

**CDM-PA10016-RULE01**

## Ruling note

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Request for registration for “Use of biomass as an alternative fuel for the production of Calcium Oxide”

Version 01.0



**United Nations**  
Framework Convention on  
Climate Change

1. The CDM-Executive Board decided to reject the above proposed project activity on 04 March 2016, in accordance with the "CDM project cycle procedure" (PCP), version 09.0, paragraphs 111 and 117. In accordance with paragraph 118 of the PCP, the ruling shall contain an explanation of the reasons and rationale for the final decision, which are as follows:
  - (a) The DOE (TÜV Rheinland) failed to substantiate the suitability of the input values to the investment analysis, in particular the investment costs in accordance with validation and verification standard (VVS), version 09.0, paragraph 129 (a) & (b).
  - (b) The relevant requirements are:
    - (i) VVS, version 09.0, paragraph 129 (a) & (b) states that "To verify the accuracy of financial calculations carried out for any investment analysis, the DOE shall: (a) Determine the suitability of the financial indicator selected by the project participants and conduct a thorough assessment of all parameters and assumptions used in calculating such financial indicators, and determine the accuracy and suitability of these parameters using available evidence and applying its expertise in relevant accounting practices; (b) Cross-check the parameters against third-party or publicly available sources, such as invoices or price indices;"
  - (c) The reasons and rationale for the final decisions are:
    - (i) The DOE has not confirmed that the applied investment cost is an incremental investment compared with baseline scenario as no information is provided on whether there would be any investment cost for fuel feeding system in the baseline scenario for the new CaO production capacity (i.e. 600 TPD).
    - (ii) The DOE has not provided information related to cross-checking the investment costs, in particular on whether the reference used for cross-checking is the same document used as the source of the input value.
2. 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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### Document information

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<i>Version</i>	<i>Date</i>	<i>Description</i>
01.0	25 April 2016	Initial publication. Related to CDM project cycle procedure, version 09.0 (Paragraphs 111, 117 & 118)

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