



VERIFICATION REPORT SIA "VIDZEME EKO"

VERIFICATION OF THE
WASTE HEAP DISMANTLING BY PE ICC
"TEFIDA" WITH THE AIM OF DECREASING
GREENHOUSE GASES EMISSIONS INTO THE
ATMOSPHERE"

INITIAL AND FIRST PERIODIC FOR PERIOD 01/09/2008-30/04/2012

BUREAU VERITAS CERTIFICATION
REPORT No. UKRAINE-VER/0542/2012

REVISION No. 01



Report No: UKRAINE-ver/0542/2012

VERIFICATION REPORT "WASTE HEAP DISMANTLING BY PE ICC "TEFIDA" WITH THE AIM OF DECREASING GREENHOUSE GASES EMISSIONS INTO THE ATMOSPHERE"

Date of first issue: 25/05/2012	Organizational unit: Bureau Veritas Certification Holding SAS
Client: SIA "Vidzeme Eko"	Client ref.: Gennadiy Ivanenko

Summary:
Bureau Veritas Certification has made the initial, and 1st periodic, verification of the "Waste heap dismantling by PE ICC "Tefida" with the aim of decreasing greenhouse gases emissions into the atmosphere", project of SIA "Vidzeme Eko" located in Shakhtarsk town, Donetsk Region, Ukraine, and applying JI specific approach, on the basis of UNFCCC criteria for the JI, as well as criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria refer to Article 6 of the Kyoto Protocol, the JI rules and modalities and the subsequent decisions by the JI Supervisory Committee, as well as the host country criteria.

The verification scope is defined as a periodic independent review and ex post determination by the Accredited Entity of the monitored reductions in GHG emissions during defined verification period, and consisted of the following three phases: i) desk review of the monitoring report against project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final verification report and opinion. The overall verification, from Contract Review to Verification Report & Opinion, was conducted using Bureau Veritas Certification internal procedures.

The first output of the verification process is a list of Clarification, Corrective Actions Requests, Forward Actions Requests (CR, CAR and FAR), presented in Appendix A.

In summary, Bureau Veritas Certification confirms that the project is implemented as planned and described in approved project design documents. Installed equipment being essential for generating emission reduction runs reliably and is calibrated appropriately. The monitoring system is in place and the project is generating GHG emission reductions. The GHG emission reduction is calculated accurately and without material errors, omissions, or misstatements, and the ERUs issued totalize 1780653 tonnes of CO2 equivalent for the monitoring period from 01/09/2008 to 30/04/2012 (125121 tonnes of CO2 equivalent for 01/09/2008 till 31/12/2008, 496238 tonnes of CO2 equivalent for 01/01/2009 till 31/12/2009, 474961 tonnes of CO2 equivalent for 01/01/2010 till 31/12/2010, 512687 tonnes of CO2 equivalent for 01/01/2011 till 31/12/2011, 171646 tonnes of CO2 equivalent for 01/01/2012 till 30/04/2012).

Report No.: UKRAINE-ver/0542/2012	Subject Group: JI
Project title: Waste heap dismantling by PE ICC "Tefida" with the aim of decreasing greenhouse gases emissions into the atmosphere	
Work carried out by: Oleg Skoblyk – Team Leader, Lead Verifier Vyacheslav Yeriomin – Team Member, Verifier	
Work reviewed by: Ivan Sokolov - Technical Reviewer Nikolay Chekhmestrenko – Technical specialist	
Work approved by: Ivan Sokolov - Operational Manager	
Date of this revision: 10/07/2012	Rev. No.: 01
Number of pages: 26	

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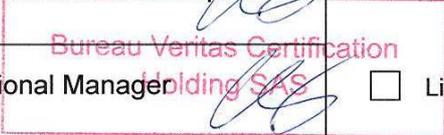


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1 INTRODUCTION

SIA "Vidzeme Eko" has commissioned Bureau Veritas Certification to verify the emissions reductions of its JI project "Waste heap dismantling by PE ICC "Tefida" with the aim of decreasing greenhouse gases emissions into the atmosphere" (hereafter called "the project") at Shakhtarsk town, Donetsk Region, Ukraine.

This report summarizes the findings of the verification of the project, performed on the basis of UNFCCC criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

1.1 Objective

Verification is the periodic independent review and ex post determination by the Accredited Independent Entity of the monitored reductions in GHG emissions during defined verification period.

The objective of verification can be divided in Initial Verification and Periodic Verification.

UNFCCC criteria refer to Article 6 of the Kyoto Protocol, the JI rules and modalities and the subsequent decisions by the JI Supervisory Committee, as well as the host country criteria.

1.2 Scope

The verification scope is defined as an independent and objective review of the project design document, the project's baseline study, monitoring plan and monitoring report, and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations.

The verification is not meant to provide any consulting towards the Client. However, stated requests for clarifications, corrective and/or forward actions may provide input for improvement of the project monitoring towards reductions in the GHG emissions.

1.3 Verification Team

The verification team consists of the following personnel:

Oleg Skoblyk
Bureau Veritas Certification Team Leader, Climate Change Verifier

Vyacheslav Yeriomin
Bureau Veritas Certification Climate Change Verifier

This verification report was reviewed by:

Ivan Sokolov
Bureau Veritas Certification, Internal Technical Reviewer



Nikolay Chekhmestrenko
Bureau Veritas Certification, Technical Specialist

2 METHODOLOGY

The overall verification, from Contract Review to Verification Report & Opinion, was conducted using Bureau Veritas Certification internal procedures.

In order to ensure transparency, a verification protocol was customized for the project, according to the version 01 of the Joint Implementation Determination and Verification Manual, issued by the Joint Implementation Supervisory Committee at its 19 meeting on 04/12/2009. The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from verifying the identified criteria. The verification protocol serves the following purposes:

- It organizes, details and clarifies the requirements a JI project is expected to meet;
- It ensures a transparent verification process where the verifier will document how a particular requirement has been verified and the result of the verification.

The completed verification protocol is enclosed in Appendix A to this report.

2.1 Review of Documents

The Monitoring Report (MR) submitted by SIA "Vidzeme Eko" and additional background documents related to the project design and baseline, i.e. country Law, Project Design Document (PDD), and Guidance on criteria for baseline setting and monitoring, Host party criteria, Kyoto Protocol, Clarifications on Verification Requirements to be Checked by an Accredited Independent Entity were reviewed.

The verification findings presented in this report relate to the Monitoring Report version 2.1 dated 10/07/2012 and project as described in the determined PDD.

2.2 Follow-up Interviews

On 25/05/2012 Bureau Veritas Certification performed on-site interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review. Representatives of PE ICC "Tefida", SIA "Vidzeme Eko" were interviewed (see References). The main topics of the interviews are summarized in Table 1.

Table 1 Interview topics

Interviewed organization	Interview topics
PE ICC "Tefida"	<ul style="list-style-type: none"> - Organizational structure - Responsibilities and authorities - Roles and responsibilities for data collection and processing - Installation of equipment - Data logging, archiving and reporting - Metering equipment control - Metering record keeping system, database - Training of personnel - Quality management procedures and technology - Internal audits and check-ups
CONSULTANT SIA "Vidzeme Eko"	<ul style="list-style-type: none"> - Monitoring plan - Monitoring report - Deviations from PDD - ERUs calculation model

2.3 Resolution of Clarification, Corrective and Forward Action Requests

The objective of this phase of the verification is to raise the requests for corrective actions and clarification and any other outstanding issues that needed to be clarified for Bureau Veritas Certification positive conclusion on the GHG emission reduction calculation.

If the Verification Team, in assessing the monitoring report and supporting documents, identifies issues that need to be corrected, clarified or improved with regard to the monitoring requirements, it should raise these issues and inform the project participants of these issues in the form of:

- (a) Corrective action request (CAR), requesting the project participants to correct a mistake that is not in accordance with the monitoring plan;
- (b) Clarification request (CL), requesting the project participants to provide additional information for the Verification Team to assess compliance with the monitoring plan;
- (c) Forward action request (FAR), informing the project participants of an issue, relating to the monitoring that needs to be reviewed during the next verification period.

The Verification Team will make an objective assessment as to whether the actions taken by the project participants, if any, satisfactorily resolve the issues raised, if any, and should conclude its findings of the verification.

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To guarantee the transparency of the verification process, the concerns raised are documented in more detail in the verification protocol in Appendix A.

3 VERIFICATION CONCLUSIONS

In the following sections, the conclusions of the verification are stated.

The findings from the desk review of the original monitoring documents and the findings from interviews during the follow up visit are described in the Verification Protocol in Appendix A.

The Clarification, Corrective and Forward Action Requests are stated, where applicable, in the following sections and are further documented in the Verification Protocol in Appendix A. The verification of the Project resulted in 11 Corrective Action Requests, 4 Clarification Requests, and 1 Forward Action Requests.

The number between brackets at the end of each section corresponds to the DVM paragraph.

3.1 Remaining issues and FARs from previous verifications

The one FAR is pending from determination process provided by Bureau Veritas Certification.

FAR01

Please refer to Table 2, section A.

The Ukrainian project participant will be authorized by the Host Party through the issuance of the approval for the project

Response: the project was approved by DFPs of both Parties involved. Letter of Approval #1776/23/7 dated 06/07/2012 was obtained from State Environment Investment Agency of Ukraine. Letter of Approval # 12.2/02/9179 dated 14/06/2012 was obtained by Ministry of Environment protection and Regional Development of Republic Latvia.

Conclusion: the issue is closed based on information, provided by project participants.

3.2 Project approval by Parties involved (90-91)

Written project approval by the Host party was obtained (Letter of Approval #1776/23/7 dated 06/07/2012 issued by State Environmental Investment Agency). Letter of Approval # 12.2/02/9179 dated 14/06/2012 was obtained by Ministry of Environment protection and Regional Development of Republic Latvia.

The abovementioned written approval is unconditional.

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Identified problem areas for project approvals, project participants' answers and conclusions of Bureau Veritas Certification are described in Annex A to the Verification Report (See CAR01).

3.3 Project implementation (92-93)

The purpose of this project is complete dismantling of the waste heap with coal extraction from the mine waste heap near Shakhtarsk town, Shakhtarsk district, Donetsk region, Ukraine. This will prevent greenhouse gas emissions into the atmosphere during burning of the coal at the waste heap. Using of such extraction techniques as sorting rock mass complex and loading rock mass, proposed in this project, the residual coal can be extracted from the waste heap and the coal can be used to cover the energy needs of local consumers. In addition, sorted rock mass of class +30 mm is planned for construction and maintenance roads of 4-5 categories. The reclaimed coal will replace coal that would otherwise have been mined, causing fugitive emissions of methane and using a large volume of electricity during the mining process. The project envisages the assembling and installation of sorting rock mass complex of former mine "Shakhtarsk-Glyboka". The licensed laboratory conducted analysis of fractions 0-30 for the content of combustible matter, ash and moisture, selecting sample products delivered to the customer. Extracted coal then is sold for demands of heat and power production.

The project has been implemented in accordance with the PDD version 2.1 dated 14/06/2012 regarding which the determination has been deemed final.

25/07/2008 – date of equipment start-up

01/09/2008 – starting date of dismantling of the waste heap.

The verification team of Bureau Veritas Certification Holding SAS can confirm, through the on-site visit that all physical features of the proposed JI project activity including data collecting and storage systems have been implemented, the project is completely operational and has been implemented as described in the registered PDD version 2.1 dated 14/06/2012.

Identified problem areas for project implementation, project participants' answers and conclusions of Bureau Veritas Certification are described in Annex A to the Verification Report (See CAR02).

3.4 Compliance of the monitoring plan with the monitoring methodology (94-98)

The monitoring of the JI project occurred in accordance with the monitoring plan contained in the registered PDD, version 2.1 dated 14/06/2012.



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For calculating the emission reductions key factors influencing the baseline emissions as well as risks associated with the project were taken into account, as appropriate. For more detailed information, please, refer to the determined and registered PDD, version 2.1 dated 14/06/2012.

All data sources used for calculating emission reductions are indicated in tables of the Monitoring Report, version 2.0 dated 07/07/2012.

The emission factor used to calculate emission reductions are selected in accordance with the registered PDD version 2.1 dated 14/06/2012. The choice of this emission factor is appropriately justified in the PDD version 2.1 dated 14/06/2012 and in general accuracy and reasonableness are carefully balanced.

The calculation of emission reductions is done based on conservative assumptions and the most plausible scenarios in a transparent manner. The calculation of the baseline emissions is based on the JI specific approach in accordance with the registered PDD version 2.1 dated 14/06/2012.

The calculation of emission reductions is done by subtracting the project emissions from the baseline emissions with additional negative leakage.

The detailed calculation of GHG emission reductions for chosen monitoring period (01/09/2008 – 30/04/2012) is provided in supporting documentation.

Identified problem areas for compliance with monitoring plan, project participants' answers and conclusions of Bureau Veritas Certification are described in Annex A to the Verification Report (CAR03, CAR04, CL01-CL04).

3.5 Revision of monitoring plan (99-100)

"Not applicable"

3.6 Data management (101)

Data collection procedure is carried out in accordance with the monitoring plan, including the quality control and quality assurance procedures and has been checked by the verification team on site visit. The monitoring plan is presented in section D of the registered PDD version 2.1 dated 14/06/2012.

The data and their sources, provided in monitoring report, are clearly identified, reliable and transparent.

The evidence and records used for the monitoring are maintained in a traceable manner. Verification team got an access to all necessary data on monitoring system and emission reductions and received necessary evidence on site visit.

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The data collection and management system for the project is in accordance with the monitoring plan as described in the registered PDD version 2.1 dated 14/06/2012.

Identified problem areas for data management, project participants' answers and conclusions of Bureau Veritas Certification are described in Annex A to the Verification Report (See CAR05-CAR11).

3.7 Verification regarding programmes of activities (102-110) "Not applicable"

4 VERIFICATION OPINION

Bureau Veritas Certification has performed the initial and 1st periodic verification of the "Waste heap dismantling by PE ICC "Tefida" with the aim of decreasing greenhouse gases emissions into the atmosphere" Project in Shakhtarsk town, Donetsk Region, Ukraine, which applies JI specific approach. The verification was performed on the basis of UNFCCC criteria and host country criteria and also on the criteria given to provide for consistent project operations, monitoring and reporting.

The verification consisted of the following three phases: i) desk review of the monitoring report against the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final verification report and opinion.

The management of SIA "Vidzeme Eko" is responsible for the preparation of the GHG emissions data and the reported GHG emissions reductions of the project on the basis set out within the project Monitoring Plan indicated in the final PDD version 2.1. The development and maintenance of records and reporting procedures in accordance with that plan, including the calculation and determination of GHG emission reductions from the project, is the responsibility of the management of the project.

Bureau Veritas Certification verified the Project Monitoring Report version 02 for the reporting period as indicated below. Bureau Veritas Certification confirms that the project is implemented as planned and described in approved project design documents. Installed equipment being essential for generating emission reduction runs reliably and is calibrated appropriately. The monitoring system is in place and the project is generating GHG emission reductions.

Bureau Veritas Certification can confirm that the GHG emission reduction is accurately calculated and is free of material errors, omissions, or misstatements. Our opinion relates to the project's GHG emissions and resulting GHG emissions reductions reported and related to the approved



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project baseline and monitoring, and its associated documents. Based on the information we have seen and evaluated, we confirm, with a reasonable level of assurance, the following statement:

Reporting period: From 01/09/2008 to 30/04/2012

Baseline emissions	: 1408288 tonnes of CO2 equivalent.
Project emissions	: 29308 tonnes of CO2 equivalent.
Emission Reductions	: 1780653 tonnes of CO2 equivalent.
Emission Reductions (01/09/2008-31/12/2008):	125121 tonnes of CO2 equivalent.
Emission Reductions (01/01/2009-31/12/2009):	496238 tonnes of CO2 equivalent.
Emission Reductions (01/01/2010-31/12/2010):	474961 tonnes of CO2 equivalent.
Emission Reductions (01/01/2011-31/12/2011):	512687 tonnes of CO2 equivalent.
Emission Reductions (01/01/2012-30/04/2012):	171646 tonnes of CO2 equivalent.

5 REFERENCES

Category 1 Documents:

Documents provided by SIA "Vidzeme Eko" that relate directly to the GHG components of the project.

- /1/ Project Design Document "Waste heap dismantling by PE ICC "Tefida" with the aim of decreasing greenhouse gases emissions into the atmosphere", version 2.1 dated 14/06/2012
- /2/ Monitoring Report "Waste heap dismantling by PE ICC "Tefida" with the aim of decreasing greenhouse gases emissions into the atmosphere" version 1.0 dated 09/06/2012.
- /3/ Monitoring Report "Waste heap dismantling by PE ICC "Tefida" with the aim of decreasing greenhouse gases emissions into the atmosphere" version 2.0 dated 22/06/2012.
- /4/ Monitoring Report "Waste heap dismantling by PE ICC "Tefida" with the aim of decreasing greenhouse gases emissions into the atmosphere" version 2.1 dated 10/07/2012.
- /5/ ERUs calculation Excel-file "Calculation1.5_GL_xlsx.xlsx"
- /6/ Letter of Approval #12.2-02/9179 dated 14/06/2012 issued by Ministry of Environment and Regional development of Latvia Republic
- /7/ Letter of Approval #1776/23/7 dated 06/07/2012 issued by State Environment Investment Agency of Ukraine

Category 2 Documents:

Background documents related to the design and/or methodologies employed in the design or other reference documents.

- /1/ Service Contract of certified laboratory, # 24/08 from 18/07/2008 between «Trading Company «Antares» and "State Company "Torezanratsyt"
- /2/ Contract of service certified laboratory # 16/09 from 01/07/2009 between "Industrial commercial company "Technoprominvest" and the "Subsidiary Company "Torezanratsyt"
- /3/ The contract of service certified laboratory # 02/11 from 02/01/2011 between Ltd "Niva-2012" and "Subsidiary Company "Torezanratsyt"
- /4/ Certificate of metrological attestation #156 from 11/04/2008 the weight of automobile electronic tenzometric VTA-60 # 091200795.
- /5/ Certificate of metrological attestation # 169 from 21/05/2009 the weight of automobile electronic tenzometric VTA-60 # 091200795.
- /6/ Certificate of metrological attestation #132 from 18/04/2010 the weight of automobile electronic tenzometric VTA-60 # 091200795
- /7/ Certificate of metrological attestation #146 from 25/03/2011 the weight of automobile electronic tenzometric VTA-60 # 091200795
- /8/ Certificate of metrological attestation # 153 from 05/03/2012 the weight of automobile electronic tenzometric VTA-60 # 091200795



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- /9/ The act of putting the sorting complex into operation, from 28/09/2008.
- /10/ Act-order dated 04/08/2011 for replacing the meter at the consumer legal entity "JSC "Donetskoblenergo" in PE "Torezanratsyt "
- /11/ The act of weighing for October 2008 from 01/11/08 to Subcontract #33/08 from 18/07/08 to 28794.45 tons Carbonaceous rocks.
- /12/ Delivery and Acceptance act of the works for October 2008 from 01/11/08 to Subcontract #33/08 from 18/07/08 for 2620538.83 UAH and costing of the act of the works.
- /13/ Sales invoice # 71 from 07/11/08 to 26783.70 tons of Carbonaceous rocks.
- /14/ Certificate #118 on the quality of coal by October 2008 from 31/11/2008
- /15/ The act of weighing for March 2009 from 01/04/09 to Subcontract #33/08 from 18/07/08 to 37948.05 tons Carbonaceous rocks.
- /16/ Delivery and Acceptance act of the works for March 2009 from 01/04/09 to Subcontract #33/08 from 18/07/08 for 3186007.89 UAH and costing of the act of the works.
- /17/ Sales invoice # 115 from 03/04/09 to 37948.05 tons Carbonaceous rocks
- /18/ Certificate #46 on the quality of coal for March 2009 from 31/03/09.
- /19/ The act of weighing for May 2010 from 01/06/10 to Subcontract #49/07 from 01/07/09 to 35456.65 tons Carbonaceous rocks.
- /20/ Delivery and Acceptance act of the works for May 2010 from 01/06/10 to Subcontract #49/07 from 01/07/09 for 3329124.41 UAH and costing of the act of the works.
- /21/ Sales invoice # 74 from 03/06/10 to 35456.65 tons Carbonaceous rocks
- /22/ Certificate #58 on the quality of coal for May 2010 from 31/05/2010.
- /23/ The act of weighing for June 2011 from 01/07/11 to Subcontract #02/01-1 from 02/01/11 to 38487.65 tons Carbonaceous rocks.
- /24/ Delivery and Acceptance act of the works for June 2011 from 01/07/11 to Subcontract #02/01-1 from 02/01/11 to 1286655.70 UAH and costing of the act of the works.
- /25/ Sales invoice # 39 from 04/07/11 to 38487.65 tons Carbonaceous rocks.
- /26/ Certificate #85 on the quality of coal for June 2011 from 30/07/2011.
- /27/ The act of weighing for April 2012 from 01/05/12 to Subcontract #02/01-1 from 02/01/11 to 39429.75 tons Carbonaceous rocks.
- /28/ Delivery and Acceptance act of the works for April 2012 from 01/05/12 to Subcontract #02/01-1 from 02/01/11 for 3280501.67 UAH and costing of the act of the works.
- /29/ Sales invoice # 39 from 03/05/12 to 39429.75 tons Carbonaceous

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rocks.

/30/ Certificate #56 on the quality of coal for April 2012 from 30/05/2012.

Persons interviewed:

List persons interviewed during the verification or persons that contributed with other information that are not included in the documents listed above.

1. Ivanenko Gennadiy Volodymyrovych - SIA "Vidzeme Eko" JI Project Manager
2. Tymofeev Sergiy Petrovych - SIA "Vidzeme Eko" JI Consultant
3. Stah Yuri Mykhailovych - SIA "Vidzeme Eko" JI Consultant
4. Berestova Irina Ivanivna - PE "ICC Ukrhimuglekachestvo" Head of Laboratory
5. Fedko Olexandr Anatoliyovych - PE ICC "Tefida" Production Manager
6. Kushnirenko Mykolay Ivanovych - PE ICC "Tefida" Storekeeper-recorder (storage site of unsorted fraction)

APPENDIX A: VERIFICATION PROTOCOL

VERIFICATION PROTOCOL

Check list for verification, according to the JOINT IMPLEMENTATION DETERMINATION AND VERIFICATION MANUAL (Version 01)

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
Project approvals by Parties involved				
90	Has the DFPs of at least one Party involved, other than the host Party, issued a written project approval when submitting the first verification report to the secretariat for publication in accordance with paragraph 38 of the JI guidelines, at the latest?	The project hasn't obtained approval from party members. The relevant information from the MR is missing. For complete the verification should be including the required data and submit letters of approval to the AIE. One unresolved issue (FAR 01) remains in the process of determination. <u>CAR01</u> The Project hasn't received Letters of Approval from the parties involved. Also please, provide information in Monitoring Report, about publishing the project technical documentation on the UNFCCC website.	CAR01	OK
91	Are all the written project approvals by Parties involved unconditional?	All the written project approvals are unconditional	OK	OK
Project implementation				
92	Has the project been implemented in accordance with the PDD regarding which the determination has been	The project has been implemented in accordance with the registered PDD version 2.1 dated 14/06/2012. Information isn't available on the	CAR02	OK



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DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	deemed final and is so listed on the UNFCCC JI website?	UNFCC JI website. <u>CAR 02</u> Please, add the information about schedule of waste heap dismantling.		
93	What is the status of operation of the project during the monitoring period?	During the monitoring period that covers time period between the 01/09/2008 and 30/04/2011 the project operated as described in the PDD section D. Dismantling of the waste heap was started on 1st September 2008 in accordance with the registered PDD. The verification team has verified during the site visit that the project equipment, being sorting rock mass complex, is operational and evidence exists that it has operated during the whole monitoring period.	OK	OK
Compliance with monitoring plan				
94	Did the monitoring occur in accordance with the monitoring plan included in the PDD regarding which the determination has been deemed final and is so listed on the UNFCCC JI website?	Yes. The monitoring occurred in accordance with the monitoring plan included in the registered PDD version 2.1 <u>CL 01</u> It is noted that some data could be altered at the stage of monitoring in the PDD. Explain please, whether there were any changes?	CL01	OK
95 (a)	For calculating the emission reductions or enhancements of net removals, were	For calculating the emission reductions key factors (electricity consumed, coal amount that has been	OK	OK



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DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	key factors, e.g. those listed in 23 (b) (i)-(vii) above, influencing the baseline emissions or net removals and the activity level of the project and the emissions or removals as well as risks associated with the project taken into account, as appropriate?	extracted etc.), e.g. those listed in 23 (b) (i)-(vii) above, influencing the baseline emissions as well as risks associated with the project were taken into account, as appropriate. For more detailed information, please, refer to Section B.2. of the determined PDD.		
95 (b)	Are data sources used for calculating emission reductions or enhancements of net removals clearly identified, reliable and transparent?	All data sources used for calculating emission reductions are clearly identified, reliable and transparent. However, not all the links are available in the MR. <u>CAR 03</u> Please, provide the reference on data of diesel conversion factor. <u>CAR 04</u> Correct units through the monitoring report, relying on Attachment B "Manual of the criteria for determining the baseline and monitoring." <u>CL 02</u> Are the average electricity consumption per tonne of coal produced in Ukraine belongs to the steam coal, or taken overall product? <u>CL 03</u> Please explain: in PDD stated that the additional amount of electricity consumed during the project -	CAR03 CAR04 CL02 CL03	OK



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DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		measured, but in the monitoring report - measured and calculated.		
95 (c)	Are emission factors, including default emission factors, if used for calculating the emission reductions or enhancements of net removals, selected by carefully balancing accuracy and reasonableness, and appropriately justified of the choice?	Emission factors for calculating emissions reduction selected in accordance with the approved PDD version 2.1 and a total accuracy and validity of carefully balanced.	OK	OK
95 (d)	Is the calculation of emission reductions or enhancements of net removals based on conservative assumptions and the most plausible scenarios in a transparent manner?	<p>The calculation of emission reductions is done based on conservative assumptions and the most plausible scenarios in a transparent manner. Project emissions are presented as the sum of the emissions values by components of the coal extracting process. The following sources of emissions can be observed during the project operation:</p> <ol style="list-style-type: none"> 1. Electricity consumption; 2. Diesel consumption. <p>The calculation of the baseline emissions is based on the JI specific approach in accordance with the registered PDD and rests on the correction factor for uncertainty of the waste heaps burning process. Coal level extracted from waste heap is assumed equal in both project and baseline</p>	CL04	OK



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DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		scenario with a glance of humidity and ash content. <u>CL 04</u> What assumptions were made for the acceptance probability spontaneous ignition of dumps in terms of uncertainty?		
Applicable to JI SSC projects only_ Not applicable				
Applicable to bundled JI SSC projects only_ Not applicable				
Revision of monitoring plan				
Applicable only if monitoring plan is revised by project participant				
99 (a)	Did the project participants provide an appropriate justification for the proposed revision?	Not applicable	Not applicable	Not applicable
99 (b)	Does the proposed revision improve the accuracy and/or applicability of information collected compared to the original monitoring plan without changing conformity with the relevant rules and regulations for the establishment of monitoring plans?	Not applicable	Not applicable	Not applicable
Data management				
101 (a)	Is the implementation of data collection procedures in accordance with the monitoring plan, including the quality control and quality assurance	Data collection procedure is carried out in accordance with the monitoring plan, including the quality control and quality assurance procedures and has been checked by the verification team on-	CAR05	OK



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DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	procedures?	<p>site. The monitoring plan is presented in the section D of the registered PDD version 2.1. The verification team confirms effectiveness of existing management and operational systems and found them eligible for reliable project monitoring.</p> <p><u>CAR 05</u> Provide information about the work of laboratories involved in the project and PE ICC "Tefida".</p>		
101 (b)	Is the function of the monitoring equipment, including its calibration status, in order?	<p>The monitoring equipment employed by the project has functioned in accordance with the monitoring plan and in general is in order. The verification team has verified that the reported metering devices are in fact installed and operational. The metering devices have appropriate documentation, such as passports. However not all calibration certificates of the automobile scales has been performed on site-visit.</p> <p><u>CAR 06</u> On the site- visit it was confirmed that all electricity consumed in the project scenario are calculated by one counter. In the monitoring report for the calculation of electric energy are two counters, but clarification of the sequence of their application is missing.</p> <p><u>CAR 07</u></p>	CAR06 CAR07 CAR08 CAR09 CAR10	OK



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DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		<p>Table 3 indicates that the calibration interval energy meters are 36 months. The counter NIK 2301 ARC was calibrating on 25/12/2007 last time.</p> <p><u>CAR 08</u> Please provide information on the accuracy (sensitivity) for automobile scales BTA -60 in Table 2.</p> <p><u>CAR 09</u> The date of installation of laboratory furnace SNOL APT1T for the number #103426 is absent.</p> <p><u>CAR 10</u> Please add to Table 2 - Equipment used for monitoring, information about the terms of passing the next calibration.</p>		
101 (c)	Are the evidence and records used for the monitoring maintained in a traceable manner?	<p>The evidence and records used for the monitoring are maintained in a traceable manner. Verification team has got access to all necessary data on monitoring system and emission reductions and received necessary evidence on site.</p> <p><u>CAR 11</u> During the site-visit not all documents were available containing monitoring data. Please provide the relevant documents to the AIE.</p>	CAR11	OK
101 (d)	Is the data collection and management system for the project in accordance	The data collection and management system for the project is in accordance with the monitoring	OK	OK



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DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	with the monitoring plan?	plan as described in the registered PDD section D.3. Roles and responsibilities of the technical staff in the framework of the monitoring are described in the monitoring report. The general monitoring management is implemented by the Director of the company PE ICC "Tefida" through the supervision and coordination of the activities of its subordinates, such as the Chief Production Officer, Laboratorial Manager and Accountant. The responsibilities and authorities are described for each individual in job descriptions as required statutorily. Persons working at sites are aware of their responsibilities, and relative records are maintained.		
<p>Verification regarding programmes of activities (additional elements for assessment)_ Not applicable</p>				
<p>Applicable to sample-based approach only_ Not applicable</p>				

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Table 2 Resolution of Corrective Action and Clarification Requests

Draft report clarification and corrective action requests by verification team	Ref. to checklist question in table 1	Summary of project participant response	Verification team conclusion
<u>CAR01</u> The Project hasn't received Letters of Approval from the parties involved. Also please, provide information in Monitoring Report, about publishing the project technical documentation on the UNFCCC website.	90		
<u>CAR 02</u> Please, add the information about schedule of waste heap dismantling.	92	The monthly graph of actual volumes of processing rock and Carbonaceous fractions (0-30) mm are displayed in Part B.2.4 in Table 8.	The issue is closed
<u>CAR 03</u> Please, provide the reference on data of diesel conversion factor.	95(b)	The links to the data source of conversion factors for diesel was given: GOST 305-82 diesel. Specifications. 0.85 kg / l is taken as the average for the two fuels: summer and winter http://elarum.ru/info/standards/gost-305-82/	The issue is closed



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<u>CAR 04</u> Correct units through the monitoring report, relying on Attachment B "Manual of the criteria for determining the baseline and monitoring."	95(b)	The units of measure throughout the monitoring report, leaning on Attachment B "Guidelines of the criteria for determining the baseline and monitoring" were corrected.	The issue is closed
<u>CAR 05</u> Provide information about the work of laboratories involved in the project and PE ICC "Tefida".	101(a)	Sampling, chemical analysis and storage of arbitration carries "Production and Commercial Firm" Ukrhymuhlekachestvo". Results of analysis confirm SE "Torezanratsyt".	The issue is closed
<u>CAR 06</u> On the site- visit it was confirmed that all electricity consumed in the project scenario are calculated by one counter. In the monitoring report for the calculation of electric energy are two counters, but clarification of the sequence of their application is missing.	101 (b)	Section B explained: Counter number 0215354 has been replaced by meter 0057216 March 30, 2012.	The issue is closed
<u>CAR 07</u> Table 3 indicates that the calibration interval energy meters are 36 months. The counter NIK 2301 ARC was calibrating on 25/12/2007 last time.	101 (b)	The meter calibration interval 36 months of electric energy is displayed in error in Table 3. Fixed for 6 years.	The issue is closed
<u>CAR 08</u> Please provide information on the accuracy (sensitivity) for automobile scales BTA -60 in Table 2.	101 (b)	Information provided - sensitivity scales VTA-60: 25 kg.	The issue is closed



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<u>CAR 09</u> The date of installation of laboratory furnace SNOL APT1T for the number #103426 is absent.	101 (b)	The date is missing in error, the date set 21/05/2008.	The issue is closed
<u>CAR 10</u> Please add to Table 2 - Equipment used for monitoring, information about the terms of passing the next calibration.	101 (c)	There is graph (frequency) of inspections for each unit, which must scrupulously enforce. In Table 3 in the graph "Frequency of inspections" noted when the test should be done. Exact date of the next inspection point is impossible to predict.	The issue is closed
<u>CAR 11</u> During the site-visit not all documents were available containing monitoring data. Please provide the relevant documents to the AIE.		All appropriate documents were attached.	The issue is closed
<u>CL 01.</u> It is noted that some data could be altered at the stage of monitoring in the PDD. Explain please, whether there were any changes?	95(b)	The changes connected with the value of constants and parameters of the project did not happen at this point of monitoring, as new statistics and new versions of Cadastre did not appear.	The issue is closed
<u>CL 02</u> Are the average electricity consumption per tonne of coal produced in Ukraine belongs to the steam coal, or taken overall product?	95(b)	The State Statistics Committee of Ukraine provides data only on stone coal, not agglomerated coal and brown coal. The costs of electricity on production thermal coal in the Guide are not available, but they cannot be less than average in Ukraine.	



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<p><u>CL 03</u> Please explain: in PDD stated that the additional amount of electricity consumed during the project - measured, but in the monitoring report - measured and calculated.</p>	95(b)	<p>The term "calculated" used for the number of consumed electricity in the project, and the term "summation of meter readings" is used in the preparation of monthly and annual reports.</p>	<p>The issue is closed</p>
<p><u>CL 04</u> What assumptions were made for the acceptance probability spontaneous ignition of dumps in terms of uncertainty?</p>	95(d)	<p>Institute "Respirator" has developed a conclusion about the probability of spontaneous dumps Donetsk region according to a proven method. The project was made the assumption that the heap can break with this probability. The conclusion of the Institute "Respirator" # 10/872 dated 18/06/2012 was received on fire risk of waste heap and its environmental impact, on the evidence of which considered in the project waste heap can be attributed to the class of dumps, reviewed in the Institute "Respirator" Report.</p>	<p>The issue is closed</p>