

### **GOLD STANDARD PASSPORT**

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**Annex 1 ODA declarations** 



### **SECTION A. Project Title**

### **Eiamrungruang Waste Water Treatment and Biogas Utilization Project**

### **SECTION B.** Project description

"Eiamrungruang Waste Water Treatment and Biogas Utilization", hereafter referred to as 'the Project' is being implemented by Eiam Rung-Ruang Renewable Co.,Ltd (ERR) at a tapioca starch processing plant in Nakornratchasima province, the north east of Thailand. The starch plant has a design starch production capacity of 350 tonne per day.

Prior to the project implementation, the wastewater from the starch plant has been treated through open anaerobic lagoons. The open anaerobic lagoons were sufficient to treat the wastewater and no additional wastewater treatment (aerobic or anaerobic) was required.

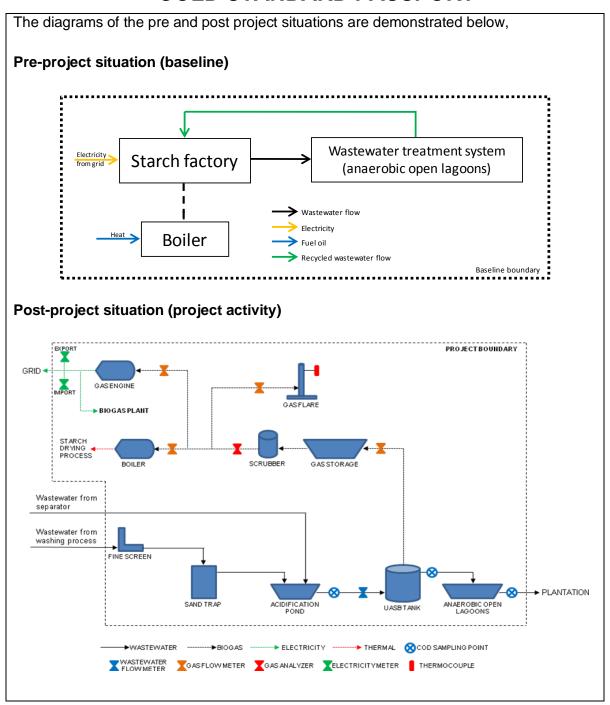
The purpose of project activity is to treat the wastewater from the starch factory to generate biogas. The project activity entails the installation of an anaerobic wastewater treatment facility, based on an "Up flow Anaerobic Sludge Blanket" (UASB) system; to complement the existing open lagoon based system. The implementation of the project activity will enable the generation and capture of biogas which is used for electricity and thermal energy generation. The biogas is fed into the gas engine having a capacity of 3,120 kWel out of which first 1,560 kWel has been installed already by 2010 and remaining 1,560 kWel is expected to be installed within two years for power generation and to replace heavy fuel oil in the thermal oil boiler of amount approximately 7,600 litres per day which would have been utilised in the starch drying process.

The project will contribute significantly in the reduction of GHG emissions by combusting biogas, which is rich in methane (a greenhouse gas). In the absence of the project activity, methane would have been emitted to the atmosphere. Furthermore, the electricity generated by the gas engine will be used in the biogas plant and remaining will be exported to the national grid, which will displace electricity generated from fossil fuels in the grid. The biogas utilised in the thermal oil boiler will replace the usage of bunker oil thereby contributing further in the reduction of GHG emissions. In the case of an emergency, excess biogas may be flared in an enclosed flare system.

In accordance with the project owner plans, the electricity generated will be sold to PEA under a firm power purchase agreement under the Very Small Power Producer (VSPP) program.

The average estimated emission reduction is 48,216 tonnes per year of CO<sub>2</sub> equivalent.







SECTION C. Proof of project eligibility				
C.1. Scale of the Project				
Please tick where applicable:				
Project Type	Large	Small		
C.2. Host Country				
Thailand				



C.3. Project Type	• • • • • • • • • • • • • • • • • • • •
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#### Please tick where applicable:

Project type	Yes	No
Does your project activity classify as a Renewable Energy project?	$\boxtimes$	
Does your project activity classify as an End-use Energy Efficiency Improvement project?		

### Please justify the eligibility of your project activity:

The project type falls under Biogas (landfill gas and biogas from agro-processing, wastewater and other residues), as specified in Appendix C of the Gold Standard Toolkit.

Adherence to the 65% rule of minimum utilisation

The biogas system at the project activity is designed in such a way to maximise the utilisation ratio of the biogas for the delivery of thermal and electrical energy. The flaring system will be used only in case of emergency.

Pre Announcement	Yes	No
Was your project previously announced?		$\boxtimes$

Explain your statement on pre announcement

There has been no public announcement of the project going ahead without the CDM, prior to any payment being made for the implementation of the project.

### \*the table refers to the PDD

Date	Event
May 1, 2007	Establishment of Eiam Rung-Ruang Industry Co.,Ltd. for producing native
	starch
December, 2007	Technical proposal from Papop Co.,Ltd., to Eiam Rung-Ruang Biotech
	Co.,Ltd. including CDM application services (Proof of early
	consideration)
February 12, 2008	Meeting to discuss the implementation of biogas project under
	consideration of CDM
May 17, 2008	Signing contract for the project activity between Papop Co.,Ltd and Eiam
	Rung-Ruang Biotech Co.,Ltd. including CDM application services (Project
	start date)
December 8, 2008	Establishment of Eiam Rung-Ruang Renewable Co.,Ltd. for biogas
	operation
February 4, 2009	South Pole Carbon Asset Management Ltd. submitted CDM proposal to



	Eiam Rung-Ruang Biotech Co.,Ltd. for purchase of CERs.
May 15, 2009	First Payment paid to Papop Co.,Ltd. for construction of the biogas system
November 18,	Signing purchase agreement between Eiam Rung-Ruang Renewable
2010	Co.,Ltd. and Swiss Carbon Asset Ltd.
March 23, 2011	Submission of Letter of Intent to UNFCCC
June 1, 2011	Submission of Letter of Intent to Thai DNA
June 8, 2011	Initial CDM Gold Standard stakeholder consultation

C.4. Greenhouse gas			
Greenhouse Gas			
Carbon dioxide			$\boxtimes$
Methane			$\boxtimes$
Nitrous oxide			
C.5. Project Registration Type			
C.S. Troject Registration Type			
			٦
Brainet Posistration Type			
Project Registration Type			
Regular			
i Negulai			
	T	Preliminary	T
	Retroactive	evaluation (eg:	Rejected by
		, -	UNFCCC
Pre-feasibility assessment	projects	Large Hydro or	
1 TO TOUSIDINEY ASSOSSITION	(T.2.5.1)	palm oil-related	(T2.5.3)
		project) (T.2.5.2)	
	1		

If Retroactive, please indicate Start Date of Project 17/05/2008



### SECTION D. Unique project identification

### D.1. GPS-coordinates of project location

	Coordinates
Latitude	14°43'51.18"N
Longitude	102°23'41.86"E

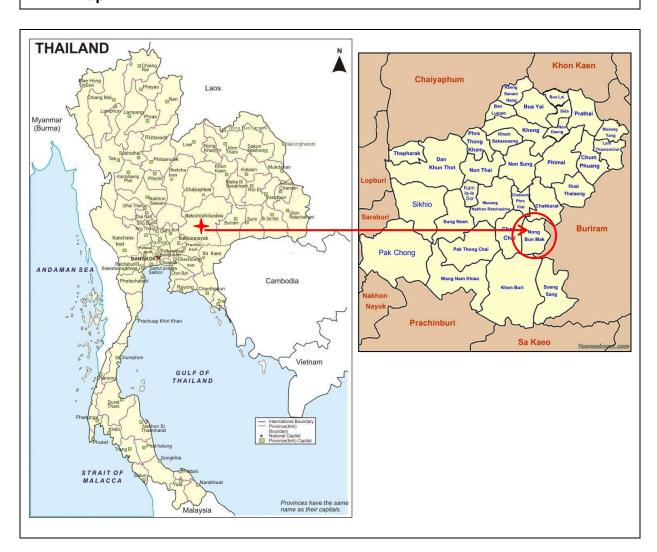




Explain given coordinates

NA – the given coordinates are sufficient for unique project identification

### D.2. Map





#### SECTION E. Outcome stakeholder consultation process

#### E.1. Assessment of stakeholder comments

As this project is a retroactive project, the stakeholder consultation could not be conducted according to Gold Standard Rules. However stakeholders have been invited to comment on the project. A summary on the outcome of the stakeholder meeting is provided here below:

### **Initial stakeholder meeting**

#### Place and date of the meeting

The local stakeholder consultation was held at the meeting room of Eiam Rungruang Industry Co.,Ltd, on June 8, 2011

#### Invitation method

Stakeholder groups were identified and informed through oral and written means about the meeting. The invitation letter was sent by fax to participants located far from the project site, in person to participants without access to a fax and there was also an announcement of the meeting posted at the community hall for people who had not received an invitation letter. This invitation process was done two weeks before the meeting date.

The persons or organizations invited were as follows:

Local people impacted by the project or official representatives

- Villager in Moo 1
- Villager in Moo 2
- Villager in Moo 5
- Villager in Moo 6
- Villager in Moo 9
- Subdistrict headman of Ban Mai
- Village headman Moo 1 of Nonghuarat
- Village headman Moo 1 of Ban Mai
- Assistant Village headman Moo 1
- Assistant Village headman Moo 9
- Community leader
- Village Fund
- Village Health Volunteer

Local policy makers and representatives of local authorities

- Ban Mai Subdistrict Administrative Organization (Ban Mai SAO)
- North Eastern Tapioca Trade Association (NETTA)
- Nakhon Ratchasima Provincial Public Health Office
- Nakhon Ratchasima Provincial Agriculture Extension Office
- Nakhon Ratchasima Provincial Administrative Office



- Nakhon Ratchasima Provincial Industrial Office
- Nakhon Ratchasima Provincial Office of Natural Resources and Environment

### **Designated National Authority**

Thailand Greenhouse Gas Management Organization-TGO

Local non-governmental organisations working on topics relevant to the project

- Greenleaf Foundation
- Energy of Environment Foundation
- · The Energy Conservation Foundation of Thailand
- · Thailand Environment Institute
- WWF Greater Mekong Programme, Thailand Country Office
- Greenpeace Southeast Asia (Thailand Office)

The local Gold Standard expert who is located closet to the project location

South East Asia Regional Manager

Relevant international NGOs supporting GS, with a representation in your region and ALL GS supporter NGOs located in the host country of the project

- HELIO International
- Mercy Corps
- REEEP
- WWF International
- Appropriate Technology Association (ATA)
- Dhammanart Foundation
- Renewable Energy Institute of Thailand, REIT

#### Meeting participants

The mentioned meeting was attended by local residents and representatives from the following stakeholder categories:

- 1. Local people impacted by the project or official representatives
- 2. Local policy makers and representatives of local authorities
- 3. The local Gold Standard expert who is located closet to the project location

#### Language

Documentation and meeting was held in Thai (local language)

### Meeting procedure

The agenda of the meeting was as follows:

Time	Agenda
1:00 - 1:30 PM	Registration
1:30 - 1:40 PM	Welcome to the meeting and objectives of the meeting
1:40 - 2:10 PM	About Eiam Rung-Ruang Renewable Co.,Ltd.
2:10 - 2:40 PM	About Papop Co.,Ltd.
	Details of wastewater treatment system and biogas utilization
2:40 - 3:10 PM	About Swiss Carbon Asset Ltd. or South Pole Carbon (Thailand)
	Co.,Ltd.
	- Clean Development Mechanism (CDM)



	- Impacts on environment, social, etc.
3.10 - 3:50 PM	Blind sustainable development exercise
	- Assessment the result of the impacts – positive, neutral,
	negative
	- Open discussion on the mitigation measures of negative impact
	and further discussion on other impacts
	- Discussion on practical and cost-effective parameters that can
	be used for monitoring
3:50 - 4:00 PM	Closing the meeting

### Summary of the comments received

There were two representatives who are a Chief Executive of the Subdistrict Administrative Organization and a skilled teacher provided comments related to the environmental impact of odour from the implementation of the Project and the employment.

No.	Comment received	Response to comment
1	Odour from the	The project proponents admit that odour is a
	implementation of the Project problem with the existing open lagoon project will significantly reduce the odd	

During the stakeholder consultation process no comments surfaced about environmental, social or economic concerns that would necessitate a change in the project design. Hence, the project will be implemented as per the original plan.

### E.2. Stakeholder Feedback Round

Please describe report how the feedback round was organised, what the outcomes were and how you followed up on the feedback.

This section will be filled in as soon and the Stakeholder Feedback Round has been carried out.

Stakeholder feedback round will start as soon as the project documentation has been finalized. The hard copies of the documents will be made available at the biogas plant and at local governmental office(s) for those interested. The project proponents will also announce at the social gathering of the village that the mentioned documents are now available for review, in which the stakeholders will be invited to comment on the project during the Stakeholder Feedback Round for a period of two months.



SECTION F. Outcome Sustainability assessment

### F.1. 'Do no harm' Assessment

Safeguarding principles	Description of relevance to	Assessment of	Mitigation
	my project	my project risks	measure
		breaching it	
		(low/medium/high)	
1 The project respects	The project does not cause any		
internationally proclaimed	human rights abuse. Also,		
human rights including dignity,	there are no indigenous people		
cultural property and	that would be affected by the	Low	N.A.
uniqueness of indigenous	proposed project activity. There	LOW	IN.A.
people. The project is not	is an extremely small risk of the		
complicit in Human Rights	project breaching this		
abuses.	safeguarding principle.		
2 The project does not involve	This is not relevant as there		
and is not complicit in	was no use of project area		
involuntary resettlement	before implementing the	Low	N.A.
	project. Therefore, the project	Low	N.A.
	does not involve any		
	involuntary resettlement.		
3 The Project does not involve	This is not relevant as there		
and is not complicit in the	was no use of project area		
alteration, damage, or removal	before implementing the	N.A.	N.A.
of any critical cultural heritage.	project. Therefore, there exists	IN.A.	IN.A.
	no cultural heritage within the		
	project site.		
4 The project respects the	With all the staff being		
employees' freedom of	employed according to national		
association and their right to	legislation <sup>1</sup> , there is very little		
collective bargaining and is	chance of the project breaching		
not complicit in restrictions of	this safeguarding principle. The	Low	N.A.
these freedoms and rights	project does not prevent		
	collective bargaining or		
	encourage restriction of		
	freedoms and rights.		
5 The project does not involve	The project does not, and will		
and is not complicit in any	not, involve any forced or		
form of forced or compulsory	compulsory labour. It is also not	Low	N.A.
labour.	in the interest of project owner		
	to invest time and money in		

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<sup>&</sup>lt;sup>1</sup> See Labour Protection Act BE 2541 (1998) and Thai Civil and Commercial Code. More specifically, see Labour Relations Act BE 2518 (AD 1975) for rights of employees in forming trade unions. Note that as stipulated by the Act, the responsibilities of labour unions include a) participating in negotiation with employers, guild associations, other labour unions to provoke their rights and benefits; b) assist in an effort to arrange a work strike; c) clarify any unclear points on labour conflicts; and d) arrange demonstration and participate in a strike.



Safeguarding principles	Description of relevance to my project	Assessment of my project risks breaching it (low/medium/high)	Mitigation measure
	training people who have not consented to the job. This principle is thus considered as having little or no relevance.		
6 The project does not employ and is not complicit in any form of child labour	The project does not involve any child labour and is in compliance with all the necessary national/international regulations <sup>2</sup> .	Low	N.A.
7 The project does not involve and is not complicit in any form of discrimination based on gender, race, religion, sexual orientation or any other basis.	The project does not and will not discriminate against individuals and employment of staffs is not based on gender, race, religion, sexual orientation or on any other basis.	Low	N.A.
8 The project provides workers with a safe and healthy work environment and is not complicit in exposing workers to unsafe or unhealthy work environments	Although careless operation of the project could threaten the workers' safety, training on issues such as safety is a requirement by statutory regulations <sup>3</sup> and shall be duly complied with by the project operators.	Low	N.A.
9 The project takes a precautionary approach in regard to environmental challenges and is not complicit in practices contrary to the precautionary principle. This principle can be defined as: "When an activity raises threats of harm to human health or the environment, precautionary measures	The principle holds relevance in consideration to the project. Although statutory regulations allows a maximum permissible COD level of discharged wastewater from a starch plant of 120 mg/L <sup>4</sup> . The project owner has taken a precautionary approach in becoming a 'zero discharge' plant to minimise negative environmental	Low	N.A.

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<sup>&</sup>lt;sup>2</sup> See Labor Protection Act BE 2541 (1998) and Thai Civil and Commercial Code. According to the labor law, a child labor could be employed only if he has completed 15 years of age. But, in order to employ child labor below 18 years of age, the employer is required to notify it to the labor inspector regarding the employment of a child labor within 15 days from the date of joining the job. Likewise, the law restricts an employer to make a child labor below 18 years to work on public holidays and to do overtime. Further, child labor below 18 are not allowed work in certain working environments such as metal stamping, working with hazardous chemicals, and working with poisonous mircroorganisms.

<sup>&</sup>lt;sup>3</sup> See Labor Protection Act BE 2541 (1998). In the Act, it is stated that a National Safety Committee shall be established in order to determine guidelines for safety at work, and a private organization shall be established in order to assist, train and provide technology to all employers under the government's control. Note that under the Act, government inspector can inspect the employer's workplace; collect samples of materials or products in order to analyze the safety in the workplace; and write orders to the employer and the employee requiring them to comply with the law.

<sup>&</sup>lt;sup>4</sup> Notification by the Ministry of Industry, No. 2, B.E. 2539 (1996) issued under the Factory Act B.E. 2535 (1992); Re: Standard of Discharging Effluent from Factories.



Safeguarding principles should be taken even if some	Description of relevance to my project  impact(s) with regards to water	Assessment of my project risks breaching it (low/medium/high)	Mitigation measure
cause and effect relationships are not fully established scientifically."	pollution/contamination.		
involve and is not complicit in significant conversion or degradation of critical natural habitats, including those that are (a) legally protected, (b) officially proposed for protection, (c) identified by authoritative sources for their high conservation value or (d) recognised as protected by traditional local communities	The project activity is located next to the starch plant. There are no rare plants, animals or their habitats in the project boundary. This safeguarding is considered not applicable to the implementation of project. The project activity will not result in conversion or degradation of critical natural habitats.	N.A.	N.A.
11 The project does not involve and is not complicit in corruption	Thailand is a signatory of the Convention against Corruption but has not ratified it, neither has Thailand ratified the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. However, the project is not considered as offering potential corruption opportunities. The principle is considered with no relevance.	Low	N.A.

### F.2. Sustainable Development matrix

Insert table in section D3 from your Stakeholder Consultation report (Sustainable Development matrix).



Indicator	Mitigation	Relevance to	Chosen parameter	Preliminary
indicator	measure	achieving MDG	and explanation	score
Gold Standard	If relevant	Check	Defined by project	
indicators of			developer	Negative
sustainable	copy	www.undp.or/mdg	developer	impact: score '-' in
	mitigation	and		
development.	measure from "do no	www.mdgmonitor.org		case
	harm" –	Deceribe how your		negative
		Describe how your indicator is related to		impact is not
	table, or include			fully mitigated
		local MDG goals		score 0 in
	mitigation measure			case impact
	used to			is planned to
	neutralise a			be fully
	score of '-'			mitigated
	Score or -			No change in
				impact: score
				0 Positive
				impact: score '+'
A in accolity		Target 7. A: "integrate	Odour and other air	
Air quality				0
		the principles of sustainable	pollutants:	
			Air quality shall	
		development into country policies and	improve substantially compared to emission	
		programmes and	levels (SOx and NOx)	
		reverse the loss of	related to fossil fuel	
		environmental	combustion. Fuel oil	
		resources".	will be displaced by	
		resources .	the use of biogas from	
			the project activity for	
			thermal energy	
			generation. The GHG	
			emissions will also be	
			reduced as a	
			consequence of the	
			project. Furthermore,	
			by replacing the open	
			anaerobic lagoon with	
			a closed bio-digester	
			system, the project	
			significantly	
			contributes to an	
			improvement of odour	
			emissions, which has	
			a substantial impact	
			on quality of life for the	
			employees at the	
			starch plant and	
			staron plant and	



Indicator	Mitigation	Relevance to	Chosen parameter	Preliminary
	measure	achieving MDG	and explanation	score
			residents living in the	
			area close to the	
			lagoons.	
			Some participants still	
			had concerns about	
			odour resulting from	
			the wastewater	
			treatment system.	
Water quality and		Target 7. A: "integrate	Contamination of	0
quantity		the principles of	public water	
'		sustainable	resources, shortage	
		development into	of water supply:	
		country policies and	There is a significant	
		programmes and	improvement in water	
		reverse the loss of	quality due to the	
		environmental	implementation of a	
		resources".	more efficient and	
			reliable effluent	
			treatment system	
			(UASB reactor). The	
			wastewater after the	
			effluent treatment	
			process will be in	
			compliance with the	
			standards and	
			requirements of the	
			national regulation for	
			wastewater discharge	
			or based on the	
			conditions given in the	
			operating licence of	
			the project. Moreover,	
			some of the treated	
			wastewater will be	
			reused in the process	
			of the starch plant.	
			Risks of groundwater	
			contamination due to	
			leakage of organic	
			pollutants from the	
			bottom of the lagoons	
			into the groundwater	
			can also be reduced	
			by the use of a	
			concrete lining for	
			each system. Thus, it	
			is unlikely that	



Indicator	Mitigation	Relevance to	Chosen parameter	Preliminary
	measure	achieving MDG	and explanation	score
			wastewater leakage	
			will occur.	
			The participants have	
			no doubt about the	
			operation or	
			performance of UASB	
			system; however they	
			worry about discharge	
			of treated wastewater	
			from the open lagoon	
			system into any public	
			water sources around	
			their communities. The	
			neutral score is given	
			on this indicator.	
Soil condition		Torget 7 A. "integrate	Soil contamination	
Soil condition		Target 7. A: "integrate		0
		the principles of	and erosion:	
		sustainable	There is no significant	
		development into	difference relative to	
		country policies and	the baseline scenario	
		programmes and	as the project releases	
		reverse the loss of	no treated wastewater	
		environmental	or sludge into lands or	
		resources".	areas which cause soil	
			contamination and	
			erosion.	
Other pollutants		Target 7. A: "integrate	Noise pollutant:	0
·		the principles of	For the project, a	
		sustainable	source of noise might	
		development into	be the power	
		country policies and	generation system	
		programmes and	which has to operate	
		reverse the loss of	engine which there is	
		environmental	no comment until now	
		resources".	by the participants for	
		resources .	this issue.	
			The project	
			proponents are	
			confident that there is	
			no significant change	
			compared with the	
			baseline scenario.	
			However, a neutral	
			score is given for	
			conservativeness.	
Biodiversity		Target 7. A: "integrate	Threatened plants	0
-		the principles of	and animals:	



Indicator	Mitigation	Relevance to	Chosen parameter	Preliminary
	measure	achieving MDG	and explanation	score
		sustainable	The project	
		development into	proponents and	
		country policies and	stakeholder believed	
		programmes and	that the project is	
		reverse the loss of	located in the area of	
		environmental	the starch factory	
		resources".	which will not cause	
			any impact on	
			threatened plants and	
			animals. However,	
			there were no	
			sufficient explanations	
			to support this claim;	
			thus to be	
			conservative a neutral	
			score is given.	
Quality of		N/A	Training of staffs:	0
employment			The project	
			proponents will	
			provide annual plan for	
			training staffs for the	
			operation of biogas	
			system which the	
			quality of employment	
			can be significantly	
			enhanced. However,	
			this is valid especially	
			when considering that	
			training on issues such	
			as safety is becoming	
			a requirement by	
			statutory regulations.	
			A neutral score is thus	
			given as a modest	
			assessment.	
Livelihood of the		Target 1. A: Between	Livelihood of	0
poor		1990 and 2015, halve	workers:	
		the proportion of	Overall, the project	
		people whose income	proponents and the	
		is less than one dollar	stakeholders are	
		a day (1.1. Proportion	satisfied with the	
		of population below \$1	project implementation	
		(PPP) per day, and 1.2	that there will be	
		Poverty gap ratio)	benefits on the	
			livelihood of the local	
			participants. However,	
			the project proponents	



Indicator	Mitigation	Relevance to	Chosen parameter	Preliminary
	measure	achieving MDG	and explanation	score
			give the neutral score	
			owing to its limited	
			impact.	
Access to		Target 7. B: Reduce	Change in energy	+
affordable and		biodiversity loss, by	use:	
clean energy		2010, achieving a	Both the project	
services		significant reduction in	proponents and	
		the rate of loss (7.2	participants are	
		CO2 emissions, total,	agreed that the	
		per capita and per \$1	change from fossil fuel	
		GDP (PPP))	to renewable energy	
			can cause good	
		Target 8. F:	environment.	
		In cooperation with the	Moreover, the project	
		private sector, make	participants feel good	
		available the benefits	that there is clean	
		of new technologies,	energy in their	
		especially information	communities.	
		and communication.		
Human and		N/A	Public participation,	0
institutional			education and skills:	
capacity			Although the project	
			participants are	
			satisfied with the	
			public participation	
			such as the LSC	
			meeting and the	
			knowledge about	
			biogas system, the	
			project proponents	
			chose a neutral	
			scoring because the	
			project will not	
			contribute directly to	
			the local education,	
			gender equality or	
			social structure.	
Quantitative		Target 1. A: Between	Employment	+
employment and		1990 and 2015, halve	records:	
income generation		the proportion of	The project creates	
-		people whose income	new jobs and	
		is less than one dollar	increases income for	
		a day (1.1. Proportion	the region via the	
	1	, ,	1	
		of population below \$1	TOSIETHIQ OF CONTRACTS	
		of population below \$1 (PPP) per day, and 1.2	fostering of contracts for the construction,	
		of population below \$1 (PPP) per day, and 1.2 Poverty gap ratio)	for the construction, operation and	



Indicator	Mitigation	Relevance to	Chosen parameter	Preliminary
	measure	achieving MDG	and explanation	score
		Target 1. B: Achieve	plant which the	
		full and productive	participants also	
		employment and	agreed on this	
		decent work for all,	indicator.	
		including women and	An increased demand	
		young people (1.5	for tapioca roots also	
		Employment-to-	leads to more jobs and	
		population ratio, 1.6	revenues in the rural	
		Proportion of	sector.	
		employed people living		
		below \$1 (PPP) per		
Delever		day)	Laval of final immant.	
Balance of		Target 8.D:	Level of fuel import:	0
payments and		Deal comprehensively	It was clearly explained about	
investment		with the debt problems	· •	
		of developing countries	replacing heavy fuel oil	
		through national and international measures	for thermal energy generation and fossil	
		in order to make debt	fuel for power	
		sustainable in the long	generation by national	
		term.	grid. As a	
		teini.	consequence, fuel	
			import can be	
			decreased. However,	
			since the impact will	
			be small relative to the	
			wide-economy, a	
			neutral score is	
			chosen.	
Technology		Target 8. F:	Introduction of new	+
transfer and		In cooperation with the	technology in the	
technological self-		private sector, make	region, trainings,	
reliance		available the benefits	workshops:	
		of new technologies,	The project	
		especially information	proponents and	
		and communication.	participants agreed	
			that the project will	
			promote technology	
			transfer to the region.	
			In addition, there will	
			be regular trainings or	
			workshops for the staff	
			such as on the	
			technology, the	
			monitoring, and the	
			safety in working.	



Indicator	Mitigation	Relevance to	Chosen parameter	Preliminary		
	measure	achieving MDG	and explanation	score		
Justification choic	noices, data source and provision of references					
Air quality	Air quality will be improved substantially compared to emission levels (SOx and					
		o fossil fuel combustion. F	•	•		
	biogas from th	e project activity for therm	al energy generation. Moi	reover, the		
	project also ex	pects to see a reduction in	n odour. This information	will be		
	evaluated in th	e Initial Environmental Ev	aluation (IEE) to be subm	itted to the		
	Thai DNA.					
Water quality and		will improve in comparison				
quantity		eatment facility. COD remo		-		
		om the technical proposal				
		d). The water quality will b	· · · · · · · · · · · · · · · · · · ·			
Soil condition		oponents do not expect to	•			
		ever, it may be argued the	· · · · · · · · · · · · · · · · · · ·	-		
	_	esters allow for easier hand	•	-		
	_	h quality organic fertilizer.		f chemical		
Oth an a allutanta		h information is available i		iale i e ale e		
Other pollutants		all ensure that the level of	•			
	the IEE.	nissible level for the indus	try. This information will b	e evaluated in		
Biodiversity		anananta haliaya that thar	o io no cianificant change	in the		
Diodiversity	The project proponents believe that there is no significant change in the biodiversity. However, this information will be evaluated in the IEE.					
Quality of	_					
employment	The staffs will be trained according to annual plan provided by the project proponents.					
Livelihood of the	The project will, in general, raise the income level and improve the living quality					
poor	of the local community. This information will be noted in the PDD and the IEE.					
Access to	This indicator can be confirmed by Power Purchase Agreement (PPA) between					
affordable and	the project and Provincial Electricity Authority (PEA). This will result in a small					
clean energy	and positive contribution in meeting national power demand and thus indirectly					
services	helps to maintain the security of the electricity system					
Human and		ght not significantly contrib	<u> </u>	ender equality		
institutional		cure in the near future. How				
capacity	of empowerme	ent brought about by the p	articipatory process under	which this		
	project was de	veloped.				
Quantitative	The project will	I generate employment op	portunities and income to	the local		
employment and	stakeholders which can be substantiated through employment record.					
income generation						
Balance of	It was clearly e	explained about replacing	heavy fuel oil for thermal	energy		
payments and	generation and fossil fuel for power generation by national grid. As a					
investment	consequence, fuel import can be decreased. In addition, the IEE will also					
	address this in					
Technology		sults in knowledge transfe				
transfer and	•	ry and utilization. Training		such practice.		
technological self-	Further elabora	ation on this will be availal	ole in the IEE.			
reliance						



### SECTION G. Sustainability Monitoring Plan

No		1
Indicator		Project eligibility criteria Compliance with the 65% of methane utilization
Mitigation measure		n/a
Chosen parameter		Methane utilization (%)
Current situation of para	meter	n/a
Estimation of baseline si parameter	tuation of	n/a
Future target for parame	ter	At least 65%
Way of monitoring	How	The parameter will be calculated based on the consumption of biogas in the gas engine, thermal heater and the amount of biogas flared. Based on the monitored % of methane in biogas, it can be estimated how much methane was utilized.  Details  Quantity of biogas combusted in gas engine) Measurements of volume of biogas sent to the gas engines are done continuously using gas flow meters. In recording these parameters, plant's operators shall first manually archive the monitored data onto log sheets then transfer to the computer for electronic storage. The measurement is thereby continuous
		Durch to the Continuous but data recording happens once in a day.  Qbiogas, boiler, y (Quantity of biogas combusted in thermal boiler)  Measurements of volume of biogas sent to boiler are done continuously using gas flow meters. In recording these parameters, plant's operators shall first manually archive the monitored data onto log sheets then transfer to the computer for electronic storage. The measurement is thereby continuous but data recording happens once in a day.
		Q <sub>biogas, flared, y</sub> (Total quantity of biogas flared) Measurements of volume of biogas sent to flare are done continuously using gas flow meters. In recording these parameters, plant's operators shall first manually archive the monitored data onto log sheets then transfer to the computer for electronic storage. The measurement is thereby continuous but data recording happens once in a day.
	When	Refer to how to monitor above
	By who	The project

11

 $<sup>^{\</sup>rm 5}$  For full details, please refer to those parameters in the PDD section B.7.1



No		2
Indicator		Air quality
Mitigation measure		n/a
Chosen parameter		Sulfur oxide (SOx), Nitrogen oxide (NOx), Hydrogen Sulfide (H2S) and Total Suspended Particulate (TSP) emissions in boiler stack and exhaust gases in the gas engine
Current situation of para	meter	Refer to the baseline situation
Estimation of baseline situation of parameter		Electricity Generation Component: Electricity generation in Thailand is based mainly on natural gas and coal. In general, using coal for electricity generation emits more SOx, NOx, H2S and TSP compared to electricity generated using renewable sources.  Thermal Generation Component: In the baseline, the boiler would have been operated on fuel oil.
Future target for parame	ter	The limits as per the industrial regulation
Way of monitoring How		The emission of SOx, NOx, H2S and TSP will be monitored as per the national standard.
	When	Once a year
	By who	The project owner

No		3	
Indicator		Water quality	
Mitigation measure		n/a	
Chosen parameter		COD of water out from the open lagoon system (post-treatment system of the project activity)	
Current situation of para	meter	Refer to baseline situation	
Estimation of baseline situation of parameter		In the baseline, there would have been risks of water contaminations and leakage from the open lagoons with water with high COD content.	
Future target for parameter		There is no as such future target for this parameter but to make sure that the COD entering open lagoons in the project is lower than COD entering the open lagoons in the baseline scenario.	
Way of monitoring How		COD out from the post-treatment system will be measured by external laboratory	
	When	Once a month	
	By who	Project owner	

No	4
Indicator	Quantitative employment and income generation
Mitigation measure	N/A



Chosen parameter		Number of employed staffs and the level of income generation.
Current situation of parameter		Current situation of parameter is equal to baseline situation.
Estimation of baseline si parameter	tuation of	In the baseline, no additional jobs or income would have been generated.
Future target for parameter		Additional employment as a result from the project activity
Way of monitoring	How	Number of employees and the level of income generation will be demonstrated through company records
	When	Once a year
	By who	The project owner

No		5
Indicator		Technology transfer and technological self-reliance
Mitigation measure		n/a
Chosen parameter		Training records
Current situation of parameter		Refer to the baseline situation
Estimation of baseline situation of		In the baseline, no additional jobs or training would have been
parameter		generated.
Future target for parame	ter	This is no future target for this indicator.
Way of monitoring	How	Training records will be presented
	When	Refer to training plan of the project
	By who	The project owner

### Additional remarks monitoring

### SECTION H. Additionality and conservativeness



This section is only applicable if the section on additionality and/or your choice of baseline does not follow Gold Standard guidance

### H.1. Additionality

In line with the requirement from the Gold Standard, the additionality of the project activity has been demonstrated using the "Tool for demonstration and assessment of additionality"<sup>6</sup>. A step-wise approach is used to demonstrate and assess additionality:

- 1) Identification of alternatives to the project activity;
- 2) Investment analysis;

<sup>&</sup>lt;sup>6</sup> Version 05.2, EB39, Annex 10.



- 3) Barrier analysis; and
- 4) Common practice analysis

# Step 1: Identification of alternatives to the project activity consistent with current laws and regulations

Define realistic and credible alternatives scenario to the project activity through the following Substeps:

### Sub-step 1a: Define alternatives to the project activity:

The main output or service of the project activity is the treatment of effluent water. The by-products of the project activity arising from the utilization of biogas captured are the production of heat and electricity. Therefore, the alternative scenarios that are available to the project participants and that provide outputs or services with comparable quality, properties and application areas as the proposed small-scale CDM project activity are:

**Alternative 1:** Methane recovery and utilization for heat and electricity generation (proposed project without CDM assistance)

**Alternative 2:** Open anaerobic lagoon based wastewater treatment system (continuation of the current situation) – The project proponent has been using open anaerobic lagoons to treat the wastewater from the starch factory prior to the project activity. In the absence of the project activity, the same would have continued.

#### Sub-step 1b: Consistency with mandatory laws and regulations:

Alternatives 1 and 2 are in compliance with current laws and regulations in Thailand, which allow the use of open lagoon systems and other wastewater treatment technologies that meet effluent standards for the discharge of treated wastewater into the environment. The release of wastewater into watercourses in Thailand is regulated by the "Notification of the Ministry of Science, Technology and Environment, No. 3, B.E.2539 (1996)" published in the Royal Government Gazette, Vol. 113 Part 13 D, dated February 13, B.E.2539 (1996). According to this regulation the COD of wastewater is not allowed to exceed 120 mg/litre and 5-day BOD (BOD<sub>5</sub>) shall not exceed 20 mg/litre. However there is an exception for starch plants, which stipulates that BOD<sub>5</sub> should not exceed 60 mg/litre. Considering the high COD-load of a starch plant, it is prohibited by legal regulations to release wastewater directly into water bodies.

There is no other regulatory requirement for the implementation of a specific wastewater treatment technology such as anaerobic digester or aerobic treatment system to tapioca starch processing plants for effluent treatment.

#### Step 2: Investment analysis

The project participant has used (Step 3: Barrier analysis).

### Step 3: Barrier analysis

<sup>&</sup>lt;sup>7</sup> Ministry of Science, Technology and Environment. Thailand (1996). Notification the Ministry of Science, Technology and Environment, No. 3, B.E.2539 (1996). Cited at: http://infofile.pcd.go.th/law/3\_4\_water.pdf (Document in Thai)

<sup>&</sup>lt;sup>8</sup> Pollution Control Department. Thailand (2004). Industrial effluents standards. Cited at http://www.pcd.go.th/info\_serv/en\_reg\_std\_water04.html (Document in English)



The project activity (Alternative 1) faces sever barriers related to access to capital and project financing in comparison to the alternative 2. In line with the step 3 of the "Tool for the demonstration and assessment of additionality", we need to determine whether the project faces barriers that:

- a) Prevent the implementation of this type of project activity; and
- b) Do not prevent the implementation of at least one of the alternatives.

Sub-step 3a: Identify barriers that would prevent the implementation of the proposed CDM project activity:

#### Access to Finance barrier

The tapioca processing industry is considered to be one of the largest food processing industrial sectors in Thailand. However, the growth of the tapioca starch industry has resulted in heavy water pollution as it generates large amount of solid waste and wastewater with high organic content.

Government of Thailand is promoting renewable energy based on the investment subsidy mechanism in various sectors. Following the initial biogas promotion in the livestock sector, the Ministry of Energy expanded its biogas campaign into the agro-industrial sector, and focused on the tapioca starch subsector. During 2003–2005, pilot demonstrations of biogas system in the starch industry were carried out by receiving financial support from the Energy Conservation Promotion Fund (ENCON). As per the report there has been insufficient knowledge / confidence in the available technology. Besides, wastewater treatment technology comes at a high investment cost and high operating cost. As a result, most starch producers choose to retain wastewater in open ponds within their factory. The treatment of wastewater in the open lagoons is the least cost option with minimum operating costs. The project proponent was also treating the wastewater in the open lagoons prior to the implementation of the project activity.

Therefore penetration of advanced wastewater treatment technologies (for e.g. UASB) under regular approach faces difficulties in Thailand and biogas projects are considered as a high risk proposition by financiers.

It is important to note that private investment in the renewable/clean technology sector in Thailand faces some key challenges. The following is the outcome of the Investment plan<sup>9</sup> for The Clean Technology Fund (CTF)<sup>10</sup> by the World Bank.

The key challenge in stimulating private investment in cleaner technology is overcoming institutional, technical, market, and financial barriers considered as high by investors. Although there is ample liquidity in the domestic financial market, lending to renewable energy projects remains limited. **Access to affordable financing is a key barrier to investors**, suggesting that there are structural rigidities in the renewable power generation development market. Key factors include: (i) lack of knowledge (e.g., limited familiarity and experience with such projects among lenders and borrowers);

<sup>&</sup>lt;sup>9</sup> Paragraph 36, 71, 88, 94: Clean Technology fund investment plant for Thailand, <a href="http://www.nesdb.go.th/Portals/0/home/interest/09/Final\_Draft\_CTF\_InvestmentPlan\_Oct09.pdf">http://www.nesdb.go.th/Portals/0/home/interest/09/Final\_Draft\_CTF\_InvestmentPlan\_Oct09.pdf</a>

<sup>&</sup>lt;sup>10</sup> The Clean Technology Fund (CTF) invests in projects and programs that contribute to the demonstration, deployment and transfer of low carbon technologies with a significant potential for long-term greenhouse gas emissions savings. The CTF Trust Fund Committee oversees the operations of the Fund. The World Bank (IBRD) is the Trustee of the Fund.



and (ii) lack of demonstrated successes (e.g., project designs, deal flows, and business models for such investment projects have not yet been widely demonstrated). As a result financial institutions perceive lending to these projects as risky, resulting in higher costs of project development and debt financing.

Furthermore, the following instances reflect the views of two banks:

TMB Bank Public Co. Ltd (a major Thai bank) states "Access to financial resources and Low priority projects" as the major barriers faced by projects in the wastewater treatment sector<sup>11</sup>.

Furthermore, the same view has been highlighted explicitly for biogas projects by PROPARCO<sup>12</sup> (private sector financing arm of French Development Agency – AFD) as follows:

- High transaction cost the project size is typically rather small to attract commercial lenders
- New technologies combined with limited experience by developers
- Capital intensive projects are extremely sensitive to the structure & conditions of capital cost financing
- High level of uncertainty related to the level of activities of the host companies; creates a difficult risk profile, including difficulty in guaranteeing cash flows

The issues highlighted above lead to a complicated and time-consuming process from a both a lender's and a borrower's point of view.

It is therefore clear that biogas projects face severe access to finance barriers both from the point of view of a local commercial bank and development agencies. Additional benefits from CDM play a crucial role in successful implementation of such projects.

Project-specific situation with regards to access to finance

(i) nature of company, organization and its ownership and financial information

In reference to the "Guidelines for Objective Demonstration and Assessment of Barriers", Annex 13, EB50, it is important to enhance the objectivity of the demonstration of additionality by providing project specific information. Paragraph 4, Guideline 1 states that:

"While demonstrating barriers related to the lack of access to capital, information should include nature of company, organization and its ownership and, financial information".

The project proponent – "Eiam Rung-Ruang Renewable Company Limited" is a private limited company incorporated on 8<sup>th</sup> December 2008 with a registered capital 50 million THB. The main business of the company is to implement the biogas plant and generate energy<sup>13</sup>.

The project proponent applied to banks to secure a loan for the project activity. The banks initially

http://www.setatwork.eu/events/thailand/25%20Paper/Working%20session%203.5 Proparco.pdf

<sup>&</sup>lt;sup>11</sup>Slide no - 6 and 7

http://www.google.co.th/url?sa=t&source=web&cd=9&ved=0CDwQFjAl&url=http%3A%2F%2Fwww.cd4cdm.org%2FAsia%2FFifth%2520Regional%2520Workshop%2FID%26developCDM-

Thailand\_Prapasawad.ppt&rct=j&q=financial%20barrier%20%2B%20clean%20technology%20%2B%20thailand&ei=cX6ETLmoNlnksQOvvez2Bw&usg=AFQjCNG4YY-blMPmMvEg1Ud-sp9miPCNnQ&cad=rja

<sup>&</sup>lt;sup>12</sup> Slide no – 9 and 10

<sup>&</sup>lt;sup>13</sup> Company affidavit



showed keen interest but later refused to finance the project owing to uncertainty in the production capacity of the starch factory due to risks in the supply chain of raw material (Cassava) and due to the risk of underperformance of the biogas plant. Nevertheless, the problem in securing the loan faced by the project proponent is a general problem faced by small and medium enterprises (SMEs) in Thailand. This can be verified by a detailed analysis provided by the Bank of Thailand's discussion paper on "A Cross-Country Survey on SME Financial Access and implications for Thailand' 14. The paper clearly outlines barriers from SME's point of view and financial institution's perspective.

SME perspective: "it has been reported that lack of information and advice from financial institutions, complexity and inconvenience related to loan application process, inadequate qualification of SMEs, expenses/fees and interest rates charged, and lack of collateral are the main obstacle to access to finance."

Financial institution perspective: "the main obstacles for lending to SMEs include the following factors: inadequate collateral; lack of business experience; inadequate management; unreliable accounting system; lack of business planning, firm's NPL history; high transaction and operational costs per SME loan application; strict government rules and regulations regarding loan lost provision and credit history in credit bureau."

Referring back to the "Guidelines for objective demonstration and assessment of barrier" it is mentioned in Guideline 1:

"A company that is a subsidiary of a multinational group may have different access to capital, technologies or skilled labour than a local SME company."

The project proponent is not a subsidiary of a multinational group and clearly has a different access to capital due to its size and the local financial environment.

The above discussion indicates the existence of **access to finance** barrier faced by the project proponent in an objective manner.

### (ii) financial closure achievement through CDM

As per the guideline 6 from the "Guidelines for objective demonstration and assessment of barrier" it is mentioned that:

"In case the PPs make the claim for investment barriers, they should demonstrate in the PDD that the financing of the project was assured only due to the benefit of the CDM."

As mentioned above, the project proponent faced problems in accessing finance for the project activity. After applying to banks, the loan was finally approved by the Krung Thai bank which also considered benefits from CDM<sup>15</sup>. The bank has also confirmed<sup>16</sup> that CDM has played a crucial role in the loan approval process for the project activity. There is no doubt that the bank considered revenues

http://www.bot.or.th/Thai/EconomicConditions/Publication/Documents/dp032010\_SME.pdf

<sup>&</sup>lt;sup>14</sup> Page 2, 3 – section 2.2 Challenges in SME financing

<sup>&</sup>lt;sup>15</sup> Loan approval document

<sup>&</sup>lt;sup>16</sup> Confirmation letter from the bank



from the carbon credits crucial while approving the loan and hence, financing of the project was assured due to CDM. This is an objective demonstration of access to finance barrier as per the guideline 6 mentioned above.

The above discussion demonstrates in an objective manner that the project activity faced investment barrier which was overcome only due to the additional benefits from CDM.

#### Outcome of Step 3a:

From the above analysis, the investment barrier prevents the implementation of Alternative 1 (project activity).

Sub-step 3b: Show that the identified barriers would not prevent the implementation of at least one of the alternatives:

This step focuses on Alternative 2, which is not prevented by the barrier identified above. *Alternative* 2 creates acceptable investment and operational costs to achieve compliance with domestic effluent regulation. The project proponent has been using this alternative prior to the project activity to treat the wastewater generated from the starch factory. The anaerobic open lagoon technology is well established at the project site and easy to operate. Open anaerobic lagoons require less investment and have lower operation and maintenance costs<sup>17,18</sup>, as compared to alternative systems such as anaerobic reactors, covered lagoons and aerobic systems. Therefore, it can be concluded that Alternative 2 does not face any investment barriers and the project proponent would have continued with the current situation.

#### **Step 4: Common practice analysis**

The purpose of the common practice analysis as defined as per the Tool for the demonstration of additionality (Version 05.2) is as a credibility check on the investment or barrier analysis. Projects are considered similar if they: "are in the same country/region and/or rely on a broadly similar technology, are of a similar scale, and take place in a comparable environment with respect to regulatory framework, investment climate, access to technology, access to financing, etc". The project decision was made on the basis of the additionality. However as per requirement of the GS regulations the common practice analysis was included at the stage of PDD finalization. The common practice analysis is provided based on latest data and references available.

#### Sub-step 4a – Analyze other activities similar to the proposed project activity

There is an average of 6.52<sup>19</sup> million of rais<sup>20</sup> of cassava cultivation areas in Thailand, most of which located in the northeastern and eastern region, especially Nakhorn Ratchasima (where the project is located), Chaiyaphum and Kalasin provinces. In total, there are 85<sup>21</sup> native starch factories, mostly located in the northeastern (46%) and in the eastern region (33%) of the country, followed by the central (14%) and the northern region (7%), respectively. The starch factories are normally closely distributed in the cassava cultivation areas. Furthermore, cassava cultivation and starch production

<sup>&</sup>lt;sup>17</sup> Cinara, 2004 "Waste stabilization ponds for wastewater treatment, International Water and Sanitation Centre"

<sup>&</sup>lt;sup>18</sup> Pena,M.R, Mara, D., 2003, High-rate anaerobic pond concept for domestic wastewater treatment: results from pilot scale experience.

<sup>&</sup>lt;sup>19</sup> Source: <a href="http://www.thaitapiocastarch.org/article05.asp">http://www.thaitapiocastarch.org/article05.asp</a>

<sup>&</sup>lt;sup>20</sup> A rai is a unit of area, which is equal to 1,600 square meters (40 m x 40m), used for measuring land area. It is commonly used in Thailand

in Thailand.

21 Source: http://www.thaitapiocastarch.org/article05.asp



practices do not vary significantly throughout the country. Thus, Thailand is chosen as the common practice comparison region.

In Thailand, the primary wastewater management systems for starch production plants were open anaerobic lagoons<sup>22</sup> systems, which required little investment, had low operation and maintenance costs and fulfilled the national regulations for wastewater discharge. The common practice analysis is based on latest information available from various sources. In perspective of the project developer the biogas system was something that was still being tested and demonstrated by the national institutions<sup>23</sup>. The referred document published in 2007, clearly demonstrates that in 2005 the number of biogas projects were negligible and the project were being put up for demo purposes by some institutions. In the last few years many industries have invested in biogas based systems. In the following analysis, the starch industries in Thailand are discussed for their wastewater management practices.

As per latest information, majority of starch industries have installed wastewater projects. The PP has collected information from the various sources to analyse the biogas projects being developed all across the country, which are similar to the project activity. The projects similar to project are tabulated in the following sub-step.

#### <u>Sub-step 4b – Discuss any similar options that are occurring</u>

As per the report published by EPPO in August 2007, 25 projects have installed anaerobic systems. The project proponent has collected information from different sources and concluded that a total of 62 starch manufacturing units have anaerobic biogas systems for wastewater treatment. All these projects have either already invested or have started construction of wastewater treatment system. These new installation are capable of biogas capture and utilization depending on the requirements of the particular project.

Out of these 62 projects, 43 projects have considered CDM revenues as per the publically available information on UNFCCC website. Another 14 projects have VCS revenue streams considered as part of project revenue as per information on VCS registry website. 1 of the projects has received funding from the government extended by EPPO (Energy policy and planning office, Ministry of Energy, Thailand). 3 projects implemented biogas in 1990's i.e. before 2000 and one project has been fitted with an indigenous system based on fairly simple technology i.e. covered lagoon. Covered lagoon technology is not comparable to the project activity and is thereby neglected from analysis.

Out of the remaining 23 projects, 17 starch manufacturing units have open lagoon systems, whereas for 6 sites no information is publically available and no contact was possible via telephone as well. The above numbers are tabulated as below:

Table 1: Wastewater treatment technique break up of Tapioca plants in Thailand

Technology type	No of Plant
Open Lagoon	17
Anaerobic Digesters	62
Covered Lagoons	1
Info not available (publically or through phone)	6

<sup>&</sup>lt;sup>22</sup> Source: <a href="http://www.thaitapiocastarch.org/article01.asp">http://www.thaitapiocastarch.org/article01.asp</a>

Source: Seminar Document Part 1, page 47: The Promotion of Biogas from Wastewater as An Alternative Energy and for Environmental Improvement, published by the Energy Conservation and Renewable Energy Division and Energy Policy and Planning Office (EPPO), 2007. <a href="http://www.eppo.go.th/encon/report/BioGasMartBook/index.html">http://www.eppo.go.th/encon/report/BioGasMartBook/index.html</a> (in Thai)



Total   85	85
------------	----

The projects with biogas facility = 63.

Table 2: Tapioca mills supported under CDM/VCS/ EPPO Fund

Source of fund/grant	No of plants
CDM	43
VCS	14
KMUTT / EPPO Fund support	1
Total	58

Out of remaining 4 projects,

Table 3: Tapioca mills with biogas system but no CDM / VCS support

Parameter	No of Plants
Plants implemented before 2000	3
Installed with indigenous old technology	1
Total	4

The remaining project is the project under consideration in this project passport.

For details of the source of information, please refer to the excel sheet provided along for the common practice analysis.

Thus, none of the 62 installed anaerobic biogas reactor projects (comparable to project activity) have been implemented under normal circumstances without any additional external financial support in form of income from emission reductions.

Since the Sub-steps 4a and 4b are satisfied, the Project activity is additional.

#### **Conclusion:**

It is clear that the carbon credits revenues play a significant role in the financial viability of the project and that the project owner would not have invested in such a project without the consideration of carbon credits revenues. In absence of the project activity, the existing lagoons would lead to higher green house emissions due to methane release from the lagoon to the atmosphere and CO2 emissions related to fossil fuel fired power plants connected to the grid.

#### H.2. Conservativeness

The baseline scenario selection and the calculation of greenhouse gas emission reductions have been carried out in a conservative manner.

Please refer to the PDD Sections B.3, B.4, B.5 and B.6 for more details on project boundary definition, baseline scenario selection and emission reductions calculation.



#### ANNEX 1

#### **ODA** declaration



Eiam Rung-Ruang Renewable Co.,Ltd. 129 Moo1, Nonghuarat, Nongbunmak, Nakornratsima 30410

5 July 2011

Eiamrungruang Waste Water Treatment and Biogas Utilization Project To: Gold Standard Foundation

Declaration of Non-Use of Official Development Assistance by Project-Proponent

Mr. Prasong Satthakun and Ms. Sudawan Wangsuphakijkosol on behalf of Eiam Rung-Ruang Renewable Co..Ltd.

As Project Owner of the above-referenced project, acting on behalf of all project participants, I now make the following representations:

Mr. Ingo Puhl and Mr. Patrick Bürgi on behalf of Swiss Carbon Asset Ltd.

I hereby declare that I am duly and fully authorised by the project owner of the above referenced project, acting on behalf of all project participants, to make the following representations on Project Proponent's behalf:

#### I. Gold Standard Documentation

I am familiar with the provisions of Gold Standard Documentation relevant to Official Development Assistance (ODA). I understand that the above-referenced project is not eligible for Gold Standard registration if the project receives or benefits from Official Development Assistance under the condition that some or all credits coming out of the project are transferred to the ODA donor country. I now expressly declare that no financing provided in connection with the above-referenced project has come from or will come from ODA that has been or will be provided under the condition, whether express or implied, that any or all of the credits [CERs, ERUs or VERs] issued as a result of the project's operation will be transferred directly or indirectly to the country of origin of the ODA.

#### II. Duty to Notify Upon Discovery

If I learn or if I am given any reason to believe at any stage of project design or implementation that ODA has been used to support the development or implementation of the project, or that an entity providing ODA to the host country may at some point in the future benefit directly or indirectly from the credits generated from the project as a condition of investment, I will make this known to the Gold Standard immediately.

III. Sanctions. I am fully aware that under Section 10 of the Gold Standard Terms and Conditions sanctions and damages may be incurred for the provision of false information related to Projects and/or Gold Standard credits.

Project Owner:

Signed:

Name: Mr. Prasong Satthakun Title: Managing Director

On behalf of: Eiam Rung-Ruang Renewable Co.,Ltd.

Project Owner:

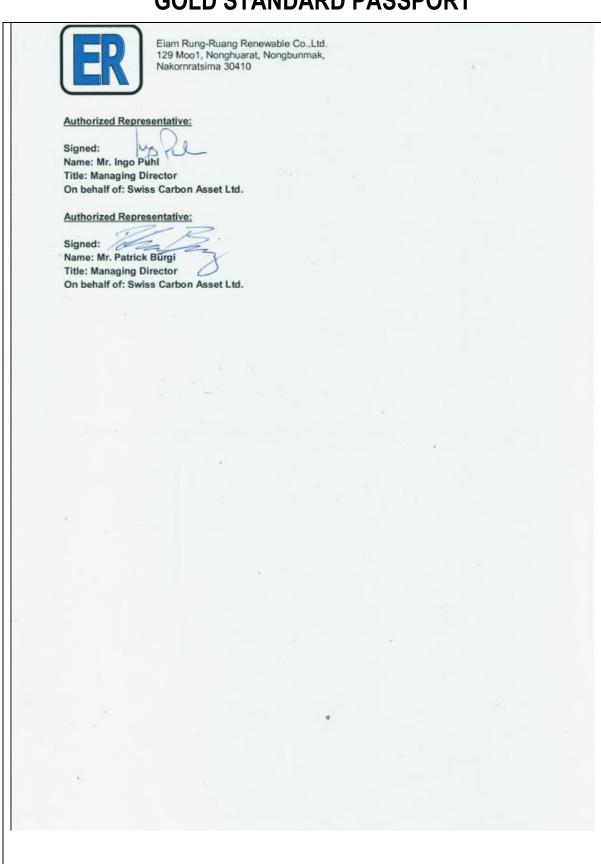
Signed:

Name: Ms. Sudawan Wangsuphakijkosol

Title: Managing Director

On behalf of: Eiam Rung-Ruang Renewable Co.,Ltd.





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