VERIFICATION REPORT

GLOBAL CARBON B.V.

VERIFICATION OF THE

WASTE HEAPS DISMANTLING WITH THE AIM OF DECREASING THE GREENHOUSE GASES EMISSIONS INTO THE ATMOSPHERE

(THIRD PERIODIC FOR PERIOD
01 MARCH 2011 – 29 FEBRUARY 2012)

REPORT NO. UKRAINE-VER/0463/2012

REVISION NO. 02

BUREAU VERITAS CERTIFICATION

Report No: UKRAINE-ver/0463/2012

VERIFICATION REPORT

Date of first issue: 25/04/2012	Organizational unit: Bureau Veritas Certification Holding SAS
Client: Global Carbon B.V.	Client ref.: Lennard de Klerk

Summary:
Bureau Veritas Certification has made the 3rd periodic verification of the project "Waste heaps dismantling with the aim of decreasing the greenhouse gases emissions into the atmosphere", JI Registration Reference Number 0214, project of Global Carbon B.V., town of Snizhne, Donetsk Region, Ukraine, and applying the 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 Action Requests, Forward Action Requests (CL, CAR and FAR), presented in Appendix A.

In summary, Bureau Veritas Certification confirms that the project is implemented as per determined changes. 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 without material misstatements, and the ERUs issued totalize 337608 tonnes of CO_2 equivalent for the monitoring period from 01/03/2011 to 29/02/2012.

Our opinion relates to the project's GHG emissions and resulting GHG emission reductions reported and related to the approved project baseline and monitoring, and its associated documents.

Report No.: UKRAINE-ver/0463/2012	Subject Group: JI	
Project title: "Waste heaps dismantling with the aim of decreasing the greenhouse gases emissions into the atmosphere"		
Work carried out by: Team Leader, Lead Verifier: Rostislav Topchiy Team Member, Verifier: Vitaliy Minyaylo Team Member, Specialist: Nikolay Chekhmestrenko		
Work reviewed by: Ivan Sokolov – Internal Technical Reviewer Elena Mazlova - Technical expert		
Work approved by: Ivan Sokolov – Operational Manger		
Date of this revision: 14/05/2012	Rev. No.: 02	Number of pages: 27

☒ No distribution without permission from the Client or responsible organizational unit

☐ Limited distribution

☐ Unrestricted distribution

Table of Contents *Page*

1 INTRODUCTION

Global Carbon B.V. has commissioned Bureau Veritas Certification to verify the emissions reductions of its JI project “Waste heaps dismantling with the aim of decreasing the greenhouse gases emissions into the atmosphere” project of Global Carbon B.V., town of Snizhne, 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 and/or corrective 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:

Rostislav Topchiy
Bureau Veritas Certification, Team Leader, Climate Change Lead Verifier

Vitaliy Minyaylo
Bureau Veritas Certification, Team Member, Climate Change Verifier

Nikolay Chekhmestrenko
Team Member, Technical Specialist

This verification report was reviewed by:

Ivan Sokolov
Bureau Veritas Certification, Internal Technical Reviewer

Elena Mazlova
Bureau Veritas Certification, Technical expert

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 Global Carbon B.V. and additional background documents related to the project design and baseline, i.e. country Law, Project Design Document (PDD), 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 1.0 of 19/02/2012, version 2.0 of 17/04/2012 and project as described in the determined PDD.

2.2 Follow-up Interviews

On 06/04/2012 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 Global Carbon B.V. and Limited Liability Company "Anthracite" were interviewed during site visit (see References for the list of interviewed persons). The main topics of the interviews are summarized in Table 1.

Table 1 Interview topics

Interviewed organization	Interview topics
Limited Liability Company "Anthracite"	Ø Organizational structure Ø Responsibilities and authorities Ø Roles and responsibilities for data collection and processing Ø Installation of equipment Ø Data logging, archiving and reporting Ø Metering equipment control Ø Metering record keeping system, database Ø Training of personnel Ø Quality management procedures and technology Ø Internal audits and check-ups
Consultant: Global Carbon B.V.	Ø Monitoring plan Ø Monitoring report Ø Deviations from PDD Ø 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.

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 06 Corrective Action Requests and 04 Clarification 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

Remaining issues and FARs from previous verification are absent.

3.2 Project approval by Parties involved (90-91)

Written project approval by the Netherlands #2010JI10 from 22.04.2010 has been issued by the DFP of that Party (NL Agency Ministry of Economic Affairs of Netherlands) when submitting the first verification report to the secretariat for publication in accordance with paragraph 38 of the JI guidelines, at the latest.

The abovementioned written approval is unconditional.

3.3 Project implementation (92-93)

The project has started on the 1st of January 2005 and is aimed at coal extraction from the mine waste heaps near the town of Snizhne, Donetsk Region, Ukraine. This will prevent greenhouse gas emissions into the atmosphere during combustion of the heaps and will contribute an additional amount of coal, without the need for mining. The Project includes installation of coal extraction units and grading of the extracted coal. Extracted coal is then sold for demands of heat and power production.

The progress and actual operation of the proposed project is presented bellow.

Activity	Actual Date
Start of the «Snizhnyanska-1» unit construction	September-December 2004
Start-up of the «Snizhnyanska-1» unit	01/01/2005
Start of the 1st stage of «Snizhnyanska-2» unit construction	28/10/2010
Start-up of the 1st stage of «Snizhnyanska-2» unit	17/12/2010
Start of the 2nd stage of «Snizhnyanska-2» unit construction	17/01/2012
Start-up of the 2nd stage of «Snizhnyanska-2» unit	Planned on summer 2012

According to PDD version 2.7, emission reductions for period 01/03/2011 - 31/12/2011 were expected 104 496 tonnes of CO_2 equivalent and for period 01/01/2012 - 29/02/2012 were expected 19 343 tonnes of CO_2 equivalent. According Monitoring Report version 2.0 emission reductions achieved are 270 394 tonnes of CO_2 equivalent for period 01/03/2011 - 31/12/2011 and 67 214 tonnes of CO_2 equivalent for period 01/01/2012 - 29/02/2012.

The differences are due to the fact that estimates in the PDD were based on forecasted data for coal content in the waste heap matter and other parameters. During this monitoring period data of coal production is higher than data in PDD because of the change to the other waste heap with the bigger coal concentration. Other factors that influenced this result is the modernization, fine tuning of the extraction process and new value of CO_2 emission factor for electricity for the years 2011 and 2012

which have been developed by the NEIA - DFP of Ukraine - for the application in JI projects. The new emission factors are higher than the one used in the PDD and they influence project emissions. Proposed approach is, therefore, conservative.

The identified areas of concern as to Project implementation, project participants response and BV Certification's conclusion are described in Appendix A Table 2 (refer to CAR 01).

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

For calculating the emission reductions, key factors, such as methane density, net calorific value of coal, net calorific value of diesel fuel, carbon oxidation factor of coal, carbon oxidation factor of diesel fuel, carbon content of diesel fuel, carbon content of coal, emission factor for fugitive methane emissions from coal mining, probability of waste heap burning, amount of coal that has been extracted from the waste heaps and combusted for energy use, additional electricity consumed, amount of diesel fuel, CO_2 emission factor for 2^{nd} voltage class grid connected power consumption, influencing the baseline emissions and the activity level of the project and the emissions as well as risks associated with the project were taken into account, as appropriate.

Data sources used for calculating emission reductions, such as logbook records, monthly and annual reports of Limited Liability Company "Anthracite", appropriately calibrated measuring equipment passports, the study of standardized emission factors for the Ukrainian electricity grid, sectoral standards, IPCC guidelines are clearly identified, reliable and transparent.

Emission factors, including default emission factors, are selected by carefully balancing accuracy and reasonableness, and appropriately justified of the choice.

The calculation of emission reductions is based on conservative assumptions and the most plausible scenarios in a transparent manner.

The identified areas of concern as to Compliance of the monitoring plan with the monitoring methodology, project participants response and BV Certification's conclusion are described in Appendix A Table 2 (refer to CAR 02, CL 01, CL 02, CAR 03).

3.5 Revision of monitoring plan (99-100)

On 3rd periodic verification of the "Waste heaps dismantling with the aim of decreasing the greenhouse gases emissions into the atmosphere" monitoring plan was revised. Verification Team reviewed the evidence justifying the necessity for revision of monitoring plan.

The project participants provided an appropriate justification for the proposed revision:
- The newly developed officially approved valid country-specific values of Carbon emission factor were used for calculations of electricity generation and consumption in Ukraine – the values according to the Order of the National Environmental Investment Agency of Ukraine #75 dated 12.05.2011;
- References to Source of data to be used for methane density and Global Warming Potential of methane were specified, but the values themselves are unchanged.

New values of Carbon emission factor are set by National Environmental Investment Agency of Ukraine for the purpose of:
1) establishing a unified approach to the estimation of anthropogenic emissions of greenhouse gases;
2) they are recommended for use in the preparation of annual reports with the calculation of the volume of emission reductions;
3) in order to improve the accuracy and applicability of data and calculations.

The verification team carried out a determination of these changes.

The proposed revision improves the 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.

The identified areas of concern as to Revision of monitoring plan, project participants response and BV Certification's conclusion are described in Appendix A Table 2 (refer to CL 03).

3.6 Data management (101)

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

The implementation of data collection procedures is in accordance with the monitoring plan, including the quality control and quality assurance procedures.

The general project management is implemented by the Director of the Limited Liability Company «Anthracite» through the supervision and coordination of the activities of his subordinates, such as the Chief Energy Officer; Production Manager and Chief Engineer. On-site day-to-day management is implemented by the Production Manager and Chief Engineer. Chief Energy Officer is responsible for maintaining the energy equipment, electrical meters and transformers. A specialised technician teams are responsible for preventive measures and maintenance of all technological equipment. The raw reporting documents are collected and compiled on-site. Data are entered into the computer system, and raw documents are transferred to the company archive.

Main responsibilities are divided as follows:

- Chief Engineer is responsible for acquiring data on coal shipments, raw documents and reports on coal shipped. He transfers original documents on coal into the archive and prepares monthly reports on restored coal;
- Chief Energy Engineer is responsible for acquiring data on electricity consumption, check-up of the electricity meters and cross-checks with energy supply companies. He transfers original documents on electricity into the archive and prepares monthly reports on electricity consumption;
- Production Manager is responsible for acquiring data on fuel consumption, raw documents and reports on fuel consumed. He transfers original documents on fuel into the archive and prepares monthly reports on fuel consumption.

The information is stored in the archive of the company in both electronic and paper form. Original documents are stored in the archive in paper form. Monthly and yearly summary reports are prepared for every parameter.

The function of the monitoring equipment, including its calibration status, is in order.

«SE «Donetsk Research and Production Center of Standardization, Metrology and Certification» is the authorized representatives of the State Metrological System of Ukraine and provides calibration of the metering equipment.

The evidence and records used for the monitoring are maintained in a traceable manner.

The data collection and management system for the project is in accordance with the monitoring plan.

The identified areas of concern as to Data management, project participants response and BV Certification's conclusion are described in Appendix A Table 2 (refer to CAR 04, CL 04, CAR 05, CAR 06).

3.7 Verification regarding programmes of activities (102-110)

Not applicable.

4 VERIFICATION OPINION

Bureau Veritas Certification has performed the 3rd periodic verification of the project "Waste heaps dismantling with the aim of decreasing the greenhouse gases emissions into the atmosphere" Project in Ukraine, which applies the 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 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 Global Carbon B.V. 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 as per determined changes. 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.

According to the results of the Monitoring Report for the project "Waste heaps dismantling with the aim of decreasing the greenhouse gases emissions into the atmosphere" for the monitoring period from 01/03/2011 to 29/02/2012, the actual achieved GHG emission reductions are larger than it was indicated as prognostic estimation in the PDD. According to PDD version 2.7, emission reductions for period 01/03/2011 - 31/12/2011 were expected 104 496 tonnes of CO_2 equivalent and for period 01/01/2012 - 29/02/2012 were expected 19 343 tonnes of CO_2 equivalent. According Monitoring Report version 2.0 emission reductions achieved are 270 394 tonnes of CO_2 equivalent for period 01/03/2011 - 31/12/2011 and 67 214 tonnes of CO_2 equivalent for period 01/01/2012 - 29/02/2012. The reasons of the difference between the prognostic estimation of emission reductions in the PDD and the actual emission reductions are explained in sections A.7 and A.8 of Monitoring Report.

Bureau Veritas Certification verified the Project Monitoring Report version 2.0 for the reporting period as indicated below. Bureau Veritas Certification confirms that the project is implemented as per determined changes. 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 calculated without material misstatements. Our opinion relates to the project's GHG emissions and resulting GHG emissions reductions reported and related to the approved project baseline and monitoring, and its associated documents. Based on the information we have seen and evaluated, we confirm the following statement:

Reporting period: From 01/03/2011 to 29/02/2012

For the period from 01/03/2011 to 31/12/2011

Baseline emissions	:	562793	tonnes of CO_2 equivalent.
Project emissions	:	292399	tonnes of CO_2 equivalent.
Emission Reductions	:	270394	tonnes of CO_2 equivalent.

For the period from 01/01/2012 to 29/02/2012

Baseline emissions	:	138732	tonnes of CO_2 equivalent.
Project emissions	:	71518	tonnes of CO_2 equivalent.
Emission Reductions	:	67214	tonnes of CO_2 equivalent.

Total for the period from 01/03/2011 to 29/02/2012

Baseline emissions	:	701525	tonnes of CO_2 equivalent.
Project emissions	:	363917	tonnes of CO_2 equivalent.
Emission Reductions	:	337608	tonnes of CO_2 equivalent.

5 REFERENCES

Category 1 Documents:

Documents provided by Global Carbon B.V. that relate directly to the GHG components of the project.

/1/ Monitoring Report, version 1.0, dated 19 March 2012

/2/ Monitoring Report, version 2.0, dated 17 April 2012

/3/ Project Design Document, version 2.7, dated 08 July 2010

/4/ Letter of Approval from the National Environmental Investment Agency of Ukraine #882/23/7 from 24/06/2010

/5/ Letter of Approval from NL Agency Ministry of Economic Affairs of Netherlands #2010JI10 from 22/04/2010

/6/ Excel spreadsheet of the emission reductions calculation version

/7/ Determination and Verification Manual, version 01.

Category 2 Documents:

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

1.	Order №2 of 21.04.2010 on the timing of filing of the project
2.	Order №1/2 of 19.03.2011 The start of building of the coal enrichment plant "Snizhnyanska-2"
3.	Order №10/1 of 17.01.2012 The start of building of the coal enrichment plant "Snizhnyanska-2"
4.	Permission №1414400000-1 on pollutants emissions into the atmosphere by stationary sources (02.03.2007-02.03.2012)
5.	Permission №1414448000-2 on pollutants emissions into the atmosphere by stationary sources (06.01.2011-06.01.2016)
6.	Report on air protection form 2-TP (air) for 2011
7.	The documents, which substantiate the amount of emissions to permit the emission of pollutants into the atmosphere from stationary sources for LLC "Anthracite". PE "Nadiya." 2010
8.	The documents, which substantiate the amount of emissions to permit the emission of pollutants into the atmosphere from stationary sources for LLC "Anthracite". PB "Ekoservis." 2006
9.	Report on the inventory of emissions of pollutants into the atmosphere by LLC "Anthracite"
10.	Passport. ENIK 2303 ARK1 №0028148
11.	Passport. Electric energy meter NIK 2303 ART2T №0057199
12.	Certificate of calibration of measuring instruments № 24/4-155.

	Current transformer ТИШЛ №9227, 19721, 6488
13.	Register of instructions on coal enrichment plants
14.	Register of instructions on labour safety. Enerhosluzhba
15.	Register of instructions on labour safety. Transport station
16.	Register of instructions on labour safety. Mechanical district
17.	Register of instructions on labour safety. The main facility
18.	Register of induction on labour safety
19.	Register of instructions on fire safety
20.	Register of induction of Fire safety
21.	Register of induction of Technological Safety
22.	Register of testing protocols
23.	Protocol of 18.11.2010 №17 commission meeting on testing the labour safety
24.	Protocol of 15.01.2011 №18 commission meeting on testing the labour safety
25.	Protocol of 21.02.2011 №19 commission meeting on testing the labour safety
26.	Protocol of 02.06.2011 №20 commission meeting on testing the labour safety
27.	Protocol of 03.06.2011 №21 commission meeting on testing the labour safety
28.	Protocol of 06.06.2011 №22 commission meeting on testing the labour safety
29.	Protocol of 08.06.2011 №23 commission meeting on testing the labour safety
30.	Protocol of 10.06.2011 №24 commission meeting on testing the labour safety
31.	Protocol of 14.06.2011 №25 commission meeting on testing the labour safety
32.	Protocol of 15.06.2011 №26 commission meeting on testing the labour safety
33.	Protocol of 20.06.2011 №27 commission meeting on testing the labour safety
34.	Protocol of 22.06.2011 №28 commission meeting on testing the labour safety
35.	Protocol of 04.07.2011 №29 commission meeting on testing the labour safety
36.	Protocol of 05.07.2011 №30 commission meeting on testing the labour safety
37.	Protocol of 07.07.2011 №31 commission meeting on testing the labour safety
38.	Protocol of 08.07.2011 №32 commission meeting on testing the labour safety
39.	Protocol of 12.07.2011 №33 commission meeting on testing the labour safety

40.	Protocol of 14.07.2011 №34 commission meeting on testing the labour safety
41.	Protocol of 18.07.2011 №35 commission meeting on testing the labour safety
42.	Protocol of 20.07.2011 №36 commission meeting on testing the labour safety
43.	Protocol of 22.07.2011 №37 commission meeting on testing the labour safety
44.	Register of documents of special machinery
45.	Register of acts of reception- transmission of electricity
46.	Register of documents on Coal
47.	Register of the amount of shipped coal 2011-2012
48.	The act of charging-off the parts and materials on 31.08.2011
49.	The act of charging-off the parts and materials on 31.07.2011
50.	Passport. Automobile electronic tensometric scales VAT-40 №4039
51.	Passport. Automobile electronic tensometric scales VTA-60 №100200184
52.	Passport. Automobile electronic tensometric scales VBA-40 №125
53.	Passport. Automobile electronic tensometric scales VBA-60 №125
54.	Passport. Automobile electronic tensometric scales VTA-60 №00710744
55.	Letter №144 of 20.04.2011. On the work of LLC "Anthracite" for I quarter 2011
56.	Letter №207 of 07.07.2011. On the work of LLC "Anthracite" for the I half-year of 2011
57.	Letter №284 of 13.10.2011. On the work of LLC "Anthracite" for 9 months 2011
58.	Letter №6 of 16.01.2012. On the work of LLC "Anthracite" for 2011
59.	Design of construction of coal enrichment plants with separators KNS for processing Carbonaceous mine dumps in the vicinity of Snizhne. Explanatory Note. Ltd. Energoremont". 2004
60.	Design of "Reclamation of the lands of old mines dumps №32 "Pidyomna "(1)," Pivnichna-1 "(2),"Pivnichna-2"(3) in Snizhne" Book 2 Impacts on the environment. Ltd. "Donprombiznes." 2010
61.	The conclusion of the state ecological expertise of 18.10.2010 №15/1-03.09.10-0458 of the state environmental review of the working draft "Land reclamation of the dumps of the old mines №32 "Pidyomna "(1)," Pivnichna-1 "(2),"Pivnichna-2"(3) in Snizhne"
62.	Scientific and ecological expert evaluation of the working draft "Land reclamation of the dumps of the old mines №32 "Pidyomna "(1)," Pivnichna-1 "(2),"Pivnichna-2"(3) in Snizhne" of

	29.09.2010. State Environmental Academy of postgraduate education and management. Centre of Ecological and expert research
63.	Endorsement №33 of complex public examination of the working draft "Land reclamation of the dumps of the old mines №32 "Pidyomna "(1)," Pivnichna-1 "(2),"Pivnichna-2"(3) in Snizhne" on 28.10.2010. Facility SE "Ukrderzhbudekspertyza" - "Ukrvuhlederzhbudekspertyza"
64.	Application to the Endorsement №33 of the complex public examination of the working draft "Land reclamation of the dumps of the old mines №32 "Pidyomna "(1)," Pivnichna-1 "(2),"Pivnichna-2"(3) in Snizhne"
65.	Conclusion of the state ecological expertise of 30.08.2004 №04.08.186 about the compliance with design of documentation regulations on environmental protection. The land reclamation project in Snizhne raised by technogenic activities
66.	Conclusion of the state ecological expertise of 22.07.2003 №03.07.149 about the compliance with design of documentation regulations on environmental protection. The working draft "The development of the dumps №11,12,13,14 and reclamation of the lands in Snizhne"
67.	Land lease agreement of 20.06.2009
68.	Contract №5 of 31.12.2003 to transfer dumps №1,2,3,11,12,13,14 for recycling and disposal
69.	Report on the amount of the consumed electric energy LLC "Anthracite" for April 2011
70.	Report on the amount of the consumed electric energy LLC "Anthracite" for March 2011
71.	Report on the amount of the consumed electric energy LLC "Anthracite" for February 2011
72.	Report on the amount of the consumed electric energy LLC "Anthracite" for January 2011
73.	Act of Hand-over/acceptance pf coal №341 of 01.12.2011
74.	Hand-over/acceptance coal №29 of 01.02.2012
75.	Certificate №184 of 01.12.2011 on the quality of coal
76.	Certificate №29 of 02/01/2012 on the quality of coal
77.	The act of weighing coal of 01.12.2011
78.	The act of weighing coal of 01.02.2012
79.	The official note on the analysis of the work of the coal enrichment plants "Snizhnyanska-1" for the period 01.03.2011-31.12.2011
80.	The official note on the analysis of the work of the coal enrichment plants "Snizhnyanska-1" for the period 01.01.2012-29.02.2012
81.	Treaty of Accession to the electric network of 19.03.2010 №10/252-10. SE "Regional Electric Network"
82.	Specifications of accession to electric networks № 39/10

83.	Report on fire safety analysis of the dumps of the Donetsk region. Research Institute of Mine-Rescue and Fire "Respirator" from 31.08.2009
84.	Order №15/7 of 07/15/2011 Modernization of equipment (rejection of the use of weights VBA-40-12). Coal Enrichment Plant "Postnikovska"
85.	The contract for the supply of electricity of 14.05.2004 №04-03. SE "Ukrenerhovuhillya"
86.	The contract for the supply of electricity of 06.12.2010 №04-03. DC "Regional Electric Network"
87.	Photo. Coal Enrichment plants "Snizhnyanska-1"
88.	Photo. Construction of the coal enrichment plants "Snizhnyanska-2"
89.	Photo. Electric energy meter NIK 2303 ARK1 №0028148
90.	Photo. Electric energy meter NIK 2303 ART2T №0057199

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/ Mediantsev Dmitro – Director of Limited Liability Company “Anthracite”

/2/ Kapustin Ivan – Chief engineer of “Snizhnyans’ka-1” of Limited Liability Company “Anthracite”

/3/ Slabukhina Marina – Economist of Limited Liability Company “Anthracite”

/4/ Treba Svetlana – Environmental protection engineer of Limited Liability Company “Anthracite”

/5/ Savenko Andrii – Chief engineer of Limited Liability Company “Anthracite”

/6/ Dmytro Kosolukin – Junior JI Consultant of Global Carbon B.V.

APPENDIX A: VERIFICATION PROTOCOL

BUREAU VERITAS CERTIFICATION HOLDING SAS

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?	DFP of Netherlands have issued written project approval (LoA) when submitting the first verification report to the secretariat for publication in accordance with paragraph 38 of the JI guidelines.	OK	OK
91	Are all the written project approvals by Parties involved unconditional?	Yes, all the written project approvals by Parties involved are unconditional.	OK	OK
Project implementation				
92	Has the project been implemented in accordance with the PDD regarding which the determination has been deemed final and is so listed on the UNFCCC JI website?	Implementation of the waste heaps processing complex «Snizhnyanska-2» was postponed compared with the date planned in PDD due to the first wave of the global financial crisis that resulted in decreasing of the amount of entity's circulating assets. Besides, the impact of government regulation on coal market increased during this period in Ukraine. Amid these factors, management of the enterprise decided to modernize the waste heaps processing complex «Snizhnyanska-1» in order to maintain its efficiency, and also decided to accumulate funds to put "Snizhnyanska-2" into operation. Funds equal to 20 495 828.92 UAH were directed to modernization of facility. This sum is reflected in the acceptance certificates. Commissioning of this equipment is planned for summer 2012.	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
93	What is the status of operation of the project during the monitoring period?	Project was operational during complete monitoring period. **CAR 01.** Please add/correct in section A.6. of the MR information about the actual starting date of construction of the "Snizhnyans'ka-2" units and provide any documentary evidence.	CAR 01	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?	In order to improve the accuracy and applicability of data and calculations the revisions were made to the registered monitoring plan. The project participants provided an appropriate justification for the proposed revision. **CAR 02.** Link on page 4 of the PDD leads to PDD version 2.2. on January 12, 2010. Please make the appropriate corrections.	CAR 02	OK
95 (a)	For calculating the emission reductions or enhancements of net removals, were 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?	All key factors 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 were taken into account, as appropriate for calculating the emission reductions or enhancements of net removals.	OK	OK
95 (b)	Are data sources used for calculating emission reductions or enhancements of net removals clearly identified, reliable and transparent?	The data sources used for calculating emission reductions are clearly identified, reliable and transparent. Data sources include logbook records, monthly and annual reports of LLC "Anthracite", appropriately calibrated measuring equipment passports, the study of standardized emission factors for the Ukrainian electricity grid, sectoral standards, IPCC guidelines.	CL 01	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
		CL 01. Please, provide the Report on the fire risk of Donetsk Region's waste heaps, Scientific Research Institute "Respirator", Donetsk, 2009		
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, including default emission factors are presented in Sections B.2.1, B.2.2, B.2.3 of the MR. The newly developed officially approved valid country-specific values of parameter electricity generation and consumption in Ukraine were used for calculations. **CL 02.** Please provide justification why objects of Limited Liability Company "Anthracite" are referred to the second class of consumers of electricity. **CAR 03.** The link 5 is not correct. Please give the exact link to the document.	CL 02 CAR 03	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?	The calculation of emission reductions or enhancements of net removals are based on conservative assumptions and the most plausible scenarios in a transparent manner.	OK	OK
Applicable to JI SSC projects only				
96	Is the relevant threshold to be classified as JI SSC project not exceeded during the monitoring period on an annual average basis? If the threshold is exceeded, is the maximum emission reduction level estimated in the PDD for the JI SSC project or the bundle for the monitoring period determined?	N/a	N/a	N/a
Applicable to bundled JI SSC projects only				
97 (a)	Has the composition of the bundle not changed	N/a	N/a	N/a

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	from that is stated in F-JI-SSCBUNDLE?			
97 (b)	If the determination was conducted on the basis of an overall monitoring plan, have the project participants submitted a common monitoring report?	N/a	N/a	N/a
98	If the monitoring is based on a monitoring plan that provides for overlapping monitoring periods, are the monitoring periods per component of the project clearly specified in the monitoring report? Do the monitoring periods not overlap with those for which verifications were already deemed final in the past?	N/a	N/a	N/a
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?	The project participants provided an appropriate justification for the proposed revision, which are shown in Section A.8 and Table 3 “Changes to the monitoring plan” of Monitoring Report version 2.0. **CL 03.** Table 3 of the section A.8 refers to the PDD version 3.0 on 31 August 2011, please explain.	CL 03	OK
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?	The proposed revision improves the 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.	OK	OK
Data management				
101 (a)	Is the implementation of data collection procedures in accordance with the monitoring plan, including the quality control and quality	All data necessary for the CO_2 emission reductions calculation is collected. The scheme of data flow and a description of reporting procedures introduced in Monitoring	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	assurance procedures?	report. The implementation of data collection procedures are in accordance with the monitoring plan included in the determined PDD. Position and roles of person in the GHG data management process are defined in the monitoring report and are implemented on-site.		
101 (b)	Is the function of the monitoring equipment, including its calibration status, is in order?	All monitoring equipments have calibration. It is calibrated with periodic frequency (passport states the calibration frequency for every device) according to the national regulations. During site visit verifiers received and reviewed passports and/or certificates on calibration of all measurement equipments. **CAR 04.** In the MR are different names of automobile scale on page 7 " ВБА -40-12 'and page 8 «VBA-40-12". Please make the appropriate corrections. **CL 04.** Please provide confirmation that during the period of monitoring automobile scales «VBA-40-12" (ID W1) are not used. **CAR 05.** Internet link 7 is not working. Please make the appropriate corrections.	CAR 04 CL 04 CAR 05	OK OK OK
101 (c)	Are the evidence and records used for the monitoring maintained in a traceable manner?	The evidence and records used for the monitoring are maintained on site of some devices and in responsible departments in a traceable manner.	OK	OK
101 (d)	Is the data collection and management system	The data collection and management system for the project	CAR 06	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	for the project in accordance with the monitoring plan?	is in accordance with the approved monitoring plan. Implementation of monitoring system was checked through site visit, and concluded that monitoring system is completely in accordance with the monitoring plan. This fact is also confirmed by the documents. **CAR 06.** Please submit any documented instruction which indicates that the data monitored and required for verification are to be kept for two years after the crediting period and add this information to the MR.		
Verification regarding programs of activities (additional elements for assessment)				
102	Is any JPA that has not been added to the JI PoA not verified?	N/A	N/A	N/A
103	Is the verification based on the monitoring reports of all JPAs to be verified?	N/A	N/A	N/A
103	Does the verification ensure the accuracy and conservativeness of the emission reductions or enhancements of removals generated by each JPA?	N/A	N/A	N/A
104	Does the monitoring period not overlap with previous monitoring periods?	N/A	N/A	N/A
105	If the AIE learns of an erroneously included JPA, has the AIE informed the JISC of its findings in writing?	N/A	N/A	N/A
Applicable to sample-based approach only				
106	Does the sampling plan prepared by the AIE: (a) Describe its sample selection, taking into account that: (i) For each verification that uses a sample-based approach, the sample selection shall be sufficiently representative of the JPAs in the JI PoA such extrapolation to all JPAs	N/A	N/A	N/A

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	identified for that verification is reasonable, taking into account differences among the characteristics of JPAs, such as: − The types of JPAs; − The complexity of the applicable technologies and/or measures used; − The geographical location of each JPA; − The amounts of expected emission reductions of the JPAs being verified; − The number of JPAs for which emission reductions are being verified; − The length of monitoring periods of the JPAs being verified; and − The samples selected for prior verifications, if any?			
107	Is the sampling plan ready for publication through the secretariat along with the verification report and supporting documentation?	N/A	N/A	N/A
108	Has the AIE made site inspections of at least the square root of the number of total JPAs, rounded to the upper whole number? If the AIE makes no site inspections or fewer site inspections than the square root of the number of total JPAs, rounded to the upper whole number, then does the AIE provide a reasonable explanation and justification?	N/A	N/A	N/A
109	Is the sampling plan available for submission to the secretariat for the JISC.s ex ante assessment? (Optional)	N/A	N/A	N/A
110	If the AIE learns of a fraudulently included JPA, a fraudulently monitored JPA or an inflated number of emission reductions claimed in a JI	N/A	N/A	N/A

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	PoA, has the AIE informed the JISC of the fraud in writing?			

Table 2 Resolution of Corrective Action and Clarification Requests

Draft report clarifications and corrective action requests by validation team	Ref. to checklist question in table 1	Summary of project participant response	Verification team conclusion
CAR 01. Please add/correct in section A.6. of the MR information about the actual starting date of construction of the "Snizhnyans'ka-2" units and provide any documentary evidence.	93	Supporting document #10/1 from 17.01.2012 was provided to AIE.	Based on the information received, CAR 01 is closed.
CAR 02. Link on page 4 of the PDD leads to PDD version 2.2. on January 12, 2010. Please make the appropriate corrections.	94	The link was corrected. Please see section A.7. page 4.	CAR 02 is closed.
CL 01. Please, provide the Report on the fire risk of Donetsk Region's waste heaps, Scientific Research Institute "Respirator", Donetsk, 2009	95 (b)	Supporting document was provided to AIE.	Based on the information received, CL 01 is closed.
CL 02. Please provide justification why objects of Limited Liability Company "Anthracite" are referred to the second class of consumers of electricity.	95 (c)	Supporting document was provided to AIE. All information of the class of consume electricity are presented in this agreement between «Anthracite» and supply-company.	Based on the information received, CL 02 is closed.
CAR 03. The link 5 is not correct. Please give the exact link to the document.	95 (c)	The link 5 was specified. Please see section A.8 page 5.	CAR 03 is closed due to the correction made in the MR.
CL 03. Table 3 of the section A.8 refers to the PDD version 3.0 on 31 August 2011, please explain.	99 (a)	This mistake was amended. Please see table 3 of the section A.8., Source of data (to be) used: Annex 2 of the PDD Version 2.7.0. Dated 8th of July 2010.	Issue is closed due to the amendments made in the MR.

CAR 04. In the MR are different names of automobile scale on page 7 " ВБА -40-12 'and page 8 «VBA-40-12". Please make the appropriate corrections.	101 (b)	Appropriate correction was performed. Please see section B.1.2 page 8.	CAR 05 is closed.
CL 04. Please provide confirmation that during the period of monitoring automobile scales «VBA-40-12" (ID W1) are not used.	101 (b)	Supporting document #15/7 from 15.07.2011 was provided to AIE.	Based on the information received, CL 04 is closed.
CAR 05. Internet link 7 is not working. Please make the appropriate corrections.	101 (b)	The link was corrected. Please see section A.8. page 5.	Issue is closed due to the amendments made in the MR.
CAR 06. Please submit any documented instruction which indicates that the data monitored and required for verification are to be kept for two years after the crediting period and add this information to the MR.	101 (d)	Supporting document Order #2 from 27.04.2010 was provided to AIE.	Based on the information received, CAR 06 is closed.