
VALIDATION REPORT

The World Bank Group

Moldova Soil Conservation Project

SGS Climate Change Programme

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<p>Summary:</p> <p>The World Bank Group has commissioned SGS to perform the validation of the project: Moldova Soil Conservation Project. The scope of the validation is defined as an independent and objective review of the project design document, the project's baseline study and monitoring plan and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations. SGS has employed a risk-based approach in the validation, focusing on the identification of significant risks for project implementation and the generation of CERs.</p> <p>The report is based on the findings of document reviews, the stakeholder consultation process and responses from the project participants to the findings raised in this report.</p> <p>The report and the annexed validation describes a total of 15 findings which include:</p> <ul style="list-style-type: none"> • 8 Corrective Action Requests; • 7 New Information Requests; and <p>All findings have been closed satisfactorily and the project will be recommended to the EB with a request for registration.</p>	
Subject:	Indexing Terms
CDM Validation	
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Abbreviations

A/R	Afforestation/Reforestation
AM	Approved Methodology
CAR	Corrective Action Request
CDM	Clean Development Mechanism
CERs	Certified Emission Reduction Units
COP/MOP	Conference of the Parties/Meeting of the Parties
DOE	Designated Operational Entity
GHG	Greenhouse Gas
IRR	Internal Rate of Return
MP	Monitoring Plan
NGO	Non Governmental Organisation
NIR	New Information Request
NM	New Methodology
PDD	Project Design Document
SOC	Soil Organic Carbon
tCERs	Temporary CERs
UNFCCC	United Nations Framework Convention on Climate Change

Table of Content

1.	Introduction	5
1.1	Objective	5
1.2	Scope	5
1.3	GHG Project Description	5
1.4	The Names and Roles of the Validation Team Members	5
2.	Methodology	6
2.1	Review of CDM-PDD and Additional Documentation	6
2.2	Use of the Validation Protocol	6
2.3	Findings	6
2.4	Internal quality control	7
3.	Validation Findings	8
3.1	Participation Requirements	8
3.2	Project Design	8
3.3	Application of Baseline Methodology	8
3.4	Baseline Selection and Additionality	10
3.5	Application of Monitoring Methodology and Monitoring Plan	12
3.6	Choice of the Crediting Period	13
3.7	Environmental Impacts	13
3.8	Local Stakeholder Comments	13
4.	Comments by Parties, Stakeholders and NGOs	15
4.1	Description of How and When the PDD was Made Publicly Available	15
4.2	Compilation of All Comments Received	15
4.3	Explanation of How Comments Have Been Taken into Account	15
5.	Validation Opinion	16
6.	List of Persons Interviewed	17
7.	Document References	18

Annexes:

A.1	Annex 1: Local Assessment Checklist	19
A.2	Annex 2: Validation Protocols	43
A.3	Annex 3: Findings Overview	44
A.4	Annex 4: Contract	53
A.5	Annex 5: Statements of Competency	54

1. Introduction

1.1 Objective

The World Bank Group has commissioned SGS to perform the validation of the project: "Moldova Soil Conservation Project" with regard to the relevant requirements for CDM project activities. The purpose of a validation is to have an independent third party assess the project design. In particular, the project's baseline, the monitoring plan (MP) and the project's compliance with relevant UNFCCC and host country criteria are validated in order to confirm that the project design as documented is sound and reasonable and meets the stated requirements and identified criteria. Validation is seen as necessary to provide assurance to stakeholders of the quality of the project and its intended generation of Certified Emission Reduction (CER). UNFCCC criteria refer to the Kyoto Protocol criteria and the CDM rules and modalities and related decisions by the COP/MOP and the CDM Executive Board.

1.2 Scope

The scope of the validation is defined as an independent and objective review of the project design document, the project's baseline study and monitoring plan and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations. SGS has employed a risk-based approach in the validation, focusing on the identification of significant risks for project implementation and the generation of CERs.

The validation is not meant to provide any consulting towards the Client. However, stated requests for clarifications and/or corrective actions may provide input for improvement of the project design.

1.3 GHG Project Description

The Moldova Soil Conservation Project involves the conservation and restoration of 20,289.8 ha of degraded lands by means of reforestation with tree and shrub species adapted to adverse site conditions. The degraded lands are either property of Moldsilva (Moldovan State Forest Agency) or belong to local communities. These communities are given the option to transfer their lands to Moldsilva or enter into contract with Moldsilva to undertake the reforestation activities during a fixed period. The project area covers degraded lands in the northern, central and southern regions of the country.

The project will have significant social benefits providing urgently needed fuel wood and timber to rural people. The project will also result in employment for local people to undertake the reforestation and the maintenance of the plantations.

The project is not expected to have significant negative environmental impacts. The project is expected to sequester 3,587,827 t CO₂e during the first crediting period.

1.4 The Names and Roles of the Validation Team Members

Name	Role	Affiliate
Irma Lubrecht	Lead Assessor	SGS the Netherlands
Mugur Ungureanu	Local Assessor	SGS Moldova
Frank Werner	Expert	SGS the Netherlands

2. Methodology

2.1 Review of CDM-PDD and Additional Documentation

The validation is performed primarily as a document review of the publicly available project documents. The assessment is performed by trained assessors using a validation protocol.

The validation was lead by Irma Lubrecht. Mugur Ungureanu acted as local assessor and Frank Werner as forestry expert.

A site visit is usually required to verify assumptions in the baseline. A site visit was undertaken from 1st – 5th March 2007 to compare the findings from the Project Design Document with field data and to gain a better understanding of the project and its components. An itinerary of the site visit has been provided at the end of the local assessment checklist (Annex 1 to this report).

2.2 Use of the Validation Protocol

The validation protocol used for the assessment is partly based on the templates of the IETA / World Bank Validation and Verification Manual and partly on the experience of SGS with the validation of CDM projects. It serves the following purposes:

- it organises, details and clarifies the requirements the project is expected to meet; and
- it documents both how a particular requirement has been validated and the result of the validation.

The validation protocol consists of several tables. The different columns in these tables are described below.

Checklist Question	Ref ID	Means of Verification (MoV)	Comment	Draft and/or Final Conclusion
The various requirements are linked to checklist questions the project should meet.	Lists any references and sources used in the validation process. Full details are provided in the table at the bottom of the checklist.	Explains how conformance with the checklist question is investigated. Examples of means of verification are document review (DR) or interview (I). N/A means not applicable.	The section is used to elaborate and discuss the checklist question and/or the conformance to the question. It is further used to explain the conclusions reached.	This is either acceptable based on evidence provided (Y), or a Corrective Action Request (CAR) due to non-compliance with the checklist question (See below). New Information Request (NIR) is used when the validation team has identified a need for further clarification.

The completed validation protocol for this project is attached as Annex 2 to this report

2.3 Findings

As an outcome of the validation process, the team can raise different types of findings

In general, where insufficient or inaccurate information is available and clarification or new information is required the Assessor shall raise a **New Information Request (NIR)** specifying what additional information is required.

Where a non-conformance arises the Assessor shall raise a **Corrective Action Request (CAR)**. A CAR is issued, where:

- I. mistakes have been made with a direct influence on project results;
- II. validation protocol requirements have not been met; or

- III. there is a risk that the project would not be accepted as a CDM project or that emission reductions will not be verified.

The validation process may be halted until this information has been made available to the assessors' satisfaction. Failure to address a NIR may result in a CAR. Information or clarifications provided as a result of an NIR may also lead to a CAR.

Observations may be raised which are for the benefit of future projects and future verification or validation actors. These have no impact upon the completion of the validation or verification activity.

Corrective Action Requests and New Information Requests are raised in the draft validation protocol and detailed in a separate form (Annex 3). In this form, the Project Developer is given the opportunity to "close" outstanding CARs and respond to NIRs and Observations.

2.4 Internal quality control

Following the completion of the assessment process and a recommendation by the Assessment team, all documentation will be forwarded to a Technical Reviewer. The task of the Technical Reviewer is to check that all procedures have been followed and all conclusions are justified. The Technical Reviewer will either accept or reject the recommendation made by the assessment team.

3. Validation Findings

3.1 Participation Requirements

The Netherlands is identified in the PDD as Annex 1 Party involved in the project activity. The Netherlands have ratified the Kyoto Protocol on 31st May 2002 (<http://maindb.unfccc.int/public/country.pl?country=NL>). The Letter of Approval from the Netherlands complies with all CDM criteria.

The host Party for this project is Moldova. Moldova has ratified the Kyoto Protocol on 22nd April 2003 (<http://maindb.unfccc.int/public/country.pl?country=MD>). The Letter of Approval from Moldova complies with all CDM criteria.

3.2 Project Design

CAR 1 was raised following comments made during document review, the project has submitted a revised PDD (version 4). Although the PDD template had correctly been used, it was concluded that the PDD was not complete. More information was required on applicability, baseline parameters, additionality and monitoring.

In response to CAR 1 the project participant revised the PDD (version 5) and after careful review it was concluded that all issues were addressed in a satisfactory way.

CAR 1 was closed out.

For more details please refer to Annex 2 and 3, Validation Protocol and Findings Overview respectively.

The project uses standard forestry practices for implementation of the project combined with state of the art technology like GPS to delineate project boundaries. The responsible people are professional foresters and only needed to be trained on CDM. A site visit confirmed that responsible people have good knowledge of the CDM and no other training is required.

NIR 14 was raised because the project's starting date has not been described, but it is assumed to be the same date as the starting date of the first crediting period, which has been set to 1st October 2002.

In response to NIR 14 the project participant revised the PDD clearly distinguishing between the starting date of the project and the starting date of the crediting period.

NIR 14 was closed out.

A site visit confirmed this date by checking contracts signed with local municipalities to undertake reforestation activities.

The project uses a variety of species in short or long rotation. Although a detailed harvesting schedule in combination with a verification plan is not provided, it can be assumed that systematic verification of peaks in carbon stocks is avoided. The project has selected tCERs.

This is an A/R project therefore the renewable crediting period has been defined as 3*20 years. The project life time is expected to be 100 years. This seems reasonable.

3.3 Application of Baseline Methodology

CAR 2 was raised because in PDD (version 4) the project did not meet all applicability criteria listed in the methodology. The PDD provided insufficient or incorrect information regarding applicability conditions 1, 2, and 4.

1st Applicability Condition of AR-AM0002:

In the PDD it is stated that some project land is subject to pre-project pastoral activities. Taking into account applicability condition 4, these grazing activities have to be shifted outside the project boundary. An (external) grazing intensification program is supposed to absorb the shifted cattle *outside* the project boundary. The GHG emissions associated with this program need to be accounted for or proven to be not significant, which is not foreseen by the approved methodology.

The site visit confirmed that lands do not comply with the 1st applicability criterion: the approximate classification is as follows: 80% - is considered degraded; 50% of which is more degraded; 30% of which is moderately degraded and 20% of which is severely degraded.

2nd Applicability Condition of AR-AM0002:

Eligible lands need to be a) “severely degraded” and b) “lands that are still degrading”. The PDD fails to show that all parcels within the project boundary comply with these two criteria. Further on, land slides and ravines are not assessed for the project area; only data on national level is provided.

4th Applicability Condition of AR-AM0002:

The second bullet point under Section H.3 “Grazing in the newly established forests is possible after the canopy closure, which is expected to occur 15 years after the planting” is not in line with the 4th applicability condition, not permitting any grazing under the project scenario.

In response to CAR 2 regarding the applicability of the methodology, the project participant revised the PDD version 5. Further information about applicability condition 1 and 2 were presented in the revised PDD and were found satisfactory. More detail is provided in Annex 2 and 3 to this report, Validation Protocol and Findings Overview, respectively.

Regarding applicability condition 4: The second bullet point in Section H3 has been deleted in.

CAR 2 was closed out.

Baseline Emissions

CAR 3 was raised because baseline emissions are not determined in accordance with the approved methodology on the following points:

1. The mathematical structure used to quantify baseline net GHG removals by sinks in above-ground biomass of trees does not follow the mathematical structure of AR-AM0002;
2. Verifiable information on the biomass estimation of baseline net GHG removals related to A/R pre-project activities is lacking;
3. For the estimation of the pre-project A/R rate, A/R activities of the project proponents have to be considered (AR-AM0002, Section II.5,(ii), step 1); this rate has to be compared to the A/R rate on national level on comparative lands and the lower be selected.
4. Quantification of soil organic carbon (as outlined in appendix 3 to the PDD) is not in line with AR-AM0002: Soil carbon under degraded lands is assumed to decrease and conservatively set to 0 (Eq. B.1); only for lands under pre-project A/R activities, SOC is considered (Eq. B.3); however, appendix 3 does only address SOC dynamics under degraded land (which may not be taken into account for the quantification of baseline net GHG removals by sinks, according to AR-AM0002).

In response to CAR 3, the project participant declared that:

Ad 1. The baseline methodology provides for the use of either methodology equations or the CO2FIX model (included as Annex 8 to the PDD) for *ex ante* estimation of the emission reductions. The project uses CO2FIX model for *ex ante* projections, The CO2FIX is a spreadsheet based software tool with accompanying instruction manual. The project follows the steps and guidance of AR- AM0002 methodology, which requests for following the instruction manual for *ex ante* projections. Accordingly, the *ex ante* projections were undertaken.

The validation team is well-known with this renowned carbon model and accepted this approach after reviewing the document files.

Ad 2. Spreadsheet have been provided to the validation team containing details about biomass estimation of baseline net GHG removals related to A/R pre-project activities.

After review of these spreadsheets the validation team concluded that this issue can be closed.

Ad 3. The pre-project A/R rate for 10-year period for the Moldsilva and for the national level are the same as Moldsilva is the authorized national public agency responsible for A/R activity in the country.

Ad 4. The sampling procedures outlined in Annex 3 of the PDD under the baseline information demonstrated a continuous decline in soil organic carbon and as well as the baseline net GHG removal by sinks. Therefore,

the *baseline net GHG removal by sinks for these lands* is set to zero as per the Equation B.1 of AR-AM002. This is done to establish the degraded status of lands under the project and not for the quantification purposes.

Considering the very small proportion of annual pre-project planting and slow rate of change in the soil organic carbon, the baseline net GHG removals by sinks was found to be insensitive to the small changes in soil carbon attributable to the pre-project AR activity and it was found that change in the soil organic carbon of pre-project activity planting does not alter the net negative change in the carbon pools of the baseline.

CAR 3 was closed out.

Project Emissions

NIR 4 was raised because project emissions have not been determined according to the methodology.

1. GHG removals by sinks: The PDD, referring to the CO2FIX model uses a different mathematical structure to quantify actual net GHG removals by sinks in the carbon pools than AR-AM0002. This becomes apparent, e.g. when comparing Eq. B.23 of AR-AM0002 and its equivalent in the PDD (first equation in Section D.a.2). Estimations of most carbon pools are not sufficiently documented in the PDD;
2. GHG emissions by sources: The four emission sources covered by AR-AM0002 are addressed. Emissions from fertilizer application and biomass burning are considered not to occur in the project. For the determination of GHG emissions from burning of fossil fuels, most underlying assumptions and parameter values used for the estimations are not stated.

In response to NIR 4 the project participant declared that parameter values stated for the estimation of biomass decline due to site preparation are reasonable.

Ad 1. The project uses CO2FIX, which is spreadsheet based software with accompanying instructional manual. The project follows the guidance of the methodology, which requests for following on the instruction manual.

Ad 2. The project provided a detailed spreadsheet with project emissions. It was concluded that the details were complete and conservative.

NIR 4 was closed out.

Leakage

NIR 5 was raised because although the only leakage type covered by AR-AM0002 is addressed. However, the information provided in the PDD does not allow assessing the correct estimation of leakage, as key assumptions on travel distances, types of vehicles, fuel efficiency, etc. are not stated.

In response to NIR 5, the project participant provided a detailed spreadsheet with leakage emissions. There is a flaw in the spreadsheet since the value for year 2022 (from 1st January 2022 until 30th September 2022) was omitted (total leakage should be 7705 and not 7212). However, the validation team was able to redo the calculations.

NIR 5 was closed out.

All carbon pools are covered by the methodology and the PDD.

3.4 Baseline Selection and Additionality

The project has selected AR-AM0002: "Restoration of degraded lands through afforestation / reforestation". The project developed this methodology previously called AR-NM0007-rev.

Baseline Selection

The PDD describes 5 alternative baseline scenarios:

1. Abandonment of degraded lands from further use;
2. The historical and existing use of degraded lands lead to further degradation;
3. Use of engineering structures to stabilize the land slides and to minimize erosion;
4. Less degraded lands to be considered for alternative agricultural uses and

5. Restoring the degraded lands through afforestation and reforestation.

CAR 7 was raised because the PDD does not show details on the 5 steps to establish the most plausible baseline scenario and therefore the conclusion of the project on selection of baseline scenario could not be verified.

In response to CAR 7, the project participant provided a revised PDD (version 5) and it was concluded that full details on the steps taken (stratification) to establish the most plausible baseline scenario had been provided. The selected baseline scenario: "The historical and existing use of degraded lands lead to further degradation" is regarded to be the most plausible of the alternatives. It is demonstrated that the project activity itself is not a likely baseline scenario.

CAR 7 is closed out.

Additionality

The methodology requires the use of the "Tool for the demonstration and assessment of additionality for afforestation and reforestation CDM project activities" which has been applied in the PDD.

A site visit confirmed that the project started in the autumn of 2002. This is confirmed by a number of documents, for example a contract signed with Tintareni, Chisinau Mayoralty (Contract No. 100 dated, 10th September 2002) (Annex 4)). The plantation under the mentioned contract was visited during the site visit (photos are available upon request).

As there are no historical data on afforestation for the last 50 years the project activity is considered as "reforestation".

CAR 6 was raised after review of PDD version 4. It was concluded that assumptions on additionality have not satisfactorily been supported by transparent and documented evidence:

Step. 0.1: no evidence on the second point of this step is provided (consideration of GHG emissions allowance during project planning).

Step. 0a.2: eligibility of all land parcels needs to be substantiated as no evidence on the eligibility of land on a per parcel basis is provided in the PDD.

Step. 0a.3: not addressed in the PDD

Step 1.a: as not all lands are 'severely degraded' or not even degraded according to the PDD, alternative agricultural uses or improved grazing regimes could constitute possible baseline scenarios on non-degraded or slightly degraded areas.

In response to CAR 6, the project participant provided additional information, detailed clarifications and documentary evidence in section C.5.1, C.5.2, C.6, Annex 5 and 7 to the revised PDD (version 5).

The revised PDD has been studied carefully and it was noted that all issues raised have been addressed.

CAR 6 was closed out.

See Findings Overview (Annex 3 to this report) for full details.

The project has chosen benchmark analysis (option III of step 2). It was demonstrated that the IRR of the project was lower than the benchmark chosen, being the interest rates of two of the largest national commercial banks (Victoria Bank and Banca de Economii) in Moldova.

Site visit confirmed the interest percentages of the two largest banks:

- VictoriaBank
 - In Moldavian Lei - 16,5% per annum;
 - In foreign currency: USD- 12% per year , EURO-11 % per annum.
- Banca de Economii
 - The bank examines the possibility of offering the loans at interest rates established in accordance with the financial market conditions at the moment of offering the loans. At the moment the interest rates of the offered loans by the bank are ranging among 15 – 20 %

annually – for MDL loans and 10 – 12 % annually – for foreign currency loans, depending upon the VictoriaBank.

The sensitivity analysis considers timber price, project cost and carbon price. An increase in timber and carbon price will show an increase in project revenue and reduction in running costs. An increase in project costs will show a decrease of project revenue.

Financial analyses were performed altering the parameters by 20 years and assessing the impact on the project IRR. It was verified that the project IRR remained lower than the benchmark even in the case where these parameters change in favor of the project.

It was confirmed that, as discussed in the PDD (section B.5), the project is not the most attractive investment (if compared with the benchmark) and that the reforestation of degraded lands is not common practice in Moldova. References and sources of data used to support the discussion in Step 4 were verified.

It was concluded that the project is additional.

3.5 Application of Monitoring Methodology and Monitoring Plan

Applicability Criteria

There are no specific applicability criteria listed as part of a monitoring methodology since monitoring is not foreseen in AR-AM0002.

Monitoring Plan

CAR 8 was raised to highlight the following inconsistencies:

1. Monitoring of project parameters such as project boundary, forest establishment and forest management are not fully in line with AR-AM0002;
2. Sample size is not adequate (1 sample per stratum to determine existing carbon does not allow for any statistical analysis); provisions on plot distribution are not clearly worded; and
3. The monitoring plan (Section E and Annex 4) does not provide fully detailed (verifiable) binding instructions on monitoring carbon pools and emission sources. This would include unambiguous description of sampling procedures, a complete sampling schedule including all pools (see table 9), specification of equations (where AR-AM0002 allows different approaches), default data (allometric equations, R:S-ratios, etc.) used, etc. The monitoring plan (Annex 4) should specify the provisions of AR-AM0002 to an operational level for the specific project without leaving options.

In response to CAR 8 the project participant revised section E and Annex 4 to the PDD (version 5):

Ad 1. Revisions have been made to the monitoring provisions of project boundary in section E1.1, forest establishment in section E1.2 and forest management in section E1.3.

Ad 2. Sample size calculations are revised. The revised sample size estimates are adequate to estimate the changes in carbon stocks with specified precision and confidence intervals. The provisions included in sample size calculations allow for increasing the sample size at the time of verification to ensure the calculation of carbon stock changes with required precision.

Ad 3. Revisions made to the sections provide additional information and clarifications on the sampling procedures for the pools under monitoring.

CAR 8 has been closed out.

See Findings Overview (Annex 3 to this report) for full details. However, the project submitted an elaborated Monitoring Plan (Annex 4 to the PDD) and it is regarded a complete and thorough document.

NIR 15 was raised because according to Section F of the PDD, no significant negative environmental impacts on biodiversity and natural ecosystems are expected; no particular monitoring is foreseen. However, the potentially adverse effects (persistence) of the use of insecticides are said to be observed to take corrective actions as part of the monitoring of forest establishment/management (Section F1); explicit monitoring procedures of persistence are not defined in the monitoring plan (whereas quantities of applied weedicides are monitored (Section E.1.2)).

In response to NIR 15 the project participant revised Annex 4 of the PDD, which provides details of the biodiversity indicators and monitoring procedures proposed to be implemented under the project.

NIR 15 was closed out.

CAR 9 was raised because it was observed that provisions on the monitoring of emission sources and leakage are lacking.

In response to CAR 9 the project participant revised section E.4.2 of the PDD (version 5) and also included monitoring provisions for emission sources in Annex 4 of the PDD. Monitoring provisions on leakage prevention activities are presented in section E.5 and Annex 4 of the PDD.

CAR 9 was closed out.

CAR 10 was raised because it was observed that no procedures were identified in the PDD.

In response to CAR 10, the project participant included relevant procedures in Annex 4 of the PDD.

CAR 10 was closed out.

3.6 Choice of the Crediting Period

NIR 14 was raised because the project has selected a renewable crediting period, the starting date of the project is 1st October 2002 and so is the starting date of the first crediting period. This was not clear in the PDD (version 4).

In response to NIR 14, the project participant revised section B.1 of the PDD (version 5) and the change was found to be satisfactory.

NIR 14 was closed out.

3.7 Environmental Impacts

NIR 11 was raised because no environmental impacts of the project activity have been described:

- Endangered species (fauna) and prevailing ecosystems and primary species (flora) are described in Section A.4.1.4; however, the impact of the project on these endangered species is not discussed in Section F nor is the treatment of valuable biotopes/ecosystems within the project area discussed. The PDD assumes that biodiversity will increase due to the planting of native tree species and recovery of non-tree vegetation. However, a set of preventive measures is foreseen to prevent adverse environmental impacts, including good forest management practices and linking reforested areas to ecological networks/protected areas (Table 34).

In response to NIR 11 the project participant revised section F and Annex 8 to the PDD (version 5). The information on biodiversity impacts of the project is presented in Annex 8 on the environmental impacts of the project.

The information presented in Table 33 about the environmental impacts of the project on flora and fauna clarifies the project's positive environmental impacts on biodiversity and comparison with the information in Table 32 clarifies that the project's long term biodiversity impacts are significantly positive as can be observed from the information presented in Section F.1 of the PDD.

NIR 11 was closed out.

3.8 Local Stakeholder Comments

NIR 12 was raised because it is not clear how stakeholder comments have been invited even though stakeholder meetings were held as formal and informal meetings and workshops. A site visit confirmed that all stakeholders are aware of the project process and successfully cooperate within its framework.

In response to NIR 12 the project participant provided a revised PDD (version 5) in which is stated that stakeholders were invited in their local language to provide comments and deliver these in workshops and meetings organized at the local council, mayoralties, district and national levels. Several public agencies and NGOs, actively participated in the stakeholder consultation process.



NIR 12 was closed out.

NIR 13 was raised because a site visit highlighted that according to the applied requirements, consultation and information shall occur every quarter (every three months).

In response to NIR 13 the project participant revised section H of the PDD (version 5). Apparently as per the Forest Code and some environmental protection laws, everyone have the right to obtain information on the condition of forestry environment. Information is available all year round.

NIR 13 was closed out.

4. Comments by Parties, Stakeholders and NGOs

In accordance with sub-paragraphs 40 (b) and (c) of the CDM modalities and procedures, the project design document of a proposed CDM project activity shall be made publicly available and the DOE shall invite comments on the validation requirements from Parties, stakeholders and UNFCCC accredited non-governmental organizations and make them publicly available. This chapter describes this process for this project.

4.1 Description of How and When the PDD was Made Publicly Available

The Project Design Document for this project was made available on the SGS website:

(<http://www.sgsqualitynetwork.com/tradeassurance/ccp/projects/project.php?id=196>)

It was open for comments from 17th January 2007 until 2nd March 2007 and comments were invited through the UNFCCC CDM homepage

4.2 Compilation of All Comments Received

No comments were received.

4.3 Explanation of How Comments Have Been Taken into Account

No comments were received.

5. Validation Opinion

SGS has performed a validation of the project: “Moldova Soil Conservation Project”. The Validation was performed on the basis of the UNFCCC criteria and host country criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

Using a risk based approach, the review of the project design documentation and the subsequent follow-up interviews have provided SGS with sufficient evidence to determine the fulfilment of the stated criteria. In our opinion, the project meets all relevant UNFCCC requirements for the CDM and all relevant host country criteria. The project will hence be recommended by SGS for registration with the UNFCCC.

SGS has received confirmation by the host Party that the project activity assists it in achieving sustainable development.

By reforestation of degraded lands in Moldova, the project will sequester carbon/reduce emissions that is real, measurable and give long-term benefits to the mitigation of climate change. A review of the investment analysis 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. If the project is implemented as designed, the project is likely to achieve the estimated amount of emission reductions.

The validation is based on the information made available to SGS and the engagement conditions detailed in the report. The validation has been performed using a risk based approach as described above. The only purpose of this report is its use during the registration process as part of the CDM project cycle. Hence SGS can not be held liable by any party for decisions made or not made based on the validation opinion, which will go beyond that purpose.

The DOE declares herewith that in undertaking the validation of this proposed CDM project activity it has no financial interest related to the proposed CDM project activity and that undertaking such a validation does not constitute a conflict of interest which is incompatible with the role of a DOE under the CDM.

6. List of Persons Interviewed

Date	Name	Position	Short Description of Subject Discussed
Nov 2006 – Sept 2007	R. Reddy		All validation topics
1 st – 5 th March 2007	Mr. Dumitry Galupa	Moldsilva	All validation topics
1 st March 2007	Mr. Petru Rotaru	Chief of Forestry Fund Direction of “Moldsilva”	Letter of Approval Moldova
1 st March 2007	Ion Platon	Chief of Financial Director, Moldsilva	Finances of the project (additionality)
1 st March 2007	Mr. Vasile Balan	Forestry Engineer of Moldsilva Chisinau	Contracts
2 nd March 2007	Vladislav Valerici	Cadastral Engineer, Comrat	Project, contracts, funds
2 nd March 2007	Vladimir Medonii	Mayor, Harpot, Cimislia	Project, contracts, funds
2 nd March 2007	Iurie Ventila	Mayor, Carpineni, Hancesti	Project, contracts, funds
2 nd March 2007	Mr. Vladislav Valerich	Cadastral Engineer of Chirsova Local Council (Cahul)	Moldsilva’s reforestation activities
2 nd March 2007	Alexander Paikov	Forester, Comrat	Forestry practices, use of fertilizers
2 nd March 2007	Mr. Vladimir Medonii	Mayor of Hartop	Moldsilva’s reforestation activities
2 nd March 2007	Mr. Mihail Plamadeala	Cadastral Engineer of Hartop	
5 th March 2007	Mr. Scrpan	Ministry of Ecology and Natural Resources	Letter of Approval Moldova
5 th March 2007	Mr. Valerian Cerbari	Professor, Doctor of Agricultural Science, Institute of Soil Science of “N. Dimo”	Soil erosion, degraded lands
5 th March 2007	Mihai Coca	Chief of Direction, Natural resources and Biodiversity, Ministry of Ecology of Natural Resources	Funds for restoration of degraded lands
5 th March 2007	Mr. Ion Talmaci	Monitoring Specialist, Moldsilva	Monitoring

7. Document References

Category 1 Documents (documents provided by the Client that relate directly to the GHG components of the project, (i.e. the CDM Project Design Document, confirmation by the host Party on contribution to sustainable development and written approval of voluntary participation from the designated national authority):

- /1/ PDD without version and date; received 22nd November 2006; PDD version 4 dated 9th January 2007 (published for international stakeholder consultation); PDD version 5 dated 5th August 2007 (attached)
- /2/ Letter of Approval from the Netherlands dated 30th June 2006
- /3/ Letter of Approval from Moldova dated 23rd November 2006
- /4/ Modalities of Communication
 - The World Bank, dated 12th September 2006
 - State Forestry Agency "Moldsilva", dated 8th September 2006

Category 2 Documents (background documents used to check project assumptions and confirm the validity of information given in the Category 1 documents and in validation interviews):

- /5/ Annex 4 Monitoring Plan
- /6/ Annex 5 List of land parcels of project
- /7/ Annex 6 Land Use and Erosion Status of Project Land Parcels
- /8/ Annex 7 Evidence consideration of CDM revenue
- /9/ Annex 8 CO2FIX model parameters
- /10/ Annex 9 Actual net GHG removals
- /11/ Annex 10 Moldova sample size
- /12/ Annex 11 - Moldova PDD Investment Analysis

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A.1 Annex 1: Local Assessment Checklist

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
Can you confirm the authenticity of the Letter of Approval?	Check with DNA; compare copy of LoA obtained from DNA with the one I sent you	PDD, section A.3	Confirmed by the Chief of Forestry Fund Direction of "Moldsilva" Ministry of Ecology and Natural Resources There is an identical original of the above mentioned letter. There letter was shown, it is kept in a file together with other relevant materials on this subject.	Mr. Petru Rotaru Mr. Scrpan Tel. (+373 22) 232247	01 March 2007 05 March 2007
Can you confirm that Moldova is debt to soil erosion and land slides due to previous landuse?	Environmental Ministry, University or institute	PDD, section A.2	As told by Mr. Cerbari, from Institute "DIMO" the soil erosion and land slides are caused due to the following reasons: [1] accidental relief; [2] complicated sedimentology of rocks; [3] upper layers of soil are placed on marine layer; [4] anthropogenic activity: irrigation, change of hydrometric regime.	Mr. Valerian Cerbari Professor, Doctor of Agricultural Science Institute of Soil Science of "N. Dimo"	05 March 2007
IMPORTANT: DOCUMENTED EVIDENCE NEEDED Can you confirm that Moldova is not able to restore degraded lands due to lack of financial resources?	Ministry of Finance	PDD, section A.2	According to Mr. Mihai Coca, the means from Ecological Funds directed for amelioration of the situation can only cover the means necessary for resource provision to organize the National Green Day [one day per year in the spring when all kinds of organizations go for planting trees] and to manage the preparation of seedlings.	Mihai Coca Chief of Direction Natural resources and Biodiversity Ministry of Ecology of Natural Resources	05 March 2007

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
			<p>According to the local councils mayors no funds are available to direct for afforesting, and only thanks to the project the problem can be solved. This is the opinion of all mayors and cadastral engineers with whom discussion was held.</p> <p>See also comment No. 1 in continuation to the checklist.</p>	<p>- Vladislav Valerici Cadastral Engineer, Comrat</p> <p>- Vladimir Medonii Mayor, Harpot, Cimislia</p> <p>- Iurie Ventila Mayor, Carpineni, Hancesti</p>	02 March 2007
<p>DOCUMENTED EVIDENCE NEEDED Can you confirm the starting date of the project activity (being the date at which the implementation or real action of a project activity begins)</p>	Check permits etc	PDD, section A.4 and section C	<p>Following the revision of the project files within Moldsilva, territorial units of Moldsilva and mayoralties there was found evidence that the project started in the autumn of 2002.</p> <p>This is confirmed by a number of documents, as for instance contract signed with Tintareni, Chisinau Mayoralty.</p> <p>The plantation under the mentioned contract was visited and photos enclosed.</p>	<p>Visited Mayoralties, Territorial Units of Moldsilva, Moldsilva</p> <p>Contract No. 100 of 10.09.2002, Enclosure 18</p> <p>Information issued by Moldsilva, enclosure No. 16</p>	01,02,05.03.2007

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
Can you confirm that Moldosilva is authorised to undertake afforestation /reafforestation activities on lands owned by local councils and to manage these lands until after the establishment of forest?	Check contracts with local councils	PDD, section A.2	<p>The local councils authorised Moldosilva to undertake forestation through the contract that is concluded for each such case.</p> <p>The contract as a rule is concluded for 10 years until the establishment of the forest with a prolongation of the contract for a next similar period if neither of Parties does express the wish to cancel it. For the contract period it is the responsibility of Moldosilva for administration of plantations.</p> <p>The contract is concluded on the bases of the local council decision.</p> <p>The same scheme is applied for all cases when the local council authorises Moldosilva to undertake afforestation.</p> <p>Copy of standard contract is enclosed.</p>	<p>Cooperation contract for conservation through afforestation [without number] of 22.08.2005 concluded with the Chirsova Local Council (Cahul). The contract is valid till 22.08.2015.</p> <p>Above mentioned contract was concluded on the bases of the Decision 36 of 22.05.2005</p> <p>Cooperation contract for conservation through afforestation No. 5 of 09.02.2006 concluded with the Hartop Local Council (Cimislia). The contract is valid till 09.02.2016.</p> <p>Above mentioned contract was concluded on the bases of the Decision 16/16 of 07.04.2005</p>	<p>Cadastral Engineer of Local Council Mr. Vladislav Valerich 02 March 2007</p> <p>Mayor of Hartop Mr. Vladimir Medonii Cadastral Engineer of Hartop Mr. Mihail Plamadeala 02 March 2007</p>

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
				Cooperation contract for conservation through afforestation No. 7 of 18.04.2005 concluded with the Straseni Local Council (Chisinau). The contract is valid till 18.04.2015. Above mentioned contract was concluded on the bases of the Decision 16/16 of 07.04.2005	Mr. Vasile Balan Forestry Engineer of Moldsilva Chisinau 01.03.2007
What is the definition of forest according to the contracts with the local councils?	Check contracts with local councils	PDD, section A.2; http://cdm.unfccc.int/DNA/ARDNA.html?CID=176	The contracts with local councils do not specify the definition of forest because as it was mentioned it is specified at the legal level in the Forestry Code, paragraph 3 Moldsilva also issued an order containing the definition of the forest. A specimen of contract is enclosed.	Local mayors not fully aware Explanation given by Mr. Dumitry Galupa Order No. 7-P of 11.01.2006, enclosure No. 10.	02.03.2007

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
<p>Can you confirm the applicability criteria in section B2 of the PDD:</p> <ul style="list-style-type: none"> - [1] The project activity does not lead to a shift of pre-project activities outside the project boundary; - [2] Lands to be reforested are severely degraded; - [3] Environmental conditions or anthropogenic pressures do not permit significant encroachment of natural tree vegetation; - [4] Grazing will not occur within the project boundary in the project case; - [5] The application of the procedure for determining the baseline scenario in section II.4 leads to the conclusion that the baseline approach is the most appropriate choice for determination of the baseline scenario and that the land would remain degraded in the absence of the project activity. 		<p>PDD, section B2; and AR-AM0002</p>	<p>[1] It was not a quite clear question for me. Please give more details for me to come with the answer.</p> <p>[2] The majority are severely degraded, although as told by Profesor Cerbari, some of them about 2-3% are in good state, this is due to their location near the degraded ones forming one plot.</p> <p>This is conformed also by the research carried out by the institute, e.g. Information on the quality of the soil blanket of the plots as for instance for Telenesti district, Village Cazaneshiti.</p> <p>Following the check of Moldosilva project database all plots are placed on lands following under III and IV categories.</p> <p>[3] Previously the environment conditions permitted the encroachment of natural tree vegetation but the change of hydrometric regime changed it to the actual state of things, was mentioned by Profesor Cerbari.</p> <p>As to the natural conditions it is necessary to achieve 16-17% of afforestation to have favorable hydrometric conditions versus 8-9 % of today and the anthropogenic pressure is more severe.</p> <p>The geographical position of Moldova situated at the boarder of forest to predominately steppe which does not permit the encroachment of natural tree vegetation.</p>	<p>Mr. Valerian Cerbari Professor, Doctor of Agricultural Science Institute of Soil Science of "N. Dimo"</p> <p>Map of soils</p> <p>Moldosilva Soil Conservation Project Database</p> <p>Mr. Valerian Cerbari Professor, Doctor of Agricultural Science Institute of Soil Science of "N. Dimo"</p>	<p>05 March 2007</p>

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
			<p>Additional resources</p> <p>[1] http://www.biotica-moldova.org/Eco-Net/part1-4.htm</p> <p>[2] http://www.law-moldova.com/</p> <p>[3] Flora of Moldova's forests are characterizes by a weight of introduced species (38,7%) from other floristic regions. Some of them have a special importance for country's (<i>white poplar</i>, <i>white acacia</i> and others) occupying vast treeing places.</p> <p>[4] Gazing shall not occure which is protected by law and is specified in the contract concluded with local counsiles. During the field inspection there had not been identified animals within the plots although the taken pictures may permit to make assumption that on the plots situated near the comunities gazing need to be controlled more severely.</p> <p>[5] Almost all interlocutors, expert in the subject to some extent participated in the elaboration of the baseline scenario, so the answer is yes.</p>	<p>Revised contracts concluded with local communities e.g. Contract concluded with majority Chirsova (Comrat) of 22.05.2005;</p> <p>Photos taken on plot 08085367 Carpineni/Hancesti [broken</p>	

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
<p>Can you confirm that the project will contribute to the following criteria:</p> <ul style="list-style-type: none"> - Prevention of future land degradation; - Supply of forest products and services; - Community based management of degraded lands; - Local employment - Biodiversity conservation 	Check with local councils; environmentalists; ecology experts	PDD, section A.2	<p>It was confirmed by the most of the interlocutors that the project influences positively the mentioned criteria.</p> <p>The project shall contribute to the prevention of land degradation by maintaining a more favourable hydrometric regime which shall conduct to the bio diversification amelioration and conservation.</p>	<p>Mayors and cadastral engineers of local councils.</p> <p>Mr. Valerian Cerbari Professor, Doctor of Agricultural Science Institute of Soil Science of "N. Dimo"</p>	<p>02.03.2007</p> <p>05 March 2007</p>

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
Art. 2 of the Law on Rehabilitation of Degraded Lands through Afforestation (1041-XIV) identifies the status of degraded lands. Please describe them here	Check internet or relevant Ministry; obtain copy of Article	PDD, section A.4	<p>Law on rehabilitation of degraded lands by afforestation (1041-XIV/June, 15, 2000).</p> <p>Art.2. – There are considered degraded lands in the interest of this Law, lands through erosion, pollution or through destructive anthropologic factors had definitely lost its agricultural production capacity but which can be ameliorated through afforestation and through other activities to re-establish the ecosystems and namely:</p> <ul style="list-style-type: none"> a) lands with severe and extensive erosion; b) lands with deep erosion; c) lands affected by the land slides, slips and land flow-out; d) sand lands exposed to wind or water erosions; e) stony lands, cobble lands and deposits heavy rains washes; f) lands with excess of permanent humidity; g) swampy soils; h) lands polluted with chemical or petroleum substances; i) lands with open cast mines, with production wastes or garbage, etc. j) lands with affected or destroyed biogenesis; k) non-productive lands. 	Free translation from Romanian	

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
Can you confirm that lands under the project fall in productivity classes III and IV?	Check Ministry of Forestry; independent forestry expert	PDD, section A.4	<p>It was confirmed by Professor Cerbari. The approximate classification is as following: 80% - is considered degraded; 50% of which is more degraded; 30% of which is moderately degraded and 20% of which is severely degraded and almost all fall under classes III and IV, with above mentioned 2-3% exception not confirmed by Moldsilva</p> <p>The studies are carried out on permanently bases for 1-2 districts per year (all in all 40 districts with Transnistria) with an interval of 20 years. The classification of lands is one of the monitoring issues.</p> <p>Data are taken from cadastral maps.</p> <p>Enclosure No. 6 – Soil Types Codes</p>	<p>Mr. Valerian Cerbari Professor, Doctor of Agricultural Science Institute of Soil Science of “N. Dîmo”</p> <p>Cadastral Maps</p> <p>File PCSM Sector List.xls</p>	05 March 2007

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
How has species/site comparison been carried out?	Moldsilva	PDD, section A.4	<p>The species had been chosen based on the soil condition, using the soil maps and industry guidance instructions.</p> <p>e.g. Populus species on lands of productivity class III; Robinia Species and Quercus Species on III and IV, with the exception of Quercus rubra only on III.</p> <p>The visited plots corresponded to the documented scheme to the large extent.</p> <p>One of the reasons not to respect the plantation requirements as to the species/site is the lack of necessary seedlings, note made by Professor Cerbari – rendering the idea expressed by Mr. Cerbari to the large extend and not to the project in particular.</p>	<p>Mr. Ion Talmaci Monitoring Specialist</p> <p>Mugur Ungurean</p> <p>Mr. Valerian Cerbari Professor, Doctor of Agricultural Science Institute of Soil Science of “N. Dîmo”</p>	<p>05.03.2007</p> <p>01-02;05.03.2007</p> <p>05.03.2007</p>
What percentage of natural area in Moldova is considered to be degraded?			<p>The approximate classification is as following: 80% - is considered degraded; 50% of which is more degraded; 30% of which is moderately degraded and 20% of which is severely degraded.</p>	<p>Mr. Valerian Cerbari Professor, Doctor of Agricultural Science Institute of Soil Science of “N. Dîmo”</p>	05.03.2007

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
Please review several management plans of local councils to check what their responsibilities are and what the local councils are going to monitor after the project has been handed to them (Moldsilva is responsible until canopy closure)	Check management plans and interview local councils	PDD, section A.4	<p>The duties of the local councils are given in the contract which is concluded for collaboration in the field of improvement conservation through afforestation.</p> <p>See clause 3.2 of the contract. Specimen of the contract is enclosed. Enclosure No. 2</p> <p>Besides the use of afforested lands as lands with forest vegetation for a period of 100 years the other obligations of the local councils after the project is handed back to them result from the Forestry Code at legislative level.</p>		
What contract does Moldsilva have with the local councils to take care of the project? Do they pay them for a certain period of time? Or have they just received leases on the land? Please elaborate.	Review contracts/invoices/payments at Moldsilva and compare with local councils	PDD, section A.4	<p>The contract is enclosed. Enclosure No. 2</p> <p>They do not make payments, just lease the land. The contract is entitled "Contract of collaboration ..." The Parties shall find by themselves the necessary means to carry out contract obligations. The enclosure to the contract stipulates that if Parties do not insist of the termination of the Contract, the Contract shall automatically be prolonged for another similar period. The revised contract had been concluded with a validity of 10 years, although in discussion with Alexander Peikov, forester from Comrat district, it was mentioned that Contracts could be concluded with a validity from 5 to 10 years.</p>	<p>Chisinau Contract No. 1000 of 10.09.2002 valid 10.09.2002</p> <p>Comrat/Chirsova Contract of 22.08.2005 valid till 22.08.2015</p> <p>Cimislia/Hartop Contract No. 5 of 09.02.2006 valid till 08.02.2016</p>	<p>01.03.2007</p> <p>02.03.2007</p>



What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
How does Moldsilva check that the local councils manage their lands according to the management plan?	Moldsilva		<p>The local councils shall observe the requirements of Forestry Code as per applied legal requirements.</p> <p>For forestry activity within afforested plot it is required a permit obtained from the Ministry of Ecology.</p> <p>Contract concluded with Moldsilva also specify how the management of afforested plots is performed.</p> <p>Annual inventory is performed according to the contract each year as on 01 November.</p>	Mr. Ion Talmaci Monitoring Specialist Moldsilva	05 March 2007

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
Please confirm that the total area of the project cover 20,289.9 ha	Check Moldsilva docs	PDD	<p>The total afforested area is given in Enclosure No. 4.</p> <p>Moldsilva monitores the afforested areas with a help of a database "Moldsilva Soil Conversion Project Database", which was deployed in 2004 and data were entered till the end of 2006, and now is a validation period of the database to resolve the possible bugs and check the introduced data. At the same time the data are available in Excel spreadsheets and are more accurate, as mentioned by Mr. Talmaci, although as I had observed according to Database the total area was 20279,42 ha while in Excel spreadsheet the total afforested area was 20289,91 ha. This could be explained by the answer to the next question.</p>	<p>Mr. Ion Talmaci Monitoring Specialist Moldsilva</p>	05 March 2007
Has the planting been completed? Will there be more planting in the future?	D. Galupa	PDD, section A.4	<p>According to Mr. Talmach the planting had been completed to the large extent. This means the following. To complete the planting according to the planned Program of 20289,91 ha, remains to add this spring to the main species the secondary species for an area of 50 ha in Comrat District, and in the hallow of river Prut a plot of 11 ha is under water.</p> <p>The results are confirmed by the inventory data for 2006</p>	<p>Mr. Ion Talmaci Monitoring Specialist Moldsilva Mr. Dumitry Galupa Related the same story in different situation Discussions held apart. Inventory Data of 2006</p>	05 February 2007

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
Can you confirm that no nitrogen fertilizers have been used? When the project sites have been prepared, has anything been added to the soil or the planting hole?	Check with planters.	PDD, section A.4	<p>Checked with Forestry Engineers of the visited plots. As per their explanations the planting is performed as following after mechanical or mostly manual preparation of plantation/plot the seedling is wet in the solution made of water and soil and placed in the planting hole.</p> <p>No fertilizers are used.</p> <p>All seen, verified or checked documents did not give evidence of the use of any fertilizers.</p> <p>As told the fertilizers are used only in nurseries.</p>	<p>Alexander Paikov Forester, Comrat</p> <p>Vladimir Medonii Mayor, Hartop, Cimislia</p> <p>Ion Talmach Monitoring Specialist</p>	<p>02.03.2007</p> <p>02.03.2007</p> <p>05.03.2007</p>

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
Selects several plots and redo the measurement of the area.	Check maps, GPS records and data base for area measurements; In the field; redo the measurements	PDD	<p>The maps used for establishing the area of the plots are 20-30 years old.</p> <p>The GPS measurements of the areas under the project had been performed within 2004-2006, for all plots. The random request of protocols and data confirmed it. The Data are introduced and kept in the MapSource, specialised soft. An extract from the database is given as Enclosure No. 5. The mentioned example refers to the Comrat district the plot No 20204164 visited during the audit. It was performed within 14-23.02.2006 by the engineer Igor Andronic</p> <p>Following the examinations of the protocols it was observed that for some plots in the result of the monitoring of measurements there had been requested to repeat the measurements which was confirmed by additional protocols.</p> <p>There had not been performed any re-measurement within the frame of the audit, due to several reasons. As the measurement had been performed by the contractors and there was necessary some time to agree with them on repeated measurements; it would need some half a day and the visited plot were quite big ones.</p> <p>If necessary I can arrange with Moldosilva to perform this measurement.</p>	<p>Cadastral maps Vladislav Valerici Comrat Mayoralty</p> <p>Mr. Ion Talmaci Monitoring Specialist Moldosilva</p>	<p>02.03.2007</p> <p>05.03.2007</p>

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
IMPORTANT: DOCUMENTED EVIDENCE NEEDED Can you confirm that the selected areas were not forested before 1999 and that there has not been forest for the previous 10 years?	Check maps from Ministry; ask for proper justification;	PDD	Document on the previous use of the land agreed with the state cadastral service This document is available for all files. Example is given in Enclosures 7/1 and 7/2.	Mr. Ion Talmaci Monitoring Specialist Moldsilva Enclosures No. 7/1 and 7/2.	05.03.2007
How have transportation emission been taken care of? How have they been calculated?	Invoiced from transportation. Interview local councils	PDD	The Moldsilva Soil Conservation Database contain a module for calculating Carbon emissions. e.g. Comrat 2006 total 9187 total CERs minus 5%. The transportation emissions had been also taken care. As for instance fuel emissions, leakages for different performed work as for instance soil preparation (if applicable), thinning, wood transportation, etc which are identified and given in the project documentation as well. The calculation is done taking into consideration the quantity of emission for each fuel for processing 1 ha of area or calculating the emission for one kilometre. The methodology of calculation is available. No records found.	Mr. Ion Talmaci Monitoring Specialist Moldsilva	05.03.2007

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
THIS IS VERY IMPORTANT AND I WILL NEED TO SEE DOCUMENTED EVIDENCE: Can you confirm that data on land use from official sources demonstrate that the project lands have not been afforested during the last 50 years or reforested since 1989?	Check where data have come from and double check. I will not accept communication as proof.	PDD, Section C.1; Annex 18 to EB 26	As there is no historical data on the afforestation for the last 50 years all the project activity falls under the reforestation. There is a document confirming the category of land before 31.12.1989 confirmed by cadastral engineer. This document is available for all files. Example is given in Enclosures 7/1 and 7/2. As mentioned by Mr. Cerbari the cutting of forests in Moldova ceased in 1950s to that date the we have almost the forests within today's boundaries.	Mr. Ion Talmaci Monitoring Specialist Moldsilva Enclosures No. 7/1 and 7/2. Professor Valerian Cerbari Institute N. Dimo	05.03.2007
Can you confirm that rates of interest at Victoria Bank and Banca de Economiii are 16.5 and 15-20%			Victoriabank Main interest rates for loans and guarantees with reference to legal entities For the moment Bank settled the following main interest rates for loans: <ul style="list-style-type: none"> o In Moldavian Lei - 16,5% per year o In foreign currency: USD- 12% per year , EURO-11 % per year The decision regarding the interest rate is taken by Credit Committee depending on several criteria that could decrease or increase the main interest rates.	http://www.victoriabank.md/eng/section/101/	

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
			<p>Banca de Economii</p> <p>The income rates for loans</p> <p>The bank examines the possibility of offering the loans at interest rates established in accordance with the financial market conditions at the moment of offering the loans. At the moment the interest rates of the offered loans by the bank are ranging among 15 – 20 % annually – for MDL loans and 10 – 12 % annually – for foreign currency loans, depending upon the financial situation of the loan solicitors and the risks that the Bank is exposed to.</p> <p>Moldsilva said they do not applied for loans.</p>	<p>http://www.bem.md/en/services/sjuridicalper/credits/tariffs/</p> <p>Ion Platon Chief of Financial Director Moldsilva</p>	01.03.2007
Can you confirm if an Environmental Impact Assessment is required for the project activity and if so if this has been approved in accordance with Moldovan legal requirements. Would there be any requirements to continuously monitor environmental impacts	Relevant Ministry	PDD section D	<p>Yes, there had been performed the assessment as starting with the elaboration of "baseline scenario".</p> <p>The Environmental Impact Assessment methodology had passed all applied procedures within the Ministry of Ecology and was approved by it.</p> <p>The monitoring is performed in continuation according to the approved monitoring plan of the project.</p>	<p>Mihai Coca Chief of Direction Natural resources and Biodiversity Ministry of Ecology of Natural Resources</p>	05 March 2007



What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
Can you confirm that the project meets all other legal requirements in Moldova (for example that required permits are in place) and if not, could this situation continue without the project activity	Check with (local) authorities	PDD section D	<p>Ministry of Ecology and Natural Resources</p> <p>It was confirmed that the project today is not affected by any law in force.</p> <p>Some new legal requirements may be applied in the future for the surplus of carbon emissions not included in the project and sold on the carbon market, i.e. referred to the account holder, taxes, etc.</p> <p>This is also confirmed by the following documents revised for visited plots:</p>	<p>Mr. V. Scorpan</p> <p>Ministry of Ecology</p>	05 March 2007

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
			<ul style="list-style-type: none"> - Local councils decisions for plots to be transmitted for aforistation; - Frame-Contracts concluded between local councils and the forest units of Moldsilva; - Annexes to the contracts; - Scheme of the plot; - Documents with the view to category of plot as on 31.12.1989 and 15.03.2003; - Acts of plots transferral to Moldsilva; - Scheme of afforested species; - Acts of Technical acceptance of afforested species - Acts of inventory of afforested species - Register of afforested species: - Annual plans for gapfilling and maintenance; - Orders of Moldsilva within the framework of the project; - Etc. 	<p>Completed by Mr. Galupa</p> <p>Some of examples were mentioned by Mr. Scorpan and further completed by Mr. Galupa making reference also to the Manual of the Project Management where all this is also specified.</p>	

What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
Can you check if the local stakeholder process has been performed as described? Can you check if all relevant stakeholders have been contacted and a summary of comments received is available? Furthermore do the local stakeholders feel their comments were taken into account properly?	Review minutes of the meeting held and try to contact people that were present.	PDD , section E	<p>Following the discussions with different stakeholders on the field it was found that all stakeholders are aware of the project process and successfully cooperates within its framework. As explained this cooperation is well managed by a good legal framework which limits each responsibility within the framework of project implementation.</p> <p>There was taken an example to be revised.</p> <p>As resulting from the presented minutes only representatives of Moldsilva including the territorial agencies, and Project Implementation Unit were present at the meeting. The meeting discussed all issues related to the project and found results satisfactory.</p>	<p>Alexander Petkov Forester, Comrat Vladislav Valerici Cadastral Engineer Vladimir Medonii Mayor of Hartop, Cimislia</p> <p>Minutes of meeting within the framework of the Soil Conservation Project of Republic of Moldova of 24.06.2004</p>	<p>02.03.2007</p> <p>05.03.2007</p>



What to check	How to check it	Reference	Answer	Objective Evidence / Source of information / Persons interviewed	Date of site visit/ or when person was interviewed
Can you confirm if a stakeholder consultation process is required in Moldova for the CDM and if so has the stakeholder consultation process been carried out in accordance with such regulations/laws		PDD, section E	<p>Yes it is required for CDM Project, as mentioned by Mr. Scorpan from the Ministry of Ecology. He also mentioned that according to the applied requirements such consultation and information shall occur every quarter (each three months). Also Validation Reports are issued following the consultation of the community and stakeholders.</p> <p>Moldsilva also provided a copy of Minutes of a sitting within the framework of the "Soil Conservation" Project, example of 24.06.2004, enclosure No. 1</p>	<p>Ministry of Ecology Mr. V. Scorpan</p> <p>Moldsilva Mr. Ion Talmaci Monitoring Specialist</p>	05 February 2007

Comments

1. Extract from the Budget Law of Republic of Moldova for 2007 [[Legea bugetului de stat pe anul 2007 nr.348-XVI din 23.11.2006](#)]

Anexa nr.1

Incomes and Expenses and Financial Sources of the State Budget

- 000 lei -

Entry	Code			Total	Inclusively					
	Paragraph /Main Group	Group	Authority/ Project/ Fund		Income/Main Expenses	inclusiv		Project financed from external sources	Special funds	Special Means
						Without capital investments	Capital investments			
1	2	3	4	5	6	7	8	9	10	11
Environmental Protection	12	1		60796,6	11882,7	11882,7		1713,9	41200,0	6000,0
Ministry of Ecology and Natural Resources	12	1	284	59082,7	11882,7	11882,7			41200,0	6000,0
Project “Fortifying the capacities for Development and Implementation of Carbon Financing Projects”	12	1	331	1713,9				1713,9		
Administrative Bodies										
Agenția pentru Silvicultură "Moldsilva"	11	10	178	1217,9	1057,0	1057,0				160,9



2. List of Major Laws of the Republic of Moldova Related to Biodiversity Conservation

- ☐ Law on the Fund of State-Protected Natural Territories (1998)
- ☐ Law on the Animal Kingdom (1995)
- ☐ Forest Code (1997)
- ☐ Law on Protective Zones Along Rivers and Watersheds (1995)
- ☐ Law on Environmental Protection (1993)
- ☐ Law on Natural Resources (1997)
- ☐ Law on Ecological Expertise and Environmental Impact Assessment (1997)

3. Schedule 3 Monitoring Plan of 23 January 2004

The plan was modified following the validation of methodology.

4. Not all plots marked with landmarks.



A.2 Annex 2: Validation Protocols

Submitted as separate document – Annex 2 – CDM.VAL0675 Validation Checklist.pdf

A.3 Annex 3: Findings Overview

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
1	CAR	<p>The PDD is not complete. There is more information required on applicability, baseline parameters, additionality and monitoring.</p> <p>The PDD does not provide reliable and accurate information that can be verified, e.g. related to:</p> <ul style="list-style-type: none"> • eligibility of lands, particularly criteria and data that show that all parcels within the project area are “severely degraded” and “continuing to degrade”. Note that the word ‘afforestation’ is used throughout the document, whereas it is supposed that the project activity has to be considered as ‘reforestation’, depending on the data on which eligibility is substantiated (see Section C.1). • additionality: PDD documentation does not address all documentation requirements of EB21, annex 16 (additionality tool) • parameter values and underlying assumptions used to estimate GHG emissions by sources and leakage • parameter values and underlying assumptions used to estimate baseline net GHG removals, particularly related to the estimation of tree biomass under pre-project A/R rates and on SOC under per-project A/R • parameter values and underlying assumptions used to estimate actual net GHG removals by sinks • treatment of pre-project cattle as a potential source of leakage • Project participants (table 1 contradicting text above table 1) • Rights to tCERs and ICERs and the institutional set up (Section A.4.3. is very vague in this respect)/Unambiguous and complete monitoring procedures, data used for ex-post estimates <p>Generally, a lack of verifiable information, including data sources, information sources, parameter values, indicators used, etc. is observed throughout the PDD</p>	<p>1.4</p> <p>1.10</p> <p>1.11</p> <p>8.1.2</p>

Date: 26-03-2007 Rama Reddy

As a follow up to phone discussion, here are the spreadsheet calculations on the Baseline, Project case, sample size and ERs in the PDD.

Date: 30-05-2007 Irma Lubrecht

All spreadsheet reviewed. Part of CAR 1 has been closed out. Please provide more info on the remaining issues.

Date: 10-08-2007 Rama Reddy

Additional information, including clarifications on the applicability, baseline parameters, additionality and monitoring have been presented under relevant sections of the PDD to address the aspects of the CAR 1. Additional information is presented under new Annexes and previous information is revised.

(1) The national laws and regulation of Republic of Moldova that categorize project lands as degraded lands have been referenced and described in detail.

(2) Data and information on the baseline scenario in Annex 3 of PDD presents the basis for categorization of project lands

(3) The criteria adopted in defining eligible lands as degraded lands have been clarified in the PDD.

(4) Detailed official data on land use that demonstrates the degradation status of lands covering the land parcels of the project area is presented in Annex 6 of PDD.

(5) Detailed parcel-wise information on land use and erosion classes along with details of GPS coordinates is stored in project database.

The definitions of afforestation and reforestation are strictly followed and wording in the PDD is revised

strictly as per the definitions and their applicability to the parcel level land use context.

Relevant additional documentary evidence (e.g. consideration of CDM etc.) and other specific clarifications are presented in the section C.6 in support of the additionality demonstration. Copies of documentary evidence are presented in Annex 7 of the PDD to demonstrate that the CDM was actively considered prior to the initiation of the project.

Relevant information and clarifications compliance with the applicability conditions on grazing are presented in section C.3 of the PDD.

Detailed *ex post* monitoring procedures are presented.

The guidelines on completing different sections of the PDD were carefully followed and additional information to address correct action requests (CAR) and new information requests (NIR) is presented under relevant sections of the PDD. The project level data and information is presented in the PDD and plot level data are summarized in Annex 5 and Annex 6 The detailed plot level data is archived in the project database and was made available to the assessor during the site visit of the validation.

Date: 21-09-2007 Irma Lubrecht

All documentation reviewed. All issues raised in CAR 1 have been addressed and either corrected or provided. CAR 1 is closed out.

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
2	CAR	<p>The project does not meet all the applicability criteria listed in the methodology.</p> <p>The project does not comply with the following applicability criteria:</p> <p><u>1st condition:</u></p> <p>Some project land is subject to pre-project pastoral activities. Taking into account applicability condition 4, these grazing activities have to be shifted outside the project boundary. An (external) grazing intensification program is supposed to absorb the shifted cattle <i>outside</i> the project boundary. The GHG emissions associated with this program need to be accounted for or proven to be not significant, which is not foreseen by AR-AM0002 and thus not addressed in the PDD (see e.g. AR-AM0004).</p> <p><u>2nd condition:</u></p> <p>Eligible lands need to be a) “severely degraded” and b) “lands are still degrading”. The PDD fails to show that all parcels within the project boundary comply with these two criteria (Section A.2. “About 27% of project sites are partially degraded...”). Similar doubts about the current status of degradation arise from several other Sections of the PDD (e.g. in Table 7 and Table 8, rows “without erosion”; Section C.1 “...lands to be afforested ... include low productive bare lands and lands in different stages of degradation; C.4, step 2: “... most project sites are bare lands in varying stages of degradation lacking vegetation or have sparse non-woody vegetation that is well below the thresholds of Moldova’s national definition of forest, ...”, etc.). Further on, land slides and ravines are not assessed for the project area; only data on national level is provided.</p> <p><u>4th condition:</u></p> <p>The second bullet point under Section H.3 “Grazing in the newly established forests is possible after the canopy closure, which is expected to occur 15 years after the planting” is not in line with the 4th applicability condition, not permitting any grazing under the project scenario.</p>	2.1

Date: 26-03-2007 Rama Reddy

As a follow up to phone discussion, here are the spreadsheet calculations on the Baseline, Project case, sample size and ERs in the PDD.

Date: 08-06-2007 Irma Lubrecht

Spreadsheets do not provide necessary information on requested topics. Please provide more information on remaining issues.

Date: 10-08-2007 Rama Reddy

(1) Additional information is presented under the relevant applicability condition in Section C. 3 of the PDD to further clarify that the project fully complies with the applicability condition of the methodology.

(2) Relevant information presented in Table 1 above. The criteria adopted in defining the eligible lands have been clarified in section A.2 Section 4.1.4, section 4.1.5, section 3 of the PDD and plot and parcel level land use information is provided in Annex 5 and Annex 6 of the PDD.

(3) The second bullet point in Section H3 has been deleted in compliance with the applicability condition of the methodology. Additional information presented under Section C. 4 clarifies that the project strictly follows the applicability condition of the methodology.

Date: 21-09-2007 Irma Lubrecht

Revised PDD reviewed. Information as requested has been presented in the PDD. CAR 2 is closed out.

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
3	CAR	<p>Baseline emissions have not been determined in accordance with the methodology:</p> <p>It has to be assumed that the mathematical structure used to quantify baseline net GHG removals by sinks in above-ground biomass of trees does not follow the mathematical structure of AR-AM0002 (see CAR 6)</p> <p>Verifiable information on the biomass estimation of baseline net GHG removals related to A/R pre-project activities is lacking.</p> <p>For the estimation of the pre-project A/R rate, A/R activities of the project proponents, i.e. Moldsilva (see text in Section A.3) have to be considered (AR-AM0002, Section II.5.(ii), step 1); this rate has to be compared to the A/R rate on national level on comparative lands and the lower be selected.</p> <p>Quantification of soil organic carbon (as outlined in appendix 3 to the PDD) is not in line with AR-AM0002: Soil carbon under degraded lands is assumed to decrease and conservatively set to 0 (Eq. B.1); only for lands under pre-project A/R activities, SOC is considered (Eq. B.3); however, appendix 3 does only address SOC dynamics under degraded land (which may not be taken into account for the quantification of baseline net GHG removals by sinks, according to AR-AM-0002)</p>	2.3

Date: 26-03-2007 Rama Reddy

As a follow up to phone discussion, here are the spreadsheet calculations on the Baseline, Project case, sample size and ERs in the PDD.

Date: 30-05-2007 Irma Lubrecht

Baseline spreadsheet reviewed. Part of CAR 3 has been closed out. Please provide more information on the remaining issues.

Date: 10-08-2007 Rama Reddy

The baseline methodology provides for the use of either methodology equations or the CO2FIX model (included as Annex 8 to the PDD) for *ex ante* estimation of the emission reductions. The project uses CO2FIX model for *ex ante* projections. The CO2FIX is a spreadsheet based software tool with accompanying instruction manual. The project follows the steps and guidance of the approved AR AM0002 methodology, which requests for following the instruction manual for *ex ante* projections. Accordingly, the *ex ante* projections were undertaken.

The pre-project A/R rate for 10-year period for the Moldsilva and for the national level are same as Moldsilva is the authorized national public agency responsible for A/R activity in the country. Therefore, it is clarified that the steps of section II.5 (ii) of the AR AM0002 are complied.

Date: 21-09-2007 Irma Lubrecht

Annex 3 to the PDD does not show any changes on SOC therefore the issue on SOC remains open. CAR 3 remains open

Date: 27-09-2007 Rama Reddy

As per the section II.5 of the AR AM0002 methodology, two categories of land use was evaluated for soil organic carbon under the baseline scenario, i.e., (i) degraded lands and (ii) degraded lands on which small

rates of planting was undertaken in the baseline scenario (AR activity implemented prior to the project).

(i) Degraded lands

The sampling procedures outlined in Annex 3 of the PDD under the baseline information demonstrated a continuous decline in soil organic carbon and as well as the baseline net GHG removal by sinks. Therefore, the *baseline net GHG removal by sinks for these lands* is set to zero as per the Equation B.1 of the AR AM002. This is done to establish the degraded status of lands under the project and not for the quantification purposes.

(ii) Degraded lands on which small rates of pre-project planting

The share of pre-project planting is insignificant in relation to the total available degraded land (average annual rate of 75.7 ha or 0.373% of available degraded land was planted annually during the 10-years prior to the project). Furthermore, pre-project planting was scattered throughout the country, precluding a strict demarcation of pre-project AR strata under the baseline.

To calculate the change in soil carbon pool for areas corresponding to pre-project strata, the methods outlined in the *ex-ante* estimation of changes in soil organic carbon under the section II. 7 (a.5) of AR AM002 were considered to establish the parameters. The variables influencing soil carbon such as soil depth, bulk density, and concentration of soil organic carbon in areas representing the pre-project was collected.

The parameters of *ex ante* estimation were used as the initial parameters for soil carbon under the CO2FIX model. As the soil carbon dynamics in planted areas is dependent on deadwood, litter, soil and climate, these parameters were collected from several sources. The information on average climate parameters such as effective temperature (°C), precipitation (mm), and evapo-transpiration (mm) during the year for Moldovan national context was taken into account. The parameters influencing the soil organic carbon in areas corresponding to pre-project planting were used in the CO2FIX model to calculate the change in soil carbon as outlined in Equation B.3.

Considering the very small proportion of annual pre-project planting and slow rate of change in the soil organic carbon, the baseline net GHG removals by sinks was found to be insensitive to the small changes in soil carbon attributable to the pre-project AR activity and it was found that change in the soil organic carbon of pre-project activity planting does not alter the net negative change in the carbon pools of the baseline.

Date: 30-09-2007 Irma Lubrecht
CAR 3 is closed out

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
4	NIR	<p>Project emissions have not been determined in accordance with the methodology:</p> <p><u>GHG removals by sinks:</u></p> <p>The PDD, referring to the CO2FIX model uses a different (not necessarily wrong) mathematical structure to quantify actual net GHG removals by sinks in the carbon pools than AR-AM002. This becomes apparent, e.g. when comparing Eq. B.23 of AR-AM0002 and its equivalent in the PDD (first equation in Section D.a.2).</p> <p>Estimations of most carbon pools are not sufficiently documented in the PDD.</p> <p><u>GHG emissions by sources:</u></p> <p>For the determination of GHG emissions from burning of fossil fuels, most underlying assumptions and parameter values used for the estimations are not stated.</p>	2.4

Date: 26-03-2007 Rama Reddy

As a follow up to phone discussion, here are the spreadsheet calculations on the Baseline, Project case, sample size and ERs in the PDD.

Date: 30-05-2007 Irma Lubrecht

Project emissions spreadsheet reviewed. Part of CAR 4 has been closed. Please provide more information

on the remaining issue.

Date: 10-08-2007 Rama Reddy

The project uses CO2FIX model, which is spreadsheet based software with accompanying instructional manual. The project follows the guidance of the methodology, which requests for following on the instruction manual.

Date: 21-09-2007 Irma Lubrecht

CO2FIX is a renowned carbon model and well-known by the lead assessor. CAR 4 is closed out.

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
5	NIR	<p>Leakage of the project activity determined is not in accordance with the methodology:</p> <p>The information provided in the PDD does not allow assessing the correct estimation of leakage, as key assumptions on travel distances, types of vehicles, fuel efficiency, etc. are not stated.</p> <p>See also, non-compliance of the project with applicability conditions of AR-AM0002 with regard to pre-project grazing activities.</p>	2.5

Date: 26-03-2007 Rama Reddy

As a follow up to phone discussion, here are the spreadsheet calculations on the Baseline, Project case, sample size and ERs in the PDD.

Date: 30-05-2007 Irma Lubrecht

Leakage spreadsheet reviewed. All data are available. Estimation of leakage is considered appropriate. NIR 5 is closed out.

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
6	CAR	<p>Assumptions on additionality have not satisfactorily been supported by transparent and documented evidence:</p> <p>Step. 0.1: no evidence on the second point of this step is provided (consideration of GHG emissions allowance during project planning).</p> <p>Step. 0a.2: eligibility of all land parcels needs to be substantiated as no evidence on the eligibility of land on a per parcel basis is provided in the PDD.</p> <p>Step. 0.a.3: not addressed in the PDD</p> <p>Step 1.a: as not all lands are 'severely degraded' or not even degraded according to the PDD, alternative agricultural uses or improved grazing regimes could constitute possible baseline scenarios on non-degraded or slightly degraded areas.</p>	3.2.

Date: 26-03-2007 Rama Reddy

As a follow up to phone discussion, here are the spreadsheet calculations on the Baseline, Project case, sample size and ERs in the PDD.

Date: 30-05-2007 Irma Lubrecht

No information on additionality provided. CAR 6 remains.

Date: 10-08-2007 Rama Reddy

Additional information, detailed clarifications and documentary evidence is presented in section C.6 of the PDD to fully satisfy the documentation needs of Annex 16, EB21.

Evidence to comply with the step 0.1 and to demonstrate active consideration of CDM prior to project initiation is noted in section C.6 and documentary evidence is presented under Annex 7 of the PDD.

Evidence to comply with the step 0a.2 and to demonstrate active consideration of CDM prior to project initiation is noted in section C.6 Considering the large number of plots under the project, evidence on land parcels is summarized under Annex 5 of the PDD. Detailed parcel and plot level information along with GPS coordinates is archived in the project database.

Step 0.a.3 is addressed in section C.6 of the PDD.

Detailed information on land use alternatives and their evaluation presented in section C.5.1, section C.5.2 and section C.6, step 1 on legal and regulatory provisions on land use and sub-step 1.a on land use

alternatives clearly demonstrate the transparent determination of baseline and project scenarios.

Date: 21-09-2007 Irma Lubrecht

Revised PDD and Annexes 5 and 7 have been reviewed. Evidence is satisfactory and genuine. CAR 6 is closed out.

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
7	CAR	Does the selected baseline represent the most likely scenario among other possible and/or discussed scenarios? The PDD does not show details on the 5 steps to establish the most plausible baseline scenario. Therefore the conclusion cannot be verified.	3.3

Date: 26-03-2007 Rama Reddy

As a follow up to phone discussion, here are the spreadsheet calculations on the Baseline, Project case, sample size and ERs in the PDD.

Date: 30-05-2007 Irma Lubrecht

No information on the selection of the baseline provided. CAR 7 remains.

Date: 10-08-2007 Rama Reddy

Detailed information on land use alternatives and their evaluation presented in section C.5.1 and section C.5.2 of PDD on land use alternatives clearly demonstrate the transparent determination of baseline scenario.

Date: 21-09-2007 Irma Lubrecht

The revised PDD contains full details on the steps taken (stratification) to establish the most plausible baseline scenario. CAR 7 is closed out.

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
8	CAR	Provisions for the monitoring of the project boundary, forest establishment and forest management are not fully in line with AR-AM0002 (points are omitted, wording differs from methodology; partly ambiguous wording) Sample size is not adequate (1 sample per stratum to determine existing carbon does not allow for any statistical analysis); provisions on plot distribution are not clearly worded. The monitoring plan (Section E and Annex 4) does not provide fully detailed (verifiable) binding instructions on monitoring carbon pools and emission sources. This would include unambiguous description of sampling procedures, a complete sampling schedule including all pools (see table 9), specification of equations (where AR-AM0002 allows different approaches), default data (allometric equations, R:S-ratios, etc.) used, etc. The monitoring plan (Annex 4) should specify the provisions of AR-AM0002 to an operational level for the specific project without leaving options	4.3 Closed

Date: 26-03-2007 Rama Reddy

As a follow up to phone discussion, here are the spreadsheet calculations on the Baseline, Project case, sample size and ERs in the PDD.

Date: 30-05-2007 Irma Lubrecht

Spreadsheet on sample size reviewed. Part of CAR 8 has been closed out. Please provide information on the remaining issues.

Date: 10-08-2007 Rama Reddy

Revisions are made to the monitoring provisions of project boundary in section in section E1.1, forest establishment in section E1.2 and forest management in section E1.3 to ensure the compliance with the AR AM0002.

Sample size calculations are revised. The revised sample size estimates are adequate to estimate the changes in carbon stocks with specified precision and confidence intervals.

The provisions included in sample size calculations allow for increasing the sample size at the time of verification to ensure the calculation of carbon stock changes with required precision.

Revisions made to the sections provide additional information and clarifications on the sampling procedures

for the pools under monitoring.

The project uses yield tables for calculation of biomass. Copies of yield tables are enclosed as Appendix to the Monitoring Plan. Destructive sampling will be conducted on major species – Robinia, Quercus, and Poplar in order to compare the biomass of destructive sampling with yield table data.

The monitoring plan has been revised to include additional details to outline detailed operational guidance under AR AM0002

Date: 21-09-2007 Irma Lubrecht

The revised PDD has been reviewed, including all the new annexes and it can be concluded that all issues from CAR 8 have been addressed in a satisfactory way. CAR 8 is closed out.

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
9	CAR	Provisions on the monitoring of emission sources and leakage are lacking. Note also that leakage prevention measures from shifted grazing activities might need to be monitored (see assessment of applicability conditions)	4.4

Date: 26-03-2007 Rama Reddy

As a follow up to phone discussion, here are the spreadsheet calculations on the Baseline, Project case, sample size and ERs in the PDD.

Date: 30-05-2007 Irma Lubrecht

No information provided on above mentioned issues. CAR 9 remains.

Date: 10-08-2007 Rama Reddy

Monitoring provisions for emission sources are presented in section E4.2 of the PDD and Annex 4 (Monitoring Plan) of the PDD.

Monitoring provisions on leakage prevention activities are presented in section E.5 of the PDD and Annex 4 (Monitoring Plan) of the PDD.

Date: 21-09-2007 Irma Lubrecht

Revised PDD reviewed. Monitoring provisions regarding sources and leakage prevention have been included in the PDD and were found compatible with the approved methodology and reasonable. CAR 9 is closed out.

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
10	CAR	No procedures identified.	5.2.3 – 5.2.13

Date: 10-08-2007 Rama Reddy

Procedures included in the Annex 4 – Monitoring Plan

Date: 21-09-2007 Irma Lubrecht

Revised PDD reviewed. All relevant procedures have been included in Annex 4 – Monitoring Plan. CAR 10 is closed out.

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
11	NIR	No environmental impacts of the project activity have been described: Endangered species (fauna) and prevailing ecosystems and primary species (flora) are described in Section A.4.1.4; however, the impact of the project on these endangered species is not discussed in Section F nor is the treatment of valuable biotopes/ecosystems within the project area discussed. The PDD assumes that biodiversity will increase due to the planting of native tree species and recovery of non-tree vegetation. However, a set of preventive measures is foreseen to prevent adverse environmental impacts, including good forest management practices and linking reforested areas to ecological networks/protected areas (Table 34)	6.1; 6.3-6.5

Date: 10-08-2007 Rama Reddy

The information on biodiversity impacts of the project is presented in Annex 8 on the environmental impacts of the project.

The project fully addresses the environmental impacts in the design and as well as implemented as can be observed from the details presented in Table 34 of the PDD. The information presented in Table 33 covering the environmental impacts of the project on Flora and fauna clarifies the project's positive environmental impacts on biodiversity and comparison with the information in Table 32 clarifies that the project's long term biodiversity impacts are significantly positive as can be observed from the information presented in Section F.1 of the PDD.

Date: 21-09-2007 Irma Lubrecht

Revised PDD reviewed (section F) and found in compliance with approved methodology and satisfactory. NIR 11 is closed out.

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
12	NIR	It is not clear how stakeholder comments have been invited.	7.2
Date: 10-08-2007 Rama Reddy Stakeholder consultation process involved elicitation of stakeholder comments in local language through workshops and meetings were organized at the local council, mayoralities, district and national levels. Several public agencies and NGOs, actively participated in the stakeholder consultation process.			
Date: 21-09-2007 Irma Lubrecht Revised PDD has been reviewed (section H). NIR 12 is closed out.			

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
13	NIR	Local assessor confirmed that according to the applied requirements consultation and information shall occur every quarter (every three months).	7.3
Date: 10-08-2007 Rama Reddy As per the Forest Code, Nr.887-XIII, 21.06.96 Art. 23, citizens and public associations have the right to obtain from the forestry and environmental authorities information on the condition of forestry and hunting funds, planned and implemented measures on the use of those funds, to propose and to carry out, in accordance with the legislation, measures on the use and the guard of those funds. Law on the environmental protection Nr.1515-XII, 16.06.93, Art. 30 also recognizes the right of all persons to have a) full, operative and free access to the information on environmental condition and population health; b) the right to participate in disputes on draft laws, different economic programs or other related activities. Information on stakeholder consultations summarized in the section H of the PDD.			
Date: 21-09-2007 Irma Lubrecht NIR 13 is closed out.			

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
14	NIR	The project's starting date has not been described but it is assumed to be the same date as the starting date of the first crediting period, which has been set to 1st October 2002.	8.3.1
Date: 10-08-2007 Rama Reddy The project is the early start project and the start date of the project is October 1, 2002. The project start date information is presented under the section A.4. of the PDD.			
Date: 21-09-2007 Irma Lubrecht The section in the PDD now clearly distinguishes between starting date of the project and starting date of the crediting period. NIR 14 is closed out.			

Date: 21-03-2007

Raised by: Irma Lubrecht

No.	Type	Issue	Ref
15	NIR	Does the monitoring plan take account of issues related to biodiversity and natural ecosystems identified elsewhere in the PDD? Not required, but existing (additional) guidance inconsistent: According to Section F of the PDD, no significant negative environmental	10.7

	<p>impacts on biodiversity and natural ecosystems are expected; no particular monitoring is foreseen.</p> <p>However, the potentially adverse effects (persistence) of the use of insecticides are said to be observed to take corrective actions as part of the monitoring of forest establishment/management (Section F1); explicit monitoring procedures of persistence are not defined in the monitoring plan (whereas quantities of applied weedicides are monitored (Section E.1.2))</p> <p>Implementation of soil- and biomass-conserving forest practices is monitored as part of the monitoring plan (Section E.1.2)</p>	
<p>Date: 10-08-2007 Rama Reddy</p> <p>The section on biodiversity monitoring in Annex 4 - Monitoring Plan provide details of the biodiversity indicators and monitoring procedures proposed to be implemented under the project</p>		
<p>Date: 21-09-2007 Irma Lubrecht</p> <p>Revised PDD including all annexes has been reviewed and all issues raised in NIR 15 have been addressed in a satisfactory way. NIR 15 is closed out.</p>		



A.4 Annex 4: Contract

Submitted as separate document – Annex 4 – Contract between Moldsilva and Mayoralty.pdf

A.5 Annex 5: Statements of Competency

Statement of Competence

Name: Irma Lubrecht

SGS Affiliate: Netherlands

Status

- | | | |
|---------------------------|-------------------------------------|-------------------------------------|
| - Product Co-ordinator | <input checked="" type="checkbox"/> | |
| - Operations Co-ordinator | | <input checked="" type="checkbox"/> |
| - Technical Reviewer | <input checked="" type="checkbox"/> | |
| - Expert | <input checked="" type="checkbox"/> | |

Validation

Verification

- | | | |
|-------------------------|-------------------------------------|-------------------------------------|
| - Local Assessor | <input type="checkbox"/> | <input type="checkbox"/> |
| - Lead Assessor | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| - Assessor | <input type="checkbox"/> | <input type="checkbox"/> |
| / Trainee Lead Assessor | | |

Scopes of Expertise

- | | |
|--|-------------------------------------|
| 1. Energy Industries (renewable / non-renewable) | <input checked="" type="checkbox"/> |
| 2. Energy Distribution | <input type="checkbox"/> |
| 3. Energy Demand | <input type="checkbox"/> |
| 4. Manufacturing | <input type="checkbox"/> |
| 5. Chemical Industry | <input type="checkbox"/> |
| 6. Construction | <input type="checkbox"/> |
| 7. Transport | <input type="checkbox"/> |
| 8. Mining/Mineral Production | <input type="checkbox"/> |
| 9. Metal Production | <input type="checkbox"/> |
| 10. Fugitive Emissions from Fuels (solid,oil and gas) | <input type="checkbox"/> |
| 11. Fugitive Emissions from Production and Consumption of Halocarbons and Sulphur Hexafluoride | <input type="checkbox"/> |
| 12. Solvent Use | <input type="checkbox"/> |
| 13. Waste Handling and Disposal | <input checked="" type="checkbox"/> |
| 14. Afforestation and Reforestation | <input checked="" type="checkbox"/> |
| 15. Agriculture | <input type="checkbox"/> |

Approved Member of Staff by: Siddharth Yadav

Date: 01/07/2007

Statement of Competence

Name: Mugur Ungurean

SGS Affiliate: Moldova

Status

- Product Co-ordinator ☐
- Operations Co-ordinator ☐
- Technical Reviewer ☐
- Expert ☐

Validation

Verification

- | | | |
|-------------------------|-------------------------------------|-------------------------------------|
| - Local Assessor | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| - Lead Assessor | <input type="checkbox"/> | <input type="checkbox"/> |
| - Assessor | <input type="checkbox"/> | <input type="checkbox"/> |
| / Trainee Lead Assessor | | |

Scopes of Expertise

- | | |
|--|--------------------------|
| 1. Energy Industries (renewable / non-renewable) | <input type="checkbox"/> |
| 2. Energy Distribution | <input type="checkbox"/> |
| 3. Energy Demand | <input type="checkbox"/> |
| 4. Manufacturing | <input type="checkbox"/> |
| 5. Chemical Industry | <input type="checkbox"/> |
| 6. Construction | <input type="checkbox"/> |
| 7. Transport | <input type="checkbox"/> |
| 8. Mining/Mineral Production | <input type="checkbox"/> |
| 9. Metal Production | <input type="checkbox"/> |
| 10. Fugitive Emissions from Fuels (solid,oil and gas) | <input type="checkbox"/> |
| 11. Fugitive Emissions from Production and Consumption of Halocarbons and Sulphur Hexafluoride | <input type="checkbox"/> |
| 12. Solvent Use | <input type="checkbox"/> |
| 13. Waste Handling and Disposal | <input type="checkbox"/> |
| 14. Afforestation and Reforestation | <input type="checkbox"/> |
| 15. Agriculture | <input type="checkbox"/> |

Approved Member of Staff by: Marco van der Linden Date: 21/03/2007

Statement of Competence

Name: Frank Werner

SGS Affiliate: Netherlands

Status

- Product Co-ordinator ☐
- Operations Co-ordinator ☐
- Technical Reviewer ☐
- Expert ☒

Validation

Verification

- | | | |
|-------------------------|--------------------------|--------------------------|
| - Local Assessor | <input type="checkbox"/> | <input type="checkbox"/> |
| - Lead Assessor | <input type="checkbox"/> | <input type="checkbox"/> |
| - Assessor | <input type="checkbox"/> | <input type="checkbox"/> |
| / Trainee Lead Assessor | | |

Scopes of Expertise

- | | |
|--|-------------------------------------|
| 1. Energy Industries (renewable / non-renewable) | <input type="checkbox"/> |
| 2. Energy Distribution | <input type="checkbox"/> |
| 3. Energy Demand | <input type="checkbox"/> |
| 4. Manufacturing | <input type="checkbox"/> |
| 5. Chemical Industry | <input type="checkbox"/> |
| 6. Construction | <input type="checkbox"/> |
| 7. Transport | <input type="checkbox"/> |
| 8. Mining/Mineral Production | <input type="checkbox"/> |
| 9. Metal Production | <input type="checkbox"/> |
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| 11. Fugitive Emissions from Production and Consumption of Halocarbons and Sulphur Hexafluoride | <input type="checkbox"/> |
| 12. Solvent Use | <input type="checkbox"/> |
| 13. Waste Handling and Disposal | <input type="checkbox"/> |
| 14. Afforestation and Reforestation | <input checked="" type="checkbox"/> |
| 15. Agriculture | <input type="checkbox"/> |

Approved Member of Staff by: Marco van der Linden Date: 07/02/2007