



JI DETERMINATION REPORT FORM

(version 02)

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

Accredited independent entity (AIE) submitting form Bureau Veritas Certification Holding SAS

Proposed JI activity

Reference number and title of proposed JI activity 0194, Usage of alternative raw materials at Kryvyi Rih Cement, Ukraine.

Host Party(ies) Ukraine

Parties involved in the JI activity Germany, Netherlands

Coordinating entity (applicable to JI PoA only) N/A

Project participants PJSC Heidelbergcement Ukraine (Kryvyi Rih Cement)
HeidelbergCement
Global Carbon BV

Type of JI activity: **large scale** **small scale** **LULUCF** **PoA**

Brief description of the JI activity

The project is aimed at significant decrease of the emissions originating from calcination of raw materials in the clinker kiln at Kryvyi Rih Cement plant in Ukraine. Emissions from calcination can be decreased by addition of alternative raw materials¹ (AMC) which do not contain carbonates. Such alternative materials are metallurgical slag of different types, ashes generated at power plants that use coal fuel.

Determination report

Please confirm that all requirements of Article 6 of the Kyoto Protocol, the JI guidelines and further relevant requirements defined by the CMP or the JISC with regard to determinations pursuant to paragraph 33 of the JI guidelines are met:

- Yes**
 No

General information on determination

Please describe:

- The scope of the determination process, including all documentation that has been reviewed and list the names of persons interviewed during the determination process, as applicable;
- The AIE's determination team, including a list of all persons involved in the determination process and a description of the functions assumed.

The Project Design Document (PDD) submitted by Global Carbon BV and additional background documents related to the project design and baseline, i.e. country Law, Guidelines for Completing the Project Design Document (JI-PDD), Approved methodology, Kyoto Protocol, Clarifications on Determination Requirements to be Checked by a Accredited Independent Entity were reviewed.

The documentation that has been reviewed is listed below:

- PDD version 0.3 dated 11th of December 2008
- PDD version 1.0 dated 20th of March 2009
- PDD version 1.3 dated 28th of September 2009
- PDD version 1.4 dated 25th of November 2009
- PDD version 1.4.1 dated 29th of December 2009
- PDD version 2.0 dated 20th of August 2010

¹ AMC is defined as de-carbonated materials (...), see ACM0015/version02

Letter of Endorsement #273/21-7 dated 15th January 2004
 Environmental Impact assessment developed by JSC "Specialnoe proektno-konstruktorskoe bureau "Cement", Kharkiv, 2005.
 Guidelines for Users of the Joint Implementation Project Design Document Form/Version 04, JISC.
 Glossary of JI terms/Version 01, JISC.
 Guidance on criteria for baseline setting and monitoring. Version 01. JISC.
 Tool for the demonstration and assessment of additionality. Version 05.2. EB 39, Annex 10.
 JISC "Clarification regarding the public availability of documents under the verification procedure under the Joint Implementation Supervisory Committee." Version 02.
 2006 IPCC Guidelines for National Greenhouse Inventories, v.2, Energy.
 Operational Guidelines for Project Design Documents of Joint Implementation Projects. Volume 1. General Guidelines. Version 2.3. Ministry of Economic Affairs of the Netherlands. May 2004.
 Letter of Approval from the Netherland 2009JI12 issued by SenterNovem 30.10.2010
 Letter of Approval from Germany issued by Federal Environment Agency; German Emission Trading Authority 19.01.2010
 Letter of Approval from Ukraine 1106/23/7 issued by National Environmental Investment Agency of Ukraine 26.07.2010
 Annex 4. Bottom ash composition in 2007
 Annex 5. Slag price record.
 Supporting Document 1. Articles on clogging
 Supporting Document 2. Impact of slag addition on dry kiln operation
 Supporting Document 3. DniproCement data.
 Supporting Document 4. Raw mill composition.
 Supporting Document 5. Slag addition record
 Supporting Document 6. Emission reductions calculations spreadsheet.

The determination findings presented in this report relate to the project as described in the PDD version 1.0, dated 20/03/09, and responses in revised PDD version 1.3 dated 28/09/09 and version 1.4.1 dated 29/12/09.
 To address Bureau Veritas Certification corrective action and clarification requests Global Carbon BV revised the PDD version 1.0 and resubmitted it on 28/09/2009 as version 1.3.
 After the procedure of Internal Technical Review in order to meet the requested changes the PDD has been updated to the version 1.4.1 dated 29th of December 2009.
 After the procedure of JISC completeness check in order to meet the requested changes the PDD has been updated to the version 2.0 dated 20th of August 2010.

On 12/05/2009 Bureau Veritas Certification performed interviews with representatives of PJSC Heidelbergcement Ukraine (Kryvyi Rih Cement), HeidelbergCement, Global Carbon BV as informed below:
 Belous Vladislav – Chief Engineer on Environment, OJSC Heidelbergcement Ukraine
 Doumik Alexey – Senior Consultant, Global Carbon BV
 Turivniy Alexey – Plant Manager, OJSC Heidelbergcement Ukraine
 Perehrest Andriy – Head Technologist, OJSC Heidelbergcement Ukraine
 Kravchenko Nina – Head of the Laboratory, OJSC Heidelbergcement Ukraine

Determination team:
 Ivan Sokolov – Climate Change Lead Verifier
 Kateryna Zinevych – Climate Change Verifier
 Leonid Yaskin – Internal Technical Reviewer

Description of determination process

Please briefly describe and refer to:

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

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

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

In order to ensure transparency, a determination protocol was customized for the project, according to the Determination and Verification Manual (IETA/PCF). The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from validating the identified criteria. The determination protocol serves the following purposes:

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

The determination protocol consists of five tables.

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

The determination findings for each determination subject are presented as follows:

- 1) The findings of the desk review of the original project design documents and the findings from interviews during the follow up visit are summarized. A more detailed record of these findings can be found in the Determination Protocol in Appendix A.
- 2) Where Bureau Veritas Certification had identified issues that needed clarification or that represented a risk to the fulfilment of the project objectives, a Clarification or Corrective Action request, respectively, have been issued. The Clarification and Corrective Action Requests are stated, where applicable, in the following sections and are further documented in the Determination Protocol in Appendix A.

The conclusions for determination subject are presented.

Comments received from Parties, stakeholders and UNFCCC accredited observers

Please:

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

There are no comments from stakeholders.

Conclusions, final comments and determination opinion

Please provide:

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

Bureau Veritas Certification has performed a determination of the "Usage of Alternative Raw Materials at Kryvyi Rih Cement, Ukraine" Project in Ukraine. The determination 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 determination consisted of the following three phases: i) a desk review of the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) the resolution of outstanding issues and the issuance of the final determination report and opinion.

Project participant/s used the latest tool for demonstration of the additionality. In line with this tool, the PDD provides analysis of technological and other barriers to determine that the project activity itself is not the baseline scenario.

By by addition of alternative raw materials, the project is likely to result in reductions of GHG emissions from calcination. An analysis of the technological barriers demonstrates that the proposed project activity is not a likely baseline scenario. Emission reductions attributable to the project are hence additional to any that would occur in the absence of the project activity. Given that the project is implemented and maintained as designed, the project is likely to achieve the estimated amount of emission reductions.

The review of the project design documentation (version 1.4.1) and the subsequent follow-up interviews have provided Bureau Veritas Certification with sufficient evidence to determine the fulfilment of stated criteria. In our opinion, the project correctly applies and meets the relevant UNFCCC requirements for the JI and the relevant host country criteria.

The determination is based on the information made available to us and the engagement conditions detailed in this report.

List of documents attached to the determination report form

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

- PDD/PoA DD of the proposed JI activity**
- Determination report**
- Written approvals by the Parties involved, listed in the JI PDD/PoA DD**
- Other relevant documents:**
 - Determination protocol**
 - List of persons interviewed**
 - Any other documents (please list):** Emission Reductions Calculation

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

Authorized officer signing for the AIE

Flavio Gomes



Date and signature

21.08.2010