



CDM Project Activity Registration and Validation Report Form

(By submitting this form, designated operational entity confirms that the proposed CDM project activity meets all validation and registration requirements and thereby requests its registration)

Section 1: Request for registration

Name of the designated operational entity (DOE) submitting this form	TÜV SÜD Industrie Service GmbH
Title of the proposed CDM project activity (Section A.2 of the attached CDM-PDD) submitted for registration	Catalytic N ₂ O destruction project in the tail gas of the Nitric Acid Plant of Abu Qir Fertilizer Co.
Project participants (Name(s))	CARBON Egypt Ltd.; Egypt KOMMUNALKREDIT PUBLIC CONSULTING GmbH; Austria
Sector in which project activity falls	Chemical industries (5)
Is the proposed project activity a small-scale activity?	Yes / <u>No</u> (underline as applicable)

Section 2: Validation report

List of documents to be attached to this validation report (please check mark):	
<p>X The CDM-PDD of the project activity</p> <p>X An explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations. This explanation is included in the Validation Report No. 611173, rev. 0;</p> <p>X The written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development:</p> <p>X Other documents, including any validation protocol used in the validation</p> <ul style="list-style-type: none"> ○ Validation Report (Validation Report No. 611173, rev. 0) including a validation protocol, information reference list and a list of persons interviewed by DOE validation team during the validation process. <p>X Information on when and how the above validation report is made publicly available.</p> <p>q Banking information on the payment of the non-reimbursable registration fee</p> <p>X A statement signed by all project participants stipulating the modalities of communicating with the Executive Board and the secretariat in particular with regard to instructions regarding allocations of CERs at issuance</p>	

Executive Summary and Introduction, including

- **Description of the proposed CDM project activity**
- **Scope of validation process (include all documentation that has been reviewed and name persons that have been interviewed as part of the validation, as applicable)**
- **DOE Validation team (list of all persons involved in the validation, describing functions assumed in the validation)**

The project consists of the installation of a tertiary N₂O reduction technology in the tail gas stream of the nitric acid production plant of Abu Qir Fertilizer Co. S.A.E. in Abu Qir, Egypt. Nitrous oxide which is formed as by-product of the nitric acid production will be removed by an EnviNOx®-System which applies a special catalyst developed for this specific purpose. The only incentive for implementing the project is the CDM as no other revenues are generated and no legal obligations exist requiring such a technology.

The validation scope is defined as an independent and objective review of the project design document, the project's baseline study and monitoring plan and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations. TÜV SÜD has, based on the recommendations in the Validation and Verification Manual employed a risk-based approach in the validation, focusing on the identification of significant risks for project implementation and the generation of CERs.

All documentation that has been reviewed and all persons interviewed have as part of the validation are listed in annex 2 of the validation report (Validation Report No. 611173, rev. 0).

Studying the existing documentation belonging to this project, it was obvious that the competence and capability of the validation team has to cover at least the following aspects:

- Ø Knowledge of Kyoto Protocol and the Marrakech Accords
- Ø Environmental and Social Impact Assessment
- Ø Skills in environmental auditing (ISO 14000, EMAS)
- Ø Quality assurance
- Ø Production process for nitric acid
- Ø Business environment in the fertilizer industry
- Ø Monitoring concepts
- Ø Political, economical and technical conditions in host country

According to these requirements TÜV SÜD has composed a project team in accordance with the appointment rules of the TÜV certification body "climate and energy":

The validation team was consisting of the following three experts:

Werner Betzenbichler	(project manager, GhG auditor)	TÜV SÜD
Nikolaus Kröger	(GHG auditor trainee)	TÜV SÜD
Dr. Michael Waeber	(GHG auditor trainee)	TÜV SÜD
Tarek Sheta	(local expert, ISO9000 auditor)	TÜV SÜD (Cairo Office)

Werner Betzenbichler is head of the department Carbon Management Service of TÜV SÜD and head of the "Certification Body for Climate and Energy" and expert for conventional energy generation, renewable energy, energy expansion planning and familiar with the recent version of CDM and JI criteria as necessary for the implementation of Art. 6 and Art. 12 of the KP. Since 2000 he has been working in the international climate change and emission trading business as a verifier.

Nikolaus Kröger is mechanical engineer and expert for emissions monitoring and quality assurance at the department "Environmental Service" of TÜV SÜD. He is located in the Hamburg office and is

also engaged as personally accredited verifier in the EU-ETS serving the Northern German market. Being a trainee for qualifying as ghg-auditor he has already been involved in several CDM activities with a special focus on industrial non-CO₂ projects.

Dr. Michael Waeber is chemist and heading the accredited inspection body for emissions monitoring at the department "Environmental Service" of TÜV SÜD. He is located in the Munich office. Being a trainee for qualifying as ghg-auditor he has already been involved in several CDM/JI activities with a special focus on industrial non-CO₂ projects, monitoring aspects and analyzing equipment.

Tarek Sheta is quality management auditor and is engaged by TÜV SÜD's Cairo office. He is familiar with local laws and regulations and the assessment of technical installations. He assisted Mr. Betzenbichler during the on-site inspections and by evaluating documents.

The audit team covers the above mentioned requirements as follows:

- § Knowledge of Kyoto Protocol and the Marrakech Accords (Betzenbichler)
- § Environmental and Social Impact Assessment (all)
- § Skills in environmental auditing (Betzenbichler, Kröger, Dr. Waeber)
- § Quality assurance (all)
- § Technical aspects (Betzenbichler, Kröger, Dr. Waeber)
- § Monitoring concepts (Betzenbichler, Kröger, Dr. Waeber)
- § Political, economical and technical conditions in host country (Sheta)

In order to have an internal quality control of the project, a team of the following persons has been composed by the certification body "climate and energy":

- § Michael Rumberg (deputy head of certification body "climate and energy")
- § Javier Castro (ghg auditor, veto person for covering scope 5)

For further details please refer to the "Introduction" section of the validation report (Validation Report No. 611173, rev. 0).

Description of methodology for carrying out validation

- Review of CDM-PDD and additional documentation attached to it
- Assessment against CDM requirements (e.g. by use of a validation protocol)
- Report of findings by the DOE, e.g. by use of type of findings (e.g. corrective action requests, clarifications or observations). Please explain the way findings are "labelled" during validation.
- Include statements or assessments in the section "Conclusions, final comments and validation opinion" below.

The validation consists of the following three phases:

- Desk review
- Follow up interviews
- Resolution of clarification and corrective action requests

For this specific project TÜV SÜD has been provided with a draft PDD and the forms for a new baseline methodology and a new monitoring methodology in April 2005. All documents have been submitted to the EB. After approving AM0028 by the EB based on this input TÜV SÜD has been provided with a completed PDD in April 2006. Based on this documentation a document review and a fact finding mission in form of an on-site audit has taken place. This PDD version was made

publicly available by the DOE as required by the Marrakech Accords. In June 2006 a revised final PDD has been submitted in which all open issues and clarification requests as documented by this report have been resolved. It serves as the basis for the final evaluation presented herewith.

In order to ensure transparency, a validation protocol was customised for the project, according to the Validation and Verification Manual. The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from validating the identified criteria. The validation protocol serves the following purposes:

- It organises, details and clarifies the requirements a CDM project is expected to meet;
- It ensures a transparent validation process where the validator will document how a particular requirement has been validated and the result of the validation.

The completed validation protocol is enclosed in Annex 1 to the validation report.

Findings established during validation can either be seen as a non fulfillment of validation criteria or where a risk to the fulfilment of the project objectives is identified. Such findings are termed Corrective Action request. The term "Clarification request" is used when the validation team has identified a need for further clarification.

The Corrective Action Requests and Clarification Requests raised by TÜV SÜD were resolved during communication between the client and TÜV SÜD. To guarantee the transparency of the validation process, the concerns raised and responses that have been given are summarised in chapter 3 of the validation report and documented in more detail in the validation protocol in annex 1 to the validation report. The validation of the project resulted in four Corrective Action Requests and two Clarification Requests.

For further details please refer to the "Methodology" section of the validation report (Validation No. 611173, rev. 0).

Explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations;

- Description of how and when the PDD was made publicly available
- Description of how comments were received and made publicly available
- Explanation of how due account has been taken of comments received
- **Compilation of all comments received (Identify the submitter)**

TÜV SÜD published the project documents on UNFCCC website and on its own website from 25 May 2006 for 30 days and invited comments by Parties, stakeholders and non-governmental organisations.

No comments were received.

Conclusions, final comments and validation opinion

- Provide conclusions on each requirement under paragraph 37 of the CDM modalities and procedures, describing how these requirements have been met. This shall include assessments and findings (e.g. corrective action requests, clarifications or observations) in relation to each requirement, including a confirmation that all issues raised have been addressed to the satisfaction of the DOE.
- **Final comments and validation opinion**

TÜV SÜD has performed a validation of the project: Catalytic N₂O destruction project in the tail gas

of the Nitric Acid Plant of Abu Qir Fertilizer Co., on the basis of UNFCCC criteria and host country criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria refer to Article 12 of the Kyoto Protocol, the CDM modalities and procedures and subsequent decisions by the CDM Executive Board.

The review of the project design documentation and the subsequent follow-up interviews have provided TÜV SÜD with sufficient evidence to determine the fulfilment of stated criteria. In our opinion, the project meets all relevant UNFCCC requirements for the CDM. Hence TÜV SÜD will recommend the project for registration by the CDM Executive Board.

The project will reduce nitrous oxide emission in a nitric acid plant by applying a tertiary reduction technology in the waste gas stream of the production line. An analysis as provided by the applied methodology demonstrates that the proposed project activity is not a likely baseline scenario. Emission reductions attributable to the project are hence additional to any that would occur in the absence of the project activity. Given that the project is implemented as designed, the project is likely to achieve the estimated amount of emission reductions.

Additionally the assessment team reviewed the estimation of the projected emission reductions. We can confirm that the indicated amount of emission reductions of 7,461,165 tonnes CO_{2e} over a crediting period of seven years, resulting in a calculated annual average of 1,065,881 tonnes CO_{2e}, represents a conservative estimation using the assumptions given by the project documents.

The validation is based on the information made available to us and the engagement conditions detailed in this report. The validation has been performed using a risk based approach as described above. The only purpose of this report is its use during the registration process as part of the CDM project cycle. Hence, TÜV SÜD can not be held liable by any party for decisions made or not made based on the validation opinion, which will go beyond that purpose.

The DOE declares herewith that in undertaking the validation of this proposed CDM project activity it has no financial interest related to the proposed CDM project activity and that undertaking such a validation does not constitute a conflict of interest which is incompatible with the role of a DOE under the CDM.

By submitting this validation report, the DOE confirms that all validation requirements are met.

Name of authorized officer signing for the DOE

Werner Betzenbichler

Date and signature for the DOE

July 03, 2006



Section below to be filled by UNFCCC secretariat

Date when the form is received at UNFCCC secretariat		
Date at which the registration fee has been received		
Date at which registration shall be deemed final		
Date of request for review, if applicable		
Date and number of registration	Date	Number