within the submitted documents

(e.g. page 19 of the revised PDD states import or production of Portland cement, while other parts of the documents states production of limestone cement and Pozolanic cement).

As per the Ethiopian Cement standard Table 1 Annexed as evidence in the review stage, cement type CEMII/B-L falls under Ethiopian Family of cement called “Limestone cement” and cement type CEM IV/B falls under Ethiopian Family of cement called “Pozzolanic cement”. So it is one and the same except stated in symbols and words.

(v) The produced or imported Portland cement (i.e. CEM I, with lowest clinker share of 95%) is not blended cement as per the definition of blended cement in page 1 of ACM0005 version 7.1 (*Blended cement is a mixture of clinker and additives containing less than 95% clinker*), which was also acknowledged by the project participant in the initial submitted PDD (version 6, page 2). Therefore, it cannot be considered as relevant cement type (as defined in the methodology*: relevant cement type is the type of blended cement produced under the CDM project activity*) in identifying the baseline scenarios or determining the baseline benchmark of clinker share of the blended cements in the project activity.

We acknowledge that as you rightly stated above definition for blended cement is correct in stating it as “a mixture of clinker and additives containing less than 95% clinker. We just only believe we are here discussing a product at the boundary (identified by a 95% as a cut-off line). Hence, regarding “Relevant cement types”, kindly please note that step 2.1 of the Methodology requires PPs that in case imported cement into the country is >10% of the total production volume in the country , imported cement “should be considered as if it was being produced by one virtual plant located in the region” in establishing benchmark. In Ethiopian context only cement with clinker share >95% (CEM I) has been imported as substitute for all “the relevant cement types”. The Annexed evidence of import statistics confirmation letter attached with review response, obtained from Ethiopian Government Authority clearly shows the volume as well as application areas of the cement imported. It explicitly confirms that it was being used in all applications ranging from housing to infrastructure to general purpose, which covers all the application areas of the relevant cement types of the project activity cement types.

Precedent

We have two precedents of registered CDM projects of similar type for this;

- We encourage the EB to turn to page 10 and 12 of the Registered PDD for Project 8726 (registered the same week of EB 77). The project PPs used the clinker share of PO (80<PO<95) as baseline benchmark to the project activity cement which is clearly not OPC since its intended clinker share is 75% which is below the minimum of the above requirement for PO in the Chinese National cement standard.

- We again encourage the EB to turn to Pages 3,13 &14 of Project 6811 (registered April 2012) which used clinker share of OPC (>95%) as baseline benchmark for the Project Activity cement type CEM II even if type CEMI has never been produced in the Host Country.

> (vi) (The data sources used to calculate baseline benchmarks of clinker share are not in line with ACM0005 version 7.1 (page 9), since (1) the data in the whole region (i.e. host country) are required to determine the benchmarks, while only the data of private cement plants are used in the revised PDD; (2) only the data of relevant cement type produced in the region can be used to determine the benchmark of relevant cement type, while the data of Portland cement (i.e. CEM I) has been taken into account to determine the benchmark of CEM II/B-P, and the data of cement CEM I and CEM II/B-P has been used to determine the benchmark of CEMII/B-L and CEM IV/B; and (3) the Portland cement (CEM I) is not blended cement as per the definition in page 1 of ACM 0005 V07.1.

Therefore, appropriateness of the identified baseline scenario of CEM II/B-L and CEM IV/B has not been justified.

We confirm, the data source used is exactly in line with the requirement in that we have taken the data from the region (i.e whole country), while taking into account the level of Aggregation is for the Private Plants only, consistent with how we established the Baseline Scenario and Additionality. Summed up it just means we took data from ALL private plants in the host country including the import as one virtual plant. Kindly please note that we have remained consistent with how we provided the text of the Baseline scenario.

Precedents

- Project Projects 8726 (registered the same week of EB 77) and Project 8748 (Registered April 2013) have only considered cement plants in One province of China to establish their baseline benchmark. Setting the possibility to adapt “similar circumstances” in baselines.

- Surprisingly; they were actually even allowed to use “cement plants within 200km sales radius of the project plant” for demonstrating Common Practice (Page 15 of the PDD) instead of considering all plants in the Host Country; which provisions were not allowed by the methodology. (Ps see annex 2). Can EB justify how this was made possible?

- On the contrary we established baselines for 7632 using plants in “similar circumstances” and considered plants IN THE WHOLE OF THE HOST COUNTRY with similar circumstances in the establishing benchmark; as allowed by “.

b. Issue 4: (This section is the specific version of point 3 and 4 of the vague ruling note in Annex I above)

Sub issue 1:

Revised from 71.28% to 87.81%, the baseline benchmarks of CEM II/B-L and CEM IV/B are determined as same as CEM II.B-P.

The data sources used to calculate the three baseline benchmarks of clinker share are not in line with ACM0005 version 7.1 (page 9), as

(1) the data in the whole region (i.e. host country, including private and public cement plants) are required to determine the benchmarks, while only the data of private cement plants are used in the revised PDD;

This issue has been explained under Sub issue 2, Vi above. We took data from ALL private plants in the host country including the import as one virtual plant. Kindly please note that we have remained consistent with how we provided the text of the Baseline scenario. In terms of precedent, kindly please note that registered project 8748 (April 2013) and Project 8726 (February 2014) used one province in China as source of data for establishing its benchmarks as opposed to the whole of China and was registered just during EB 77 meeting.

(2) only the data of relevant cement type produced in the region can be used to determine the benchmark of relevant cement type, while the data of Portland cement (i.e. CEM I) has been taken into account to determine the benchmarks; and

The data of Portland cement has been included in calculation of benchmark arising from mandatory inclusion (as per step 2.1 page 9/36 of Methodology) of imports as virtual one plant in case import constitutes >10% in the host country.

Kindly please also note that even in cases where there was no consideration of import into a country, there is a precedent in a previously Registered CDM Project Activity Number 6811 (registered in April 2012) where clinker share % of "unblended Portland Cement (OPC)" was used as relevant type to establish benchmark for project activity blended cement i.e CEM II. Even in the same week of meeting of EB 77; Project 8726 used the clinker share of OPC (PO) as relevant cement type for establishing baseline and benchmark clinker for the project activity cement (which is clearly not OPC since it used clinker share of 75% which is below the Chinese national cement standard for OPC). We believe this is fully consistent with the purpose of blending technology as far as supported by national standard. Bu if ours is selectively rejected, it is indeed a double standard!

(3) the Portland cement (CEM I) is not blended cement as per the definition in page 1 of ACM 0005 V07.1.

As per the definition, blended cement is cement with clinker share below 95%. Hence 95% is the cut-off reference line.

Sub Issue 2

The DOE has explained that 2008 is the year prior to the start date of project activity (August 2009), and the data on average blending ratio, annual production and import, for year 2008 has been collected. However, the secretariat observes that the data applied for each type of BC is not relevant to those cement types, since the data of cement CEM I has been taken into account to determine the benchmark of CEM II/B-P, and the data of cement CEM I and CEM II/B-P is used to determine the benchmark of CEMII/B-L and CEM IV/B. (This is related to "rationale" number 3 of the ruling note in Annex I)

We want to draw your kind attention to the previously proposed baseline scenario (in our PDD version 5) for CEMII/B-L and CEM IV/B in the PDD previous to the request for review i.e "import or production of CEM I (unblended cement)". We were informed by the review issues of the Secretariat that the identified scenario was not conservative. Subsequently in our response for the review, we have explained that in the absence of the project activity, CEMI (Unblended cement which has 95% clinker share) would have been produced or imported (as supported by evidence from 100% import statistics and confirmation on its intended application) and yet further suggested our willingness to consider one more possible conservative baseline alternative i.e "production of the project activity cement types (CEM CEMII/B-L and CEM IV/B.), using the same clinker share of CEM II/B-P produced by private plants in the host country" so that the benchmark of an already produced cement will also inform the baseline benchmark level. The benchmark clinker share of CEM II/B-P is 87.81%. This conservative approach has now reduced the proposed benchmark from previously identified 95% to 87.81%

for blended cement types CEMII/B-L and CEM IV/B. This is how we finally arrived at one conservative clinker benchmark for all blended cement types of the project activity.

Regarding the issue of inclusion of CEM I (OPC) in calculation for establishing benchmarks, we have double checked that we have not used all CEM I production into the calculation for benchmark and rather we use the only one private plant which was producing at 95% clinker share, which falls on the exact boundary as per the definition. For no need of concern on this, kindly please also note that there is a precedent for this in Registered Project Number 6811 (registered in April 2012) where "CEM I: unblended cement" with clinker share % of more than 95% was used as benchmark for project activity blended cement (CEM II) produced it at 65%. Project 8726 also used the clinker share of P.O cement that should be produced with clinker share between 80% and 95%; as benchmark for the project cement produced at 75% (Please refer page 12 of PDD of this registered project). Moreover, even if we disregard the same plant data (CEM I produced at cut offline) in the calculation, the next candidate to fulfill the top 20% requirement of the guidance in the methodology would be the imported cement which is at 95% clinker share and volume of 621k tons which shall be included as per the guidance in the methodology and would then give weighted average benchmark of 91.94% and hence our benchmark of 87.81% is more conservative.

Final Note

For luck of any option for formal and transparent procedural venue left; the above facts were informally communicated to the unit of the secretariat through the same person stated in number 3 above by email; few weeks before the EB 77 meeting. We have also hinted existence of mistreatment to two EB members before the meeting.

The above detailed technical explanation; facts; precedents clearly describe how severe the double standard and level of corruption at the registration process of the CDM looms and the blind eye the EB turns to the mistreatment and causes of underrepresented nations.

The above facts show that project 7632 which provided all baseline facts and the EB has no concern of Additionality; should definitely have been registered. Of course the DOE and the RIT have technically judged and advised EB it should be registered. We also provided evidence of fresh precedents for and double standard in registration process entertained "behind the curtain" even within the same week of EB 77 meeting when EB chose to reject project 7632.

Key words; the following additional key words were used in the letter (in Addition to those known by the Glossary of Terms of the CDM) with the definition they have as definition found in Wikipedia;

A double standard; is the application of different sets of principles for similar situations, or by two different people in the same situation.[1] A double standard may take the form of an instance in which certain concepts (often, for example, a word, phrase, social norm, or rule) are perceived as acceptable to be applied by one group of people, but are considered unacceptable—taboo—when applied by another group.

Corruption; is spiritual or moral impurity or deviation from an ideal. Corruption may include many activities including bribery and embezzlement. Government, institutional or 'political', corruption occurs when an office-holder employee acts in an official capacity for personal gain.

The word corrupt when used as an adjective literally means "utterly broken".[1] The word was first used by Aristotle and later by Cicero who added the terms bribe and abandonment of good habits.[2] According to Morris,[3] corruption is described as the illegitimate use of public power to benefit a private interest. Senior,[4] however, defines corruption as an action to (a) secretly provide (b) a good or a service to a third party (c) so that he or she can influence certain actions which (d) benefit the corrupt, a third party, or both (e) in which the corrupt

Poverty pimp; or "professional poverty pimp" is a pejorative label used to convey that an individual or group is benefiting unduly by acting as an intermediary on behalf of the poor, the disadvantaged, or some other "victimized" groups.

Those who use this appellation suggest that those so labelled profit unduly from the misfortune of others, and therefore do not really wish the societal problems that they appear to work on to be eliminated permanently, as it is not in their own interest for this to happen.

A flea market (or swap meet) is a type of bazaar that rents space to people who want to sell or barter merchandise. Used goods, low quality items, and high quality items at low prices are commonplace.