

**Annex 11**

REVIEW CONCLUSION: LA ESPERANZA HYDROELECTRIC PROJECT (0009)

1. The Board agreed to request the DOE and the project participants to make corrections in the CDM-PDD and the validation report as outlined below and resubmit them for consideration of the Board by 31 May 2005 (COB). The two lead members of the review team responsible for a case shall assess if the corrections were appropriately incorporated and make a recommendation by 8 June 2005 (COB) to the Board for electronic decision-making, in accordance with rule 30 of the rules of procedure of the Executive Board. If the Board is not able to agree via electronic decision-making, the resubmission shall be considered at its twentieth meeting.
2. The Board notes that the clarifications by the DOE and the project participants did not address adequately some of the issues identified in the scopes for review and in related questions which the Board had sent to the DOE and project participants. The Board sought further information and clarification from the DOE and project participants on these issues within the scope of the review.
3. In order to ensure that the process of consideration of this review case is undertaken in an efficient and expedited manner, the Board will not register the activity if the requested corrections in the CDM-PDD and validation report indicated below are not made to the satisfaction of the Board.
4. The Board further noted that in general, if a DOE repeatedly fails to act according to the accreditation standards, relevant COP decisions and guidance of the Board, the Board will consider suspending/withdrawing its accreditation.
5. Issues to be corrected in the CDM-PDD and validation report:

SCOPE (a) Inconsistent referencing to the dates of the CDM-PDD submitted for registration and referred to in the validation report.

Corrections to be incorporated:

- Validation report: revise the report to reflect the latest date of the CDM-PDD considered by the DOE.
- CDM-PDD: change date on the cover to date of submission to the DOE.

SCOPE (b): Time and reasons for revisions in the CDM-PDD and their implications for the baseline setting; and due account taken of public comments by the DOE.

Corrections to be incorporated:

- Validation report: DOE to include in the validation report its clarifications regarding this scope.



SCOPE (c): Need for authorization and approval letter(s) from the Party(ies) involved linked to the Community Development Carbon Fund(CDFC), in accordance with the guidance by the Board contained in the Glossary of CDM terms.

Corrections to be incorporated:

- Submission of letter of approval by the Party(ies) involved linked to Community Development Carbon Fund.
- Submission of a letter of approval by the Party(ies) involved linked to the IBRD

SCOPE (d): Inconsistency in references to the capacity of the power plant (stage 1B of Phase 1 of the project activity) in the CDM-PDD and the composition of the displaced fuel in the baseline description.

Corrections to be incorporated:

- CDM-PDD: submit the revised CDM-PDD with clarifications provided by the DOE and project participants. In particular:
 - o Correct total built capacity: it should be 12.77MW (i.e. 485kW+785kW+11.5MW).
 - o Replace the value of 12.73MW.
 - o Ensure the correct value for capacity of powerhouse I.A and B and powerhouse 2.
- Validation report: DOE to include in the validation report its clarifications regarding this scope.

SCOPE (e): Inconsistent reference to the size of reservoirs in different parts of the documentation submitted.

Corrections to be incorporated:

- Validation report: DOE to incorporate its clarifications on this scope in the validation report.

SCOPE (f): Clarification on the assessment by the DOE in the validation report of the additionality of the Phase 1 of the project activity.

Corrections to be incorporated:

- CDM-PDD and validation report: The Board agrees that the phase 2 of the project activity is additional. However it considers that project participants shall justify further the additionality of phase 1. The current justification of phase 1 being part of phase 2 does not provide enough evidence to justify phase 1 being additional.

SCOPE (g): Disclaimer by the DOE should be removed.

Corrections to be incorporated:

- Validation report: DOE to delete any disclaimers in the validation report.