

TÜV Rheinland Group

VERIFICATION REPORT

**Verification of the
Joint Implementation Project
“Dismantling of waste heap at former mine
“ROZSYPNYANSKA - 1””**

ITL Project ID: UA1000317

Initial and first periodic verification:
01/10/2008 – 31/12/2011

Report #01 998 9105069089 – VR1
Revision #02

Customer: SIA “Vidzeme Eko”

VERIFICATION REPORT

<u>Date of first issue:</u> 09/04/2012	<u>Project No.:</u> 01 998 9105069089 – VR1 ITL Project ID: UA1000317
<u>Executor:</u> TÜV Rheinland Group	<u>Organizational unit:</u> Ltd. TÜV Rheinland Ukraine
<u>Customer:</u> SIA “Vidzeme Eko”	<u>Client ref.:</u> Gennadiy Ivanenko

Summary:

TÜV Rheinland Group/TÜV Rheinland Ukraine has performed the initial and first periodic verification of emission reductions generated by the JI project “Dismantling of waste heap at former mine “ROZSYPNYANSKA-1” (ITL Project ID UA1000317) for the period from 01/10/2008 till 31/12/2011.

The purpose of verification is to assess the reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks generated by a JI project and reported by the project participants through the monitoring report in accordance with paragraph 37 of the JI guidelines.

In our opinion, the emission reductions reported through the monitoring report, version 2.0 dated 10/04/2012 are fairly stated and are accurate and free of material errors, omissions, or misstatements.

During the monitoring period the project has been implemented in accordance with the project design document version 2.0 dated 05/04/2012.

The emission reductions were calculated correctly on the basis of the approved monitoring plan contained in the project design document version 2.0 dated 05/04/2012.

TÜV Rheinland Group/TÜV Rheinland Ukraine is able to verify that the emission reductions generated by the JI project “Dismantling of waste heap at former mine “ROZSYPNYANSKA-1” during the period from 01/10/2008 till 31/12/2011 amount to 991 475 tonnes of CO₂ equivalent.

<u>Report No.:</u> #01 998 9105069089 – VR1	<u>Subject Group:</u> JI
<u>Project title:</u> Dismantling of waste heap at former mine “ROZSYPNYANSKA-1”	
<u>Work carried out by:</u> Mr. Dmitry Rakovich – Team Leader, Climate Change Verifier Ms. Ganna Zadnipriana - Climate Change Verifier	
<u>Work verified by:</u> Ms. Iryna Nikolaieva - Internal technical reviewer, Climate Change Verifier	
<u>Verification Report approved by:</u> Prof., dr. Valery Yakubovsky – Technical Competence Center Director	
<u>Date of this revision:</u> 12/04/2012	<u>Revision No.:</u> 02
<u>Number of pages:</u> 32	

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Abbreviations

CO ₂	Carbon Dioxide
CH ₄	Methane
N ₂ O	Nitrogen Oxide
AIE	Accredited Independent Entity
BE	Baseline Emission
CAR	Corrective Action Request
FAR	Forward Action Request
CDM	Clean Development Mechanism
CL	Clarification Request
DR	Document Review
EIA	Environmental Impact Assessment
ERU	Emission Reduction Unit
FAR	Forward Action Request
GHG	Greenhouse Gas
I	Interview
JI	Joint Implementation
JISC	Joint Implementation Supervisory Committee
LoA	Letter of Approval
LoE	Letter of Endorsement
MoV	Means of Verification
MP	Monitoring Plan
OSV	On Site Visit
PDD	Project Design Document
PE	Project Emissions
SD	Supporting documentation
STHS	Stakeholder Survey
t	tonne
UNFCCC	United Nations Framework Convention on Climate Change

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1. VERIFICATION OPINION

TÜV Rheinland Group/TÜV Rheinland Ukraine has performed the initial and first periodic verification of the emission reductions generated by the JI project “Dismantling of waste heap at former mine “ROZSYPNYANSKA-1”” (ITL Project ID UA1000317) for the period from 01/10/2008 till 31/12/2011.

The project participants are responsible for the collection of data in accordance with the monitoring plan and the reporting of emission reductions generated by the project.

It is responsibility of TÜV Rheinland Group/TÜV Rheinland Ukraine to express an independent verification opinion - conclusion on the verified amount of emission reductions generated by the project and reported by the project participants through the monitoring report, version 2.0 dated 10/04/2012.

TÜV Rheinland Group/TÜV Rheinland Ukraine has assessed the monitoring report on the basis of the monitoring plan contained in the registered project design document version 2.0 dated 05/04/2012 and the monitoring report version 2.0 dated 10/04/2012.

The verification included the assessment of:

- project implementation in accordance with the project design document (PDD);
- compliance with the monitoring plan;
- calculation of emission reductions and expression of a conclusion with a reasonable level of assurance about whether the reported emission reductions data are accurate and free of material errors, omissions, or misstatements;
- quality and management of data and verification that reported emission reductions data is sufficiently supported by evidence.

TÜV Rheinland Group/TÜV Rheinland Ukraine verification approach draws on an understanding of the risks associated with reporting of GHG emission data and the controls in place to mitigate these. TÜV Rheinland Group/TÜV Rheinland Ukraine planned and performed the verification by obtaining evidence information and explanations that TÜV Rheinland Group/TÜV Rheinland Ukraine considers necessary to give reasonable assurance that reported emission reductions are fairly stated, accurate and free of material errors, omissions, or misstatements.

In TÜV Rheinland’s Group/TÜV Rheinland’s Ukraine opinion the emission reductions generated by the JI project “Dismantling of waste heap at former mine “ROZSYPNYANSKA-1”” (ITL Project ID UA1000317) for the period from 01/10/2008 till 31/12/2011 are fairly stated, accurate and free of material errors, omissions, or misstatements in the monitoring report, version 2.0 dated 10/04/2012.

The GHG emission reductions were calculated correctly on the basis of the registered project design document version 2.0 dated 05/04/2012.

TÜV Rheinland Group/TÜV Rheinland Ukraine is able to verify that the emission reductions generated by the JI project “Dismantling of waste heap at former mine “ROZSYPNYANSKA-1”” (ITL Project ID UA1000317) for the period from 01/10/2008 till 31/12/2011 amount 991 475 tonnes of CO₂ equivalent.

2. INTRODUCTION

SIA “Vidzeme EKO” has commissioned TÜV Rheinland Group/TÜV Rheinland Ukraine to carry out the verification of the JI project “Dismantling of waste heap at former mine “ROZSYPNYANSKA-1”” (hereinafter “project”) for the period from 01/10/2008 till 31/12/2011. This report contains the findings from the verification and conclusion on the verified amount of emission reductions (verification opinion).

2.1 Objective

The verification is the periodic independent review and *ex post* verification by an Accreditation Independent Entity (AIE) of the monitored reductions in GHG emissions that have occurred as a result of a Joint Implementation (JI) project activity during a defined verification period.

The purpose of the verification is to assess the reductions in anthropogenic emissions by sources or enhancements of anthropogenic removals by sinks generated by a JI project and reported by the project participants through the monitoring report in accordance with paragraph 37 of the JI guidelines. The objective of this verification was to verify emission reductions generated by the JI project “Dismantling of waste heap at former mine “ROZSYPNYANSKA-1”” for the period from 01/10/2008 till 31/12/2011.

TÜV Rheinland Group/TÜV Rheinland Ukraine is an Accredited Independent Entity by the Joint Implementation Supervisory Committee.

2.2 Scope

The scope of this verification is the assessment of:

- project implementation in accordance with the project design document (PDD);
- compliance with the monitoring plan, including the revision of the monitoring plan;
- calculation of emission reductions and expression of a conclusion with a reasonable level of assurance about whether the reported emission reduction data are accurate and free of material errors, omissions, or misstatements;
- quality and management of data and verification that reported emission reduction data is sufficiently supported by evidence.

The verification is not meant to provide any consulting towards the Client.

However, stated requests for clarifications and/or corrective actions, forward action requests may provide input for corrective actions in order to provide for more accurate future monitoring and reporting.

2.3 JI Project Description

The brief information regarding the project activity is provided in table 1.

Table 1 - JI project brief information

Project Parties involved:	1. Ukraine (host Party). 2. Republic of Latvia
Title of the project:	Dismantling of waste heap at former mine “ROZSYPNYANSKA-1”
Type of JI activity:	Large-scale
ITL Project ID:	UA1000317
Baseline and monitoring methodology:	JI specific approach
Project entity participant:	SIA “Vidzeme Eko”
Other project participants:	PE ICC "Tefida"
Location of the project:	Ukraine, Donetsk region, Torez district, Urban village Rozsypne
Crediting period of the project:	01/10/2008 – 31/12/2012
Length of the period after crediting period:	01/01/2013 – 31/12/2015
Period verified in this report:	01/10/2008 – 31/12/2011
Period verified in previous verification report:	N/A

The purpose of this project is complete dismantling of the waste heap with coal extraction from the mine waste heap near the Rozsypne village, Torez district, Donetsk region, Ukraine. This will prevent greenhouse gas emissions into the atmosphere during burning of the coal at the waste heap. Where using 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 category. 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 "Rozsypnyanska-1". Extracted coal is then sold for demands of heat and power production.

The project has been registered as Track 1 JI project with the PDD version 2.0 dated 05/04/2012. The documentation on the project including the PDD, approval by the host Party, Determination report is available at:
<<http://ji.unfccc.int/JIITLProject/DB/0RQXGLUAS7ETAGMUQZWFPJLN1SI/AW/details>>

3. METHODOLOGY

The verification process has been carried out using internal procedures of TÜV Rheinland Group/TÜV Rheinland Ukraine. In order to ensure transparency, a Verification protocol (Annex A to Verification report) was customized for the project, according to the Annex to “Joint Implementation Determination and Verification Manual”, version 01. The Verification protocol shows, in a transparent manner, criteria (requirements) and results of verification.

The verification consists of the following three phases:

- I) a desk review of the monitoring report including analysis of the compliance of the monitoring plan with the monitoring methodology;
- II) follow-up interviews with project stakeholders including on site visit;
- III) the resolution of outstanding issues and the issuance of the final verification report and opinion.

The following subsections outline each step in more detail.

3.1 Desk review

Project participants provided TÜV Rheinland Group/TÜV Rheinland Ukraine all the necessary documents for document review. The monitoring report version 1.0 dated 07/04/2012 was assessed as part of the verification. In addition, the project’s Project Design Document version 2.0 dated 05/04/2012 and project’s Determination Report No. #01 998 9105069089 – DR dated 06/04/2012 were also reviewed. Supporting documents, such as, sales invoice, contract with certified laboratory, quality certificate of coal, passports of measuring equipment etc. were available during on site visit.

The information and formulae provided in the monitoring report was compared with PDD and stated data sources.

To address TÜV Rheinland Group/TÜV Rheinland Ukraine corrective action and clarification requests, project participants revised the monitoring report and resubmitted it as version 2.0 dated 10/04/2012.

The verification findings presented in this report relate to the monitoring report version 2.0 dated 10/04/2012 and project as described in the PDD version 2.0 dated 05/04/2012.

The following tables outline the documentation reviewed during the verification. Documents provided by PE ICC "Tefida" and SIA “Vidzeme Eko” that relate directly to the components of the project are indicated in table 2. Background documents related to the monitoring and/or methodologies employed in the monitoring or other reference documents are provided in table 3.

Table 2 - Category 1 Documents

No.	Title of the document
/1/	PDD “Dismantling of waste heap at former mine “ROZSYPNYANSKA-1””, version 2.0 dated 05/04/2012.
/2/	Determination report of the project “Dismantling of waste heap at former mine “ROZSYPNYANSKA-1”” version 02 dated 06/04/2012
/3/	Monitoring report, version 1.0 dated 07/04/2012.
/4/	Monitoring report, version 2.0 dated 10/04/2012.
/5/	Emission reduction calculation spreadsheet (Calculation3MR_xlsx).
/6/	“Joint implementation determination and verification manual”, version 01, JISC.
/7/	“Guidance on Criteria for Baseline Setting and Monitoring”, version 03, JISC.
/8/	National Inventory Report of Ukraine 1990 – 2009
/9/	Tool for demonstration and assessment of additionally, version 6.0.0, dated 26 August 2008
/10/	Letter of Approval from SEIA of Ukraine #949/23/7 from 11/04/2012
/11/	Letter of approval from Latvia #12.2-02.1/6011 from 05/04/2012

Table 3 - Category 2 Documents

№	Name of document
/1/	Service Contract of certified laboratory, № 24/08 from 17.07.2008. 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 “Trading Company “Antares” and “Subsidiary Company "Torezanratsyt"
/4/	Certificate of metrological attestation № 172 of 08.04.2010, the weight of automobile electronic tenzometric VTA-60 № 070900951.
/5/	Certificate of metrological certification № 163 of 25.03.2011, the weight of automobile electronic tenzometric VTA-60 № 070900951.
/6/	The act of putting the sorting complex into operation, from 28.09.2008.
/7/	Act-order of 04.08.2011. for replacing the meter at the consumer-legal entity “JSC "Donetskoblenergo" in “PE "Torez-contract"
/8/	The act of weighing for February 2009 from 02.03.09. to Subcontract № 32/08 from 17.07.08.. to 26783.70 tonnes Carbonaceous rocks.
/9/	Delivery and Acceptance act of the works for February 2009 from 02.03.09.do Subcontract 32/08 dated 17.07.08. for 1685510,13 UAH. and costing of the act of the works.

№	Name of document
/10/	Sales invoice № 112 of 07.03.09. to 26783.70 tonnes Carbonaceous rocks.
/11/	Certificate № 54 on the quality of coal in February 2009 from 28.02.2009.
/12/	The act of weighing for May 2009 from 01.06.09. to Subcontract № 32/08 from 17.07.08. to 23147.95 tonnes Carbonaceous rocks.
/13/	Delivery and Acceptance act of the works for May 2009 from 01.06.09.do Subcontract 32/08 of 17.07.08. at 1641769.86 UAH. and costing of the act of the works.
/14/	Sales invoice № 128 from 05.06.09. to 23147.95 tons of Carbonaceous rocks.
/15/	Certificate № 148 on the quality of coal by May 2009 from 31.05.2009, the
/16/	The act of weighing for January 2010 from 01.02.10. to Subcontract № 48/07 from 01.07.09. to 18558.65 tonnes Carbonaceous rocks.
/17/	Delivery and Acceptance act of the works for January 2010 from 01.02.10.do Subcontract 48/07 of 01.07.09. at 1525938.55 UAH. and costing of the act of the works.
/18/	Sales invoice № 19 from 05.02.10. to 18558.65 tons of Carbonaceous rocks.
/19/	Certificate № 19 on the quality of coal in January 2010 from 31.01.2010, the
/20/	The act of weighing for April 2010 from 02.05.10. to Subcontract № 48/07 from 01.07.09. to 30127.45 tonnes Carbonaceous rocks.
/21/	Delivery and Acceptance act of the works for April 2010 from 02.05.10.do Subcontract 48/07 of 01.07.09. at 1728591.70 UAH. and costing of the act of the works.
/22/	Sales invoice № 31 from 08.05.10. to 30127.45 tons of Carbonaceous rocks.
/23/	Certificate № 85 on the quality of coal in April 2010 from 30.04.2010, the
/24/	The act of weighing for February 2011 from 01.03.11. to Subcontract № 1/01 of 02.01.11. to 29577.55 tonnes Carbonaceous rocks.
/25/	Delivery and Acceptance act of the works for February 2011 from 01.03.11.do Subcontract 1/01 of 02.01.11. at 1649461.74 UAH. and costing of the act of the works.
/26/	Sales invoice № 15 from 11.03.11. to 29577.55 tons of Carbonaceous rocks.
/27/	Certificate № 25 on the quality of coal in February 2011 from 28.02.2011r.
/28/	The act of weighing for October 2011 from 01.11.11. to Subcontract

No	Name of document
	№ 1/01 of 02.01.11. to 15698.50 tonnes Carbonaceous rocks.
/29/	Delivery and Acceptance act of the works for October 2011 from 01.11.11.do Subcontract 1/01 of 02.01.11. at 1446472.88 UAH. and costing of the act of the works.
/30/	Sales invoice № 43 from 08.11.11. to 15698.50 tons of Carbonaceous rocks.
/31/	Certificate № 168 on the quality of coal in October 2011 from 31.10.2011, the

3.2 Interviews with project stakeholders

TÜV Rheinland Group/TÜV Rheinland Ukraine performed interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review. Interviewed representatives of PE ICC "Tefida" and SIA "Vidzeme Eko" are summarized in Table 4. The main topics of the interviews are summarized in Table 5.

Table 4 - Persons interviewed

No.	Name	Position	Organization
/1/	Gennadiy V. Ivanenko	Project developer	SIA "Vidzeme Eko"
/2/	Sergiy P. Tymofiiv	Consultant	SIA "Vidzeme Eko"
/3/	Yuriy M. Stach	Consultant	SIA "Vidzeme Eko"
/4/	Iryna I. Berestova	Head of Laboratory	PE "TCF Ukrhymuhlekachestvo"
/5/	Yuriy A. Sharayko	Master boot	PE ICC "Tefida"

Table 5 - Interview topics

No.	Date	Interviewed organization	Interview topics
/1/	14/04/2012	SIA "Vidzeme Eko"	<ul style="list-style-type: none"> · Baseline methodology · Reporting and calculation of emission reductions · QA/QC of the project · Project management · Monitoring plan · Revision of the monitoring plan · Monitoring report · Deviations from PDD
/2/	14/04/2012	PE ICC "Tefida"	<ul style="list-style-type: none"> · Organizational structure · Responsibilities and

No.	Date	Interviewed organization	Interview topics
			authorities · Monitoring equipment · Quality management procedures and technology · 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 · Internal audits and check-ups

3.3 Resolution of Clarification, Corrective and Forward Action Requests

Where TÜV Rheinland Group/TÜV Rheinland Ukraine, 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:

- Corrective action request (CAR), requesting the project participants to correct a mistake that is not in accordance with the monitoring plan;
- Clarification request (CL), requesting the project participants to provide additional information for the AIE to assess compliance with the monitoring plan;
- 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 of the project resulted in 16 Corrective action requests and 5 Clarification requests. There was 1 unresolved Forward action request from determination of the project.

TÜV Rheinland Group/TÜV Rheinland Ukraine made an objective assessment as to whether the actions taken by the project participants and presented in the Table 2 (Annex A to Verification report) satisfactorily resolve the raised issues and concluded its findings of the verification.

3.4 Internal Technical Review

The verification report including the verification findings underwent a technical review before requesting the publication according to paragraph 37 of the JI guidelines. The technical review was performed by an internal technical reviewer qualified in accordance with TÜV Rheinland Group/TÜV

Rheinland Ukraine qualification scheme for JI project determination and verification.

3.5 Verification team

The verification team consists of the following personnel indicated in Table 6 below.

Table 6 - Verification team

Role	Name	Country	Type of work					
			Desk Review	Site Visit	Reporting	Supervision	Technical Review	Expert Input
Team Leader/Climate Change Verifier	Dmitry Rakovich	Ukraine	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
Climate Change Verifier	Ganna Zadnipriana	Ukraine	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>				
Technical Reviewer	Iryna Nikolaieva	Ukraine					<input checked="" type="checkbox"/>	
Technical Competence Center Director	Valery Yakubovsky	Ukraine				<input checked="" type="checkbox"/>		

4. VERIFICATION FINDINGS

This section summarizes the findings from the verification of the emission reductions generated by the JI project “Dismantling of waste heap at former mine “ROZSYPNYANSKA-1”” (ITL: UA1000317) for the period from 01/10/2008 till 31/12/2011.

4.1 Project approval by Parties involved

In accordance with paragraphs 90 - 91 of the DVM the assessment of this area focuses on whether at least one written project approval by a Party involved in the JI project, other than the host Party(ies), has been issued by the DFP of that Party. It also should be assessed whether the written project approvals are unconditional.

A written project approval by Ukraine (host Party) is available:
 Letter of Approval by the State Environmental Investment Agency of Ukraine ref. #949/23/7 issued on 11/04/2012

Written project approval by a Party involved in JI project, other than the host Party was obtained – Letter of Approval from Latvia #12.2-02.1/6011 from 05/04/2012.

Written project approvals are available at:

<http://ji.unfccc.int/JIITLProject/DB/0RQXGLUAS7ETAGMUQZWFQPJLN1SIAW/details>

The written project approvals mentioned above are unconditional.

Identified problem areas for project approval, project participants' responses and conclusions of TÜV Rheinland Group/TÜV Rheinland Ukraine are described in Annex A to the Verification Report (refer to FAR 01 from Determination report).

4.2 Project implementation

In accordance with paragraphs 92 - 93 of the DVM the assessment of this area focuses on whether the project has been implemented in accordance with the PDD regarding which the determination has been deemed final and is so listed on the UNFCCC JI website. The status of operation of the project during the monitoring period also should be assessed.

The project has been implemented in accordance with the PDD version 2.0 dated 05/04/2012 regarding which the determination has been deemed final. This JI project is registered as Track 1 project. The description of this project is available in section 2.3. of this Verification report.

17 of July 2008 – date of equipment start-up (this date is the start of crediting period);

1st of October 2008 – starting date of dismantling of the waste heap at former mine «ROZSYPNYANSKA-1».

The emission reductions generated by the JI project reported for the period from 01/10/2008 till 31/12/2011 amount to 991 475 tCO_{2e}.

The verification team of TÜV Rheinland Group/TÜV Rheinland Ukraine 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 2.0 dated 05/04/2012.

Identified problem areas for project implementation, project participants' answers and conclusions of TÜV Rheinland Group/TÜV Rheinland Ukraine are described in Annex A to the Verification Report (See Table 1 and Table 2 of this report).

4.3 Compliance with monitoring plan

In accordance with paragraphs 94 - 98 of the DVM the assessment of this area focuses on whether the monitoring occurred 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.

The monitoring of the JI project occurred in accordance with the monitoring plan contained in the registered PDD, version 2.0 dated 05/04/2012.

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 2.0 dated 05/04/2012.

All data sources used for calculating emission reductions are indicated in tables of the Monitoring Report, version 2.0 dated 10/04/2012.

The emission factor used to calculate emission reductions are selected in accordance with the registered PDD version 2.0 dated 05/04/2012. The choice of this emission factor is appropriately justified in the PDD version 2.0 dated 05/04/2012 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 2.0 dated 05/04/2012.

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 (01/10/2008 – 31/12/2012) is provided in supporting documentation.

Identified problem areas for compliance with monitoring plan, project participants' answers and conclusions of TÜV Rheinland Group/TÜV Rheinland Ukraine are described in Annex A to the Verification Report (See Table 1 and Table 2 of this report).

4.4 Revision of monitoring plan

If the project participants submitted to the AIE a revised monitoring plan, in accordance with paragraphs 99 - 100 of the DVM the assessment of this area focuses on whether the correct and complete justification for the proposed revision is provided, and whether the proposed revision improves 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.

There was no revision to the monitoring plan. The monitoring of the JI project occurred in accordance with the monitoring plan contained in the registered PDD, version 2.0 dated 05/04/2012.

Identified problem areas for revision of monitoring plan, project participants' answers and conclusions of TÜV Rheinland Group/TÜV Rheinland Ukraine are described in Annex A to the Verification Report (See Table 1 and Table 2 of this report).

4.5 Data Management

In accordance with paragraph 101 of the DVM the assessment of this area focuses on the quality of the information using standard auditing techniques provided in the monitoring report by assessing whether the data and their sources are clearly identified, reliable and transparent.

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 2.0 dated 05/04/2012. 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.

The data collection and management system for the project is in accordance with the monitoring plan as described in the registered PDD version 2.0 dated 05/04/2012.

Identified problem areas for data management, project participants’ answers and conclusions of TÜV Rheinland Group/TÜV Rheinland Ukraine are described in Annex A to the Verification Report (See Table 1 and Table 2 of this report).

4.6 Assessment of data and calculation of greenhouse gas emission reductions

The verification team of TÜV Rheinland Group/TÜV Rheinland Ukraine verified that all parameters are used correctly in the calculations, all results are verifiable and transparent, all assumptions are described and based on verifiable evidence and calculations are done in accordance with the pre-defined formulae from registered PDD version 2.0 dated 05/04/2012.

According to the Monitoring Report, version 2.0 dated 05/04/2012 and GHG emission reductions calculation spreadsheet in Excel format the emissions for the project scenario, emissions for the baseline scenario and emission reductions for chosen monitoring period (01/10/2008 – 31/12/2011) are provided in table 7 below.

Table 7 - Results for Emission Reductions for Monitoring Period

Monitoring Period:	01/10/2008 – 31/12/2011
Emissions for the project scenario:	6 980 tCO ₂ e
Leakage:	227 092 tCO ₂ e
Emissions for the baseline scenario:	771 363 tCO ₂ e
Emission reductions:	991 475 tCO ₂ e

4.7 Remaining issues, CARs, FARs from previous determination/verification

There was one pending issue remained from determination of the project:

FAR 01. The Project hasn't obtained Letters of Approval from the parties involved.

During verification project participant has provided to AIE Letter of Approval from Host country (Ukraine) #949/23/7 issued on 11 April 2012 and from the foreign country (Latvia) #12.2-02.1/6011 issued on 5th April 2012.

The Forward Action Request (FAR 01) from determination has been closed.

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ANNEX A - VERIFICATION PROTOCOL

Table 1 - Requirements Checklist

CHECKLIST QUESTION	DVM paragraph	Draft Conclusion	Action requested to project participants	Final Conclusion
1. Project approvals by Parties Involved				
1.1. 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?	90	The project has been approved by the DFPs of the Parties Involved and documentation is available: 1) Letter of Approval by Latvia #12.2-02.1/6011 issued on 05 April 2012 2) Letter of Approval by the Ukraine ref. #949/23/7 issued on 11 April 2012	-	Issue is closed.
1.2. Are all the written project approvals by Parties involved unconditional?	91	All the written project approvals by Parties involved are unconditional. PE ICC "Tefida" and SIA "Vidzeme Eko" legal entities authorized by the designated focal points of the Parties Involved to participate in the JI project.	-	OK
2. Project implementation				
2.1. 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?	92	The project has been implemented in accordance with the registered PDD version 2.0 dated 05/04/2012. This JI project is registered as Track 1 project and information is available (See Section 1.3 of this report).	-	OK
2.2. What is the status of operation of the project during the monitoring period?	93	During the monitoring period that covers time period between the 01/10/2008 and 31/12/2011 the project operated as described in the PDD	CAR 01. Include all participants of third site from the beginning of the	OK

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CHECKLIST QUESTION	DVM paragraph	Draft Conclusion	Action requested to project participants	Final Conclusion
		section D. Dismantling of the waste heap start on 1 st October 2012 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.	projects. CAR 02. Please provide more detailed description in section A.3. from where the coal component is obtained. CAR 03. Please correct fonts and intervals through the all PDD.	
3. Compliance with monitoring plan				
3.1. Did the monitoring occur in accordance with the monitoring plan included in the PDD regarding which the determination has been deemed final?	94	Yes. The monitoring occurred in accordance with the monitoring plan included in the determined PDD, available on the UNFCCC JI website http://ji.unfccc.int/JIITLProject/D/0RQXGLUAS7ETAGMUQZWFQPJLN1SIAW/details	-	OK
3.2. For calculating the emission reductions or enhancements of net removals, were key factors, e.g. those listed in 23 (b) (i)-(vii) of DVM, 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?	95 (a)	For calculating the emission reductions key factors (electricity consumed, amount of coal that has been 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	-	OK

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CHECKLIST QUESTION	DVM paragraph	Draft Conclusion	Action requested to project participants	Final Conclusion
		appropriate. For more detailed information, please, refer to Section B.2. of the determined and registered PDD version 2.0.		
3.3. Are data sources used for calculating emission reductions or enhancements of net removals clearly identified, reliable and transparent?	95 (b)	All data sources used for calculating emission reductions are clearly identified, reliable and transparent .	<p>CAR 04. Please correct the reference to the formula D.1.1.4. for parameter B1 - amount of coal that produced in mines in the baseline scenario.</p> <p>CAR 05. Please explain how many meters has been using to calculate the electricity consumption of the project. According to site visit there is only one meter which has used to measure energy consumption and payments to suppliers. Correct the description in</p>	OK

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CHECKLIST QUESTION	DVM paragraph	Draft Conclusion	Action requested to project participants	Final Conclusion
			<p>section B.</p> <p>CAR 06. Please correct the way of receiving data for electricity and diesel in Table 5.</p> <p>CAR 07. Please correct the value of diesel consumption in Table 7 according to the measurement units listed in Table 6.</p> <p>CAR 08 In Section A.5.1 states that one of the sources of emissions for the baseline is the electricity and other energy consumption by mine, but in the determined PDD no reference and calculation of additional energy consumption wasn't consider. Please</p>	

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CHECKLIST QUESTION	DVM paragraph	Draft Conclusion	Action requested to project participants	Final Conclusion
			correct the difference.	
<p>3.4. 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?</p>	95 (c)	<p>The emission reductions calculated with using emission factor witch selected in accordance with the registered PDD ver. 2.0. The choice of these emission factors is appropriately justified in the PDD ver. 2.0 and in general accuracy and reasonableness are carefully balanced. However sources and references for the emission factors need to be updated in order to provide greater transparency for their choice. During preparations and desk review of the monitoring report (MR) it has been found that the Global Warming Potential of Methane is referenced to the IPCC Second Assessment Report but the value is not traceable to the source referenced. The value for density of methane is corresponded with registered PDD ver. 3.0, but the reference for the source of this data is not provided. All others sources should be added.</p>	<p>CAR 09. Please provide the values of constants and coefficients for 2010 - 2011 years in Table 4.</p> <p>CAR 10. Please provide references to the data source of parameters and coefficients listed in Table 4.</p> <p>CAR 11. In Section A.5.1. states that carbon dioxide emissions as a result of the waste heap burning calculated as the emissions from two main sources, but in the description no information about other source wasn't indicated. Correct</p>	OK

VERIFICATION REPORT

CHECKLIST QUESTION	DVM paragraph	Draft Conclusion	Action requested to project participants	Final Conclusion
			description of the emissions from burning of the waste heap.	
3.5. Is the calculation of emission reductions or enhancements of net removals calculated based on conservative assumptions and the most plausible scenarios in a transparent manner?	95 (d)	<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 scenario with a glance of humidity and ash content.</p>	<p>CAR 12. Please correct the value for project emissions, excluding from it the energy consumption that took place before the crediting period was started.</p> <p>CL 01. Explain what types of components of diesel fuel consumption were taken into account in calculating the project emissions.</p> <p>CL 02. Explain why the data for burning of the waste heap which is dismantled in the project absent in the study made by SRI</p>	OK

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CHECKLIST QUESTION	DVM paragraph	Draft Conclusion	Action requested to project participants	Final Conclusion
			"Respirator" in 2012.	
4. Applicable to JI projects only				
4.1. Is the relevant threshold to be classified as JI 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 project or the bundle for the monitoring period determined?	96	N/A	-	OK
5. Revision of monitoring plan <i>Applicable only if monitoring plan is revised by project participants</i>				
5.1. Did the project participants provide an appropriate justification for the proposed revision?	99 (a)	N/A	-	OK
5.2. 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?	99 (b)	N/A	-	OK
6. Data management				
4.1. Is the implementation of data collection procedures in accordance with the monitoring plan, including the quality control and quality assurance procedures?	101 (a)	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. The monitoring plan is presented in the section D of the registered PDD	CL 03. Explain why electricity consumption at the beginning of the project (July - March 2008) lower than the others	OK

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CHECKLIST QUESTION	DVM paragraph	Draft Conclusion	Action requested to project participants	Final Conclusion
		ver.2.0. The verification team confirms effectiveness of existing management and operational systems and found them eligible for reliable project monitoring.	following months. CL 04. Explain which indicators of ash and moisture is used as the monitoring data. According to Section B of the monitoring report sample is taken for every 100 tons of sorted products, but the monitoring tables is only one value for much greater value of products.	
4.2. Is the function of the monitoring equipment, including its calibration status, is in order?	101 (b)	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.	CL 05. Explain whether the checking is performed by the consumer of coal products, about the value and quality of the coal. If so, please provide the appropriate documents.	OK

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CHECKLIST QUESTION	DVM paragraph	Draft Conclusion	Action requested to project participants	Final Conclusion
			<p>CAR 13. Provide the proof of verification of automobile weight VTA - 60 from 2009 till 2011.</p> <p>CAR 14. Please include in section C.2 all independent organizations that were or still have participated in the project activities.</p> <p>CAR 15. Please remove all photos of the monitoring equipment involved in the project into an annex of the MR.</p>	
4.3. Are the evidence and records used for the monitoring maintained in a traceable manner?	101 (c)	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. However, necessary data storage and archiving procedure for diesel parameter has not been	CAR 16. Please correct the marking reductions in Annex 1 of the MR.	OK

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CHECKLIST QUESTION	DVM paragraph	Draft Conclusion	Action requested to project participants	Final Conclusion
		defined in the monitoring plan and has not been presented in the PDD. CAR		
4.4. Is the data collection and management system for the project in accordance with the monitoring plan?	101 (d)	The data collection and management system for the project is in accordance with the monitoring 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 his 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.	-	OK

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Table 2 - Resolution of CARs, CLs and FARs

No.	Type of request	Observation	Ref. to checklist question in table 1	Summary of project owner response	Verification team conclusion
1.	FAR 01.	The Project hasn't obtained Letters of Approval from the parties involved	90	During verification project participant has provided to AIE Letter of Approval from Host country (Ukraine) #949/23/7 issued on 11 April 2012 and from the foreign country (Latvia) #12.2-02.1/6011 issued on 5 th April 2012.	Issue is closed. All letters from parties involved excepted and unconditional.
2.	CAR 01.	Include all participants of third site from the beginning of the projects.	93	The centers of metrology, standardization, technical departments control was added: State Enterprise "Donetsk SPC standardization, metrology and certification" Ukrmetrteststandard SE, SE "Lvivstandartmetrolohiya" OTC "TZHO" GP "Poltavastandartmetrolohiya" and SE "Torezantratsyt."	Issue is closed.
3.	CAR 02.	Please provide more detailed description in section A.3. from where the coal component is obtained.	93	Description was added. Fraction (0-30mm), resulting sorting is Carbonaceous, with an average ash content of approximately 65%, so it may be used for fuel for boilers and power plants.	Issue is closed.

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4.	CAR 03.	Please correct fonts and intervals through the all PDD.	93	Fonts and intervals were corrected, using font Times New Roman 11. Interval - 1.0	Issue is closed.
5.	CAR 04.	Please correct the reference to the formula D.1.1.4. for parameter B1 - amount of coal that produced in mines in the baseline scenario.	95 (b)	Corrected. Reference was given to formula (12) from PDD and Table 9 of Section D.1 of the Monitoring Report version 2.0.	Issue is closed.
6.	CAR 05.	Please explain how many meters has been using to calculate the electricity consumption of the project. According to site visit there is only one meter which has used to measure energy consumption and payments to suppliers. Correct the description in section B.	95 (b)	To calculate the power consumption in the project is using one meter. CA 4-E 5030 in 2011 have changed the meter NIK 2303 ART1.	Issue is closed.
7.	CAR 06.	Please correct the way of receiving data for electricity and diesel in Table 5.	95 (b)	Corrected "Daily data calculating together for preparing monthly and yearly reports."	Issue is closed.
8.	CAR 07.	Please correct the value of diesel consumption in Table 7 according to the measurement units listed in Table 6.	95 (b)	Corrected, in according to GOST 305-82 indicated diesel consumption in tonnes. 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/	Issue is closed.
9.	CAR 08.	In Section A.5.1 states that one of the sources of emissions for the baseline is the electricity and other energy consumption by mine, but in the determinated PDD no reference and calculation of additional energy consumption wasn't consider. Please correct the difference.	95 (b)	In PDD version2.0 stated (with reference to the source – "Method effectively Manage Electricity consumption of mine" B.A. Gradushiy, Doctor of Engineering. Science, DonUGY, H.N.Lysovoy, V.Y.Myalkovskyy, Chehlatyy NA, kandydaty	Issue is closed.

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				of Engineering. Science, NYHYM behalf M.M.Fedorova, Donetsk, Ukraine www.mishor.esco.co.ua/2005/Thesis/10.doc that compared with power consumption. Consumption of other energy very low, so in this context and for reasons of conservatism, they are excluded from consideration (Table 15 p. 29 of the PDD). The monitoring report other energy has been excluded.	
10.	CAR 09.	Please provide the values of constants and coefficients for 2010 - 2011 years in Table 4.	95 (c)	At present there are no information about values of some constants and coefficients for the years 2010-2011, in these cases, project participants used a conservative approach - for calculating the baseline emissions using the low value of those that were available, and for calculating project emissions - the largest (see supporting materials)	Issue is closed.
11.	CAR 10.	Please provide references to the data source of parameters and coefficients listed in Table 4.	95 (c)	References were provided. In addition, the Report of the Institute Respirator and owner of Coal Ministry will be given to AIE.	Issue is closed.
12.	CAR 11.	In Section A.5.1. states that carbon dioxide emissions as a result of the waste heap burning calculated as the emissions from two main sources, but in the description no	95 (c)	Description corrected. In the latest version 2.0 of the PDD and monitoring report the second source of emissions associated with burning	Issue is closed.

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		information about other source wasn't indicated. Correct description of the emissions from burning of the waste heap.		of waste heap is absent.	
13.	CAR 12.	Please correct the value for project emissions, excluding from it the energy consumption that took place before the crediting period was started. 95 (d)	95 (d)	Before the crediting period was conducted some work was made with planning waste heap and preparing driveways, roads, installed equipment and other measures directly related to the workflow. On conservative grounds all greenhouse gas emissions in this period were included in the total balance.	Issue is closed.
14.	CAR 13.	Provide the proof of verification of automobile weight VTA - 60 from 2009 till 2011.	101 (b)	All certificate of metrological certification in the respective years - will be provided.	Issue is closed.
15.	CAR 14.	Please include in section C.2 all independent organizations that were or still have participated in the project activities.	101 (b)	All independent organizations were indicated. It has been added centers of standardization, metrology and technical control authorities.	Issue is closed.
16.	CAR 15.	Please remove all photos of the monitoring equipment involved in the project into an annex of the MR.	101 (b)	Moved to Appendix 3.	Issue is closed.
17.	CAR 16.	Please correct the marking reductions in Annex 1 of the MR.	101 (c)	Corrected.	Issue is closed.
18.	CL 01.	Explain what types of components of diesel fuel consumption were taken into account in calculating of the project emissions.	95 (d)	Diesel consumption of mining equipment (bulldozers, loaders) and consumption of fuel by vehicles for delivery of large fraction of the repair of local roads and fractions (0-30) to customer taken into account for calculating of the project emissions on the fuel composition.	Issue is closed.

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19.	CL 02.	Explain why the data for burning of the waste heap which is dismantled in the project absent in the study made by SRI "Respirator" in 2012.	95 (d)	According to the letter SRI "Respirator", current waste heap is capable of spontaneous combustion.	Issue is closed.
20.	CL 03.	Explain why electricity consumption at the beginning of the project (July - March 2008) lower than the others following months.	101 (a)	Energy consumption in the beginning lower because it does not involve power of sorting complex - the main consumer of electricity in the project.	Issue is closed.
21.	CL 04.	Explain which indicators of ash and moisture is used as the monitoring data. According to Section B of the monitoring report sample is taken for every 100 tons of sorted products, but the monitoring tables is only one value for much greater value of products.	101 (a)	As monitoring data taken weighted average annual rates were calculated by the rules of mathematics based on monthly reports. These monthly reports, are calculated in similarly way for each working day.	Issue is closed.
22.	CL 05.	Explain whether the checking is performed by the consumer of coal products, about the value and quality of the coal. If so, please provide the appropriate documents.	101 (b)	The bill is based on the acts of weighing and checks with Buyer (orally or by telephone). In the event of a conflict conducted counter-check. Confirmation of delivery by the number and quality is the fact that product was accepted for spending bills Supplier.	Issue is closed.