VERIFICATION REPORT CEP CARBON EMISSIONS PARTNERS S.A.

VERIFICATION OF THE JI PROJECT

IMPLEMENTATION OF THE ENERGY EFFICIENCY MEASURES AND REDUCTION OF GREENHOUSE GAS EMISSIONS INTO THE ATMOSPHERE AT STATE ENTERPRISE "KRASNOARMEYSKUGOL"

First periodic

REPORT NO. UKRAINE-VER/0708/2012

REVISION NO. 02

for the period 01/01/2008 – 31/12/2011

BUREAU VERITAS CERTIFICATION

Report No: UKRAINE-ver/0708/2012

VERIFICATION REPORT

Date of first issue:	Organizational unit:
08/10/2012	Bureau Veritas Certification Holding SAS
Client:	**Client ref.:**
CEP CARBON EMISSIONS PARTNERS S.A	Fabian Knodel

Summary:

Bureau Veritas Certification has made the first periodic verification for the period from January 1, 2008 to January 31, 2011 of the "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol" project of CEP CARBON EMISSIONS PARTNERS S.A, located in Dymytriv and Rodynske towns, in Donetsk region, Ukraine, and applying JI specific approach, on the basis of UNFCCC criteria for the JI, as well as criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria (but for the crediting period) refer to Article 6 of the Kyoto Protocol, the JI rules and modalities and the subsequent decisions by the JI Supervisory Committee, as well as the host country criteria.

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

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

In summary, Bureau Veritas Certification confirms that the project is implemented as planned and described in approved project design documents. Installed equipment that is 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 errors and the ERUs issued totalize 953 167 tonnes of CO_2 equivalent for the monitoring period from 01/01/2008 to 31/12/2011 .

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

Report No.:	Subject Group:
UKRAINE-ver/0708/2012	JI
Project title:	
Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol"	
Work carried out by:	
Vyacheslav Yeriomin – Team Leader, Climate Change Lead Verifier Vasiliy Kobzar - Team Member, Climate Change Verifier	
Work reviewed by:	
Ivan Sokolov – Internal Technical Reviewer Victoria Legka – Technical Specialist	
Work approved by:	
Ivan Sokolov – Operational Manager	

Date of this revision:	Rev. No.:	Number of pages:
11/10/2012	02	28

Bureau Veritas Certification Holding SAS

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1 INTRODUCTION

CEP CARBON EMISSIONS PARTNERS S.A has commissioned Bureau Veritas Certification to verify the emissions reductions of its JI project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol" (hereafter called "the project") located in Dymytriv and Rodynske towns, in 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.

The verification covers the period from January 1, 2008 to January 31, 2011.

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, and monitoring plan, and monitoring report and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations.

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

1.3 Verification Team

The verification team consists of the following personnel:

Vyacheslav Yeriomin
Bureau Veritas Certification Team Leader, Climate Change Verifier

Vasiliy Kobzar
Bureau Veritas Certification Technical Specialist

This determination report was reviewed by:
Ivan Sokolov
Bureau Veritas Certification Internal Technical Reviewer

Victoria Legka
Bureau Veritas Certification Technical Specialist

2 METHODOLOGY

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

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

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

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

2.1 Review of Documents

The Monitoring Report (MR) submitted by CEP CARBON EMISSIONS PARTNERS S.A and additional background documents related to the project design and baseline, i.e. country Law, Project Design Document (PDD), Approved CDM methodology, Determination Report of the project issued by Bureau Veritas Certification Holding SAS No. UKRAINE-

det/0603/2012 as of 20/08/2012, Guidance on criteria for baseline setting and monitoring, Host party criteria, the 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 for the period from 01/01/2008 to 31/12/2011 version 01 of October 05, 2012 and version 02 of October 09, 2012 and the project as described in the determined PDD.

2.2 Follow-up Interviews

On 08/10/2012 Bureau Veritas Certification verification team conducted a visit to the project site (SE "Krasnoarmeyskugol") and performed (on-site) interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review. Representatives of CEP CARBON EMISSIONS PARTNERS S.A and SE "Krasnoarmeyskugol" were interviewed (see References). The main topics of the interviews are summarized in Table 1.

Table 1 Interview topics

Interviewed organization	Interview topics
SE "Krasnoarmeyskugol"	➢ Organizational structure ➢ Responsibilities and authorities ➢ Roles and responsibilities relating to data collection and processing ➢ Equipment installation ➢ Data logging archiving and reporting ➢ Metering equipment control ➢ Metering record keeping system, database ➢ IT management ➢ Personnel training ➢ Quality control procedures and technology ➢ Internal audit and inspections
Consultant: CEP CARBON EMISSIONS PARTNERS S.A	➢ Baseline methodology ➢ Monitoring plan ➢ Monitoring report ➢ Deviations from the PDD

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 6 Corrective Action Requests and 3 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

The purpose of this verification is to verify the issues from previous verifications and determination or issues to be verified in the PDD. The Determination Report prepared by Bureau Veritas Certification has determined the following unsolved issues:

CAR 09:
The Letters of Approval from parties involved are absent.

Response
The project was approved by the State Environmental Investment Agency of Ukraine (Letter of Approval No. 2892/23/7 dated 04/10/2012) and the Federal Office for the Environment of Switzerland (Letter of Approval No. J294-0485 dated 24/08/2012).

3.2 Project approval by Parties involved (90-91)

The project was approved by the host Party (Ukraine) - the Letter of Approval No. 2892/23/7 dated 04/10/2012 issued by the State Environmental Investment Agency of Ukraine. The project was also approved by the party – buyer of the emission reduction units (Switzerland) - Letter of Approval No.J294-0485 dated 24/08/2012 issued by the Federal Office for the Environment FOEN of Switzerland.

The abovementioned written approvals are unconditional.

The identified areas of concern as to the project approval by the parties involved, project participants responses and Bureau Veritas Certification's conclusions are described in Appendix A to this report (refer to CAR 01, CAR 02).

3.3 Project implementation (92-93)

The purpose of the project is greenhouse gas emission reduction by waste heap extinction at SE "Krasnoarmeyskugol". The project provides for implementation of innovative technologies of waste heap extinction. The Project that was initiated by SE "Krasnoarmeyskugol" will result in the reduction of greenhouse gas emissions into the atmosphere and will improve the environmental situation in the region.

In June 2007 in accordance with the results of temperature survey the waste heap No.1(Rodynska Mine) and in september 2007 No.3(Dymytrov

Mine) was considered as the one which are burning. After that the development of the project aimed at the stabilization of waste heap has started. In November 2007 all the actions directed on stabilization and quenching of waste heap were undertaken.

Status of the project activity implementation complies with the project plan included in the determined PDD version 02.

Thus, temperature surveys of the waste heap were conducted permanently; as a result, the waste heap was declared non-burning.
The results of determining of the waste heap temperature are provided in Annex 2.1 and Annex 2.2 to the Monitoring report version 02.

The starting date of the crediting period has not changed and remains the date when the first emission reductions are expected to be generated, namely: January 1, 2008.

The monitoring system is in place.

Monitoring equipment, such as general purpose thermometer, meets industry standards of Ukraine. All monitoring equipment is included in the detailed verification (calibration) plan and tested at intervals prescribed by the manufacturers of such equipment.

The identified areas of concern as to the project implementation, project participants responses and Bureau Veritas Certification's conclusions are described in Appendix A to this report (refer to CL 01).

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

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.

For calculating the emission reductions, key factors 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 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 monitoring periods per component of the project are clearly specified in the monitoring report and do not overlap with those for which verifications were already deemed final in the past.

The identified areas of concern as to the compliance of the monitoring plan with the monitoring methodology, project participants responses and Bureau Veritas Certification's conclusions are described in Appendix A to this report (refer to CAR 03 - CAR 05).

3.5 Revision of monitoring plan (99-100)

Not applicable.

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 provided in the PDD, including the quality control and quality assurance procedures.

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

According to the current Law "On metrology and metrological activity", all metering equipment in Ukraine shall meet the specified requirements of relevant standards and is subject to periodic calibration. Intercalibration periods are stated in Section B.1. of the MR.

The project complies with the legislative requirements relating to calibration and verification.

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

Data collection and management system is in accordance with the monitoring plan provided in the PDD.

Structure of data collection as a part of the project monitoring is shown in Figure 1.

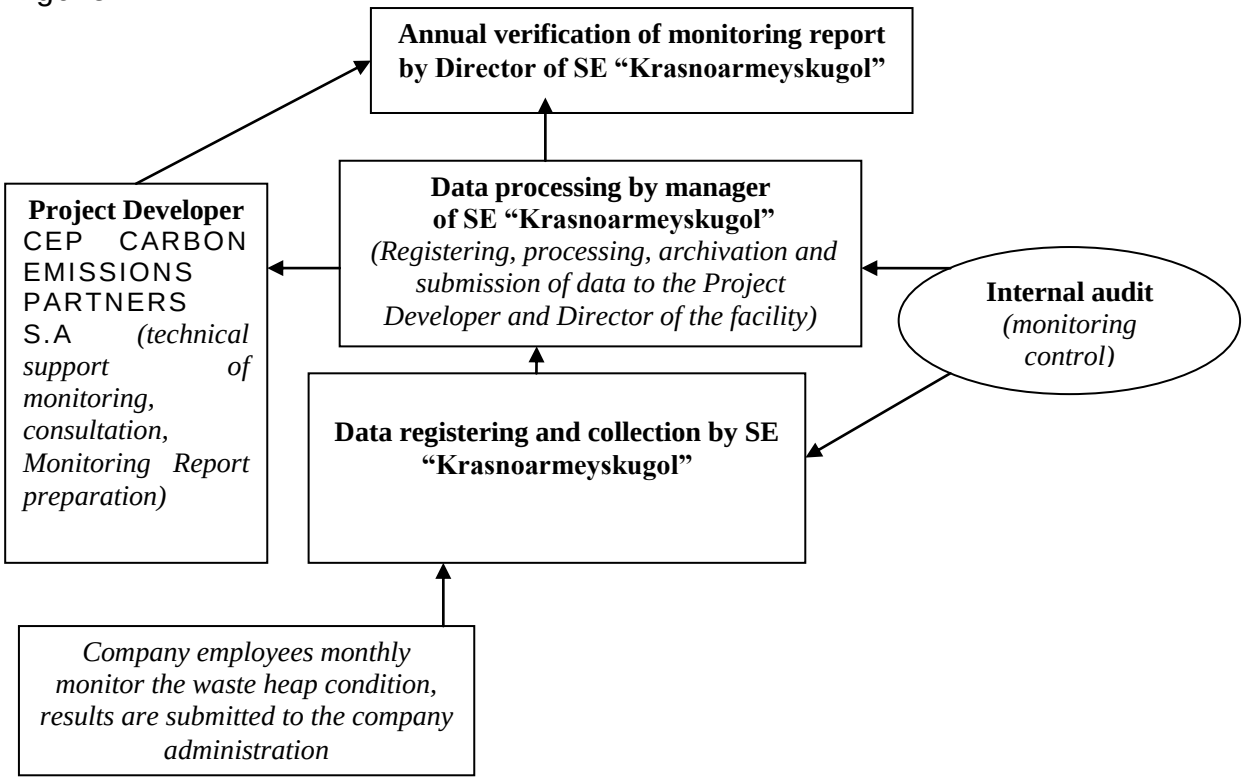

Figure 1 Structure of monitoring data collection

All necessary data concerning GHG emission reduction monitoring is archived in paper and/or electronic form and kept till the end of the crediting period and for two years after the latest transaction with emission reduction units.
The Monitoring Report version 02 provides sufficient information on duties assigned, responsibility and authorities concerning implementation and undertaking of monitoring procedures, including data management. The verification team confirms the efficiency of the existing management and operational systems and considers them appropriate for reliable project monitoring.

The identified areas of concern as to the data management, project participants responses and Bureau Veritas Certification's conclusions are described in Appendix A to this report (refer to CAR 06, CL 02, CL 03).

3.7 Verification regarding programmes of activities (102-110)

Not applicable.

4 VERIFICATION OPINION

Bureau Veritas Certification has performed the first periodic verification for the period from January 1, 2008 to January 31, 2011 of the "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol" project in Ukraine, which applies JI specific approach. The verification was performed on the basis of UNFCCC criteria and host country criteria and also on the criteria given to provide for consistent project operations, monitoring and reporting.
The verification consisted of the following three phases: i) desk review of the monitoring report against the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final verification report and opinion.

SE "Krasnoarmeyskugol" management is responsible for the preparation of data which serve as the basis for estimation of GHG emission reductions. CEP CARBON EMISSIONS PARTNERS S.A. provides SE "Krasnoarmeyskugol" with consultative support in the issues relating to organization of data collection and is responsible for developing the monitoring report based on the Project Monitoring Plan included in the final PDD version 02.

Bureau Veritas Certification verified the Project Monitoring Report version 02 for the reporting period from 01/01/2008 to 31/12/2011 as indicated below. Bureau Veritas Certification confirms that the project is implemented as per approved PDD version. 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.
Emission reductions achieved by the project for the period from 01/01/2008 to 31/12/2011 do not differ significantly from the amount predicted for the same period in the determined PDD. Emission reductions predicted in the determined PDD version 02 and actual emission reductions stated in the MR version 02 are provided in Table 3 of this report.

Table 3 Emission reductions predicted in the determined PDD version 02 and actual emission reductions stated in the MR version 02

Period	Estimated GHG emission reductions stated in the determined PDD in tonnes of	Ex-post GHG emission reductions stated in the Monitoring report in tonnes of

	CO2eq	CO2eq
01/01/2008-31/12/2011	**795 651**	**953 167**
Total	**795 651**	**953 167**

The actual amount of GHG emission reductions differs from that indicated in the PDD project. This is explained by the fact that in the registered PDD data available at the beginning of the project activity were used for ex-ante calculations. But at the stage of monitoring of GHG emission reductions by the project activity parameters of dumps Rodynska Mine and Dymytrov Mine have been clarified and actual parameters of waste dumps were used for ex post monitoring calculations.

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 01/01/2008 to 31/12/2011

In the period from 01/01/2008 to 31/12/2008
Baseline emissions : 247 094 tonnes of CO2 equivalent.
Project emissions : 0 tonnes of CO2 equivalent.
Emission Reductions : 247 094 tonnes of CO2 equivalent.

In the period from 01/01/2009 to 31/12/2009
Baseline emissions : 250 735 tonnes of CO2 equivalent.
Project emissions : 0 tonnes of CO2 equivalent.
Emission Reductions : 250 735 tonnes of CO2 equivalent.

In the period from 01/01/2010 to 31/12/2010
Baseline emissions : 248 367 tonnes of CO2 equivalent.
Project emissions : 0 tonnes of CO2 equivalent.
Emission Reductions : 248 367 tonnes of CO2 equivalent.

In the period from 01/01/2011 to 31/12/2011
Baseline emissions : 248 367 tonnes of CO2 equivalent.
Project emissions : 41 396 tonnes of CO2 equivalent.
Emission Reductions : 206 971 tonnes of CO2 equivalent.

Total in the period from 01/01/2008 to 31/12/2011

Baseline emissions : 994 563 tonnes of CO2 equivalent.

Project emissions	:	41 396 tonnes of CO2 equivalent.
Emission Reductions	:	953 167 tonnes of CO2 equivalent.

5 REFERENCES

Category 1 Documents:
Documents provided by the project participants that relate directly to the GHG components of the project.

/1/	Monitoring Report of the JI project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol" for the period from 01/01/2008 to 31/12/2011 version 01 dated 05/10/2012
/2/	Monitoring Report of the JI project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol" for the period from 01/01/2008 to 31/12/2011 version 02 dated 09/10/2012
/3/	Annex 2.1. Temperature surveys of waste heap of Mine Rodynska
/4/	Annex 2.2. Temperature surveys of waste heap of Mine Dymytrov
/5/	Annex 3. Calculation of GHG emission reductions under the project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol"
/6/	Project Design Document of the project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol", version 02 dated 17/08/2012
/7/	Determination Report of the project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol" No. UKRAINE-det/0603/2012 as of 20/08/2012 issued by Bureau Veritas Certification
/8/	Letter of Approval of the Joint Implementation project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol" #2892/23/7 of 04/10/2012 issued by State Environmental Investment Agency of Ukraine
/9/	Letter of Approval of the JI project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol" # J294-0485 issued by the Federal Office for the Environment of Switzerland dated 24/08/2012

Category 2 Documents:

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

/1/	Passport of waste heaps #3 "Dimitrov Mine"
/2/	Passport of waste heaps #1 "Rodynska Mine"
/3/	Report on Air Protection (form # 2-TP (air) for 2007 OP "Mine "Rodynskaya"
/4/	Report on Air Protection (form # 2-TP (air) for 2008 OP "Mine "Rodynskaya"
/5/	Report on Air Protection (form # 2-TP (air) for 2009 OP "Mine "Rodynskaya"
/6/	Report on Air Protection (form # 2-TP (air) for 2010 OP "Mine "Rodynskaya"
/7/	Report on Air Protection (form # 2-TP (air) for 2011 OP "Mine "Rodynskaya"
/8/	Report on Air Protection (form # 2-TP (air) for 2007 OP "Mine "Dimitrov"
/9/	Report on Air Protection (form # 2-TP (air) for 2008 OP "Mine "Dimitrov"
/10/	Report on Air Protection (form # 2-TP (air) for 2009 OP "Mine "Dimitrov"
/11/	Report on Air Protection (form # 2-TP (air) for 2010 OP "Mine "Dimitrov"
/12/	Report on Air Protection (form # 2-TP (air) for 2011 OP "Mine "Dimitrov"

Persons interviewed:

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

	Name	**Organization**	**Position**
/1/	Rudenko R.I.	SE “Krasnoarmeyskugol”	Senior Engineer Department of Environmental Protection
/2/	Olga Zhuravleva	SE “Krasnoarmeyskugol”	Engineer Department of Environmental Protection OP "Mine "Rodynskaya"
/3/	Julia Moroz	SE “Krasnoarmeyskugol”	ecologist SE "Krasnoarmeyskugol"
/4/	Vladimir Gamiy	SE “Krasnoarmeyskugol”	Chief Hirnyak with ventilation and degassing
/5/	Volkovskyi Nikolai	SE “Krasnoarmeyskugol”	Chief Technologist in heating equipment

/6/	Paromenko Andriy	SE “Krasnoarmeyskugol”	Head of Legal Department
/7/	Savenko Svetlana	SE “Krasnoarmeyskugol”	Heating engineer OP "Mine" Rodynskaya
/8/	Tymoshenko Oksana	SE “Krasnoarmeyskugol”	Master OP "Mine" Dimitrov "
/9/	Illina T.O.	“CEP” LLC	Consultant of CEP CARBON EMISSIONS PARTNERS S.A

APPENDIX A: PROJECT VERIFICATION PROTOCOL

BUREAU VERITAS CERTIFICATION HOLDING SAS

VERIFICATION PROTOCOL

Table 1. Check list for verification, according to the JOINT IMPLEMENTATION DETERMINATION AND VERIFICATION MANUAL (Version 01)

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
Project approvals by Parties involved				
90	Has the DFPs of at least one Party involved, other than the host Party, issued a written project approval when submitting the first verification report to the secretariat for publication in accordance with paragraph 38 of the JI guidelines, at the latest?	The project has been approved by both the Host party (Ukraine) and the other Party involved (Switzerland). The Letters of Approval were issued by NFPs of the Parties involved. Two Letters of Approval were available at the beginning of the first verification of the project. **CAR 01.** Please, provide detailed information on the Letters of Approval (LoA) issued by the parties involved in the monitoring report. **CAR 02.** Please, state the data relating to determination stage of the project in Section A.2. of the MR.	**CAR 01** **CAR 02**	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	**CL 01.** Please, explain the difference between	**CL 01**	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	accordance with the PDD regarding which the determination has been deemed final and is so listed on the UNFCCC JI website?	emission reductions achieved in the monitoring period of 01/01/2008-31/12/2011 and stated in the MR and the values of emission reductions estimated in the PDD version 02 for the same period.		
93	What is the status of operation of the project during the monitoring period?	Implementation of the project activities started in late 2007, as stated in the determined PDD version 02. However, emission reductions achieved in 2007 are conservatively excluded from the calculation. Thus, 01/01/2008 is the starting date of the crediting period. Project implementation status and project milestones in the reporting period of 01/01/2008 – 31/12/2011 are provided in Section A.6. of the MR version 02 and Annex 2.	OK	OK
Compliance with monitoring plan				
94	Did the monitoring occur in accordance with the monitoring plan included in the PDD regarding which the determination has been deemed final and is so listed on the UNFCCC JI website?	There aren't any changes in or deviations from the registered PDD.	OK	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) of the 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	Yes, all relevant key factors were taken into account, as appropriate.	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
	account, as appropriate?			
95 (b)	Are data sources used for calculating emission reductions or enhancements of net removals clearly identified, reliable and transparent?	Data sources used for calculating emission reductions or enhancements of net removals are clearly identified, reliable and transparent. **CAR 03.** The national inventory report of anthropogenic greenhouse gas emissions by sources and removals by sinks in Ukraine for 1990-2009 is stated as the data source for parameters in Tables 3 and 4 of the MR. But the Inventory for 1990-2010 shall be used. **CAR 04**. Please, state the frequency of monitoring for parameter $EF^{y}_{p,C,coal}$ in table 3 of the MR.	**CAR 03** **CAR 04**	OK OK
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?	Yes, emission factors, including default emission factors, that are used for calculating the emission reductions or enhancements of net removals, are selected by carefully balancing accuracy and reasonableness, and appropriately justified of the choice. **CAR 05**. It is stated that a detailed calculation and the data source of reduced GHG emission factor for natural gas transportation to end consumers are provided in Annex 4. But there isn't any Annex 4.	**CAR 05**	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?	Calculation of emission reductions is based on conservative assumptions and the most plausible scenarios in a transparent manner.	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
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?	Not applicable	Not applicable	Not applicable
Applicable to bundled JI SSC projects only				
97 (a)	Has the composition of the bundle not changed from that is stated in F-JI-SSCBUNDLE?	Not applicable	Not applicable	Not applicable
97 (b)	If the determination was conducted on the basis of an overall monitoring plan, have the project participants submitted a common monitoring report?	Not applicable	Not applicable	Not applicable
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?	Not applicable	Not applicable	Not applicable

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
Revision of monitoring plan				
Applicable only if monitoring plan is revised by project participant				
99 (a)	Did the project participants provide an appropriate justification for the proposed revision?	Not applicable.	Not applicable	Not applicable
99 (b)	Does the proposed revision improve the accuracy and/or applicability of information collected compared to the original monitoring plan without changing conformity with the relevant rules and regulations for the establishment of monitoring plans?	Not applicable	Not applicable	Not applicable
Data management				
101 (a)	Is the implementation of data collection procedures in accordance with the monitoring plan, including the quality control and quality assurance procedures?	The implementation of data collection procedures, including the quality control and quality assurance procedures, is in accordance with the monitoring plan. **CAR 06**. Please, provide information on storage of monitoring data of the project.	**CAR 06**	OK
101 (b)	Is the function of the monitoring equipment, including its calibration status, is in order?	Yes, the function of the monitoring equipment, including its calibration status is in order. **CL 02.** Provide a reference to the State Standard of Ukraine DSTU 2708:2006 “Metrology. Calibration of measuring instruments. The organization and procedure” in Section B.1.2.	**CL 02**	OK
101 (c)	Are the evidence and records used for the monitoring maintained in a traceable manner?	The evidences and records used for the monitoring maintained are in a traceable manner.	OK	OK

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
101 (d)	Is the data collection and management system for the project in accordance with the monitoring plan?	The data collection and management system for the project is in accordance with the monitoring plan. The verification team confirms the effectiveness of the existing management and operating systems and considers them suitable for reliable monitoring of the project. **CL 03**. Please, check the numbering of Tables and Figures in the MR.	**CL 03**	OK
Verification regarding programs of activities (additional elements for assessment)				
102	Is any JPA that has not been added to the JI PoA not verified?	Not applicable	Not applicable	Not applicable
103	Is the verification based on the monitoring reports of all JPAs to be verified?	Not applicable	Not applicable	Not applicable
103	Does the verification ensure the accuracy and conservativeness of the emission reductions or enhancements of removals generated by each JPA?	Not applicable	Not applicable	Not applicable
104	Does the monitoring period not overlap with previous monitoring periods?	Not applicable	Not applicable	Not applicable
105	If the AIE learns of an erroneously included JPA, has the AIE informed the JISC of its findings in writing?	Not applicable	Not applicable	Not applicable
Applicable to sample-based approach only				

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
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 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?	Not applicable	Not applicable	Not applicable

DVM Paragraph	Check Item	Initial finding	Draft Conclusion	Final Conclusion
107	Is the sampling plan ready for publication through the secretariat along with the verification report and supporting documentation?	Not applicable	Not applicable	Not applicable
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?	Not applicable	Not applicable	Not applicable
109	Is the sampling plan available for submission to the secretariat for the JISC's ex ante assessment? (Optional)	Not applicable	Not applicable	Not applicable
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 PoA, has the AIE informed the JISC of the fraud in writing?	Not applicable	Not applicable	Not applicable

Table 2. Resolution of Corrective Action and Clarification Requests

Draft report clarifications and corrective action requests by verification team	Ref. to checklist question in table 1	Summary of project participant response	Verification team conclusion
CAR 01. Please, provide detailed information on the Letters of Approval (LoA) issued by the parties involved in the monitoring report.	90	The project was approved by the host Party (Ukraine) - the Letter of Approval No. 2892/23/7 dated 04/10/2012 issued by the State Environmental Investment Agency of Ukraine. The project was also approved by the party – buyer of the emission reduction units (Switzerland) - Letter of Approval No.J294-0485 dated 24/08/2012 issued by the Federal Office for the Environment FOEN of Switzerland.	CAR 01 is closed as necessary corrections were made in the MR version 02.
CAR 02. Please, state the data relating to determination stage of the project in Section A.2. of the MR.	90	The Joint Implementation Project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol" was determined by Bureau Veritas Certification, Determination Report No. UKRAINE-DET/0603/2012 dated 20/08/2012.	CAR 02 is closed as necessary corrections were made in the MR version 02.
CAR 03. The national inventory report of anthropogenic greenhouse gas emissions by sources and removals by sinks in Ukraine for 1990-2009 is stated as the data source for parameters in Tables 3 and 4 of the MR. But	95(b)	The national inventory report of anthropogenic greenhouse gas emissions by sources and removals by sinks in Ukraine for 1990-2010 was used to determine certain parameters. Refer to	CAR 03 is closed as necessary corrections were made.

the Inventory for 1990-2010 shall be used.		the MR version 02.	
CAR 04. Please, state the frequency of monitoring for parameter $EF^{y}_{p,C,coal}$ in table 3 of the MR.	95(b)	The frequency of monitoring for parameter $EF^{y}_{p,C,coal}$ - Annually. Refer to the MR version 02.	CAR 04 is closed as necessary corrections were made.
CAR 05. It is stated that a detailed calculation and the data source of reduced GHG emission factor for natural gas transportation to end consumers are provided in Annex 4. But there isn't any Annex 4.	95 (c)	Detailed calculation and the data source of reduced GHG emission factor for natural gas transportation to end consumers are provided in Annex 3. Calculation of GHG emission reductions under the project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise "Krasnoarmeyskugol"	CAR 05 is closed as necessary corrections were made.
CAR 06. Please, provide information on storage of monitoring data of the project.	101 (a)	Information necessary for monitoring of GHG emission reductions is stored at in paper and electronic forms and will be stored by the end of the crediting period for two years after the transfer of emission reduction units generated by the project.	CAR 06 is closed as necessary corrections were made.
CL 01. Please, explain the difference between emission reductions achieved in the monitoring period of 01/01/2008-31/12/2011 and stated in the MR and the values of emission reductions estimated in the PDD version 02 for the same period.	95 (b)	This difference in the emission reductions under the project "Implementation of the energy efficiency measures and reduction of greenhouse gas emissions into the atmosphere at State Enterprise	CL 01 was closed as the clarification was provided.

		"Krasnoarmeyskugol" in 01/01/2008-31/12/2011 in the determined PDD and the MR is explained by the fact that accurate conservative values were available during MR development. Amount of emission reductions for the period of 01/01/2012-31/12/2011 provided in the PDD were calculated by dividing the total annual amount of emission reductions stated in the PDD by 12 (12 months) and multiplying by 6 (6 months).	
CL 02. Provide a reference to the State Standard of Ukraine DSTU 2708:2006 "Metrology. Calibration of measuring instruments. The organization and procedure" in Section B.1.2.	95 (b)	Relevant reference was provided in the MR version 02.	CL 02 is closed as necessary reference was provided.
CL 03. Please, check the numbering of Tables and Figures in the MR.	101 (d)	Relevant corrections were made in the MR version 02.	CL 03 is closed as necessary changes were made.