



**CDM Project Activity Registration
and Validation Report Form**
*(By submitting this form, designated operational entity confirms
that the proposed CDM project activity meets all validation and
registration requirements and thereby requests its registration)*

Section 1: Request for registration

Name of the designated operational entity (DOE) submitting this form	Det Norske Veritas Certification Ltd. (DNV)
Title of the proposed CDM project activity (Section A.2 of the attached CDM-PDD) submitted for registration	Moldova Energy Conservation and Greenhouse Gases Emissions Reduction
Project participants (Name(s))	Carbon Finance Unit Moldova International Bank for Reconstruction and Development (IBRD) as the Trustee of the Community Development Carbon Fund The Netherlands
Sector in which project activity falls	Sectoral scope 1: Energy industries (renewable - / non-renewable sources) Sectoral scope 3: Energy demand
Is the proposed project activity a small-scale activity?	<u>Yes</u> / No (underline as applicable)

Section 2: Validation report

List of documents to be attached to this validation report (please check mark):	
<ul style="list-style-type: none"> <input checked="" type="checkbox"/> The CDM-PDD of the project activity <input checked="" type="checkbox"/> An explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations; (Note: Included in DNV's Validation Report (DNV Report No. 2005-1147, rev. 01)) <input checked="" type="checkbox"/> The written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development: <ul style="list-style-type: none"> ○ Ministry of Ecology and Natural Resources (DNA of Moldova): Letter of Approval. 2 September 2005. ○ Ministry of Housing, Spatial Planning and the Environment (DNA of the Netherlands): Letter of Approval. 2 November 2005. <input checked="" type="checkbox"/> Other documents, including any validation protocol used in the validation <ul style="list-style-type: none"> ○ DNV's Validation Report (DNV Report No. 2005-1147, rev. 01), including a validation protocol and a list of persons interviewed by DOE validation team during the validation process and including an explanation of how DNV has taken due account of comments on validation requirements received. 	

- ☑ Information on when and how the above validation report is made publicly available.
- ☑ Banking information on the payment of the non-reimbursable registration fee
- ☑ A statement signed by all project participants stipulating the modalities of communicating with the Executive Board and the secretariat in particular with regard to instructions regarding allocations of CERs at issuance.

Executive Summary and Introduction, including

- **Description of the proposed CDM project activity**
- **Scope of validation process (include all documentation that has been reviewed and name persons that have been interviewed as part of the validation, as applicable)**
- **DOE Validation team (list of all persons involved in the validation, describing functions assumed in the validation)**

This proposed category II.E (Energy efficiency and fuel switching measures for buildings) and category III.B (Switching fossil fuels) small-scale CDM project activity is promoted by the World Bank's Community Development Carbon Fund (CDCF). The project consists of efficiency improvements and fuel switching measures for a series of public buildings (kindergartens, schools, vocational schools, hospitals, polyclinics etc.). The project is expected to reduce GHG emission by approximately 11 567 tonnes of CO₂-equivalents (tCO₂e) per year.

The validation scope is an independent and objective review of the Project Design Document (PDD). The PDD was reviewed against the criteria stated in Article 12 of the Kyoto Protocol criteria for the CDM, the CDM modalities and procedures as agreed in the Marrakech Accords and relevant decision by the CDM Executive Board. The validation team has, based on the recommendation in the IETA/PCF Validation and Verification Manual, and employed a risk-based approach, focusing on the identification of significant risks for the project implementation and the generation of CERs.

The following documents were reviewed:

World Bank: SSC-CDM-PDD for "Moldova Energy Conservation and Greenhouse Gases Emissions Reduction" Project. Version of 18 August 2005 and 8 December 2005.

World Bank: Baseline Study for "Moldova Energy Conservation and Greenhouse Gases Emissions Reduction". 25 May 2005

World Bank: Monitoring Plan for "Moldova Energy Conservation and Greenhouse Gases Emissions Reduction". 25 May 2005

World Bank: Spreadsheets documenting emission reduction calculations and the NPV analysis (MOLDOVA Energy EFFICIENCY - November 28 2005.xls).

Ministry of Ecology and Natural Resources (DNA of Moldova): Letter of Approval. 2 September 2005.

Ministry of Housing, Spatial Planning and the Environment (DNA of the Netherlands): Letter of Approval. 2 November 2005.

International Emission Trading Association (IETA) and the World Bank's Prototype Carbon Fund (PCF): Validation and Verification Manual. <http://www.vvmanual.info>

Appendix B of the simplified modalities and procedures for small-scale CDM project activities: Indicative simplified baseline and monitoring methodologies for selected small-scale CDM project activity categories. Version 06: 30 September 2005.

The following persons were interviewed:

Prof. Valentin ARION, Ph.D., D.Sc. – Dep. "Energy Economics and Management", Head
Arcadie Capcelea, Environmental consultant ESSD EaCA region
Andrei Catanoi, biomass project consultant
Stela Drucioc, CFU Manager

Dr. Constantin Mihailescu, Minister, Ministry of Ecology, Constructions and Territorial Development (DNA of Moldova)

The validation team consisted of the following personnel:

Mr Michael Lehmann	DNV Oslo, Norway	Team Leader, Energy sector expert
Mr Ramesh Ramachandran	DNV Chennai, India	GHG auditor
Mr Mario Voros	DNV Bratislava, Slovakia	GHG auditor
Mr Einar Telnes	DNV Oslo, Norway	Technical reviewer

For further details, please refer to the "Introduction" Section of DNV's Validation Report (DNV Report No. 2005-1147, rev. 01).

Description of methodology for carrying out validation

- **Review of CDM-PDD and additional documentation attached to it**
- **Assessment against CDM requirements (e.g. by use of a validation protocol)**
- **Report of findings by the DOE, e.g. by use of type of findings (e.g. corrective action requests, clarifications or observations). Please explain the way findings are "labelled" during validation.**
- **Include statements or assessments in the section "Conclusions, final comments and validation opinion" below.**

The validation commenced in August 2005 and consisted of the following three phases:

- i) a desk review of the project design, baseline and monitoring plan
- ii) follow-up interview with Project stakeholders
- iii) the resolution of outstanding issues and the issuance of the validation report and opinion

The original and revised versions of the project design document (PDD) of the project were assessed. Additional background documents related to the project design and the baseline were also consulted.

In the period 22-23 September 2005 DNV conducted interviews with project stakeholders to confirm selected information and to resolve issues identified in the document review.

In order to ensure transparency, a validation protocol has been customized for the project, according to the Validation and Verification Manual. The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from validation of the identified criteria.

Findings established during the validation can either be seen as a non-fulfilment of validation criteria or where a risk to the fulfilment of project objectives is identified. Such findings are termed Corrective Action Requests (CAR). The term Clarification may be used where additional information is needed to fully clarify an issue. The Corrective Action Requests and requests for Clarification raised by DNV were resolved through communication with the project participants. To guarantee the transparency of the validation process, the concerns raised by DNV and the response provided by the project participants are documented in Table 3 of the Validation Protocol in Appendix A of DNV's Validation Report (DNV Report No. 2005-1147, rev. 01).

For further details, please refer to the "Methodology" Section of DNV's Validation Report (DNV Report No. 2005-1147, rev. 01) and the IETA/PCF Validation and Verification Manual (www.vvmanual.info)

Explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organizations;

- Description of how and when the PDD was made publicly available
- Description of how comments were received and made publicly available
- Explanation of how due account has been taken of comments received
- **Compilation of all comments received (Identify the submitter)**

The PDD of 18 August 2005 has been published on DNV's Climate Change website (www.dnv.com/certification/climatechange) and Parties, stakeholders and NGOs were through the UNFCCC CDM website invited to provide comments on the validation requirement during a period of 30 days from 3 September to 2 October 2005. No comments were received.

Conclusions, final comments and validation opinion

- Provide conclusions on each requirement under paragraph 37 of the CDM modalities and procedures, describing how these requirements have been met. This shall include assessments and findings (e.g. corrective action requests, clarifications or observations) in relation to each requirement, including a confirmation that all issues raised have been addressed to the satisfaction of the DOE.
- **Final comments and validation opinion**

Det Norske Veritas Certification Ltd. (DNV) has performed a validation of the "Moldova Energy Conservation and Greenhouse Gases Emissions Reduction" project in Moldova. The validation was performed on the basis of UNFCCC criteria for the Clean Development Mechanism, as well as criteria given to provide for consistent project operations, monitoring and reporting.

The review of the project design documentation and the subsequent follow-up interviews have provided DNV with sufficient evidence to determine the fulfilment of stated criteria.

The project participants are the Carbon Finance Unit Moldova, the International Bank for Reconstruction and Development (IBRD) as the Trustee of the Community Development Carbon Fund (CDCF) and the Netherlands. The host Party Moldova and the participating Annex I Party the Netherlands meet all requirements to participate in the CDM. The DNAs of Moldova and the Netherlands have provided written approval of voluntary participation, and the DNA of the Netherlands has provided authorization of the IBRD to participate in the project.

By introducing more efficient heating technology, the project will promote sustainable development. Confirmation by the DNA of Moldova that the project assists in achieving sustainable development has been provided.

The project is deemed eligible as category II.E and III.B small-scale CDM project activities and correctly applies the simplified baseline methodologies AMS-II.E and AMS-III.B. The project additionality has been demonstrated through an investment barrier.

The monitoring plan is based on the basic requirements of the applicable monitoring methodologies AMS-II.E and AMS-III.B. All aspects related to the direct and indirect GHG emissions as relevant to the project activity have been addressed. Given that the project is implemented as planned, the project is likely to achieve the stated amount of emission reductions.

In summary, it is DNV's opinion that the "Moldova Energy Conservation and Greenhouse Gases Emissions Reduction" project, as described in the PDD of 8 December 2005, meets all relevant UNFCCC requirements for the CDM and all relevant host country criteria and correctly applies the simplified baseline and monitoring methodologies AMS-II.E and AMS-III.B. Hence, DNV requests the registration of the project as CDM project activity.

For further details, please refer to the "Validation Findings" Section and Table 1 of the Validation

Protocol in Appendix A of DNV's Validation Report (DNV Report No. 2005-1147, rev. 01).

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.

By submitting this validation report, the DOE confirms that all validation requirements are met.

Name of authorized officer signing for the DOE Michael Lehmann

Date and signature for the DOE

14 December 2005

Michael Lehmann

Section below to be filled by UNFCCC secretariat

Date when the form is received at UNFCCC secretariat

Date at which the registration fee has been received

Date at which registration shall be deemed final

Date of request for review, if applicable

Date and number of registration

Date

Number