Comment 1	03-12-05 7:54am
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I would like to know whether project has seriously considered the incentive from the CDM in decision to go ahead with the project. Does any documentary evidence is available for that?

The investment barrier is debatable.

Investment = 80 million
The annual energy saving is 13.18 Gwh.
Based on the electricity tariff of min 3.5/kwh
The total monetary saving would be 46.13 million/yr
The simple pay back would be = 1.7 months
Any energy efficiency project has a pay back of less than two years is a viable project under any energy efficiency initiatives. I would also like to know how this CDM revenue will help in the viability of the project and how does it helps to overcome the stated barrier.

Being a second major constituent of the production cost the energy efficiency initiative in cement sector is need of the hour with respect to the prevailed and prevailing market condition/situation. To the best of my knowledge any EE project with more than 3 years payback only will have a financial barrier.

Barrier analysis should be used whether there are significant non-quantifiable barriers that prevent the happening of projects or similar activities.

Rather a descriptive investment analysis approach should have been adopted to see whether the projects are financially viable on their own. The reason is that the relevant barriers that are identified are all quantifiable.Hence it should be easy to see using an investment analysis whether these are significant.

The barrier analysis is should be made much more robust.