



JI DETERMINATION REPORT FORM

(version 02)

(to be completed by an AIE requesting the publication of a determination pursuant to paragraph 33 of the JI guidelines)

Accredited independent entity (AIE) submitting form	TUEV-SUED
Proposed JI activity	
Reference number and title of proposed JI activity	Reduction of N2O Emissions from Nitric Acid Production at OJSC "AZOT", Cherkasy, Ukraine (0217)
Host Party(ies)	Ukraine
Parties involved in the JI activity	Ukraine, Denmark
Coordinating entity (<i>applicable to JI PoA only</i>)	NA
Project participants	OJSC "AZOT" (Ukraine), DONG Naturgas AS (Denmark)
Type of JI activity:	<input checked="" type="checkbox"/> large scale <input type="checkbox"/> small scale <input type="checkbox"/> LULUCF <input type="checkbox"/> PoA
Brief description of the JI activity	The project activity involves the installation of a secondary catalyst for catalytic destruction of most of the nitrous oxide (N2O) produced in the Cherkasy AZOT nitric acid plant. The expected outcome of the project is 85% reduction in the N2O emissions. Project activity will not affect other emissions such as NOx or nitric acid production.
Determination report	
<p>Please confirm that all requirements of Article 6 of the Kyoto Protocol, the JI guidelines and further relevant requirements defined by the CMP or the JISC with regard to determinations pursuant to paragraph 33 of the JI guidelines are met:</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	
General information on determination	
Please describe:	
<ul style="list-style-type: none"> ➤ The scope of the determination process, including all documentation that has been reviewed and list the names of persons interviewed during the determination process, as applicable; ➤ The AIE's determination team, including a list of all persons involved in the determination process and a description of the functions assumed. 	
<ul style="list-style-type: none"> ➤ Determination Scope: The determination objective is an independent assessment by a Third Party (Accredited Independent Entity, AIE) of a proposed project activity against all defined criteria set for the registration under the Joint Implementation scheme (JI). Determination is part of the JI project cycle and will finally result in a conclusion by the executing AIE whether a project activity is valid and should be submitted for registration to the Joint Implementation Supervisory Committee by UNFCCC. The ultimate decision on the registration of a proposed project activity rests on the JISC decision and the Parties involved. ➤ Interviewed persons: Mr Vitaliy Sklyarov AZOT, Technical Director. Mr Igor Chaban AZOT, Chief of Technical Department. Mr Petr Kuksin AZOT, Project Manager. 	

Mr Nikolay Antonevich AZOT, Deputy Technical Director on Technical Development.
 Mr. Alexander Yarmolenko AZOT, Project Manager.
 Mr Yuriy Simonov AZOT, Chief M-5 of Technical Department.
 Mr Ruslan Balanyak AZOT, Principal Engineer.
 Mr Genadiy Rubkin AZOT, Design Manager of Automatic Control System of Process.
 Ms Raisa Konyushaya AZOT, Engineer of Environmental Protection.
 Ms Marina Melnichenko AZOT, Engineer.
 Dr Volodymyr K. Ivashchenko MGM, Senior Technical Expert.
 Mr Vladyslav Zhezherin MGM, Director MGM Eastern Europe.
 Mr Ruslan Kudenko Engineering Systems, Technical Director.
 Mr Alexander Bush Engineering Systems, Project Manager.

Mr Petro Vasyliev Siemens Ukraine, Head of Group Sensors and Communication.

➤ **AIE's determination team:**

Ms. Olena Maslova TÜV SÜD, GHG Lead Auditor/ Determiner, Project Manager

Mr. Andrey Atyakshev TÜV SÜD Ukraine LLC, GHG Auditor

Mr. Nikolaus Kröger TÜV SÜD headquarters, Assessment Team Leader

➤ **Documentation that has been reviewed:** see annex 2 of the determination report

Description of determination process

Please briefly describe and refer to:

- The review of the JI PDD/PoA DD and additional documentation attached to it;
- The assessment against JI requirements, e.g. by using a determination protocol;
- The report of findings by the AIE, including the use of different types of findings (e.g. corrective action requests, clarifications or observations etc.).

Statements or assessments should be included in section "Conclusions, final comments and determination opinion".

- The determination process starts with appointment of team covering the technical scope(s), sectoral scope(s) and relevant host country experience for evaluating the JI project activity. A first version of the PDD was submitted to the AIE in January 2010 and was made publicly available in February 2010. The first PDD version and additional background documents related to the project design and baseline were reviewed to verify the correctness, credibility and interpretation of the presented information, furthermore a cross-check between information provided and information from other sources have been done as initial step of the determination process. A complete list of all documents and proofs reviewed is attached as Annex 2 to this report. In the period of February 25-26, 2010 TÜV SÜD performed interviews and physical site inspection with project stakeholders to confirm relevant information and to resolve issues identified in the first document review. The on-site visit, the desk review comments and review of additional documents led to changes in the PDD, resulting in final version of the PDD (September 2010).
- The project assessment applies standard auditing techniques to assess the correctness of the information provided by the PPs. The assessment is based on the DVM. TÜV SÜD developed methodology-specific checklists and protocol customised for the project. The protocol shows, in a transparent manner, criteria (requirements), the discussion of each criterion by the assessment team and the results from validating the identified criteria. The determination protocol serves the following purposes: it organises, details and clarifies the requirements the particular JI Track-2 project is expected to meet; it ensures a transparent determination process where the determiner will document how a particular requirement has been validated and the result of the determination and any adjustment made to the project design. The completed determination protocol is enclosed in annex 1 to the determination report.
- During the determination process, the team makes reference to the available information related to similar projects or technologies as the proposed JI Track-2 project activity. The documentation has also been reviewed against the approved methodology(s) applied with several adjustments to confirm the appropriateness of formulae and correctness of calculations.
- The next step is a resolution of clarification and corrective action requests. The objective of this phase of the determination is to resolve the requests for corrective actions and clarifications and any other outstanding issues which needed to be clarified for TÜV SÜD's conclusion on the project design. The forward action requests inform the project participants of the issues relating to the project implementation that need to be reviewed during the first verification of the project.

The CARs and CRs raised by TÜV SÜD were resolved during communication between the client and TÜV SÜD. To guarantee the transparency of the determination process, the concerns raised and responses that have been given are documented in more detail in the determination protocol in Annex 1. Finally a determination report is prepared.

- The prepared determination report and other supporting documents then undergo an internal quality control by the CB "climate and energy" before submission to the JISC.

Comments received from Parties, stakeholders and UNFCCC accredited observers

Please:

- Summarise the comments received pursuant to paragraph 32 of the JI guidelines; and
- Provide a report of how due account was taken of these.

TÜV SÜD published the project documents on UNFCCC website by installing a link to TÜV SÜD's own website and invited comments by Parties, stakeholders and non-governmental organizations during a period of 30 days, starting from 05.02.2010. No comments have been received.

Conclusions, final comments and determination opinion

Please provide:

- Conclusions describing how each of the requirements of Article 6 of the Kyoto Protocol and the JI guidelines and further relevant requirements defined by the CMP or the JISC, in particular those referred to in paragraph 33 of the JI guidelines, have been met, including assessments and findings (e.g. corrective action requests, clarifications or observations) related to each requirement, and statements on whether all issues raised have been addressed to the AIE's satisfaction;
- Final comments and a determination opinion.

TÜV SÜD has performed a determination of the following proposed JI project activity: "Reduction of N2O Emissions from Nitric Acid Production at OJSC "AZOT", Cherkasy, Ukraine".

Standard auditing techniques have been used for the determination of the project. Methodology-specific checklists and protocol customised for the project have been prepared to carry out the audit and present the outcome in a transparent and comprehensive manner. The review of the project design documentation, the subsequent follow-up interviews and the further cross check of references have provided TÜV SÜD with sufficient evidence to determine the fulfilment of stated criteria in the protocol. In our opinion, the project meets all relevant UNFCCC requirements for the JI as well as all the requirements set by host country (Ukraine) for approving projects under JI – Track 2. Hence, TÜV SÜD can recommend the project for registration under JI Track-2 in case letter of approval of at least Host Party is available.

An analysis as provided by the applied CDM 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 as specified within the final PDD version. The determination has been performed following the UNFCCC requirements, relevant host country requirements and is based on the information made available to us and the engagement conditions detailed in this report.

List of documents attached to the determination report form

Please attach relevant documents used in the determination process and check mark below accordingly

- PDD/PoA DD of the proposed JI activity**
- Determination report**
- Written approvals by the Parties involved, listed in the JI PDD/PoA DD**
- Other relevant documents:**
 - Determination protocol**
 - List of persons interviewed included in annex 2 of the determination report**
- Any other documents (please list):**
 - Modalities of Communication**

The AIE herewith declares that undertaking the determination for the proposed JI activity referred to above does not constitute a conflict of interest which is incompatible with the role of an AIE

Authorized officer signing for the AIE

Romy Welzel

Date and signature

20/01/2011

