
 <p style="text-align: center;"><b>Validation report form for Gold Standard project activities (Version 04.0)</b></p>	
<i>Complete this form in accordance with the instructions attached at the end of this form.</i>	
BASIC INFORMATION	
<b>Title of the project activity</b>	Nhon Hoa 2 Wind Power Project
<b>Scale of the project activity</b>	<input checked="" type="checkbox"/> Large-scale / Non Microscale (GS Classification) <input type="checkbox"/> Small-scale
<b>Version number of the validation report</b>	1.2
<b>Completion date of the validation report</b>	10/12/2023
<b>Version number of the PDD to which this report applies</b>	3.0 Dated 05/12/2023
<b>Date when PDD was uploaded for global stakeholder consultation</b>	Not Applicable as this is GS project
<b>Project participants</b>	Nhon Hoa 2 Wind Electricity Joint Stock Company (Project Owner)  Monsoon Sustainability Co. Ltd. (Project Participant and Carbon Consultant)
<b>Host Party</b>	Socialist Republic of Vietnam
<b>Applied methodologies and standardized baselines</b>	ACM0002: Grid-connected electricity generation from renewable sources (Version 21.0)
<b>Mandatory sectoral scopes</b>	TA 1.2
<b>Conditional sectoral scopes, if applicable</b>	Not Applicable
<b>Estimated amount of annual average GHG emission reductions or GHG removals by sinks</b>	135,655 tCO <sub>2</sub> /Annum
<b>Name and UNFCCC reference number of the VVB</b>	Bureau Veritas India Pvt. Ltd.
<b>Name, position and signature of the approver of the validation report</b>	 Anantha Prabhu Uppunda – General Manager - Global Climate Change Services

## SECTION A. Executive summary

Bureau Veritas India Pvt. Ltd. has performed the validation of the Nhon Hoa 2 Wind Power Project on the basis of specific criteria i.e. Gold Standard GS4GG as well UNFCCC criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting. UNFCCC criteria refer to Article 12 of the Kyoto Protocol, the Gold Standard rules and modalities and the subsequent decisions by the GS Secretariat, CDM Executive Board, as well as the host country criteria.

The main purpose of the project activity is to generate renewal electrical energy through sustainable means using wind power, to utilize the generated output for selling it to the grid and to contribute to climate change mitigation efforts. This renewable energy will partially substitute the electricity currently evacuated into the grid by the thermal power plants, thus contributing to the sustainable development of the region socially, environmentally, and economically.

The proposed project activity has a total installed capacity of 50MW with of ten (10) wind turbines 4.2 MW capacity and two (02) turbines 4.0 MW capacity connected to the national grid. A dedicated substation with a power transformer rated at 63 MVA to step up the grid 220KVA.

The annual estimated electricity generation by the Project Activity, also referred to as “Power Generation Capacity”, is 164,834 MWh and the annual estimated emission reductions are 135,655 tCO<sub>2</sub>e.

The validation scope is defined as an independent and objective review of the project design document, the project’s baseline study, monitoring plan and other relevant documents, and consisted of the following three phases: i) desk review of the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) resolution of outstanding issues and the issuance of the final validation report and opinion. The overall validation, from Contract Review to Validation Report & Opinion, was conducted using Bureau Veritas internal procedures.

The first output of the validation process is a list of Clarification and Corrective Actions Requests (CL and CAR), presented in Appendix 4. Considering this output, the project proponent revised its project design document.

In summary, it is Bureau Veritas opinion that the project correctly applies the baseline and monitoring methodology ACM 0002 Version 21.0 and meets all the relevant GS4GG and UNFCCC requirements for the CDM and the relevant host country criteria. Bureau Veritas thus requests the registration of the project as a Gold Standard project activity.

## SECTION B. Validation team, technical reviewer and approver

### B.1. Validation team member

No.	Role	Type of resource	Last name	First name	Affiliation (e.g. name of central or other office of VVB or outsourced entity)	Involvement in			
						Desk/document review	On-site inspection	Interviews	Validation findings

1.	Team Leader	IR	Desai	Ram Madhukar	Bureau Veritas Brunei	X	X	X	X
2.	Team Member	IR	NA	NA	NA				

## B.2. Technical reviewer and approver of the validation report

No.	Role	Type of resource	Last name	First name	Affiliation
1.	Technical reviewer	IR	Ngyuen	Hong Linh	BV Vietnam
2.	Approver	IR	Uppunda	Anantha Prabhu	BV India

## SECTION C. Means of validation

### C.1. Desk/document review

The overall validation, from Contract Review to Validation Report & Opinion, was conducted using Bureau Veritas' internal procedures.

To ensure transparency, a validation protocol was customized for the project, according to the GS4GG Principals and Requirements, Renewable Energy Activity Requirements, Gold Standard Safeguarding Principles and Requirement, - Gold Standard for the Global Goals Stakeholder Consultation & Engagement Procedure, Requirements & Guidelines as well as version 03.0 of the Clean Development Validation and Verification Standard /Ref-B10/ for Project Activity, issued by the CDM Executive Board at its 111<sup>th</sup> meeting on 9<sup>th</sup> September 2021. The protocol shows, in a transparent manner, criteria (requirements), means of validation and the results from validating the identified criteria. The validation protocol serves the following purposes:

- It organizes, details, and clarifies the requirements a Gold Standard project is expected to meet.
- It ensures a transparent validation process where the validator will document how a particular requirement has been validated and the result of the validation.

Document review:

The Project Design Document (PDD) /Ref-P1 & P2/ submitted by the PP Nhon Hoa 2 Wind Electricity Joint Stock Company (Project Owner) for the Nhon Hoa 2 Wind Power Project and additional background documents related to the project design and baseline, i.e. country Law, Guidelines for Completing the Project Design Document (CDM-PDD), Approved methodology, GS4GG, Kyoto Protocol, Clarifications on Validation Requirements to be checked by a Designated Operational Entity were reviewed.

During onsite validation, the VVB Validator reviewed all reported FARs by GS during the preliminary review process and observed that there were eight FARs reported. All FARs were closed during validation, and the result of the review of FARs is presented in this report. Please refer to Appendix 6 for details.

To address Bureau Veritas' corrective action and clarification requests, PP revised the PDD and other supporting documents i.e. Investment Analysis and emission reduction spreadsheet resubmitted to VVB for verification and final closure in June 2023.

### C.2. On-site inspection

Duration of on-site inspection: 09/01/2023 to 12/01/2023				
No.	Activity performed on-site	Site location	Date	Team member
1.	<b>Management Interview:</b> <ul style="list-style-type: none"> <li>- Project Design and implementation.</li> <li>- Technical Equipment and operation</li> <li>- Compliance with National Laws and regulations.</li> <li>- Early consideration</li> </ul>	Chu Don and Ia Phan communes, Chu Puh district, Gia Lai province,	09/01/2023	Ram M. Desai

	<ul style="list-style-type: none"> <li>- Additionality</li> <li>- Local stakeholder consultation and resolution of their concerns</li> <li>- Supporting data, evidence and documentation</li> <li>- Environmental Impacts</li> <li>- Monitoring System at site</li> </ul>	Vietnam		
2.	<b>Site Visit:</b> <ul style="list-style-type: none"> <li>- Interview Local Stakeholders to understand their views and concerns about the Project Activity</li> <li>- Confirming that Nhon Hoa 2 Wind Power Project Authority had conducted a formal Stakeholder Consultation Meeting.</li> <li>- Onsite Project Round – Plant Room, Substations, Transformer yard, Wind panel field. Etc.</li> </ul>		10/01/2023	Ram M. Desai
3.	<b>Document Review:</b> <ul style="list-style-type: none"> <li>- Pre-project documents like FSR, various Approvals, Environmental Assessment Study documents, etc;</li> <li>- Financial Additionality documents.</li> <li>- Prior consideration.</li> <li>- PLF study report.</li> <li>- Implementation</li> <li>- QA/QC procedures</li> <li>- Qualification &amp; Training</li> <li>- Monitoring records</li> <li>- Cross-check data</li> <li>- ER calculations</li> </ul>		10/01/2023	Ram M. Desai
4.	<b>Close Meetings</b> <ul style="list-style-type: none"> <li>- Summary of Findings</li> <li>- Follow up actions</li> </ul>		12/01/2023	Ram M. Desai

### C.3. Interviews

No.	Interviewee		Date	Subject	Team member
	Name of Stakeholder	Affiliation			
1.	Mr. Hiep	Local Government	09 – 10/01/2023	LSC Process / Concerns / Feedback etc.	Ram M. Desai
2.	Ms. Nhat	Fatherland Committee (Vice President)			
3.	Mr. Hung	Farmers Union (President)			
4.	Mr. Hau (Kinh)	Common Stakeholder			
5.	Mr. Thuong (Gia Rai/ J'Rai)	Common Stakeholder			
6.	Mr. Siu Bac (Gia Rai/ J'Rai people of Chu Don)	Common Stakeholder			
7.	Mr. Hoang	People Committee of Ia Pham			
8.	Mr. Siu Giap	village head of Plei Thoh Nhueng			
9.	Mr. Ha	President of Chu Don PCC and			
10.	Mr. Minh	Party Secretary			
11.	Mr. Vu Thi Phuong	Nhon Hoa 2 Wind Power Project	10/01/2023	Project Implementation and Technical Requirement	Ram M. Desai
12.	Mr. Angus McEwin	Monsoon Sustainability Co. Ltd.			
13.	Mr. James Bairstaw	Monsoon Sustainability Co. Ltd.			
14.	Ms. Thanh Nhat Ho	Monsoon Sustainability Co. Ltd.			

### C.4. Sampling approach

>>>>There was no sampling followed for validation.

### C.5. Clarification requests (CLs), corrective action requests (CARs) and forward action requests (FARs) raised

Areas of validation findings	No. of CL	No. of CAR	No. of FAR
A.1 Purpose and general description of project	1	0	0

A.2 Eligibility of the project under Gold Standard	0	0	0
A.3 Legal ownership of products generated by the project and legal rights to alter use of resources required to service the project	0	0	0
A.5 Technologies and/or measures	0	0	0
A.6 Scale of the project	0	0	0
A.7 Funding sources of project	0	0	0
A.8 Assessment that project complies with 'gender sensitive' requirements	0	0	0
B.1 Reference of approved methodology	0	0	0
B.2 Applicability of methodology	0	0	0
B.3 Project boundary	0	0	0
B.4 Establishment and description of baseline scenario	0	0	0
B.5 Demonstration of additionality	2	1	0
B.6 Relevant target for each of the three SDGs	0	0	0
B.6.2 Explanation of methodological choices/approaches for estimating the SDG outcome	0	0	0
B.6.3 Data and parameters fixed ex-ante for monitoring contribution to each of the three SDGs	0	0	0
B.6.4 Ex-ante estimation of outcomes linked to each of the three SDGs	0	0	0
B.6.5 Summary of ex-ante estimates of each SDG outcome	0	0	0
B.7.1 Data and parameters to be monitored	0	0	0
B.7.2 Sampling plan	0	0	0
B.7.3 Other elements of monitoring plan	0	0	0
C.2.1 Start Date of Crediting Period	0	0	0
D.1. Analysis of social, economic and environmental impacts	0	0	0
D.2. Assessment that project complies with GS4GG Gender Sensitive Requirements	1	0	0
E.1 Solicitation of comments from stakeholders	0	0	0
E.2 Summary of comments received	1	1	0
E.3 Report on consideration of comments received	0	0	0
Appendix 1	1	0	0
<b>Total</b>	<b>6</b>	<b>2</b>	<b>0</b>

## SECTION D. Validation findings

### D.1. Demonstration of prior consideration of the CDM

<b>Means of validation</b>	<p>From the PDD submitted for validation it was noted that the Project is the Retroactive Type of Project and as per the GS4GG Principles &amp; Requirements /Ref-B3/, section Prior Consideration 4.1.49 (b) if the Project Type is Retroactive project, then PP shall submit the required documents for preliminary review (time of first submission) within one year of the project start date, however this requirement is not applicable as Validation shall be completed within 1 year of the project start date. PP has submitted documents for preliminary review process to GS on 10<sup>th</sup> October 2021 and it is found meeting.</p> <p>The start date of the project was validated using the equipment supply Contract /Ref-P14/ Dated 07/12/2020, which is the legal document signed between PP and the equipment supply Contractor where PP has committed to invest for the project activity. The start date identified is found in accordance with the definition of the start date.</p> <p>Further it was verified that PP has discussed the carbon revenue and benefits of certifying the project activity as GS project at the time of investment decision and it was demonstrated through Board Management Decision on project investment Sr. No. 01/2020/QD-NH2 Dtd. 6<sup>th</sup> November 2020 signed by the project director of Nhon Hoa 2 and further it was cross checked through an approval on investment decision dated 7th August 2020 from Gia Lai Provincial Peoples Committee by PP as Investment Decision policy No 388/QD-UBND /Ref -P30/.</p> <p>Also a construction permit exemption obtained from Chu Puh Communal Peoples Committee Sr. No. 1506/ UBND-KT dtd, 2<sup>nd</sup> December 2020 is the supporting evidence to confirm the investment decision./Ref -PXX/. This determines that the investment decision is</p>
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before the start date of project activity and hence considered meeting the requirement of VVS para 39.

Chronology of events leading to significant actions is provided in the below table. These dates were validated by VVB verifier and confirmed real.

Date	Chronology of Events leading to significant actions
27/06/2019	Land use planning approval
28/10/2019	Local stakeholder consultation
25/06/2020	Decision to include in master plan
14/09/2020	Connection Agreement - Verified through Grid connection agreement Dtd. 14 <sup>th</sup> September 2020 No 3491/EVNNPT- TTDN
16/10/2020	Finalizing the FSR report
06/11/2020	Board management decision on project investment
02/12/2020	Construction permit – issued by Chu Puh Communal Peoples Committee Sr. No. 1506/ UBND-KT dtd, 2 <sup>nd</sup> December 2020
07/12/2020	Signing the Equipment supply contract and start the project – Verified and found that the Equipment supply contract with Vestas was signed on 7 <sup>th</sup> December 2020.
15/12/2020	Power Purchase Agreement
08/03/2021	Exemption of Environment protection management plan
29/05/2021	Land use right transfer decision
30/05/2021	Start the construction
10/10/2021	First submission for GS4GG preliminary review
14/10/2021	First commercial operation date NH2 – There were two COD's issued by EVN 1 <sup>st</sup> – for seven turbines WTG 01, 02, 04, 05, 07, 11, and 12 – Dtd. 14 <sup>th</sup> October 2021, Sr. 6152/EPTC-KDMD
22/10/2021	2 <sup>nd</sup> – for remaining five turbines WTG 03, 06, 08, 09, and 10 – Dtd. 22 <sup>nd</sup> October 2021 Sr. No 6464/EPTC-KDMD

<b>Findings</b>	NIL
<b>Conclusion</b>	Based on the above assessment, in line with Section 4.1.49 (b) of GS4GG Principles and Requirements as well as paragraph 46 of VVS version 02 for project activity, the Bureau Veritas hereby confirms that the proposed CDM project activity complies with the requirements of the prior consideration of CDM.

## D.2. Identification of project type

<b>Means of validation</b>	The Project Participant has correctly identified the project activity as Large Scale Project Activity in accordance with paragraph 34 of CDM Project Standard Version 3 for project activity <b>/Ref-B11/</b> as well as Section 6 of 101_V1.2_PAR_Principles-Requirements established by Gold Standard. The template of the PDD used by the Project Participant at the time of validation is found to be latest and the version is 1.2 – Dtd. 14/10/2020. Validation team noted that all relevant sections of the PDD are completed correctly using appropriate instructions provided in the PDD form and the guidance available on the Gold Standard Website.
<b>Findings</b>	NIL
<b>Conclusion</b>	In accordance with paragraph section 7.3 of VVS version 03 of the project activity as well as Gold Standard Principles & Requirements, the Bureau Veritas confirms that the type of the project activity is appropriately determined. Also the PDD is completed in the latest available form using correct instructions provided therein the PDD form.

## D.3. Description of project activity

<b>Means of validation</b>	Nhon Hoa 2 Wind Power Project is a greenfield grid-connected wind power plant project which is located in Chu Don and Ia Phan communes, Chu Puh district, Gia Lai province,
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Vietnam. Geo-coordinates of the installed Wind Turbine Generators (WTG's) are provided below and are confirmed during the site visit using GPS Map Camera Lite app from android mobile. Geo coordinates provided in the PDD section A.2 are found correct and real.

WTG No.	Latitude	Longitude
NH2 - T1	13°33'23.96"N	108°4'28.24"E
NH2 - T2	13°33'14.02"N	108°4'29.14"E
NH2 - T3	13°33'7.35"N	108°4'49.87"E
NH2 - T4	13°32'56.64"N	108°4'46.66"E
NH2 - T5	13°32'37.35"N	108°4'11.70"E
NH2 - T6	13°31'56.72"N	108°4'23.16"E
NH2 - T7	13°32'32.57"N	108°4'27.28"E
NH2 - T8	13°31'52.53"N	108°4'35.28"E
NH2 - T9	13°31'44.46"N	108°4'42.55"E
NH2 - T10	13°31'32.50"N	108°4'43.09"E
NH2 - T11	13°33'6.07"N	108°4'21.50"E
NH2 - T12	13°32'59.30"N	108°4'13.61"E

The project has a total installed capacity of 50 MW, with a predicted power generation of 164,834 MWh per annum.

This project is legally owned and operated by Nhon Hoa 2 Wind Electricity Joint Stock Company, the ownership claim is validated using various legal documents i.e., Investment License / Registration **/Ref-34/**, Power Purchase Agreement **/Ref-P12/**, and Construction Permit **/Ref-P13/**. Based on the verification of these legal documents it is confirmed that the legal owner of the project is Nhon Hoa 2 Wind Electricity Joint Stock Company

The entire electricity generated by the wind power plant shall be fed into the Vietnam national grid without any Greenhouse Gas (GHG) emissions. The operational lifetime of the wind farm is 20 years. Currently the electricity supplied by the grid is relatively carbon intensive, with a combined margin emission factor of 0.8230 tCO<sub>2</sub>/MWh. The electricity generation through this project will be resulted in the emission reductions on account of electricity generation by 135,655 tCO<sub>2e</sub>/year and total emission reduction for the 1<sup>st</sup> crediting period 5 years will be 678,273 tCO<sub>2e</sub>.

The purpose of the project activity is to generate electricity based on renewable and clean energy source i.e. by utilizing the Wind power potential available in the Gia Lai Province of Vietnam and to supply the same to meet the energy demand in host country Vietnam. The technology involved in the project is Wind Turbine Generator (WTG) turns wind energy into electricity using the aerodynamic force from the rotor blades directly into electricity.

The project design includes installation of totally 12 wind turbine generators (WTG's) with ten (10) wind turbines 4.2 MW capacity and two (02) turbines 4.0 MW capacity connected to the national grid. The detailed technical specification of WTG's is defined in the following table

Parameters	Value		Units
Turbines model	V150	V150	–
Rated power output	4.2	4.0	MW
Number of WTGs	10	02	–
<b>Rotor</b>			
Rotor Diameter	150		m
Swept area	17,671		m <sup>2</sup>
Rotational direction	Clockwise (front view)		–
Hub Height	120.9		m

The project activity is expected to result in a reduction in the anthropogenic emissions of greenhouse gases (GHG's) into the atmosphere, which is estimated to be approximately 135,655 tCO<sub>2e</sub> per year, by displacing the equivalent amount of electricity generation through the operation of fossil fuels-based power plants in grid.

The validation team hereby confirms that the project description in latest PDD **/Ref P3/** is

	accurate and complete in all respects and that there are no major changes to the project activity/design or boundary as compared to the webhosted PDD.
<b>Findings</b>	NIL
<b>Conclusion</b>	In accordance with paragraph 56 of VVS Version 2 for Project Activity, Bureau Veritas hereby confirms that the project description in latest PDD is accurate and complete in all respects and that there are no major changes to the project activity/design or boundary as compared to the webhosted PDD.

#### D.4. Assessment of eligibility of Project under Gold standard as well as Application and selection of methodologies and standardized baselines

##### D.4.1. Assessment of eligibility of Project under Gold Standard

<b>Means of validation</b>	<p>The steps taken to assess the relevant information contained in the PDD against each eligibility criteria of Gold Standard for the Project as per Section 3.1.1 of GS4GG Principles &amp; Requirements /Ref-B3/ are described below.</p> <p>PP has described how Nhon Hoa 2 Wind Power Project meets the eligibility criteria in the PDD section A.2. PP has assessed all the criteria and relevant justifications are provided to demonstrate the eligibility of project.</p> <p>Eligibility criteria as per GS4GG principles and requirements:</p> <p><i>A Project type is automatically eligible for Gold Standard Certification if there are approved Gold Standard Activity Requirements and/or Gold Standard Impact Quantification Methodologies associated with it or as referenced in Gold Standard Product Requirements. These are published to the Gold Standard website and shall be followed where provided for a given Project type</i></p> <p>Based on the validation of PDD and site visit observations it is confirmed that the project implemented is Renewable Energy Project i.e., Wind power plant connected to the Vietnam Grid. The Project capacity is 50 MW and hence it is classified as large-scale project. In order to develop the project PP has used ACM 0002 as an Approved CDM Methodology. All these project implementation aspects are found to be in accordance with section 2 of the Eligible Project Types &amp; Scope under Renewable Energy Activity Requirements (Version 1.3). Hence it is concluded that the project activity meets the eligibility criteria.</p> <p><i>For Project types that are not automatically eligible, a Project Developer may submit to Gold Standard for approval. This shall be done at minimum as part of the Preliminary Review, though it is recommended to engage with Gold Standard earlier to establish the criteria and requirements for approval.</i></p> <p>As confirmed in the above eligibility criteria, Project activity is automatically eligible for the Gold Standard certification, it is not required to submit the project activity to Gold Standard for approval. Hence it is concluded that the project meets this criterion.</p> <p><i>Project types applying for Gold Standard approval are referred to the Gold Standard Vision and Mission. The Project Developer shall demonstrate how the Project would contribute to these and how the Gold Standard for the Global Goals Requirements would be met in their application for approval</i></p> <p>This eligibility criteria is not applicable for this project activity as the implemented project is a Wind power project which is an approved project type as per “GS Activity Requirements” and does not require any prior approval from Gold Standard. This is found correct and hence accepted.</p> <p><i>In reviewing a new Project type for approval, Gold Standard may establish new Requirements to be met by the Project to achieve Gold Standard Design Certification and ongoing Gold Standard Certified Project status. Where required, Gold Standard shall engage expert peer reviewers to establish these Requirements, at the Project Developer’s expense</i></p> <p>This eligibility criteria is not applicable for this project activity as the implemented project</p>
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is a Wind power project which is an approved project type as per “GS Activity Requirements” and does not require any prior approval from Gold Standard. This is found correct and hence accepted.

*Gold Standard does not support Project types associated with geo-engineering or energy generated from fossil fuel or nuclear, fossil fuel switch, or any project that supports, enhances, or prolongs such energy generation. In certain cases, concerning energy efficiency involving fossil fuels (for example, LPG stoves), an exception is made. This is captured in the relevant Activity Requirements, Gold Standard Approved Methodologies and/or Product Requirements*

Based on the Validation of PDD, relevant supporting documents and Onsite visit, it is confirmed that the implemented project is a renewable energy project which generates electricity using wind as renewable resource i.e. Wind Turbine Generator (WTG) technology, and hence it is concluded that the project activity is not associated with geo-engineering or energy generated from fossil fuel or nuclear, fossil fuel switch, or any project that supports, enhances or prolongs such energy generation. Hence it is concluded that the project is eligible under this criterion.

*New Gold Standard Verified Emission Reductions (GS VER) or Gold Standard labels for Certified Emission Reductions (GS CER), Renewable Energy projects connected to national, or a regional electricity grid must be located in a;*

- a. *Least Developed Country (LDC), Small Island Developing State (SIDS) or a Land Locked Developing Country (LLDC).*
- b. *Low Income and Low Middle-income country where the penetration level of the proposed Renewable Energy Technology type is less than 5% of the total grid installed capacity, at the time of the first submission to preliminary review*

It is confirmed that the greenfield wind power plant is implemented in host country Vietnam which is a middle-income country as published in The World Bank data / **Ref-P51/**, hence condition (b) is applicable to this project to verify the eligibility. VVB assessed the penetration level of wind Technology in host country through publicly available information in host country i.e. EVN NLDC, Operational result of 2020 & Q1/2021, dated 23/04/2021 /**Ref-P23/** confirmed that the total share of Wind energy in the host country is approximately 0.76% with installed capacity of 538 MW amongst total installed capacity of 70,393 MW (including all technologies). This was further investigated using credible sources i.e. International Energy Agency and US Energy Information Administration a below,

- According to the International Energy Agency's 2020 statistical data, wind energy contributed less than 1 percent of total energy generation in the host country of Vietnam in 2020. /**Ref-P46/**. However, in the host country perspective Reports issued by Local electricity authority is considered more accurate and authentic and hence 0.76% penetration which is officially reported by EVN is considered conservative.
- According to a report published by the United States Energy Information Administration, "Vietnam's latest power development plan focuses on expanding renewable sources." Dtd. 18 Feb 2021, states that the wind energy share is 0.76%. /**Ref-P45/**

The validation team concludes that the project satisfies condition (b) of paragraph 2.1.3 of the Renewable Energy activity requirements v1.3 based on the corroboration of credible information mentioned above.

*Demonstrate the activity is NOT located in a host country, region, locality, or state that has an emission reduction cap enforced OR has the possibility to trade emissions that include the scope of the proposed project.*

It is confirmed through physical site visit that the project is not located in a host country, region, locality, or state that has an emission reduction cap enforced or has the possibility to trade emissions that include the scope of the Nhon Hoa 2 Wind Power Project. This is validated using host country decree 06/2022/ND-CP<sup>1</sup>, Article 17, 1c). In this Decree

<sup>1</sup> <https://thuvienphapluat.vn/van-ban/Tai-nguyen-Moi-truong/Nghi-dinh-06-2022-ND-CP-giam-nhe-phat-thai-khi-nha-kinh-va-bao-ve-tang-o-don-500104.aspx>

	Article 21 is mentioning decision regarding establishment of responsibility for domestic carbon market development, this indicates that there is no mechanism exists in host country that established Cap on emission trading, hence it is confirmed that the project is complying with this condition.
<b>Findings</b>	NIL
<b>Conclusion</b>	The validation team hereby confirms that the project activity implemented by the PP is in accordance with Section 3.1.1 of GS4GG Principles & Requirements as well as Renewable Energy Activity Requirements.

#### D.4.2. Application of methodologies and standardized baselines

<b>Means of validation</b>	<p>The steps taken to assess the relevant information contained in the PDD against each applicability condition are described below.</p> <p>The proposed Gold Standard Project Activity “Nhon Hoa 2 Wind Power Project” project uses the approved methodology ACM 0002 Version 21.0 /<b>Ref B8</b>/.</p> <p>Applicability of the methodology:</p> <p><i>Applicability Condition 3:</i>  <i>This methodology is applicable to grid-connected renewable energy power generation project activities that:</i></p> <ul style="list-style-type: none"> <li>(a) Install a Greenfield power plant;</li> <li>(b) Involve a capacity addition to (an) existing plant(s);</li> <li>(c) Involve a retrofit of (an) existing operating plants/units;</li> <li>(d) Involve a rehabilitation of (an) existing plant(s)/unit(s); or</li> </ul> <p><i>Involve a replacement of (an) existing plant(s)/unit(s).</i></p> <p>The project activity is an implementation of 50 MW Wind power plant using photovoltaic technology. This wind power plant is a greenfield project; hence condition (a) is satisfied. Validation Team has confirmed this through various documented evidence i.e. Equipment Supply Contract /<b>Ref-P14</b>/, and government approvals on the project implementation.</p> <p>The project activity is a Greenfield Wind Power Plant /<b>Ref-P20</b>/. There was no existing Wind Power Plant at the site (as verified by the validation team during the Onsite site validation). Thus, this applicability condition is applicable to the project activity.</p> <p><i>Applicability Condition 4(a):</i>  <i>The project activity may include renewable energy power plant/unit of one of the following types: hydro power plant/unit with or without reservoir, wind power plant/unit, geothermal power plant/unit, wind power plant/unit, wave power plant/unit or tidal power plant/unit;</i></p> <p>This condition is applicable as the project activity involves implementation of greenfield Wind power Plant, which is considered as renewable energy generation plant. This was confirmed during Onsite visit as well using Technical Specifications /<b>Ref-P20</b>/ of the project equipment’s installed at the project site.</p> <p><i>Applicability Condition 4(b):</i>  <i>In the case of capacity additions, retrofits, rehabilitations or replacements (except for wind, wind, wave or tidal power capacity addition projects) the existing plant/unit started commercial operation prior to the start of a minimum historical reference period of five years, used for the calculation of baseline emissions and defined in the baseline emission section, and no capacity expansion, retrofit, or rehabilitation of the plant/unit has been undertaken between the start of this minimum historical reference period and the implementation of the project activity.</i></p> <p>This condition is not applicable as the project activity is a greenfield Wind power plant and there is no capacity additions, retrofits, rehabilitations, or replacements are involved. The</p>
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same has been verified during the physical site visit carried out by the validation team. This project activity is a Greenfield project. No Wind Power plant existed at the project site earlier. The information has been physically verified by the validation team during the site visit.

*Applicability Condition 5:*

*In case of hydro power plants, one of the following conditions shall apply:*

*(a) The project activity is implemented in existing single or multiple reservoirs, with no change in the volume of any of the reservoirs; or*

*(b) The project activity is implemented in existing single or multiple reservoirs, where the volume of the reservoir(s) is increased and the power density, calculated using equation (3), is greater than 4 W/m<sup>2</sup>; or*

*(c) The project activity results in new single or multiple reservoirs and the power density, calculated using equation (3), is greater than 4 W/m<sup>2</sup>; or*

*(d) The project activity is an integrated hydro power project involving multiple reservoirs, where the power density for any of the reservoirs, calculated using equation (3), is lower than or equal to 4 W/m<sup>2</sup>, all the following conditions shall apply:*

*(i) The power density calculated using the total installed capacity of the integrated project, as per equation (4), is greater than 4 W/m<sup>2</sup>;*

*(ii) Water flow between reservoirs is not used by any other hydropower unit which is not a part of the project activity.*

*(iii) Installed capacity of the power plant(s) with power density lower than or equal to 4 W/m<sup>2</sup> shall be:*

*a. Lower than or equal to 15 MW; and*

*b. Less than 10 per cent of the total installed capacity of integrated hydro power project.*

**This condition is not applicable as the project implemented is not a Hydro Power Plant.**

*Applicability Condition 6:*

*In the case of integrated hydro power projects, project proponent shall:*

*(a) Demonstrate that water flow from upstream power plants/units spill directly to the downstream reservoir and that collectively constitute to the generation capacity of the integrated hydro power project; or*

*(b) Provide an analysis of the water balance covering the water fed to power units, with all possible combinations of reservoirs and without the construction of reservoirs. The purpose of water balance is to demonstrate the requirement of specific combination of reservoirs constructed under CDM project activity for the optimization of power output. This demonstration has to be carried out in the specific scenario of water availability in different seasons to optimize the water flow at the inlet of power units. Therefore, this water balance will consider seasonal flows from river, tributaries (if any), and rainfall for minimum five years prior to implementation of CDM project activity.*

**This condition is not applicable as the project implemented is not a Hydro Power Plant.**

*Applicability Condition 7:*

*The methodology is not applicable to:*

*(a) Project activities that involve switching from fossil fuels to renewable energy sources at the site of the project activity, since in this case the baseline may be the continued use of fossil fuels at the site.*

*(b) Biomass fired power plants/units.*

**This condition is not applicable as this is a Wind Power plant project and does not involves Switching of fuels. It is an exclusively renewable energy project.**

*Applicability Condition 9:*

*In the case of retrofits, rehabilitations, replacements, or capacity additions, this methodology is only applicable if the most plausible baseline scenario, because of the identification of baseline scenario, is "the continuation of the current situation, that is to use the power generation equipment that was already in use prior to the implementation of*

	<i>the project activity and undertaking business as usual maintenance”.</i>
	The project activity implemented is a greenfield wind power plant and hence this condition is not applicable.
<b>Findings</b>	NIL
<b>Conclusion</b>	The validation team hereby confirms that the selected baseline and monitoring methodology, ACM 0002, Version 21.0 / <b>Ref B3</b> / which is previously approved by the CDM Executive Board, is applicable to the project activity which complies with all the applicability conditions therein.

#### D.4.3. Deviation from methodology and/or methodological tool

<b>Means of validation</b>	There was no deviation from the selected methodology ACM0002 version 21.0 sought by the Project Participant for the proposed project activity from UNFCCC Secretariat.
<b>Findings</b>	Not applicable
<b>Conclusion</b>	Bureau Veritas confirms that there was no deviation from the selected methodology.

#### D.4.4. Clarification on applicability of methodology, tool and/or standardized baseline

<b>Means of validation</b>	There was no clarification on applicability of methodology, tool and/or standardised baseline to the proposed project activity has been issued.
<b>Findings</b>	Not applicable
<b>Conclusion</b>	Bureau Veritas confirms that there was no clarification on applicability of methodology, tool and/or standardised baseline.

#### D.4.5. Project boundary, sources and GHGs

<b>Means of validation</b>	<p>GS4GG Principles and Requirements Version 1.2, April 2021, VVS Version 02 for Project activity (paragraph 69 – 74)</p> <p>The validation team has validated the project boundary against the guidance provided in the methodology ACM 0002 Version 21.0 /<b>Ref-B8</b>/. The methodology refers that “<i>The spatial extent of the project boundary includes the project power plant/unit and all power plants/units connected physically to the electricity system that the CDM project power plant is connected to</i>”.</p> <p>The project boundary's spatial extent was determined via a Onsite visit, and the description in the PDD was submitted for Onsite validation. According to the description, the project is connected to Vietnam's national grid, which is encompassed by the project boundary. The national grid's structure was verified using the EVN website and the Climate Change Department of the Ministry of Natural Resources and Environment's (MONRE)/<b>Ref-P18</b>/ report on "The Analysis of the Vietnam Grid's Emission Factor." The project's geographical boundaries include wind turbine generators (WTG), transformers, switching stations equipped with energy metres, and transmission lines, among other things.</p> <p>To ensure that no double counting occurs because of registering this project under the gold standard, the VVB Verifier conducted a cross-check with other registries, including CDM, Gold Standard, VCS, and GCC, and confirmed that no similar project with the same geographical location and specification had been registered. The VVB verifier used the CD4CDM Database to cross-check the status of CDM-registered, under-review, under-validation, and rejected projects in the host country and discovered none. Similarly, the GS and VCS Registries were compared to determine whether comparable projects had been registered or were in the pipeline. This also resulted in the cancellation of the project. This demonstrates that no double counting is possible.</p> <p>The site visit was carried out on 09/01/2023 – 12/01/2023 to check the installation of WTG's and Switching station and monitoring station and thus the project boundary description in the PDD /<b>Ref-P1</b>/ was validated. At the time of the onsite visit, the validation team observed that the project is already installed and operational to supply electricity to grid.</p>
<b>Findings</b>	NIL
<b>Conclusion</b>	<p>PP has described the boundary correctly and the demonstration of the Project boundary found in accordance with the following criteria</p> <ul style="list-style-type: none"> <li>- GS4GG Principles and Requirements Version 1.2, April 2021</li> <li>- VVS Version 02 for Project activity (paragraph 69 – 74)</li> </ul>

**D.4.6. Baseline scenario**

<b>Means of validation</b>	<p>The steps taken to assess the requirement given in paragraph 76 - 83 of the VVS for Project activity are described below:</p> <p>Validation team assessed the baseline identification by the project participant using the provisions of the applied methodology.</p> <p>As per the identification of Baseline scenario of the applied methodology ACM 0002, Version 21.0 /<b>Ref-B8</b>/, the baseline scenario is “electricity delivered to the grid by the project activity would have otherwise been generated by the operation of grid-connected power plants and by the addition of new generation sources, as reflected in the combined margin (CM) calculations described in the “Tool to calculate the emission factor for an electricity system”/<b>Ref-B9</b>/.</p> <p>The project activity involves the installation and operation of a greenfield wind power plant which will be supplying the power to the Vietnam National grid. Further PP has demonstrated that renewable energy share in host country Vietnam is 10.1 Billion KWh which is around 4% of total energy generated in host country and out of 4% renewable energy share Wind energy share is just 0.76% which is based on the EVN NLDC, Operational result of 2020 &amp; Q1/2021, dated 23/04/2021. Thus it is concluded that the project activity meets the requirement established by the Gold Standard under Project Eligibility.</p> <p>The baseline emissions include only CO<sub>2</sub> emissions from electricity generation in fossil fuel fired power plants connected to Vietnam National Grid that are displaced due to the proposed project activity. Thus, Baseline emissions are calculated as the product of electricity produced by the power plant, multiplied by the grid emission factor, i.e. Combined Margin Emission Factor.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px 0;"> <math display="block">BE_y = EG_{PJ, y} * EF_{grid, CM, y}</math> </div> <p>Where,</p> <p>BE<sub>y</sub> baseline emissions in year y (t CO<sub>2</sub>/yr);</p> <p>EG<sub>PJ,y</sub> quantity of net electricity supplied to the grid as a result of the implementation of the CDM project activity in year y (MWh/yr);</p> <p>EF<sub>grid,CM, y</sub> Combined margin CO<sub>2</sub> emission factor for grid connected power generation in year y (t CO<sub>2</sub>/MWh)</p> <p>The Emission Factor has been calculated in a transparent and conservative manner as a combined margin (CM), consisting of the combination of operating margin (OM) and build margin (BM) according to the procedures prescribed in the ‘Tool to calculate the emission factor for an electricity system’, version 07.0 (Ref B9).</p> <p>Project participant has used official data from the Climate Change Department, Ministry of Natural Resource and Environment (MONRE) /<b>Ref-P18</b>/ on generation and emissions of power plants in Vietnam Dtd. 31/12/2022, which was the latest available officially published database at the time of site Visit.</p> <p>The statement is in accordance with the methodological choice provided in ACM 0002 Version 21.0. The emission factor presented by PP in the PDD is found correctly applied and this information was cross checked through publically available information i.e.</p> <ul style="list-style-type: none"> <li>- The Analysis of Emission Factor of Vietnam Grid” report issued by Climate Change Department, Ministry of Natural Resource and Environment (MONRE) /<b>Ref-P18</b>/</li> <li>- Vietnam Electricity (EVN) – Annual report 2020 /<b>Ref-P23</b>/</li> </ul> <p>The validation of Operating margin and Build margin emission factors was carried out by the team and the same is explained as below:</p> <ol style="list-style-type: none"> <li>1. The Operating Margin emission factor for Vietnam National grid (0.9239 tCO<sub>2</sub>/MWh)</li> </ol> <p>The operating margin emission factor provided by the project participant is based on the Simple Operating Margin i.e. as per option (a) in the Tool. This option is selected as the total electricity output of the power sources has low operating cost or has to run (i.e. Low Costs must run resources) 50% of the electricity output of the entire electricity system. This conclusion is made based on the average of last 03 years energy generation (e.g., 2019, 2020, and 2021). The data provided in the report is found transparent and can be cross checked with the authority i.e. Climate Change Department, Ministry of Natural Resource and Environment (MONRE) /<b>Ref-P18</b>/.</p>
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	<p>The method adopted to calculate the Simple Operating Margin is in accordance with the Tool to calculate emission factor for an electricity system. Hence, the same was accepted by the validation team. PP has used the latest data available for the year 2021 published by the Ministry of Natural Resource and Environment (MONRE) as per “Tool to calculate the emission factor for an electricity system” – Version 07.0. /Ref-B9/.</p> <p>2. The Build Margin emission factor for combined grid (0.5202 tCO<sub>2</sub>/MWh) PP has used the latest data available for the year 2021 published by the Ministry of Natural Resource and Environment (MONRE) as per “Tool to calculate the emission factor for an electricity system” – Version 07.0. /Ref-B9/.</p> <p>3. Combined margin CO<sub>2</sub> emission factor for combined grid in year y. (0.8230 tCO<sub>2</sub>/MWh) The combined margin emission factor provided by the project participant is based on the operating margin and build margin emission factors of the combined NEWNE and Vietnam grid as reported above.</p> <p>The project participant has correctly applied the weightage for Operating margin as <math>w_{OM} = 0.75</math> and weightage for build margin as <math>w_{BM} = 0.25</math>, as the project activity involves installation and operation of Wind Power plant. These applied weights are found suitable owing to their intermittent and non-dispatchable nature. This is also in accordance with Para 86(a) of the Tool 07, “Methodological tool: Tool to calculate the emission factor for an electricity system”, Version 07.0. /Ref-B9/.</p> <p>The Combined margin emission factor is the Ex-ante fixed parameter as stated in the PDD and it will be fixed for the crediting period, as stated in the PDD section B.6.3 as well as in B.7.1 (Monitoring plan). This is as per the monitoring methodology ACM 0002. Version 21.0 /Ref-B8/</p> <p>The validation team has also confirmed that the computation of the operating and build margin and the combined margin, Ministry of Natural Resource and Environment (MONRE) and presented by PP in the PDD and the ER spread sheet /Ref-P10/, are in accordance with the latest version of the Tool to calculate the emission factor for an electricity system, version 7.0 /Ref B9/.</p> <p>The validation team further notes that the background data used for the baseline emission factor computation is provided by DNA of host Country Vietnam. The provisions of paragraph 64 of EB 43 in this regard are therefore not applicable.</p> <p>Also, validation team cross verified from public domain about any National and/or sectoral policies available in the Host Country which give comparative advantages to less emissions-intensive technologies over more emissions-intensive technologies. It is discovered that host country government is encouraging private entities for building more green energy generation plants i.e. Wind through Wind FTT policy, which provides higher tariff and other benefits for wind power plant over Coal / Gas power plants /Ref-P17/ and in accordance with this policy project has obtained COD before 1<sup>st</sup> November 2021.</p>
<b>Findings</b>	NIL
<b>Conclusion</b>	<p>Based on the above assessment, Bureau Veritas Certification hereby confirms that:</p> <ul style="list-style-type: none"> <li>- All the assumptions and data used by the project participants are listed in the PDD, including their references and sources;</li> <li>- All documentation used is relevant for establishing the baseline scenario and correctly quoted and interpreted in the PDD;</li> <li>- Assumptions and data used in the identification of the baseline scenario are justified appropriately, supported by evidence and can be deemed reasonable;</li> <li>- Relevant national and/or sectoral policies and circumstances are considered and listed in the PDD, if applicable;</li> <li>- The approved baseline methodology has been correctly applied to identify the most reasonable baseline scenario and the identified baseline scenario reasonably represents what would occur in the absence of the proposed Gold Standard project activity.</li> </ul> <p>Hence it is concluded that the Baseline identification is complying to the following criteria</p> <ul style="list-style-type: none"> <li>- GS4GG Principles and Requirement, Version 1.2, April 2021, Section 3.1.2 Definition of Baseline and Project Scenarios</li> <li>- VVS paragraph 76 - 83</li> <li>- Approved Large Scale Methodology ACM0002, Version 21.0</li> </ul>

**D.4.7. Demonstration of additionality**

<b>Means of validation</b>	The steps taken and sources of information used, to cross-check the information contained in the PDD on this matter are described below:												
	The additionality of the Project activity was assessed on the basis of the review of Tool 1- Tool for the demonstration and assessment of additionality, Version 07.0.0 / <b>Ref-B13/</b> and documents indicated in the assumptions in post-tax Equity IRR spread sheet with default benchmark as prescribed in the Annex A of EB 62 Annex 05 i.e. “GUIDELINES ON THE ASSESSMENT OF INVESTMENT ANALYSIS”/ <b>Ref-B19/</b> as well as Methodological Tool 27 for Investment Analysis, Version 10.0 / <b>Ref-14/</b> .												
	<table border="1"> <thead> <tr> <th data-bbox="379 521 794 633"><i>Steps for Demonstration of Additionality as per “Tool for the demonstration and assessment of additionality (Version 07.0.0)</i></th> <th data-bbox="802 521 1377 633"><i>Validation Opinion</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="379 645 794 824">Step 0: Demonstration of Additionality</td> <td data-bbox="802 645 1377 824">PP has demonstrated that the proposed greenfield wind power project is an onshore project located in host country Vietnam, which is not a first of its kind as there are several projects already installed and operational. Hence this claim is verifiable and accepted.</td> </tr> <tr> <td data-bbox="379 835 794 1014">Step 1: Identification of alternative to the proposed project activity consistent with current laws and regulations</td> <td data-bbox="802 835 1377 1014">As per para 22 of selected approved methodology ACM 0002 Version 21.0, there is no need to identify the plausible alternative as project is a greenfield project activity. However, PP has done simple alternative analysis and identified 2 possible alternatives as explained below</td> </tr> <tr> <td data-bbox="379 1025 794 1350">Sub Step 1a: Define Alternatives to the project activity</td> <td data-bbox="802 1025 1377 1350">Alternative 1: The proposed project activity not undertaken as a GS-VER project activity - this is possible if PP wish not to register this project as GS – VER project activity, hence this alternative found plausible.  Alternative 2: Continuation of the current situation (no project activity undertaken) – This is also possible, and this is acceptable.</td> </tr> <tr> <td data-bbox="379 1361 794 1473">Sub Step 1b: Consistency with mandatory laws and regulations</td> <td data-bbox="802 1361 1377 1473">Both above identified alternatives are found consistent with the mandatory laws and regulations and hence the justification is provided by PP in the section B.5, sub step 1b is correct.</td> </tr> <tr> <td data-bbox="379 1485 794 1597">Step 2: Investment Analysis</td> <td data-bbox="802 1485 1377 1597">PP has explained the Investment Analysis in accordance with the methodological Tool: Investment Analysis, Version 12 in a step-by-step manner and this is validated in detailed as below.</td> </tr> </tbody> </table>	<i>Steps for Demonstration of Additionality as per “Tool for the demonstration and assessment of additionality (Version 07.0.0)</i>	<i>Validation Opinion</i>	Step 0: Demonstration of Additionality	PP has demonstrated that the proposed greenfield wind power project is an onshore project located in host country Vietnam, which is not a first of its kind as there are several projects already installed and operational. Hence this claim is verifiable and accepted.	Step 1: Identification of alternative to the proposed project activity consistent with current laws and regulations	As per para 22 of selected approved methodology ACM 0002 Version 21.0, there is no need to identify the plausible alternative as project is a greenfield project activity. However, PP has done simple alternative analysis and identified 2 possible alternatives as explained below	Sub Step 1a: Define Alternatives to the project activity	Alternative 1: The proposed project activity not undertaken as a GS-VER project activity - this is possible if PP wish not to register this project as GS – VER project activity, hence this alternative found plausible.  Alternative 2: Continuation of the current situation (no project activity undertaken) – This is also possible, and this is acceptable.	Sub Step 1b: Consistency with mandatory laws and regulations	Both above identified alternatives are found consistent with the mandatory laws and regulations and hence the justification is provided by PP in the section B.5, sub step 1b is correct.	Step 2: Investment Analysis	PP has explained the Investment Analysis in accordance with the methodological Tool: Investment Analysis, Version 12 in a step-by-step manner and this is validated in detailed as below.
	<i>Steps for Demonstration of Additionality as per “Tool for the demonstration and assessment of additionality (Version 07.0.0)</i>	<i>Validation Opinion</i>											
	Step 0: Demonstration of Additionality	PP has demonstrated that the proposed greenfield wind power project is an onshore project located in host country Vietnam, which is not a first of its kind as there are several projects already installed and operational. Hence this claim is verifiable and accepted.											
	Step 1: Identification of alternative to the proposed project activity consistent with current laws and regulations	As per para 22 of selected approved methodology ACM 0002 Version 21.0, there is no need to identify the plausible alternative as project is a greenfield project activity. However, PP has done simple alternative analysis and identified 2 possible alternatives as explained below											
	Sub Step 1a: Define Alternatives to the project activity	Alternative 1: The proposed project activity not undertaken as a GS-VER project activity - this is possible if PP wish not to register this project as GS – VER project activity, hence this alternative found plausible.  Alternative 2: Continuation of the current situation (no project activity undertaken) – This is also possible, and this is acceptable.											
Sub Step 1b: Consistency with mandatory laws and regulations	Both above identified alternatives are found consistent with the mandatory laws and regulations and hence the justification is provided by PP in the section B.5, sub step 1b is correct.												
Step 2: Investment Analysis	PP has explained the Investment Analysis in accordance with the methodological Tool: Investment Analysis, Version 12 in a step-by-step manner and this is validated in detailed as below.												
<b>Investment Analysis</b>													
The project participant has demonstrated the additionality of the project activity using the investment analysis approach. The proposed Gold Standard project activity is a grid connected renewable energy generation project that will supply electricity to the Vietnam National grid. Electricity generated by the project activity would be sold at a tariff rate agreed and hence, revenue additional from the gold standard revenues would accrue from such sale. Hence, applying the simple cost analysis (of Option I of the Sub-Step 2(a) of the Tool for the demonstration and assessment of additionality is not considered. The comparison method of investment analysis as per Option II of the Sub-step 2(a) is also not appropriate as the Project participant’s investment decision was not based on the selection of competing alternatives.													
The only alternative to the project activity would have been the generation of power in the grids from connected fossil fuel plants, which is a continuation of the situation that already prevailed at the time of the decision.													
The project participant has selected benchmark analysis (as per Option III prescribed in the Tool)													

for the demonstration of additionality. The alternative to the project activity is the supply of electricity from the grid, hence the choice of investment benchmark analysis is appropriate. The financial indicator selected for the investment analysis is post-tax Equity IRR and is compared with a nominal benchmark calculated using Default value for the cost of equity (Expected return on Equity) for the host country Vietnam under Group 1. Hence, the validation team has concluded that the choice of Benchmark analysis by the project participant is appropriate and in accordance with Tool for the demonstration and assessment of additionality version 7 of EB 70 Annex 8, in line with the Tool for Investment Analysis version 12, EB 116, Annex 2 and “Guidelines on the Assessment of Investment Analysis”, EB 62 Annex 05.

**Validation of Input Parameters (as required by paragraph 102 a of the VVS version 3.0 of EB 111 Annex 2):**

Before assessment of the IRR calculations /Ref-P9/, the validation team has validated the basic input parameters listed in the PDD and spread sheet of investment analysis in accordance with VVS requirements. All the assumptions made in the investment analysis are listed below along with supporting validation justification for each of those assumptions.

The decision of setting up Nhon Hoa 2 Wind Power Project was taken on 7th August 2020, which is validated using approval from Gia Lai Provincial Peoples Committee, where PP has obtained an approval on investment decision i.e. Decision No 389/QD-UBND /Ref-P30/, subsequently Formal Board Management Decision on project investment Sr. No. 01/2020/QD-NH2 Dtd. 6th November 2020 signed by the project director of Nhon Hoa 2.

Subsequently PP has obtained Investment Certificate No. 3800076261, Dtd. 10th August 2020 from Department of Planning and Investment. /Ref-P30/, this is clearly mentioned that the PP i.e. Nhon Hoa 2 Wind Electricity Joint Stock Company (Project Owner) is officially investing in the 50 MW capacity Wind power project.

The assumptions made in the investment analysis are from sources available to the project participant at the time of the decision date. This was validated by the Bureau Veritas team. All the assumptions considered by the project participant are obtained from various documents.

The start date of project activity the date on which Equipment Supply Contract is signed i.e. 07/12/2020. The input values presented in the PDD can be regarded as valid and applicable at the time of the PP’s investment decision. The PDD has used the same values for the investment analysis presented. This was confirmed by the validation team through a review of various source documents. The validation team confirms that the input values considered in the investment analysis meet the requirements of version 12, EB 116, Annex 2 Tool for Investment Analysis and also the paragraph 102 (a) of the VVS version 3.0.

Parameter, Value	Validation Justification
Project Capacity in MW 50	Based on the assessment of following supporting documents it is confirmed that the Project capacity is 50 MW, which is the installed capacity. - Investment registration certificate No. Investment Decision policy No 3800076261 issued by Department of Planning and Investment. /Ref-P30/ - PPA signed by PP with the EVN./Ref-P12/ - Feasibility Study Report (FSR) – Verified based on the Turbine Technical Specification and ratings / capacity of each Turbine. Project installed 10 number 4.2 MW capacity Turbines and 2 Number of 4.0 MW capacity Turbines which contributes to the rated capacity of 50MW./Ref-P14/ - Technical Specifications of Wind Turbine Generators /Ref-P20/
Total Investment Cost (Billion VND) - 2,033,739 Billion VND  (88.079 million USD)	Investment Decisions Date – 7 <sup>th</sup> August 2020, Validated based on the approval from Gia Lai Provincial Peoples Committee, where PP has obtained an approval on investment decision. Decision No 388/QD-UBND Formal Board Management Decision on project investment Sr. No. 01/2020/QD-NH2 Dtd. 6 <sup>th</sup> November 2020 signed by the project director of Nhon Hoa 2. FSR Vol 1.2, section 1.2.2 Page 13 Table provides the total investment cost in VND and this was cross checked, Investment certificates Investment Certificate No. 3800076261, Dtd. 10 <sup>th</sup> August 2020, shows total investment as 1,462,177,548,481 VND 1 <sup>st</sup> amendment to the investment Certificate No. 237QD-UBND Dtd. 16 <sup>th</sup> April 2021 Decision on approval investment amendment by Gia Lai People provincial committee at 2,110,000 Billion VND  Further the Project cost is crosschecked based on the theoretical assumptions against the Wind Photovoltaic Technology brief published by IEA-ETSAP and IRENA © Technology Policy Brief E07 – March 2016 - www.etsap.org - <a href="http://www.irena.org">www.irena.org</a> /Ref-P47/, it is confirmed that the cost of investment is in the range of USD 1,280 per kW and USD

		<p>2,290 per kW, if it is extrapolated to the 50000 kW which is the project installed capacity it comes to 64 Million USD to 114.5 Million USD. Based on this crosscheck it is concluded that the project investment cost is 88.079 million USD which is within this range and hence found acceptable.</p> <p>The evidence provided by the PP to justify the Project cost found satisfactory and hence acceptable</p>								
Annual electricity generation of 165,663 MWh / Annum		<p>Total Annual electricity generation capacity is validated through FSR Vol 1.1, section 1.4.1 Page 18 Table provides the value total annual generation of electricity using 12 Wind Turbines. <b>/Ref-P14/</b></p> <p>Energy generation protentional is based on several project specific inputs are provided i.e. Wind speed, Direction, Project Locations etc.</p> <p>This is also supported by the Technical Specifications of Wind Turbine Generators (WTG) provided by the manufacturer.</p>								
Capacity Factor (PLF) – 37.8%		<p>Capacity factory applied by PD was assessed using following supporting documents</p> <ul style="list-style-type: none"> <li>- Feasibility Study Report (FSR) – Verified based on the Turbine Technical Specification and ratings / capacity of each Turbine. Project installed 10 number 4.2 MW capacity Turbines and 2 Number of 4.0 MW capacity Turbines which contributes to the rated capacity of 50MW. <b>/Ref-P14/</b></li> <li>- Technical Specifications of Wind Turbine Generators <b>/Ref-P20/</b></li> </ul> <p>This is further cross checked with the published paper titling “Planning, policy and integration for sustainable development of offshore wind energy in Vietnam 2022 - 2030”, <a href="https://minh.haduong.com/files/HaDuong.ea-2021-PlanningPolicyOffshoreWind.pdf">https://minh.haduong.com/files/HaDuong.ea-2021-PlanningPolicyOffshoreWind.pdf</a></p> <p>Where it is mentioned that the capacity factor of onshore wind projects is estimated as 36% and this is depending on the wind availability in the region.</p>								
Operating & Maintenance Cost Per Year (USD/Unit)	<table border="1"> <tr> <td>Year 1-5</td> <td>58,000</td> </tr> <tr> <td>Year 6-10</td> <td>78,000</td> </tr> <tr> <td>Year 11-15</td> <td>83,000</td> </tr> <tr> <td>Year 16-20</td> <td>85,000</td> </tr> </table>	Year 1-5	58,000	Year 6-10	78,000	Year 11-15	83,000	Year 16-20	85,000	<p>PP has applied estimated values for Operation and maintenance of the Wind power plant and the cost estimated is in terms of USD/Unit / Year. Values applied found to be different in the different period and this indicates that the cost of maintenance increasing every five year.</p> <p>On an average for 12 units of wind turbines annual average operation and maintenance cost is estimated as 912,000 USD/Year (Based on IRR Calculation spreadsheet (Average of Cell C13:V13).</p> <p>This applied cost is further cross checked using Theoretical maintenance cost determined by Wind Turbine Technology brief published by IEA-ETSAP and IRENA © Technology Policy Brief E07 – March 2016 - <a href="http://www.etsap.org">www.etsap.org</a> - <a href="http://www.irena.org">www.irena.org</a> <b>/Ref-P49/</b>. As per this technology brief document average maintenance cost per annum for Wind power plant is estimated as USD 0.06–0.10 per kilowatt-hour (kWh), whereas for this project it is in the range of 0.00551 USD/KWh, hence this is found conservative and acceptable.</p>
Year 1-5	58,000									
Year 6-10	78,000									
Year 11-15	83,000									
Year 16-20	85,000									
Power Tariff, 0.0850 USD/kWh		<p>The Value applied by PP is validated using primarily Power purchase agreement established by PP with EVN i.e. Clause 2.1 on Page 6 of PPA Dtd. 15<sup>th</sup> December 2022, PPA # 12/2020/HD-NMDG-NHON HOA 2.GL</p> <p>Decision No. 39/2018/QD-TTg dated 10/09/2018 on amendment and adding some articles of Prime Minister's Decision No. 37/2011/QD-TTg on 29/06/2011 on promotion mechanism on wind power projects in Viet Nam. The price is fixed for 20 years. Note that this is a subsidized tariff, and the above Decision is an E-minus policy.</p> <p>This is the real and agreed figure which is available for the investment analysis. The rate is fixed much in advance and hence there is no change found in the Tariff rate.</p> <p>At the time of Validation, validation team took few month samples of electricity bills/ invoices raised by the PP to EVN towards the sales of the power to grid. In these invoices PP has applied the agreed rate of tariff i.e. 0.0850 USD/ kWh <b>/Ref-P25-27/</b></p>								
Debt (Wd) – Equity (We) ratio,70::30		<p>PP has considered Equity ratio (We) as 30% based on the government Decision No 30/2006/QD-BCN issued on 31 August 2006 by the Ministry of Industry requires that the investment capital of a project owner (equity) in an Independent Power Producer (IPP) project must account for at least 30% of the investment cost So, the Equity ratio (We) is determined as 30%.</p> <p>This rate is in conformity with the paragraph 26 of the “Methodological tool - Investment analysis”, Version 10.0: “the typical debt/equity finance structure observed in the sector of the country should be used”.</p> <p>Debt ratio (Wd) is calculated using formulae <math>Wd = 100\% - We</math>, this approach is found to be correct and hence accepted.</p>								
Project lifetime, 20 years		<p>20 years and 00 months – Lifetime of project is identified by PP is found correct. The Lifetime of the project equipment is determined utilizing Methodology Tool 10 “Tool to determine the remaining lifetime of equipment” <b>/Ref-B19/</b>. PP has selected option C Use default values for the Wind Turbines, onshore from table given in the tool. Found satisfactory hence accepted.</p>								
Residual/ fair value – 0 billion VND		<p>PP has considered residual fair value of the project as 0 at the end of the technical lifetime of the project equipment i.e. 20 years. This approach is found correct and in accordance with the Paragraph 6 of Tool27 - “Investment Analysis”, Version 10.0, “Both project internal rate of return (IRR) and equity IRR calculations should reflect the period of expected operation of the underlying project activity (technical lifetime) and if a shorter period than the technical lifetime is chosen, the investment analysis shall be</p>								

conducted for at least 10 years and include the fair value of the project activity assets at the end of the assessment period".  
Since the technical lifetime of 20 years has been applied as the financial analysis period, full value of assets has been completely depreciated thus no residual value remains at the end of the assessment period.

**Financial indicator (IRR)**

The arithmetical accuracy in computation of Equity IRR was found to be correct. The Equity IRR calculations were provided to the team in a spreadsheet **/Ref-P16/**. The computations are transparently presented in the spreadsheet and were verified by the validation team. All the cells of the spreadsheets can be accessed and the data and formulae in the cells can be viewed, as the cells are unprotected. The investment analysis is therefore in line with Investment analysis tool version 12, EB 116, Annex 2.

Equity IRR was computed for a period of 20 years, which reflects the period of expected operation of the underlying project activity (technical lifetime) and hence was found to be appropriate. The period considered for the investment analysis is therefore as per requirement in Investment analysis tool version 12, EB 116, Annex 2.

The project participant has taken into account profit after tax in the computation of the equity IRR. The principle adopted in making projections and computing IRR conforms to the accepted and standard accounting and taxation principles.

The validation team concludes that underlying assumptions are appropriate, accounting principles adopted in calculations, the calculations per se are correct and the requirements of paragraphs 96 to 101 of the VVS version 3.0 as well as the Investment analysis tool version 12, EB 116, Annex 2 have been met.

The post-tax Equity IRR for the proposed project activity is worked out using standard financing practice and IRR presented in the below table is in real term.

Equity Organization	Equity IRR
<b>Nhon Hoa 2 Wind Electricity Joint Stock Company (Project Owner)</b>	12.38%

The investment analysis, including the appropriateness of input values, financial computations, and adherence to accepted and standard accounting principles and practice was validated by the financial specialist within the team. The team confirms that the analysis presented in the PDD is consistent with the IRR spread sheet **/Ref-P9/** submitted by the PP.

**Benchmark**

The project participant has considered Cost of equity (expected return on equity) and selected nominal benchmark option as per Paragraph 16 & 19 of The methodological tool for Investment Analysis, Version 12.0. As per this guidance D calculated nominal benchmark using following method

$$\text{Nominal Benchmark} = \{(1+\text{Real Benchmark}) \times (1+\text{Inflation Rate})\} - 1$$

Whereas:

Real Benchmark : The default benchmark for Group 1 for Vietnam under Appendix of

TOOL27 (Version 12.0) is 11.73%

Inflation rate : Average of monthly inflation rate from 2021 – 2025 was obtained from World bank and used 4.57% as the Inflation, consumer prices (annual %).

$$\begin{aligned} \text{Nominal Benchmark} &= \{(1+11.73\%) \times (1+4.57\%)\} - 1 \\ &= \{1.16836061\} - 1 \end{aligned}$$

$$\text{Nominal Benchmark} = \mathbf{16.84\%}$$

This method is found correctly applied and it is proven method from accounting / financing best practice referring to the Principles of Corporate Finance, Brealey Myers, Edition 10, Please refer to page No.61.

PD selected default value for the host country Vietnam provided in the Appendix as nominal benchmark i.e., 11.73% applicable at the time of investment decision and used this value to calculate nominal benchmark based on the published Inflation i.e. consumer prices (annual %) as an inflation rate applicable in the host country Vietnam. PD sourced these rates from World Bank and verifier confirmed these rates from the Statistics Office of Vietnam.

The Nominal Benchmark calculation approach adopted by the PD and input used are found correct and hence found satisfactory.

In comparison to the applied nominal benchmark (**16.84%**), the project's IRR value (**12.38%**) is significantly lower. The investment analysis, in the validation team's opinion, shows that the project activity is not economically viable for the PP in the absence of revenues that could supplement those obtained only from the sale of generated power.

The investment analysis therefore demonstrates the project activity to be additional as required by paragraph 96 of the VVS version 3.0.

### **Sensitivity Analysis**

In order to demonstrate the robustness of the conclusion arrived at above, viz., that the project is additional, the project participant has subjected the four critical input parameters to the investment analysis- total investment, Electricity Tariff, Power generation to a sensitivity of +/-10% in the IRR spreadsheet /**Ref-P15**/ and B.5 of the webhosted PDD.

It has been noted that the above four parameters are likely to affect the project IRR computation significantly because they contribute to 10% of either the project costs or the project revenues. The criteria adopted meet the requirement of paragraph 27 of version 12, EB 116, Annex 2 for investment analysis.

The range of variations (+/-10%) on which the sensitivity analysis has been carried out is in accordance with paragraph 28 of version 12, EB 116, Annex 2 for Investment Analysis tool, which requires that at least a range of variation from -10% to +10% be covered by such an analysis.

The results of the sensitivity analysis for the IRR computation are as follows:

No	Parameter	Variation	Equity IRR	Likelihood to happen
1.	Annual amount of electricity exported to the national grid	+10%	15.59%	Lower than the benchmark
		-10%	9.29%	Lower than the benchmark
2.	Total investment cost	+10%	9.74%	Lower than the benchmark
		-10%	15.73%	Lower than the benchmark
3.	Electricity price	+10%	15.59%	Lower than the benchmark
		-10%	9.29%	Lower than the benchmark

The results indicate that the IRR value continues to remain below the benchmark, even with the parameters undergoing the range of variation of +/-20%, except for Three cases i.e. Increase in Electricity Tariff and Power generation by +13.80 % each and decrease in the Project investment cost by 12.80%.

Variations	Calculated IRR	Benchmark IRR	Required Variation to Exceed benchmark
<b>Total Project Investment</b>	12.38%	16.84%	↓12.80%
<b>Electricity Tariff</b>			↑ 13.80%
<b>Power Generation</b>			↑ 13.80%
<b>O&amp;M Costs</b>			Not Possible

Case 1 - if the Electricity Tariff increases by 13.80% then the IRR will be crossing the benchmark  
- This situation will not occur as the Power tariff is fixed for entire period and there is no escalation possible in the agreed price of electricity.

Hence 13.80% increase in the power tariff is totally ruled out for the project based on the decision 39/2018/QD-TTg dated 10/09/2018 /**Ref-P12**/, which is the national decision for all renewable power plants which are intended to be connected to national grid and under specific power purchase agreement at fixed price. Subsequently PP signed PPA # 12/2020/HD-NMDG-NHON HOA 2.GL /**Ref-P12**/ with electricity corporation of EVN and the standard term of the power purchase agreement is 20 years with no change in the terms and condition

including price.

Case 2 – if the Power Generation is increased by 13.80% then the IRR will cross the Benchmark-

PP has clarified based on Feasibility Study Report (FSR) /**Ref-P14**/ (highest possible generation scenario) explained that the possible highest net power generation is 164,834 MWh, which is used to compute the emission reduction in this PDD. The net power generation is excluded all the wake losses from the gross power generation, and environmental factors that wind availability, breakdown as well WTG Availability factor and therefore no possibility of power generation increases by 13.80% in the future.

Case 3 – if the Total investment is decreased by 12.80% then the IRR will cross the Benchmark -

This situation will not occur as the project is completed at the time of validation and no addition or deletion in investment is required for completion of project.

The Equity investment by the project owner 609.9 billion VND (i.e. 26.424 million USD) which contributes to the 30% of the total project cost i.e. 2,033 billion VND (i.e. 88.0791 million USD). The Equipment Supply contract is already finalized, and Bank loan agreement also reflects that 70% of project cost is supported by the bank loan/**Ref-P17**/. This made validator to conclude that 12.80% decrease in the investment / Equity cost is not feasible.

The validation team, therefore, concludes that the sensitivity analysis carried out in the section B.5 of the revised PDD and in the IRR spreadsheet serves to establish that the analysis is robust over a range of variations in the input values. The validation team concludes that the additionality of the project activity is established in accordance with paragraph 99 (e) of the VVS version 3.0, as it is established that the project activity remains additional even when there is a range of variations in the principal input values.

The validation team, supported by the assessment by its financial expert hereby confirms that the underlying assumptions are appropriate, the financial calculations are correct and that the project is additional (Refer paragraph 102 c of the VVS version 3.0).

### **Barrier analysis**

There is no barrier analysis is considered by the PP and the hence the Step 3 is skipped. This decision was validated by the validation team using the applied Tool i.e. Tool for Demonstration and assessment of Additionality, Version 07.0.0. As per Tool the barrier analysis is optional, and the Barrier analysis can be done if after the sensitivity analysis both conditions given below are not met.

1. It the proposed project activity is unlikely to be the most financially attractive
2. Or is unlikely to be financially attractive

Since Sensitivity analysis results in the situation where the project activity is neither unlikely to be most financially attractive nor it is unlikely to be financially attractive, the barrier analysis is not required.

### **Common Practice Analysis (CPA)**

The Tool for the Demonstration and Assessment of Additionality Version 7.0.0 requires the project participant to demonstrate that the project activity is not common practice. For this purpose, the Tool refers to latest CDM guidelines on common practice which must be applied. The latest guideline [version 3.1] on demonstrating common practice is also another methodological tool of EB 84 Annex 7 viz., Common Practice Tool. The latter has specified a step-wise approach to test whether or not a proposed CDM project activity could be regarded “common practice”.

PP has described the Common Practice Analysis in the PDD and the validation team has reviewed the same. The projects that must be taken for comparison with the project activity are those that

1. Fall within +/-50% of the output capacity of the project activity. This range is therefore 25 MW to 75MW, since the capacity of the project activity is 50 MW. (Step 1 of EB 84 Annex 7 tool for Common Practice)
2. Identification of similar CDM as well as non-CDM projects that are located in the same geographical area (in the case of the project activity, this area is the host country Vietnam); use the same energy source as the proposed project activity (considered “Wind Power plants” in the case of the PP’s proposed project activity); produce services with comparable quality,

properties and application areas as the proposed project activity (in the case of the proposed project activity, the Wind Power Plants taken for comparison are those generating electric power which is exported to the grid and can therefore be regarded as producing services of comparable quality, properties and application); fall within the capacity range identified at Step 1, (viz., 25 MW to 75MW) and lastly have begun commercial operation before the date of publishing of the PDD or the start date i.e. 07/12/2020 of the project activity, whichever is earlier. (Step 2 of EB 84 Annex 7 tool for common practice). PP has identified 08 projects which have begun their operations before the start date of the proposed project activity, out of these 08 project three projects are out of the identified capacity range i.e. Bac Lieu Province Wind Power Plant with 99.2 MW Capacity, Trung Nam with 103.95 MW capacity, Phu Lac Wind Farm with 24 MW Capacity as well as Phu Quy Wind Power Project with 6MW Capacity and hence remaining 04 projects were considered for the analysis.

The PP has identified Four (04) projects that satisfy the criteria of Step 2 of the Common Practice tool. As there are 4 projects which are either implemented or proposed to be implemented in the range of 25 MW – 75 MW before the start date of the proposed project activity i.e. Nhon Hoa 2 Wind Power Project. All projects which are implemented or in the process of implementation and construction are above the selected range.

This information is validated using publically available information i.e. Press release issued by EVN and EVN website for the list of projects which are operational in the Capacity range 25 MW – 75 MW.

Based on validation conclusion it is confirmed that there were 03 project found implemented in the capacity range 25 MW – 75 MW in the Host Country before the Start date of the proposed Gold standard project i.e. Nhon Hoa 2 Wind Power Project i.e. 7<sup>th</sup> December 2020. Further it is verified how step 3 and Step 4 of the Tool are complied by the project activity and the assessment details are provided as below.

**Step 3 :Are neither registered CDM project activities, nor project activities submitted for registration, nor project activities undergoing validation (Step 3 of the EB 84 Annex 7 tool for common practice).** - From the background check on the following authentic information sources it is concluded that 03 out of identified 04 projects are either registered or seeking registration with CDM and Gold Standard in the identified capacity range of 25 MW – 75 MW which either registered / Submitted for registration or project undergoing validation. – PP has identified 1 project i.e. Dam Nai with installed capacity of 37.8 MW as neither registered as CDM Project nor seeking registration under any other registry and therefore,

$$N_{all} = 1$$

Background check is performed on following information sources

- UNFCCC Website
- Gold Standard Project Registry
- VCS Project Registry
- CD4CDM Website for the CDM Projects and CDM PoA Projects.

**Step 4: Are identified as applying technologies different from the proposed project activity, and their number designated  $N_{diff}$ , as per Step 4 of the EB 84 Annex 7 Common practice tool).** - In step 3, there is one project that is not registered anywhere (i.e., CDM, GS, VCS, etc.), and this project applies similar technologies (i.e., onshore wind technology). However, the Dam Nai Wind Power Project has already been registered as a TIGR project, which means that it has the potential to gain access to "other financial flows." As a result, this project is distinct from the proposed project, as described in paragraph 12.d.ii of the "Methodology Tool: Common Practise." Therefore, this project cannot be compared to the proposed project, and as a result, it has been determined that there is one project that applies technology in a way that is distinct from the activity proposed for the proposed project therefore,  $N_{diff} = 1$ .

As per the Step 5 it is required to check two conditions to confirm whether the proposed project is a common practice or not. PP has checked these conditions and the resultant outcome is

1.  $F = 1 - N_{diff}/N_{all}$  is calculated correctly applying outcome of Step 2 – Step 4 and result is  $1 - 1/1 = 0$ , based on the assessment results of Step 3 and Step 4, the resultant value of F is 0 which is lower than 0.2 .
2. The difference  $N_{all} - N_{diff}$  is calculated correctly by applying out come of step 2 – step 4 and the result is  $1 - 1 = 0$  which is not greater than 3 and hence it is concluded that the project is not a common practice in host country Vietnam.

	This ultimately confirms that the condition prescribed in the Para 18 of Methodological Tool “Common Practice” Version 03.1 as the result of $N_{all} - N_{diff}$ is lesser than 3, the project is not a Common Practice.
<b>Findings</b>	Nil
<b>Conclusion</b>	<p>Based on the assessment described above, the validation team of Bureau Veritas confirms that the project activity of PP is additional and is demonstrated to be additional in line with the requirements of</p> <ul style="list-style-type: none"> <li>- EB 70 Annex 8 Tool for the demonstration and assessment of additionality version 7.0 and</li> <li>- According to paragraph 86 of the EB 111 Annex 2 VVS version 3.0.</li> <li>- Guidelines on the assessment of investment analysis- Ver 05.0 EB 62 Annex 5</li> <li>- Tool For Investment Analysis Version 12</li> <li>- Tool for Common Practice Analysis Version 3.1</li> <li>- Guidelines for Objective Demonstration and assessment of Barriers, Version 01.</li> </ul> <p>All the above findings raised by the validation team were closed and the latest PDD i.e. PDD Version 3 is addressing these findings correctly.</p>

#### D.4.8. Estimation of emission reductions or net anthropogenic removals

<b>Means of validation</b>	<p>The project emission has been discussed in the revised PDD. For ex-ante estimation of the emission reductions, the project emissions have been considered as zero in the PDD being submitted for registration. This is because of the following reasons:</p> <p>The project activity involves installation and operation of greenfield Wind Power Plant.</p> <p>No leakage emissions have been considered for the project activity in accordance with the relevant guidance provided in the applied methodology ACM 0002, Version 21.0.</p> <p>The algorithm to calculate the emission reductions from the project activity is described as;</p> <div style="text-align: center; border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> <math display="block">ER_y = BE_y - PE_y</math> </div> <p>Where,  <math>ER_y</math> = Emission Reduction in tCO<sub>2</sub>/year  <math>BE_y</math> = Baseline emission in tCO<sub>2</sub>/year  <math>PE_y</math> = Project emissions in tCO<sub>2</sub>/year</p> <p>The estimated annual average emission reduction is 135,301 tCO<sub>2</sub>e. The validation team confirms that the estimates of baseline emissions can be replicated using the information provided in the revised PDD and emission reduction spread sheet being submitted for registration.</p> <p>The validation team further confirms that assumptions have been consistently applied in both emission reduction calculations and investment analysis spread sheet.</p>
<b>Findings</b>	NIL
<b>Conclusion</b>	<p>Based on the Assessment of emission reduction calculation approach as presented in PDD by the PP, it is confirmed that the information presented on the Emission reduction calculation approach is correct and this also demonstrates the compliance towards the methodological requirements</p> <p>The Calculation requirements were assessed against following requirements</p> <ul style="list-style-type: none"> <li>✓ Para 110 – 113 of validation and verification standard for Project of activities Version [CDM-EB93-A05-STAN – Version 02.0]</li> <li>✓ Gold Standard For The Global Goals Principles &amp; Requirements, Version 1.2 – Published October 2019</li> <li>✓ Approved Large Scale CDM Methodology ACM 002, Version 21.0</li> </ul>

#### D.4.9. Monitoring plan

<b>Means of validation</b>	<p>PP has established and described the monitoring plan in the PDD section B.7.1. From the assessment of the monitoring plan it is concluded that PP has identified all those relevant parameters which are required by the Applied large scale methodology to develop the project activity i.e. ACM 0002 Version 21.0 as well as relevant SDG indicators prescribed by the Gold Standard in GS4GG Principle and Requirements. PP has selected following SDG indicators for the monitoring</p> <ul style="list-style-type: none"> <li>- 4.4 – By 2030, substantially increase the number of youth and adults who have relevant</li> </ul>
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skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. This refers to the number of employees who received training services for employment of any type via Project.

- 7.2.1 – Renewable energy share in the total final energy consumption – Project contributes to the increased renewable energy share in host country electric grid. This is found in accordance with national power Development Plan VII of host country Vietnam under document No. 7795/TTg-DN.
- 8.5 – Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all – Project provides employment opportunities in both construction and operation phases of the project, and this will be monitored throughout the crediting period.
- 13– Take urgent action to combat climate change and its impacts – under this SDG goal PP has selected indicator 13.2 Integrate climate change measures into national policies, strategies and planning for monitoring sustainable contribution by the proposed project in terms of reduction in Baseline emissions due to the implementation of renewable energy power plants in country, this is in accordance with host country objectives.

According to the methodology, and GS4GG, the relevant monitoring parameters for this project activity are

**EGP<sub>j,grid,Y</sub>** : Quantity of net electricity generation supplied by the project plant to the grid in the monitoring period (this parameter as per the methodology has to be monitored according to the “EB 96 Annex 5 Baseline, project and/or leakage emissions from electricity consumption and monitoring of electricity generation” v3)

This parameter is also helps in monitoring the contribution towards SDG 7.2.1 i.e. renewable energy share in the total final energy consumption – Since the Electricity generated and exported to grid is equal to the **EGP<sub>j,grid,Y</sub>**.

The validation team confirms that the above parameter, required by ACM 0002, is included by the project participant in the monitoring plan of the PDD at section B.7.1 therein

The monitoring plan has stated that measurement of **EGP<sub>j,grid,Y</sub>** will be done by bi-directional energy meters installed at the sub-station located at the project site. Bi-directional energy meters monitors both electricity supplied to and drawn from the grid and the energy meters record value of net electricity export by the project activity (i.e. export minus import from grid). The measurement is on a continuous basis and is recorded every month. The energy meter readings are further crosschecked with the EVN Sub Station Meters and then the monthly bill is raised.

The export Electricity meters will undergo calibration according to procedures that follow industry standard practice;

**Under SDG 4.4 – By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. This refers to the number of employees who received training services for employment of any type via Project**

To demonstrate how the project activity helps in contributing SDG 4.4 “By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship. This refers to the number of employees who received training services for employment of any type via Project”, PP has monitored the number of people who have trained relevant skills, including technical and vocational skills, for employment in terms of new technology (e.g., wind power plant). This refers to the number of employees who received training services of any type via Project. This target and the applied monitoring plan are found satisfactory.

**Under SDG 8.5 – Total number of employment opportunities generated by the project activity**

To demonstrate contribution to SDG8- 8.5 “By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value’. PP has selected number of employment opportunities generated by the project throughout crediting period as the monitoring parameter and monitors the Gender wise employment opportunities (i.e. employee recruited Male & Female) provided during project phase as well as operation phase. The arrangement for the monitoring found satisfactory. This also provides opportunity of employment for the local people residing in the province and neighboring area of Nhon Hoa 2 Wind Power Project Plant.

**Under SDG 13.2.2 – GHG Emission reduction per year**

The purpose of this parameter is to monitor “Climate Action – PP shall be monitoring the GHG

Emission reduction per year by means of net electricity supplied by project to grid is multiplied by the grid emission factor published (CV1278/BDKH-TTBVTOD) by Department of Climate Change – Ministry of Natural Resources and Environment. The Monitoring requirement is found clearly defined in the PDD Section B.6.2. This is found in accordance with the Approved Methodology ACM0002, Version 21.0 applied by the PP for development of this proposed greenfield wind energy project.

**Under SDG 7.2.1- Renewable energy share in total final energy consumption (MWh of Electricity generation)**

PP has established suitable method to monitor and record the outcome against this indicator. Electricity produced and supplied to Grid shall be monitored using bidirectional meters and SCADA System. Net Electricity exported by project shall be monitored on monthly basis. The monitoring plan described in the PDD meets the monitoring requirements of the Gold Standard GS4GG Principles and Requirements as well as ACM 0002 methodology Version 21.0 along with the tools referred to by the methodology.

Apart from the Monitoring parameters to be monitored Ex-post, there are few parameters which PP has fixed Ex-ante and these parameters are defined in the PDD section B.6.3. PP has identified following parameters which are fixed Ex-ante and does not need monitoring.

- **EF<sub>grid,OM,y</sub>** - Operating Margin CO<sub>2</sub> emission factor for the electricity system in year y – PP has applied value 0.9239 tCO<sub>2</sub>/MWh, this value is obtained from the Published Report on Grid Emission Factor for Vietnam Grid and the report is published by the DNA of Vietnam i.e. The Ministry of Natural Resource and Environment (MONRE), by using the latest data available for the past three recent years 2019, 2020 and 2021. The historical data on electricity generation in the Vietnam Grid is sourced from “National electricity system regulation centre”. Based on the assessment of the published report by MONRE it is confirmed that the Calculation of the Operating Margin emission Factor is correct, please refer to the Section D.4.6 above in this report for the validation of Grid Emission Factor. The Calculation presented in the MONRE report is in accordance with the “Tool to calculate the emission factor for an electricity system, version 07.
- **EF<sub>grid,BM,y</sub>** - Build Margin CO<sub>2</sub> emission factor for the electricity system in year y – PP has applied value 0.5202 tCO<sub>2</sub>/MWh, this value is obtained from the Published Report on Grid Emission Factor for Vietnam Grid and the report is published by the DNA of Vietnam i.e. The Ministry of Natural Resource and Environment (MONRE), by using the total output of the selected 05 most recent power units and the selected 221 power units constituting 20.24% of the system generation have been calculated. The set of 221 power units, which comprises the larger annual generation and has no power unit older than 10 years of operation, was selected to calculate the marginal emission factor built in 2021. The historical data on electricity generation in the Vietnam Grid is sourced from “National electricity system regulation centre”. Based on the assessment of the published report by MONRE it is confirmed that the Calculation of the Build Margin emission Factor is correct, please refer to the Section D.4.6 above in this report for the validation of Grid Emission Factor. The Calculation presented in the MONRE report is in accordance with the “Tool to calculate the emission factor for an electricity system, version 07.
- **EF<sub>grid,CM,y</sub>** - Combined Margin CO<sub>2</sub> emission factor for the electricity system in year y – PP has applied value 0.8230 tCO<sub>2</sub>/MWh, this value is obtained from the Published Report on Grid Emission Factor for Vietnam Grid and the report is published by the DNA of Vietnam i.e. The Ministry of Natural Resource and Environment (MONRE), by using the latest data available for the past three recent years 2019, 2020, and 2021. The historical data on electricity generation in the Vietnam Grid is sourced from “National electricity system regulation centre”. Based on the assessment of the published report by MONRE it is confirmed that the Calculation of the Combined Margin emission Factor is correct, please refer to the Section D.4.6 above in this report for the validation of Grid Emission Factor. The Calculation presented in the MONRE report is in accordance with the “Tool to calculate the emission factor for an electricity system, version 07.

Ex ante determination of SDG Impacts:

As per the Gold standard requirement it is must that every project uses latest version of SDG Impact Tool for assessing the quantified impacts of the selected SDG goals by the project activity. VVB validator reviewed the submitted SDG Impact tool by the PP and concluded that the correct

tool is applied and the impact assessment is done correctly to determine following quantified impacts against selected SDG goals. Quantification is found real and relevant supporting evidence are provided to justify the claims.

SDG	SDG Impact	Values estimated in ex-ante calculation of SDG Impact tool
<b>SDG 4</b>	<p>Quality Education – Substantially increase the number of youth and adults who have relevant skills for employment (Number of people)</p> <p>PD will be monitoring number trainings (Training counts) provided to individual employees working for project directly or indirectly to ensure that their skills and competence is improved and this also helps in securing better employment opportunities in future for those employees. Thus it meets the SGD requirement.</p>	14
<b>SDG 7</b>	<p>Affordable and Clean Energy – Net amount of electricity generated and supplied to grid (MWh)</p> <p>PD has established target to increase the share of Renewable Energy in the global energy mix by 2030.</p> <p>To demonstrate compliance towards achievement of the target PD has established suitable monitoring and measurement arrangement to monitor net Energy generated and exported to Grid during every year, which included calibrated Electricity meters at different locations. The collected data will be reported in terms of MWh. – This is found satisfactory and based on the overall installed capacity project can approximately contribute 164,384 MWh of renewable energy to the national grid. Thus this fulfills the objective of selected SDG.</p>	164,834
<b>SDG 8</b>	<p>Decent work and Economic Growth – Number of jobs created.</p> <p>Target - By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>The PD has defined suitable monitoring and measurement mechanisms to monitor and report following information.</p> <p>i. Total number of employees by employment contract (permanent and temporary), by gender.</p> <p>ii. Total number of employees by employment type (full-time and part-time), by gender.</p> <p>This data will be further broken down by gender enables to understand the gender representation.</p> <p>Employment covers fulltime, parttime employment opportunities and will be reported suitably.</p> <p>This helps the project to demonstrate compliance towards objective of this selected SDG.</p>	30
<b>SDG 13</b>	<p>Climate Action – Emission Reductions (tCO<sub>2</sub>e) Per Annum</p> <p>Due to operation of Project, PD will contribute Renewable energy generation in host country thereby helping in emission reductions in power sector, thus it fulfills the requirement SDG objective.</p>	135,655

PP has established a comprehensive Management structure for executing established monitoring plan and it is explained in the section B.7.3.3 to B.7.3.6 of PDD. These sections provide enough guidance on following topics

- Management Structure and Roles and responsibility of Operational and maintenance team.
- Monitoring Equipment and Installation – This is explained using a single-line diagram that has been approved by the EVN. In this diagram, key monitoring equipment and the installation locations of that equipment are defined for the purposes of clarity and increasing the monitoring effectiveness. The documents for the Power Purchase Agreement and the Connection Agreement have been reviewed, and it has been determined that this is in compliance with both of those agreements.
- Data recording, collection, and reporting – This section, which is in line with the implementation of the project, explains the details regarding the frequency of monitoring, the type of records, the recording arrangement, as well as backup and archival procedures.
- Emergency procedures for monitoring system – This section explains how the project will

follow alternative mechanisms for monitoring electricity export without causing any disruption to the monitoring regime in the event that the main metres installed for monitoring energy export to the grid fail to function properly. This arrangement is also in accordance with the Power Purchase Agreement and Connection Agreement that PP signed with EVN.

**Monitoring Parameters from assessment of Safeguarding Principle:**

Following the completion of an investigation into the safeguarding principles that are pertinent to the GS project by PD, it has been determined, that there is only one parameter that is applicable and that it must be included in the monitoring plan.

PP has also explained the monitoring arrangement for the applicable Safeguarding principles. There is only one Safeguarding principle identified which needs to be monitored and monitoring arrangements are explained in the PDD section B.7.1.

Monitoring Parameter against Safeguarding Principle	Assessment of Monitoring arrangements
Principle 3 Community Health, Safety and Working Conditions	<p>The project leads to safe working condition and improvement in health as it will replace coal as fuel with wind, which is clean and safe. Further, periodic maintenance by the implementing agency ensures prevention of any unsafe working condition.</p> <p>Hence, the Project is not likely to create occupational health hazards, but if there is the case, an Occupational Health and Safety Plan will be implemented according to the national regulations. The Project also provides regular OHS/ HSE training to the Project workers. This activity shall be monitored during its operation phase.</p> <p>The PP has established OHS trainings to the Project workers and this activity will be maintained with training records or OHS training plan or training attendances.</p>
Principle 9.5 Hazardous and Non-hazardous Waste	<p>PD has established and implemented compliant Onsite hazardous and non-hazardous waste management (collection &amp; disposal mechanism) process to avoid any pollution impacts due to the waste generated from project activity. This waste management system shall be monitored on regular basis for its effectiveness during operation phase. This includes segregation of waste, storage in appropriate bins and disposal through authorized waste handlers</p> <p>This was demonstrated during Onsite Visit to the plant area and hence found satisfactory in level of implementation.</p> <p>PP has established</p> <ul style="list-style-type: none"> <li>- Waste collection contracts and manifests to demonstrate quantity of waste disposed in controlled manner</li> </ul> <p>Environmental performance reports by 3rd party in accordance with local legal requirements i.e. Law on Environmental Protection 72/2020/QH14; Decree No. 08/2022/ND-CP; Circular No. 02/2022/TT-BTNMT</p>

With is assessment it is concluded that Safeguarding principal identification and assessment is appropriate and in accordance with the project implementation. VVB Validator herewith confirm that PP's assessment on Safeguarding principle is correct and hence acceptable, thus FAR#3 is reviewed and closed.

<b>Findings</b>	NIL
<b>Conclusion</b>	<p>All the findings raised were responded to satisfactorily by PP. The validation team confirms that the monitoring plan in the PDD is in compliance with the ACM 0002 methodology applied to the project activity. The provision of measuring instruments such as energy meters described in the monitoring plan are assessed to be at appropriate points of measurement and thus it can also be confirmed that the monitoring arrangements are feasible within the project design and can be implemented by the PP.</p> <p>PP has identified and described the relevant arrangement for Monitoring of SDG indicator in the PDD and it is found in accordance with the Gold Standard Safeguarding Principles and Requirement Version 2.0, 22/12/2021</p>

**D.5. Start date, crediting period type and duration**

<b>Means of validation</b>	<p>The Start Date, crediting period type and duration was validated by the validation team using primary information provided in the PDD section C.1 and C.2.</p> <p>PP has provided secondary information i.e. supporting evidences to arrive at Start Date of project activity as well as Start date of Crediting period. The Information validated during site visit and found credible and in accordance with the Applicable Validation criteria. The Validation conclusions are provided in the below table.</p> <table border="1" data-bbox="379 443 1406 1512"> <thead> <tr> <th colspan="2" data-bbox="379 443 1406 472">Nhon Hoa 2 Wind Power Project</th> </tr> </thead> <tbody> <tr> <td data-bbox="379 472 598 837">Start Date</td> <td data-bbox="598 472 1406 837">           07/12/2020            The Start date of the project was validated using the “Engineering, Procurement &amp; Construction – Equipment Supply”, agreement <b>/Ref-P14/</b>. PP signed this agreement on 07/12/2020 and hence it is considered as the real action towards the project implementation as the PP has made the commitment to make the expenditure for the construction and installation of 50 MW wind Power plant at project location in Chu Don and Ia Phan communes, Chu Puh district, Gia Lai province of host country Vietnam.            The Equipment Supply agreement was signed between Nhon Hoa 2 Wind Electricity Joint Stock Company (Project Owner) (Project Owner) GE (General Electric International Inc.) (Equipment Supply Contractor)         </td> </tr> <tr> <td data-bbox="379 837 598 1021">Expected Operational Life time</td> <td data-bbox="598 837 1406 1021">           20 years and 00 months – Life time identified by PP is found correct. The Life time of the project equipment is determined utilizing Methodology Tool 10 “Tool to determine the remaining lifetime of equipment” <b>/Ref- B19/</b>. PP has selected option C Use default values for the Wind Turbines, onshore from table given in the tool. Found satisfactory.         </td> </tr> <tr> <td data-bbox="379 1021 598 1115">Type and Duration of crediting period</td> <td data-bbox="598 1021 1406 1115">Renewable - 10 years, 0 months (renewal every 5 Years)</td> </tr> <tr> <td data-bbox="379 1115 598 1512">Start Date of Crediting Period</td> <td data-bbox="598 1115 1406 1512">           30/11/2021            Start Date of Crediting period is the date on which project start generating and exporting electricity to the Grid.             For this project PP has received to COD’s as listed Below            - 1<sup>st</sup> COD – seven turbines WTG 01, 02, 04, 05, 07, 11, and 12 – Dtd. 14<sup>th</sup> October 2021, Sr. 6152/EPTC-KDMD <b>/Ref-P36/</b>            - 2<sup>nd</sup> COD – for remaining five turbines WTG 03, 06, 08, 09, and 10 – Dtd. 22<sup>nd</sup> October 2021 Sr. No 6464/EPTC-KDMD <b>/Ref-P36/</b>             And hence application of 30/11/2021 as start date of crediting period is found correct and acceptable.         </td> </tr> </tbody> </table>	Nhon Hoa 2 Wind Power Project		Start Date	07/12/2020 The Start date of the project was validated using the “Engineering, Procurement & Construction – Equipment Supply”, agreement <b>/Ref-P14/</b> . PP signed this agreement on 07/12/2020 and hence it is considered as the real action towards the project implementation as the PP has made the commitment to make the expenditure for the construction and installation of 50 MW wind Power plant at project location in Chu Don and Ia Phan communes, Chu Puh district, Gia Lai province of host country Vietnam. The Equipment Supply agreement was signed between Nhon Hoa 2 Wind Electricity Joint Stock Company (Project Owner) (Project Owner) GE (General Electric International Inc.) (Equipment Supply Contractor)	Expected Operational Life time	20 years and 00 months – Life time identified by PP is found correct. The Life time of the project equipment is determined utilizing Methodology Tool 10 “Tool to determine the remaining lifetime of equipment” <b>/Ref- B19/</b> . PP has selected option C Use default values for the Wind Turbines, onshore from table given in the tool. Found satisfactory.	Type and Duration of crediting period	Renewable - 10 years, 0 months (renewal every 5 Years)	Start Date of Crediting Period	30/11/2021 Start Date of Crediting period is the date on which project start generating and exporting electricity to the Grid.  For this project PP has received to COD’s as listed Below - 1 <sup>st</sup> COD – seven turbines WTG 01, 02, 04, 05, 07, 11, and 12 – Dtd. 14 <sup>th</sup> October 2021, Sr. 6152/EPTC-KDMD <b>/Ref-P36/</b> - 2 <sup>nd</sup> COD – for remaining five turbines WTG 03, 06, 08, 09, and 10 – Dtd. 22 <sup>nd</sup> October 2021 Sr. No 6464/EPTC-KDMD <b>/Ref-P36/</b>  And hence application of 30/11/2021 as start date of crediting period is found correct and acceptable.
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<b>Findings</b>	NIL										
<b>Conclusion</b>	<p>The validation team concludes that the project participants have correctly determined the start date of the project activity as per paragraphs 80 of the Project Standard version 2.0. The crediting period has been chosen as a ‘Renewable’ for the period of 15 (Fifteen) years, which is as per paragraph 87 (a) of the PS version 2.0. The PDD has stated at section C.2 that the start date of the crediting period would be 30/11/2021. The project participant has therefore met the requirements of paragraphs 85 – 91 of the PS version 2.0. The expected operational lifetime of the project activity is specified at section C.2 of the PDD as ‘20 years’. Hence, the requirement of paragraph 86 of the PS version 2.0 is also met by the project participant.</p>										

**D.6. Social, Economic and Environmental impacts**

<b>Means of validation</b>	<p>PP has analysed relevant Social, Economic and Environmental Impacts which are associated with the project implementation and the summary of the analysis is provided in the PDD section D.1. The information provided in this section was validated against the requirement of Gold Standard “Safeguarding Principles and Requirements”, Version 2.0, Dated 22/12/2021.</p>
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It is concluded that PP has identified safeguarding principles in following categories SOCIAL & ECONOMIC SAFEGUARDING PRINCIPLES – Under this category PP has identified following Safeguarding principles for the assessment		
Safeguarding Principle	Assessment	Validation Conclusion on Assessment Question, Justification and Mitigation measures identified by PP
Human Rights	NO	<p>There is no Human right violations observed as NHON HOA 2 WIND POWER PROJECT project is following the country laws on human right violations and it is ensured that the continued compliance toward this requirement is observed.</p> <p>Host Country Vietnam has ratified INTERNATIONAL HUMAN RIGHTS (1948) and country laws are aligned to this requirement. There is no additional mitigation measure required. Based on the assessment of information provided in the PDD is found credible and reliable.</p>
Gender Equality and Women's Rights	NO	<p>There is no violation to the Gender equality and women's rights was observed during the project construction phase. PP has employed women during construction phase as well as operation phase, the wages, salary provided to women found to be in accordance with local labour codes- PP is ensuring compliance towards the Labour codes, general labour and employment acts - Labour Code (10/2012/QH13).</p> <p>Since PP is following Labour code strictly and ensures compliance on continual basis, there is no additional mitigation measures required to be implemented towards this safeguarding principle.</p> <p>During Validation internal controls were verified through HR Policy and employment contracts and hence it is confirmed that project owner has established suitable control in order to ensure that there is no gender discrimination.</p>
Community Health Safety and Working conditions	YES	<p>Project ensures health and safety of persons working for and working on behalf of the project activity and provides safe working conditions, PP has considered that there is no impact to this safeguarding principle and commit to comply with the law in host country i.e. Labour Code - Law No. 10/2012 / QH13.</p> <p>In order to avoid any risk PP has established and implemented suitable health safety management system and provision of continuous trainings on health and safety to create awareness amongst employees as well as people working on behalf of the Project during operation phase. Hence, PP is committed to meet and monitor the compliance, and established relevant mitigation measures regarding the OHS from project site.</p> <p>Hence it is found satisfactory.</p>
Site of Cultural & Historical Heritage	NO	<p>The project installation and operation does not involve in the damaging of cultural heritage, or displacement and resettlement of the people. The project is installed on the State land which is not used for any settlement or there is no agricultural activities were happening.</p>

			This was confirmed during site visit and interactions with the stakeholders. The ownership of land utilized for the project installation was verified using relevant documentation and found satisfactory and hence it is concluded that the assessment outcome provided by PP in the PDD found correct.
	Forced Eviction and displacement	No	This is not applicable as there is no physical relocation of people involved as a result of implementation of this project activity. Hence accepted.
	Land Tenure and Other Rights	No	Nhon Hoa 2 Wind Electricity Joint Stock Company (Project Owner) is leased the land from authority and this is demonstrated well through legal document and hence this is found in compliance with the legal requirement hence no further action is required.
	Indigenous People	No	PP has performed environmental impact assessment for the project, and it is assessed that the project impact will not affect the distinct habitats or ancestral territories and natural resources therein hence no impact to indigenous people due to implementation of the proposed project activity. There are two minority communities are in the project area, these communities were consulted by the project participant and obtained consent on the land use and those affected individuals are compensated satisfactorily. During validation site visit VVB validator interviewed such individuals to understand the grievances if any and it is confirmed that the compensation provided is appropriate and in accordance with legal requirements.
	Corruption	No	The project activity is not involved in any corruption related activities and it is demonstrated by PP that during project construction phase there is no corruption is observed. Host country Vietnam has ratified UN convention against Corruption in 2007 and PP observes strict compliance to the requirement of controls on corruption.  Since the anti-corruption law is already implemented in Vietnam in 2015 as Anti-Corruption Law (Law No. 36/2018/QH14), there is no additional mitigation measures are required and PP shall be observing strict compliance to this law in continual manner.
	Labour Rights	No	- Vietnam has ratified ILO “C029 Forced Labour Convention” - And PP ensure complete compliance to the regulatory requirements applicable in Host country. The compliance found satisfactory and hence there is no further action requirement.
	Negative Economic Consequences	No	Based on the Site visit and background information collected related to project, it is confirmed that the project does not employ any child labour and provides safe and healthy working conditions during all phases of the project and provides appropriate wages.

		This also confirms that there is no adverse economic impact due to the implementation of this project activity. In fact the project activity provides an employment opportunity and regular income to the people residing near to the project site. This helps the people to achieve sustainable economic growth and improved lifestyle.
ENVIRONMENTAL AND ECOLOGICAL SAFEGUARDING PRINCIPLES: Under this category PP has identified following Safeguarding principles for the assessment		
Safeguarding Principle	Assessment	Validation Conclusion on Assessment Question, Justification and Mitigation measures identified by PP
Emissions	No	The project activity involves generation of renewable energy from the natural resource i.e. Wind energy and the generated electricity is exported to the national grid. Hence it is concluded that there is no impact to the safeguarding principle "Climate and Energy". The project in fact contribute positively to the safeguarding principle and hence there is no additional mitigation measures are required.
Energy	No	The Project produces renewable energy which is considered as positive impact and part of the renewable energy is consumed by the project for its operations. The project does not import grid energy and hence there is no further assessment require.
Impact on Natural Water Patterns/Flows	No	The Project involves the generation of Wind power using wind turbine generators, and hence there is no usage of water is involved in the project activity and there will be no water pollution is possible due to the implementation of Nhon Hoa 2 Wind Power Project. Hence there is no additional mitigation measures are required. Justifications provided by the PP in PDD is found correct and acceptable.
Erosion and/or Water Body Instability	No	The Project involves the generation of Wind power using wind turbine generators, hence project does not impact on <ul style="list-style-type: none"> <li>- Land and soil usage for any project related activity – the project is installed on the state-owned land leased by the PP. The State land is just a grassland and due to the project activity, there is no change of Land use pattern.</li> <li>- It is also confirmed during the site visit that the project does not increases vulnerability to wind, earthquakes, subsidence, landslides, erosion, flooding, draught or other environmental calamity.</li> </ul>
Landscape Modification and Soil	No	<ul style="list-style-type: none"> <li>- Project is found to be in compliance with the relevant country specific Environmental Legislation i.e. Environmental Protection Law (Number: 55/2014/QH13)</li> <li>- Environmental Impact Assessment (EIA) for the project is done by the PP and relevant outcome of the EIA is considered to assess the Safeguarding principle.</li> </ul>
Vulnerability to Natural Disaster	No	<ul style="list-style-type: none"> <li>- Based on the overall assessment it is concluded that there is no additional mitigation measures are required and this is found correct.</li> </ul>

	<b>Genetic Resources</b>	No	There is no assessment required against this safeguarding principal as the project does not involve genetically modified organisms (GMO).
	Release of pollutants	No	The project has received environmental clearance from the State Pollution control Board and it is found that there is no release of the pollutant possible from the project activity and hence the assessment outcome presented by the PP is correct.
	Hazardous and Non-hazardous Waste	Yes	The project site is not a manufacturing or trading site and hence no Hazardous / non-hazardous chemicals are involved and thus there is no chance of generating significant quantity of waste due to implementation of project activity. However, PP has correctly identified maintenance activity where hazardous waste in the form of Grease and oil is possible and some amount of domestic waste. PP has made relevant arrangement for segregation, collection, and disposal of such wastes from project site. PP is committed to meet the compliance requirement under EIA requirement and established relevant mitigation measures to avoid any uncontrolled disposal of generated Hazardous and non-hazardous wastes from project site. Hence it is found satisfactory.
	Pesticides & Fertilisers	No	There is no assessment required against this safeguarding principal as the project does not involve in application of pesticides and fertilizers.
	Harvesting of Forests	No	There is no assessment required against this safeguarding principal as the project does not harvest forest resource.
	Food	No	There is no assessment required against this safeguarding principal as the project does not modify the quantity or nutritional quality of food available
	Animal husbandry	No	There is no assessment required against this safeguarding principal as there is no animal husbandry activities are involved in the project activity.
	High Conservation Value Areas and Critical Habitats	No	<p>PP has developed Environmental Protection Plan (EPP) as per the local legal requirement and this includes the report on Conservation Value areas and critical habitats. As per the approved EPP by the Provincial Committee as well as MONRE. In the report it is confirmed that the project site is not having any high conservation values area and critical habitats and hence it is found acceptable.</p> <p>This was further cross checked with the National Park Map of Vietnam and reservation area where it is stated that the project site is not the conservation area or critical habitat. Based on this confirmation it is concluded that the assessment outcome provided by PP against this Safeguarding principal is correct and accepted.</p>
	Endangered Species	No	PP has developed Environmental Protection Plan (EPP) as per the local legal requirement and this includes the report on Conservation Value areas and critical habitats. As per the approved EPP by the Provincial Committee as well as MONRE. In the report it is confirmed that the project site is not having any high conservation values area and critical habitats and hence it is found acceptable.

			This was further cross checked with the National Park Map of Vietnam and reservation area where it is stated that the project site is not the conservation area or critical habitat. Based on this confirmation it is concluded that the assessment outcome provided by PP against this Safeguarding principal is correct and accepted.
<b>Findings</b>	NIL		
<b>Conclusion</b>	<p>The validation team concludes that the Safeguarding principles are assessed, and the results are found correctly defined and it is in accordance with</p> <ul style="list-style-type: none"> <li>- Safeguarding Principles and requirements – Version 2.0, Dated 22/12/2021</li> <li>- PS version 2.0 paragraphs 92 &amp; 93 that the project participant has carried out an analysis of the environmental impacts and also an environmental impact assessment in accordance with the host country requirements i.e. Vietnam.</li> </ul>		

## D.7. Local stakeholder consultation

<b>Means of validation</b>	<p>As per Principle 3 “Stakeholder Inclusivity” as stated in the Para 3.4.3 of Gold Standard for The Global Goals Principles &amp; Requirements, Version 1.2 – Published October 2019, it is must that Projects shall identify and engage relevant stakeholders and seek expert stakeholder input where necessary in the design, planning and implementation of the Project. The Stakeholder consultation shall be conducted as per Gold Standard for the Global Goals Stakeholder Consultation &amp; Engagement Procedure, Requirements &amp; Guidelines, Version 2.1</p> <p>Due to COVID 19 pandemic, Vietnam government has imposed lockdown during 2020 and 2021 and hence PP could not conduct physical stakeholder consultation.</p> <p>The initial LSC was done when the EIA was done in 2019, over 4 days 28-31 October.</p> <p>During the Preliminary Review submission, the Covid-19 occurred and postponed the GS physical consultation and feedback round for the proposed Project (i.e., following the guidance set out in the Covid-19 Interim Measures from GS).</p> <p>In addition, as per paragraph 3.6.7 of the Stakeholder Consultation and Engagement Requirement version 2.1, the stakeholder consultation and feedback rounds may be combined in retroactive consultations. Hence:</p> <ol style="list-style-type: none"> <li>1. After the government lifted the lockdown, in Feb 2022, project information and invitations were sent out. The physical meeting was finally undertaken on 19/03/2022.</li> <li>2. Later, Stakeholder Feedback round was opened but no feedback was received during 16 Feb and 15 Apr 2022 (around 2 months)</li> </ol> <p>In summary, the project has done only one combined physical consultation integrated into the Stakeholder Feedback Round in 2022 in compliance with GS requirement. The evidence of these means adopted are provided transparently in the Stakeholder Consultation Report <b>/Ref-P4/</b>.</p> <p>Feedback/ comments received during onsite stakeholder consultation are addressed and responses are found satisfactory, and this information is included in the PDD as well as in the update stakeholder consultation report (SCR). Entire process of stakeholder consultation found satisfactory and in line with the Stakeholder consultation and engagement procedure requirements and guidelines.</p> <p>The stakeholder consultation was conducted a physical stakeholder consultation integrated into the Stakeholder Feedback Round in 2022 as described below</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #e0e0e0;">Date Of Stakeholder Consultation</th> <th style="background-color: #e0e0e0;">Type of Stakeholder Engaged during the meeting</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">19/03/2022</td> <td>Local community people, Government authorities, NGOs &amp; GS</td> </tr> </tbody> </table>	Date Of Stakeholder Consultation	Type of Stakeholder Engaged during the meeting	19/03/2022	Local community people, Government authorities, NGOs & GS
Date Of Stakeholder Consultation	Type of Stakeholder Engaged during the meeting				
19/03/2022	Local community people, Government authorities, NGOs & GS				

PP has prepared a simple Power point presentation in local language to brief stakeholder on the project as well as sustainability parameters affected due to the implementation of project. PP has also engaged experts in the consultation and these experts are from agencies i.e. Government and NGO's.

PP has shared the assessment of Safeguard principles during stakeholder consultation and preformed exercise on blind sustainability assessment with stakeholders. The outcome of the Blind assessment is provided in the separate report i.e. "Blind Sustainability Assessment Report", where the assessment results performed by each stakeholder are provided and it was observed that there is no negative assessment is done by the stakeholder, most of the parameters are assessed as "Does not Impact".

PP has received few generic comments from the Stakeholders and those comments are found responded satisfactorily, there is no pending comment for the response. It is also observed from the comments received from Stakeholder that no technical, technology related comments received as the Project technology is simple and proven green technology and does not have significant environmental and societal impacts. It is also observed that the Wind power project is not a new project in host country and the project design and implementation is in line with the Standard Engineering practices.

PP has briefed all stakeholder during onsite (Physical) consultation that PP has established a mechanism for continuous input / grievance. Grievances / feed backs at any given point is welcomed through an Email and site-based register. Verified the grievance mechanism and found that PP has communicated to all Stakeholders through email and verbally and encouraged them to report any grievance they have on the implementation of the project. However, it is observed that so far there is no grievance found reported by any stakeholders. It is observed that PP has kept a Grievance register at the site office and this mechanism was found briefed to all stakeholders who attended the Stakeholder consultation. This book location is fixed, and it is shown to validator during onsite validation visit. Stakeholders who are intended to record their grievances in person shall use the Grievance Book kept at project site office and if any stakeholder willing to share their grievances through E-mail, then it is possible. Based on this it is concluded that PP has established adequate mechanism to record grievances in case any reported by the stakeholder.

LSC invitations went out on 14-16Feb22, the physical meeting was on 19Mar22. This is the physical meeting integrated into the Stakeholder Feedback Round.

No comments or feedback were received during the SFR – 16nFeb and 15 Apr 2022. Stakeholder Feedback round was also conducted by, PD And project relevant documents were made available to stakeholders through means of email in order to provide relevant feedbacks during Stakeholder Feedback Round (SFR), the SFR was on 16/02/2022 till 15/04/2022 and during this period there was no feedback received.

Also During Validation, personal interviews with sampled stakeholders arranged where same stake holders were invited who attended the Stakeholder consultation. Validation team interacted with the Stakeholders to understand their feedback on stakeholder consultation, project implementation and relevant issues. Stakeholder provided positive opinion about the Project implementation as well as the Stakeholder consultation that PP conducted.

Overall the Feedback round was satisfactory and no adverse feedback was noted. All Stakeholders are aware of the project implementation and benefits of the Project to the Environment. It was also understood that few local personnel have got employment during project construction as well as operational phase. PP is helping community by providing financial help to local people to build new house.

While reviewing Preliminary Review Comments it was observed that FAR#04 was reported by GS related to the Stakeholder consultation process. Validation team took due account of this FAR and reviewed the SCR and found that project owner has conducted physical stakeholder consultation on 19/03/2022 after Vietnam government lifted the lockdown. Validator interviewed two expert stakeholders during validation i.e. Official of DONRE and Local Commune who are believed to be involved in approval of the Project. Based on the feedback obtained during interview it is observed that the project is in line with host country

	policy, and it contributes positively in achieving sustainability benefits.
<b>Findings</b>	Nil
<b>Conclusion</b>	<p>Based on the Local Stakeholder Consultation process conducted by the PP and the solicitation of stakeholder comments obtained during the Local stakeholder consultation process as presented in PDD section E.1, E.2 as well as Local Stakeholder consultation reports submitted by the PP, it is confirmed that the procedure adopted for the Local Stakeholder consultation is in accordance with following specific requirements.</p> <ul style="list-style-type: none"> <li>- Gold Standard for the Global Goals Stakeholder Consultation &amp; Engagement Procedure, Requirements &amp; Guidelines, Version 1.2</li> <li>- Gold Standard For The Global Goals Programme Of Activities Requirements Version 1.2 – Published October 2019</li> <li>- Para 3.4.3 of Gold Standard For The Global Goals Principles &amp; Requirements, Version 1.2 – Published October 2019</li> <li>- Approved CDM Large Scale Methodology ACM 0002, Version 21.0</li> </ul>

#### D.8. Sustainable development co-benefits

<b>Means of validation</b>	Not Applicable for the Gold Standard Projects
<b>Findings</b>	Not Applicable
<b>Conclusion</b>	Not Applicable

#### D.9. Approval

<b>Means of validation</b>	Not Applicable for the Gold Standard Projects
<b>Findings</b>	Not Applicable
<b>Conclusion</b>	Not Applicable

#### D.10. Authorization

<b>Means of validation</b>	Not Applicable for the Gold Standard Projects
<b>Findings</b>	Not Applicable
<b>Conclusion</b>	Not Applicable

#### D.11. Modalities of communications

<b>Means of validation</b>	Not Applicable for the Gold Standard Projects
<b>Findings</b>	Not Applicable
<b>Conclusion</b>	Not Applicable

#### D.12. Global stakeholder consultation

<b>Means of validation</b>	Not Applicable for the Gold Standard Projects
<b>Findings</b>	Not Applicable
<b>Conclusion</b>	Not Applicable

**SECTION E. Internal quality control**

The validation report underwent an Internal Technical Review (ITR) before requesting registration of the project activity.

The ITR is an independent process performed to examine thoroughly that the process of validation has been carried out in conformance with the requirements of the validation scheme as well as internal Bureau Veritas procedures.

The Team Leader provides a copy of the validation report to the reviewer, including any necessary validation documentation. The reviewer reviews the submitted documentation for conformance with the validation scheme. This will be a comprehensive review of all documentation generated during the validation process.

When performing an Internal Technical Review, the reviewer ensures that:

- The validation activity has been performed by the team by exercising utmost diligence and complete adherence to the CDM rules and requirements.
- The review encompasses all aspects related to the project which includes project design, baseline, additionality, monitoring plans and emission reduction calculations, internal quality assurance systems of the project participant as well as the project activity, review of the stakeholder comments and responses, closure of CARs, CLs and FARs during the validation exercise, review of sample documents.

The reviewer may raise Clarification Requests to the validation team and will discuss these matters with the Team Leader.

After the agreement of the responses to the Clarification Requests from the validation team as well as the PP(s), the finalized validation report is accepted for further processing such as submitting to Gold Standard.

**SECTION F. Validation opinion**

Bureau Veritas (India) Private Limited (BVIL) has performed a validation of the “Nhon Hoa 2 Wind Power Project” Project Activity in host country Vietnam. The validation was performed on the basis of Gold Standard, UNFCCC and host country criteria and also on the criteria given to provide for consistent project operations, monitoring and reporting.

The validation consisted of the following three phases: i) a desk review of the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) the resolution of outstanding issues and the issuance of the final validation report and opinion.

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

By the description of the project as provided in earlier sections of the validation report, the project is likely to result in reductions of GHG emissions partially. An analysis of the investment and technological barriers demonstrates that the proposed project activity is not a likely baseline scenario. GS VERs attributable to the project are hence additional to any that would occur in the absence of the project activity. Given that the project is implemented and maintained as designed, the project is likely to achieve the estimated amount of GS VERs, viz; 135,655 tCO<sub>2</sub>e per annum.

The review of the project design documentation (version 1.1,1.2,1.3 & 1.4) and the subsequent follow-up interviews have provided Bureau Veritas (India) Private Limited with sufficient evidence to determine the fulfilment of stated criteria. In our opinion, the project activity correctly applies and meets the relevant UNFCCC requirements for the GS / CDM and the relevant host country criteria. BVIL thus requests registration of “Nhon Hoa 2 Wind Power Project” as a Gold Standard project activity.

## Appendix 1. Abbreviations

Abbreviations	Full texts
BM	Build Margin
CAR	Corrective Action Request
CDM	Clean Development Mechanism
CER	Certified Emission Reductions
CL	Clarification Request
CM	Combined Margin
CO2	Carbon Dioxide
DNA	Designated National Authority
EB	Executive Board
EF	Emission Factor
EVN	Electricity Vietnam
EQUIPMENT SUPPLY	Engineering Procurement and Construction
EIA	Environmental Impact Assessment
GHG	Green House Gases
GS	Gold Standard
GS4GG	Gold Standard For Global Goals
GW	Gigawatt
GWh	Gigawatt-hour
IPCC	Inter-Governmental Panel on Climate Change
IRR	Internal Rate of Return
kW	Kilowatt
kWh	Kilowatt-hour
VAT	Value Added Tax
MONRE	Ministry Of Natural Resource and Environment
MP	Monitoring Plan
MW	Megawatt
MWh	Megawatt-hour
NGO	Non-Governmental Organization
ODA	Official Development Assistance
O & M	Operation and Maintenance
OM	Operating Margin
PCP	Project Cycle Procedure
PDD	Project Design Document
PLF	Plant Load Factor
PP	Project Participant
PS	Project Standard
SDG	Sustainable Development Goals
tCO2	Tonnes of Carbon Dioxide
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
VVS	Validation and Verification Standard
VND	Vietnamese Dong
VVB	Validation and Verification Body
CIT	Corporate Income Tax
WTG	Wind Turbine Generator

## Appendix 2. Competence of team members and technical reviewers

Mr. Ram Desai	Bureau Veritas Certification, Brunei	<p><b>Team Leader, Climate Change Lead Verifier,</b>  <i>Environmental Engineer with over all 13 years of experience in various industries related to Water &amp; Waste water engineering design, installation &amp; Commissioning, Integrated Facility Management for Environmental Services operations in various industries i.e Automotive, Pharmaceutical , IT &amp; Electronics (With Clean Room).</i>  <i>Management System Implementation and Maintenance, Green Building concept implementation, Lean Management Implementation, Water &amp; Waste Water engineering Design &amp; project Management, Project Environmental Compliance etc. for a construction company.</i>  <i>He is the lead auditor for Environment management system, Quality management system and Occupational health and safety management system and his auditing experience spans for 3 year with BVCI &amp; BVCS. He has undergone intensive training on Clean Development Mechanism and was trained as Lead Verifier for CDM in the year 2005 and working as a lead Verifier for validation and verification of CDM/VCS projects</i></p>
Mr. Hong Linh Nguyen	Bureau Veritas Vietnam	<p><b>Technical Reviewer, Climate change Lead Verifier:</b>  <i>He has graduated in Environmental Studies and had a Master Degree of Quality Management. He has undergone intensive training on Clean Development Mechanism. His working experience includes more than 7 years of auditing works in the field of Quality Management System and Environmental Management System. He has been involved in the validation / verification / technical review work of more than 30 GHG projects</i></p>

### Appendix 3. Documents reviewed or referenced

No.	Author	Title	References to the document	Provider
<i>Documents related directly to the GHG components of the project activity</i>				
P1	PP	PDD Version 1.2 – 01/07/2022		Nhon Hoa 2 Wind Power Project
P2	PP	PDD Version 1.3 – 06/01/2023 PDD Version 2.1 – 08/06/2023		Nhon Hoa 2 Wind Power Project
P4	PP	Stake Holder Consultation Report Version 2.0, Dated 06/08/2022		Nhon Hoa 2 Wind Power Project
P6	PP	Attendance Register for the Stake holder Consultation		Nhon Hoa 2 Wind Power Project
P7	PP	Formal Board Management Decision on project investment Sr. No. 01/2020/QD-NH2 Dtd. 6th November 2020 signed by the project director of Nhon Hoa 2.		Nhon Hoa 2 Wind Power Project
P9	PP	IRR & ER Calculation spreadsheet (NH2_IRR and ER_V1.0_20230705)		Nhon Hoa 2 Wind Power Project
P10	Host country Govt.	National power Development Plan VII of host country Vietnam under document No. 7795/TTg-DN		Nhon Hoa 2 Wind Power Project
P11	State Bank of Vietnam	Exchange Rate_VND and USD - The State Bank of Vietnam quoted the central rate of VND versus USD on 07/12/2020:		Nhon Hoa 2 Wind Power Project
P12	EVN	HD mua ban dien EVN (PPA) & its Appendices - Power Purchase Agreement with EVN (PPA # 12/2020/HD-NMDG-NHON HOA 2.GL Dtd. 15th December 2022)		Nhon Hoa 2 Wind Power Project
P13	Chu Puh Communal Peoples Committee	Construction Permit Issued by Chu Puh Communal Peoples Committee Dtd. 2nd December 2020 Sr. No 1506/UBND-KT		Nhon Hoa 2 Wind Power Project
P14	Vestas	Equipment supply contract Agreement with Vestas on 7th December 2020		Nhon Hoa 2 Wind Power Project
P15	PP	Finalized FSR for Nhon Hoa 2 Wind project Dtd. 16/10/2020		Nhon Hoa 2 Wind Power Project
P17	Vietnam govt.	Wind FTT Policy <a href="https://thuvienphapluat.vn/van-ban/Dau-tu/Quyiet-dinh-39-2018-QD-TTg-sua-doi-Quyiet-dinh-37-2011-QD-TTg-co-che-ho-tro-cac-du-an-dien-gio-393826.aspx">https://thuvienphapluat.vn/van-ban/Dau-tu/Quyiet-dinh-39-2018-QD-TTg-sua-doi-Quyiet-dinh-37-2011-QD-TTg-co-che-ho-tro-cac-du-an-dien-gio-393826.aspx</a>		Nhon Hoa 2 Wind Power Project
P18	MONRE	Detailed Report on EFgrid,CM,2021 for specific renewable power projects in Vietnam in 2021 was published by the Vietnam Department of Climate Change (DCC) – Ministry of Natural Resources and Environment in December 2022 (Document No. 1278/BĐKH-TTBVTOD)		Nhon Hoa 2 Wind Power Project
P19	PP	HSE Management Plan and HSE Policies including HSE Training records,		
P20	Department Environment	Approved Environment protection management plan for Nhon Hoa 2 Wind Power Project – January 2021		Nhon Hoa 2 Wind Power Project
P21	Vietnam Govt	Law on Environmental Protection 72/2020/QH14; Decree No. 08/2022/ND-CP; Circular No. 02/2022/TT-BTNMT		
P23	EVN	EVN NLDC, Operational result of 2020 & Q1/2021, dated 23/04/2021- Vietnam Electricity – Annual Report 2018 for		Nhon Hoa 2 Wind Power

		demonstrating Baseline Scenario in power generation in host country Vietnam, Published by EVN		Project
P24	National Assembly Vietnam	EIA Regulation - Regulations on environmental protection planning, strategic Environmental assessment, environmental impact assessment and environmental protection plan		Nhon Hoa 2 Wind Power Project
P25	GS	GS11414 11415_GS4GG Preliminary Review_R2_response_20220306		Nhon Hoa 2 Wind Power Project
P30	Gia Lai Provincial Peoples Committee	Investment Decisions Date – 7 <sup>th</sup> August 2020, Validated based on the approval from Gia Lai Provincial Peoples Committee, where PP has obtained an approval on investment decision. Decision No 389/QD-UBND		Nhon Hoa 2 Wind Power Project
P31	ILO	Ratifications of ILO- Ratifications of ILO conventions: Ratifications for Viet Nam obtained from website <a href="https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:103004">https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:103004</a>		Nhon Hoa 2 Wind Power Project
P32	UN	SDG8Goal 8 :: Sustainable Development Knowledge Platform obtained from <a href="https://sustainabledevelopment.un.org/sdg8">https://sustainabledevelopment.un.org/sdg8</a> - Documents provides detailed information on SDG 8.		Nhon Hoa 2 Wind Power Project
P33	EVNEPTC	Calibration Records for the Meters - Calibration Report for the Electricity Meters installed at Nhon Hoa 2 Wind Power Project– The Calibration is done by Electricity Trading Company (EVNEPTC).		Nhon Hoa 2 Wind Power Project
P34	Department of Planning and Investment	Investment Certificate No. 6500032167, Dtd. 10 <sup>th</sup> August 2020 1 <sup>st</sup> amendment to the investment Certificate No. 238/QD-UBND Dtd. 16 <sup>th</sup> April 2021 Decision on approval investment amendment by Gia Lai People provincial committee		Nhon Hoa 2 Wind Power Project
P36	EVNEPTC	1st COD – for six turbines WTG 02,03, 04, 05, 06, 09 – Dtd. 14th October 2021, Sr. 6151/EPTC-KDMD 2nd COD – for remaining 6 turbines WTG 01, 07, 08, 10, 11and 12 – Dtd. 22nd October 2021 Sr. No 6467/EPTC-KDMD.		Nhon Hoa 2 Wind Power Project
P37	UN	Declaration of Human Rights		Nhon Hoa 2 Wind Power Project
P38	ILO	Labour Code		Nhon Hoa 2 Wind Power Project
P39	International cooperation department	Labour Code of Vietnam		Nhon Hoa 2 Wind Power Project
P40	National Assembly Vietnam	Labor code		Nhon Hoa 2 Wind Power Project
P41	UN Treaty Body - OHCHR	Human Rights		Nhon Hoa 2 Wind Power Project
P42	National Assembly Office Vietnam	Law on Cultural Heritage		Nhon Hoa 2 Wind Power Project
P43	UN Convention Against Corruption	Ratifications against corruption		Nhon Hoa 2 Wind Power Project
P44	National Assembly Vietnam	Law on environmental protection		Nhon Hoa 2 Wind Power Project
P45	USEIA	US Energy Information Administration Report on Vietnams Latest power development Plan Dtd. 1 <sup>st</sup> June 2021 <a href="https://www.eia.gov/todayinenergy/detail.php?id=48176#">https://www.eia.gov/todayinenergy/detail.php?id=48176#</a>		Website
P46	IEA	Data on Energy generation contribution by Wind technology in host		Website

		country Vietnam for year 2018 <a href="https://www.iea.org/fuels-and-technologies/electricity#analysis">https://www.iea.org/fuels-and-technologies/electricity#analysis</a>		
P47	IEA	IEA-ETSAP and IRENA © Technology Policy Brief E07 – March 2016 - www.etsap.org - <a href="http://www.irena.org">www.irena.org</a>		Iea
P48	Project Owner	O&M Contract signed between Project owner and VESTAS (AOM5000 dated 07/12/2020)		Nhon Hoa 2 Wind Power Project
P49	IEA	Technology brief published by IEA-ETSAP and IRENA © Technology Policy Brief E07 – March 2016 - www.etsap.org - <a href="http://www.irena.org">www.irena.org</a>		Iea
P50	Nhon Hoa 2 Wind Power Project	Nhon Hoa 2 Wind Power Project Employment record during project and operational phase.		Nhon Hoa 2 Wind Power Project
P51	World Bank	World Bank Database on Country classification ( <a href="https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups">https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups</a> )		World bank
P52	EVNNPT	Connection Agreement - Connection Agreement - Verified through Grid connection agreement Dtd. 14th September 2020 No 3491/EVNNPT- TTDN		
P53		Government Decision No 30/2006/QD-BCN issued on 31 August 2006 by the Ministry of Industry for determining Debt to equity ratio,		
<b><i>Background documents related to the design and/or methodologies employed in the design or other reference documents</i></b>				
B1	GS	Gold Standard for the Global Goals - Key Project Information & Project Design Document (PDD) – Version 1.2 - 14 October 2020		GS Website
B2	GS	Gold Standard for the Global Goals - Stakeholder Consultation Report - Version 1.2 – 23 October 2019		GS Website
B3	GS	Gold Standard Principles & Requirements – Version 1.2, Dtd. 23/10/2019		GS Website
B4	GS	Gold Standard Safeguarding Principles and Requirements - Version 1.2, Dtd. 23/10/2019		GS Website
B6	GS	Gold Standard Renewable Energy Activity Requirements – Version 1.2, Dtd. 23/10/2019		GS Website
B7	GS	Gold Standard Validation & Verification Body Requirements – Version 1.0, Dtd. 1/03/2018		GS Website
B8	UNFCCC EB 100 Annex 6	ACM 0002, Version 21.0 “Grid-connected electricity generation from renewable sources”		UNFCCC CDM website
B9	UNFCCC EB 100 Annex 4	Tool to calculate the emission factor for an electricity system, version 7.0		UNFCCC CDM website
B10	UNFCCC EB 111 Annex 2	CDM Validation and Verification Standard for Project Activities version 3.0		UNFCCC CDM website
B11	UNFCCC EB 101 Annex 1	CDM Project Standard for Project Activities version 3.0		UNFCCC CDM website
B12	UNFCCC EB 101 Annex 16	CDM Project Cycle Procedures for Project Activities version 3.0		UNFCCC CDM website
B13	UNFCCC EB 70 Annex 8	Tool for the demonstration and assessment of additionality, version 7.0		UNFCCC CDM website
B14	UNFCCC EB 105 Annex 6	Tool for Investment Analysis version 12.0		UNFCCC CDM website

B15	UNFCCC EB 96 Annex 5	Tool for baseline, project and/or leakage emissions from electricity consumption and monitoring of electricity generation version 3.0		UNFCCC CDM website
B16	UNFCCC EB 84 Annex 7	Tool for Common Practice Analysis version 3.1		UNFCCC CDM website
B17	UNFCCC EB 48 Annex 11	Guidelines for the reporting and validation of PLF's version 1		UNFCCC CDM website
B18	UNFCCC EB 50 Annex 13	Guidelines for Objective Demonstration and Assessment of Barriers version 01,		UNFCCC CDM website
B19	EB 50 Annex 15	Tool to determine the remaining lifetime of equipment Version 1		UNFCCC CDM website

## Appendix 4. Clarification requests, corrective action requests and forward action requests

Table 1. CLs from this validation

<b>CL ID</b>	01	<b>Section no.</b>	A.1.1	<b>Date:</b> 10/01/2023
<b>Description of CL</b>				
PDD Section A.1.1. Eligibility of the project under Gold Standard item (h) ODA Declaration provides information that no public funds or ODA is involved in the Project activity. Please provide ODA declaration signed by the PP for validation as it has to be submitted to GS by PP during final submission				
<b>Project participant response</b>				<b>Date:</b> 27/05/2023
The ODA Declaration is signed by the Project Owner and has now been provided.				
<b>Documentation provided by project participant</b>				
Signed ODA document				
<b>VVB assessment</b>				<b>Date:</b> 06/06/2023
ODA submitted by PP verified and found correct and hence the CL is closed				
<b>CL ID</b>	02	<b>Section no.</b>	Appendix 1	<b>Date:</b> 10/01/2023
<b>Description of CL</b>				
PP has explained in Safeguarding Principle Assessment section of PDD that Safeguarding principal 9.11 Endangered Species is not applicable based on the assessment of Government provided map/report for Biodiversity sensitive area, which shows that the project area is not an identified sensitive area from biodiversity point of view – Please provide relevant credible document to prove this claim.				
<b>Project participant response</b>				<b>Date:</b> 27/05/2023
PP has assessed the requirement based on the published map by the Vietnam Government where sensitive areas from Biodiversity point are identified.				
<b>Documentation provided by project participant</b>				
Map showing Biodiversity sensitive areas in Vietnam				
<b>VVB assessment</b>				<b>Date:</b> 06/06/2023
The Document is transparent, and it is found that project area is not coming under any biodiversity sensitive area and hence the CL is closed.				
<b>CL ID</b>	03	<b>Section no.</b>	E	<b>Date:</b> 10/01/2023
<b>Description of CL</b>				

It is noted that PP has conducted physical Stakeholder consultation meeting on 19 <sup>th</sup> March 2022, please provide supporting evidence i.e.	
<ul style="list-style-type: none"> <li>- Stakeholder consultation report</li> <li>- Attendance List</li> <li>- Feed back received and responses provided</li> </ul>	
Also please include the outcome of Physical Stakeholder consultation in the PDD appropriately	
<b>Project participant response</b>	<b>Date:</b> 27/05/2023
The Stakeholder Consultation Report has now been provided, including the Attendance List and the summary of Feedback and Responses provided.	
The outcome of the Physical Stakeholder consultation is summarized in the revised PDD v2.1	
<b>Documentation provided by project participant</b>	
Revised PDD v2.1	
Local Stakeholder Consultation Report v2.0	
<b>VVB assessment</b>	<b>Date:</b> 06/06/2023
Submitted Stakeholder consultation a report and supporting documents verified and found satisfactory and hence the CL is Closed.	

<b>CL ID</b>	04	<b>Section no.</b>	B.5	<b>Date:</b> 10/01/2023								
<b>Description of CL</b>												
PP has estimated Operation and maintenance cost and presented in the IRR & ER Spreadsheet under Input Tab as below, Please provide rational for estimation of this cost and please include the same in the PDD in Table 7.												
<table border="1"> <tr> <td>Year 1-5</td> <td>58,000</td> </tr> <tr> <td>Year 6-10</td> <td>78,000</td> </tr> <tr> <td>Year 11-15</td> <td>83,000</td> </tr> <tr> <td>Year 16-20</td> <td>85,000</td> </tr> </table>					Year 1-5	58,000	Year 6-10	78,000	Year 11-15	83,000	Year 16-20	85,000
Year 1-5	58,000											
Year 6-10	78,000											
Year 11-15	83,000											
Year 16-20	85,000											
<b>Project participant response</b>				<b>Date:</b> 27/05/2023								

The PDD is now updated with the Operation and Maintenance (O&M) cost as described in IRR & ER spreadsheet.

The O&M cost, presented in the IRR & ER spreadsheet under Input data tab for Year 1-20 (rows C25-C28) include operation, maintenance, repairs and spare parts for the WTGs. This includes WTG spare parts and WTG insurance / warranties, but excludes (i) major repairs/ replacement and overhaul costs in Year 10, including as related to the other parts of the wind farm, and (ii) other insurance (see below). This is the estimated Annual Base Fee ranging from 1.22% of the Equipment Costs in the first 5 years of operation, rising to 1.79% in the final 5 years of operation (i.e. the O&M costs increase when the equipment gets older). The average “base” O&M cost for the proposed Project is estimated at \$76,000/MW/yr. This is equivalent to 0.00552 USD/KWh (i.e., the annual O&M cost for 12 turbines is USD 912,000 and the annual electricity generation is 165,231 GWh).

However, an additional 10-year O&M cost is also included in the Investment Analysis (see CL05 below). This includes O&M costs on the WTGs that are not covered in the above estimates of annual O&M costs and also O&M on other components of the wind farm. Across the 20-year life of the wind farm, this increases the annual total O&M cost to US\$1,140,000, equivalent to 0.0069 USD/KWh. In total, this is equivalent to a total of 2.0% of the Equipment Costs.

The estimation aligns with the Industry Standard for Onshore Wind Power Plants such as the Theoretical O&M cost determined by Wind Turbine Technology brief published by IEA-ETSAP and IRENA (page 18). In detail, the average O&M cost ranges from 0.005 USD/KWh to 0.025 USD/KWh, which is in line with the Project’s estimation of 0.0069 USD/ KWh excluding insurance and 0.01243 USD/KWh including insurance, as detailed above. Therefore, the Project estimation of O&M costs is reasonable and in line with the lower end of the cost range compared to industry standards. It is also in line with a recent study in Vietnam (Power Technology, 2016), which indicates that annual O&M costs are about 2% of Equipment Costs.

In addition, the actual O&M Agreement (including the Service and Energy Based Availability Agreement) with the WTGs supplier (VESTAS), signed after the investment decision on 07 December 2020, demonstrates the actual O&M cost per turbine is as per the estimation in the Investment Analysis. Note that this contract is for O&M related to the WTGs only, whereas the O&M costs in the Investment Analysis also extend to the rest of the wind farm.

#### Documentation provided by project participant

- Revised PDD v2.1
- Updated IRR & ER v2.0 spreadsheet
- Technology Policy Brief E07 – March 2016 - [www.etsap.org](http://www.etsap.org) - [www.irena.org](http://www.irena.org) (Available at [https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2016/IRENA-ETSAP\\_Tech\\_Brief\\_Wind\\_Power\\_E07.pdf?rev=7ff8e1d6d6b84661bfa49869fc83c4e0](https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2016/IRENA-ETSAP_Tech_Brief_Wind_Power_E07.pdf?rev=7ff8e1d6d6b84661bfa49869fc83c4e0))
- Power and Technology, *Wind Power Development in Vietnam*, Trung et al., 2016
- VESTAS AOM5000 - Service and Energy Based Availability Agreement, Clause 4 Price and Payment, page 117 (Interim Fee and Annual Base Fee for each Turbine).
- VESTAS AOM5000 - Service and Energy Based Availability Side Agreement, Annex I (Annual Base Fee breakdown).

#### VVB assessment

**Date:** 06/06/2023

Clarification provided by PP on consideration of Operation and maintenance cost found to be based on the referred guidelines and hence it is found to be satisfactory. Based on the clarification and updated PDD it is concluded that the CL is closed.

<b>CL ID</b>	05	<b>Section no.</b>	B.5 & IRR /ER Calculation	<b>Date:</b> 10/01/2023
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<b>Description of CL</b>	
Please provide sources / rational of following inputs to the IRR calculation, these values are shown as PO Calculation.	
Asset insurance fee	
Management fee	
Output guarantee insurance	
Major replacement/repairation cost (after 10 years)	
Also provide supporting evidences of Loan secured by the PO including Interest Rates agreed and Tax rates applied in the IRR Calculation.	
<b>Project participant response</b>	<b>Date: 27/05/2023</b>

The sources/ rationale of the following IRR inputs are presented below:

IRR Inputs	Estimation	References
Management fee	5% of the Electricity Revenue	This is the Project's breakdown calculations based on the Project's Detailed Financial Inputs to support the analysis in FSR Volume 1.2 (page 111). The document will be provided.
Asset insurance fee	0.3% the investment cost	
Output guarantee insurance	0.7% the Electricity Revenue	
Major replacement/repairation cost (after 10 years)	5.0% of the investment cost	The estimation is also in line with the Industry Standard Cost for Wind Power Plants (See the References list below).

**Management fee:** The project proponent estimated this cost at 116,453 USD/ year and then later actually signed the Management Agreement at 164,319 USD/ year (e.g., Agreement No. 0102/NH2-EMI with a total of 18,970.60 million VND or 821,594 USD for the first 5 years contract - renew after 5 years). Therefore, the estimated Management Fee used in the Investment Analysis is conservative and reasonable.

**Insurance fees** are one of the ongoing costs for the proposed Project during its operation phase. The annual estimated insurance cost in the Investment Analysis is 0.3% plus 0.7% (total = 1%) of the total investment costs (for asset and output guarantee insurance respectively). While this insurance does not include WTG insurance and warranties (which are included in O&M costs), this estimated cost is relatively conservative compared to the standard annual insurance cost range from the guidelines for Wind Farm Costs of 2-3% of capital costs (See the reference below for Wind industry, Chapter 8: Costs, page 7). Also, a recent industry article indicates that output insurance, or "yield insurance", is estimated to be about \$18,000/MW/yr, which is consistent with the amount assumed in the Investment Analysis (<https://www.reutersevents.com/renewables/wind-energy-update/wind-insurer-creates-real-time-yield-cover-new-risks-emerge>).

**Major replacement/ repairation cost (after 10 years):** The Project proponent estimated the major replacement and repairation cost at Year 10 in accordance the FSR Volume 1.2 Investment analysis, page 111. The estimated major replacement/repairation cost comprises of structural, patch/ scarf repair, hourly cost per technician, generator overhaul, balance-of-plant (non-WTG) repair and replacement cost etc. Based on the Project proponent's evaluation, the cost would be paid one time at Year 10 at 4,568,157 USD, equivalent to an average of \$228,408 per year or \$4,568/WTG/yr during the 20 years of operation. As discussed above for CL04, adding this 10-year one-off O&M cost to the total base O&M costs still results in a total O&M cost that is in line with the industry standard wind farm costs. Therefore, this cost estimate is reasonable and in line with industry standards

The below supporting evidences are also provided for the Loan secured by the Project Owner:

- **Interest Rates:** Extracts from Loan Agreement secured by the Project.
- **Tax Rates:** Preferential tax rate for Renewable Energy Project Development in Vietnam. In detail, tax exemption for 4 years, reduction of 50% of tax payable for the next 9 years for Income of enterprise from performing new investment projects in the field of socialization shall comply in difficult or extremely difficult socio-economic conditions specified in the Annex issued with the Decree No.218/2013/ND-CP (e.g., Annex/Row 36 – Gia Lai Province).

**Documentation provided by project participant**

<ul style="list-style-type: none"> <li>- IRR &amp; ER spreadsheet V2.0</li> <li>- Management fee: O&amp;M Agreement signed by EMI and Nhon Hoa 2 Wind JSC (No. 0102/NH2-EMI)</li> <li>- Insurance fee: Windustry, Chapter 8: Costs, page 7, (<a href="https://www.windustry.org/community_wind_toolbox_8_costs#:~:text=Insurance,per%20year%20for%20each%20turbine">https://www.windustry.org/community_wind_toolbox_8_costs#:~:text=Insurance,per%20year%20for%20each%20turbine</a>)</li> <li>- Output insurance: <a href="https://www.reutersevents.com/renewables/wind-energy-update/wind-insurer-creates-real-time-yield-cover-new-risks-emerge">https://www.reutersevents.com/renewables/wind-energy-update/wind-insurer-creates-real-time-yield-cover-new-risks-emerge</a></li> <li>- Major replacement cost at year 10: FSR Volume 1.2 Investment analysis, page 111</li> <li>- Interest rate extracted from the Loan Agreement (No. 01/2021-HDCVDADTL/NHCT324-Nhon Hoa 2)</li> <li>- Government Decision on Preferential Tax Rate, Decree No. 218/2013/NĐ-CP; Article 16 Clause No 16 (<a href="https://thuvienphapluat.vn/van-ban/Doanh-nghiep/Nghi-dinh-218-2013-ND-CP-huong-dan-thi-hanh-Luat-thue-thu-nhap-doanh-nghiep-217811.aspx?anchor=dieu_15https://news.bloombergtax.com/daily-tax-report-international/tax-incentives-for-renewable-energy-in-vietnam">https://thuvienphapluat.vn/van-ban/Doanh-nghiep/Nghi-dinh-218-2013-ND-CP-huong-dan-thi-hanh-Luat-thue-thu-nhap-doanh-nghiep-217811.aspx?anchor=dieu_15https://news.bloombergtax.com/daily-tax-report-international/tax-incentives-for-renewable-energy-in-vietnam</a>)</li> </ul>	
<b>VVB assessment</b>	<b>Date:</b> 06/06/2023
<p>Verifier reviewed the response and revised IRR spread sheet, based on the supporting reference shared by PP it is concluded that the rationale for considering management Fee, Asset insurance fee, Output guarantee insurance and Major replacement/repair cost (after 10 years) is correct and based on the industry guidance in the host country. Hence it is concluded that the CL is closed.</p>	

<b>CL ID</b>	06	<b>Section no.</b>		<b>Date:</b> 10/01/2023
<b>Description of CL</b>				
<b>Project participant response</b>				<b>Date:</b>
<b>Documentation provided by project participant</b>				
<b>VVB assessment</b>				<b>Date:</b>

Table 2. CARs from this validation

<b>CAR ID</b>	01	<b>Section no.</b>	E.2	<b>Date:</b> 10/01/2023
<b>Description of CAR</b>				
<p>During Validation it was observed that PP has various mechanism established i.e. Recommendation Box at the gate of the project office, Inputs of Grievance from Village authorities / Peoples committee at Commune level.</p> <p>However, this is not found explained in the PDD section E.2 also it was observed that Grievance Expression Process Book at the project office location is not available at the project site office.</p>				
<b>Project participant response</b>				<b>Date:</b> 27/05/2023
<p>The Grievance Expression Process Book is now available at the project office location.</p> <p>The information of other Grievance Mechanism has been added to the revised PDD v2.1, Section E.2.</p>				
<b>Documentation provided by project participant</b>				
Revised PDD v2.1				

<b>VVB assessment</b>	<b>Date:</b> 06/06/2023
PP has established a grievance book at the project office location as per the PDD description, hence the CAR is closed.	

<b>CAR ID</b>	02	<b>Section no.</b>	C.2	<b>Date:</b> 10/01/2023
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**Description of CAR**

Review of the Investment Analysis reveals that there is an error in the calculation of revenue in the first year. This should be a full year's revenue, not two months, to be consistent with the rest of the analysis. That is, the rest of the analysis is by a 12-month year, not calendar years. The loan interest and principal repayments should also be adjusted accordingly and included in Year 1.

<b>Project participant response</b>	<b>Date:</b>
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This has been corrected in the IRR v2.0. The PDD v2.0 has also been revised, including the Sensitivity Analysis. The IRR is now actually a bit higher than before the error due to the inclusion of the full 12 months' revenue but also the earlier loan and interest payments. The revised IRR is 11.91%, higher than the 11.53% in the previous calculation and still well below the Benchmark IRR of 16.84%.

The Sensitivity Analysis shows that a 16.5% increase in the Electricity Tariff or the amount of electricity supplied to the grid would result in the IRR being higher than the benchmark IRR. Note that:

- i) The tariff is fixed for 20 years in the PPA, so there is no chance that the tariff will be any higher.
- ii) The amount of electricity supplied to the grid is an optimistic (conservative) estimate based on P50 modelling (refer to the FSR, Volume 2.1, page 30). It also assumes that 100% of the electricity will be taken by the electricity offtaker (i.e. no curtailment by EVN). Also, we now have the benefit of actual data for the electricity supplied to the grid in 2022, which was significantly less than estimated (refer to the monitoring report). Therefore, this indicates that the chances of the amount of electricity supplied to the grid being 10% higher than estimated is very low.

The Sensitivity Analysis also shows that a 15% reduction in the Total Investment Costs would result in the IRR being higher than the Benchmark IRR. We now have the benefit of knowing the actual total investment costs. As evidenced by the Investment License amendment, approved by the Government on 16 April 2021 (No. 238/QD-UBND), the total investments costs were VND 2,865 billion, much higher than the estimates made at the time of the investment decision on 6 November 2020 when the FSR was finalized, as used in the IRR analysis (VND 2,109 billion). Therefore, there is no chance that the total investment costs could be less than the estimated amount in the IRR analysis.

**Documentation provided by project participant**

*Revised IRR spreadsheet*

<b>VVB assessment</b>	<b>Date:</b> 06/06/2023
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PP has corrected the IRR spreadsheet to correct the IRR calculation approach by considering correct time period. The correction is found satisfactory and hence the CAR is closed.

<b>CAR ID</b>	03	<b>Section no.</b>	A.1	<b>Date:</b> 10/01/2023
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**Description of CAR**

<b>Project participant response</b>	<b>Date:</b>
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**Documentation provided by project participant**

<b>VVB assessment</b>	<b>Date:</b>

Table 3. FARs from this validation

<b>FAR ID</b>	0	<b>Section no.</b>		<b>Date:</b>
<b>Description of FAR</b>				
<b>Project participant response</b>				<b>Date: DD/MM/YYYY</b>
•				
<b>Documentation provided by project participant</b>				
<b>VVB assessment</b>				<b>Date: DD/MM/YYYY</b>

## Appendix 5: Expert Stakeholder Interview Results

Interview Date:		09/01/2023	
Name of Stakeholder Interviewed	Position	Questions Asked during Interview	Outcome / Conclusion of Interview
Mr. Hoang	People Committee of Ia Pham	<ul style="list-style-type: none"> <li>- Have you attended the Stakeholder consultation arranged by the PP personally?</li> <li>- Did presentation provided by PP during Stakeholder Consultation is good enough to provide enough technical information to all Stakeholders?</li> <li>- What is your opinion about implementation of the Project?</li> <li>- Does Project complies fully with local legal requirements (Social, Environmental as well as economical regulatory framework)</li> <li>- Is Wind Energy Technology a sustainable option for the renewable energy</li> </ul>	<p>Officials answered the questions suitably and provided sufficient information to the validator. This provides confidence to the Validator that</p> <ul style="list-style-type: none"> <li>- Stakeholder consultation process was completed by the PP appropriately.</li> <li>- Both interviewed stakeholders were physically present during the stakeholder consultation.</li> <li>- The project is legally implemented and it is in line with host country's policy for the implementation of Renewable energy project.</li> <li>- The Project contributes positively to environment and society.</li> </ul> <p>Stakeholder has confirmed that the Wind technology is a sustainable option for the area as wind availability throughout the year is good with average wind speed in the range of 6 – 9 M/S in coastal area of Vietnam, and this potential is identified by the Vietnam government and thus the project implementation is in accordance with the Host country policy for renewable energy.</p>
Mr. Hiep	Local Government Officer	<ul style="list-style-type: none"> <li>- Do you think project may create any adverse impact to the area? If yes what is it?</li> <li>- How do you think the project can contribute +ve social and environmental impacts in the area?</li> <li>- Have you received any complaints from local community due to implementation of the project during construction phase as well as during operational phase?</li> <li>- Did Project complied with all Legal requirements established by the DONRAE during Construction Phase?</li> </ul>	<p>As per the information provided by the stakeholder that Vietnam government has identified eight provinces where the wind potential is good i.e. Bac Lieu, Ben Tre, Binh Thuan, Ca Mau, Ninh Thuan, Quang Tri, Soc Trang and Tra Vinh.</p> <p>Project representative has complied with the legal requirements enforced by DONRAE and fulfilled relevant conditions.</p> <p>Commune people are happy with the project implementation and they are supportive and looking forward to development in tourism in this area.</p> <p>There is no complaint received from any commune people during construction phase.</p>

## Appendix 6 – Due Diligence on Forward Action Request made by GS during Preliminary Review

FAR Reported During Preliminary Review	VVB Verification and Conclusion on Reported FAR
<p>FAR # 1: PD to supply supporting data for all parameters in time for validation/design review, or allocation may be delayed. This includes and is not limited to: ER spreadsheets, individual study calculations, survey results, study reports etc.</p>	<p>PP has provided relevant documents for validation including IRR Spreadsheet, ER calculation sheet, FSR etc. VVB Validator has reviewed these documents and validation opinions are provided in the Validation report based on verification of these supporting documents.</p> <p>Hence it is concluded that PP has addressed the FAR#1 and closed.</p>
<p>FAR # 2: A Continuous Input and Grievance Mechanism must be set up prior to starting validation and a note added to the PDD that full GS consultation will be carried out as soon as the situation allows.</p>	<p>During Validation it was observed that PP has various mechanism established i.e. Recommendation Box at the gate of the project office, Inputs of Grievance from Village authorities / Peoples committee at Commune level.</p> <p>However, this is not found explained in the PDD section E.2 also it was observed that Grievance Expression Process Book at the project office location is not available and hence CAR 1 is reported during validation process.</p>
<p>FAR #3 All the safeguarding principles assessment shall be supported with evidence/references/expert's opinion. The PP shall provide them for GS VVB validation. The VVB shall validate the assessment of all the safeguarding principles as part of the GS validation process and include their opinion in the validation report.</p>	<p>Since the project involves installation and operation of 12 Wind turbines, there is no negative impact on the safeguarding principles, however PP has performed detailed assessment of all safeguarding principles and concluded that only 1 safeguarding principle is relevant i.e. 9.5 and this is proved in the safeguarding assessment section of PDD.</p> <p>Since there are no risks involved, PP considered that there is no requirement of expert opinion on the assessment performed.</p> <p>PP has established suitable mitigation measures for identified Safeguarding principle and included the same in the monitoring plan. VVB Validator performed due diligence on those safeguarding principles which might have potential impacts i.e.</p> <ul style="list-style-type: none"> <li>- Human Right – There is no human right violation is observed, however PP has adequate processes implemented to ensure no human right violations are observed.</li> <li>- Gender Inequality – This is not applicable – however PP is following legal requirement for the Gender equality i.e. Harassment Policy, Equal Pay, - Seen Human Resource Policy, and from list of employee it observed that project has employed 30 Employee out of them 4 are Female.</li> <li>- Land Lease Agreement – Available and seen for the project – found complied with legal requirement. - Approval for Land use Transform from Agriculture land to Energy Land – Proof of document are available</li> <li>- 4.4 Indigenous People – Jarai ethnic minority present in the project area and few land packets are found acquired from persons belonging to Jarai community, appropriate compensations as per legal requirement.</li> <li>- 9.4 &amp; 9.5 Release of Pollutant – Environmental Management Plan – Common for both projects i.e. NH2 and NH2 – 3rd Party engaged for the waste collection and disposal including hazardous waste</li> <li>- 9.11 Endangered Species – Government provided map/ report for Biodiversity sensitive area, which shows that the project area is not an identified sensitive area from biodiversity point of view – Please provide relevant credible document to prove this claim. CL – National Park Map of Vietnam and reservation area.</li> </ul> <p>Based on site visit, stakeholder interviews as well as verification of compliance</p>

FAR Reported During Preliminary Review	VVB Verification and Conclusion on Reported FAR
	towards applicable local legal requirements it is concluded that the assessment presented by the PP on Safeguarding principle is sufficiently backed up with relevant evidence and facts. Hence FAR#3 is closed.
<p>FAR #4 PP shall ensure that Stakeholder Consultation include at least one public in-person meeting (as soon as Covid-19 restrictions ease) and one Stakeholder Feedback Round of lasting a minimum of 2 months. The physical meeting conducted during the stakeholder feedback round must follow all requirements listed in GS4GG Stakeholder Consultation and Engagement Requirements. Please follow the COVID-19 Interim guidelines.</p>	<p>PP has completed physical stakeholder consultation meeting on 19.03.2022 and the records of stakeholder consultation is provided to VVB for validation. VVB Validator has provided his validation opinion in the validation report section D.7 above.</p> <p>FAR#4 is closed.</p>
<p>FAR #5 All the attendees of LSC meeting shall be invited for further feedback/comment during SFR.</p>	<p>Yes PP has opened the SFR and send invitation for providing opinion to all those stakeholders who attended Stakholder consultation meeting.</p> <p>SFR round was open from 16<sup>th</sup> February 2022 – 15<sup>th</sup> April 2022 (i.e. for two months) there was no feedback received during this period.</p>
<p>FAR #6 Reference for project lifetime of 20 years shall be provided.</p>	<p>PP has determined lifetime of project as 20 years utilizing Methodology Tool 10 “Tool to determine the remaining lifetime of equipment” /Ref-B19/. PP has selected option C Use default values for the Wind Turbines, onshore from table given in the tool. Found satisfactory hence accepted. This approach is explained in the PDD, please refer Table 7, Section B.5 “Demonstration of Additionality”. Hence FAR#6 is closed.</p>
<p>FAR #7 VVB to check and confirm that the ratio of installed capacity of the wind power to the total grid installed capacity is 0.76%.</p>	<p>Penetration level was verified through publicly available information published by the relevant authority in host country Vietnam i.e. EVN. Based on the latest available annual report published by EVN on 22/10/2021 it is conferment that the penetration level of Wind energy is less than 1.11% during 2022, Wind energy share in total electricity generated in host country Vietnam was recorded as 0.76% (i.e. 538 MW total wind energy generated) during 2020.</p> <p><a href="https://en.evn.com.vn/userfile/User/huongBTT/files/2021/10/EVNAnnualReport2021%20final%2022_10_2021.pdf">https://en.evn.com.vn/userfile/User/huongBTT/files/2021/10/EVNAnnualReport2021%20final%2022_10_2021.pdf</a></p> <p>Hence this FAR is closed.</p>
<p>FAR #8 Validating VVB shall address context and purpose of supporting documentations on SustainCert which are in native language.</p>	<p>Please provide the list of documents uploaded to SustainCert website for addressing this FAR.</p>

## Appendix 7 – Validation of the eligibility criteria as per section 2 of Renewable Energy activity requirements

Eligibility Criteria	Requirement	Validation Conclusion
2.1.2	<p>In order to be eligible for Gold standard certification, all Renewable Energy Projects, shall meet the following Eligibility Criteria:</p> <p>(a) Projects shall generate and deliver energy services (e.g. mechanical work/electricity/heat) from non-fossil and renewable energy sources</p> <p>(b) Projects shall comprise of renewable energy generation units, such as photovoltaic, tidal/wave, wind, hydro, geothermal, waste to energy and renewable biomass, that are</p> <ul style="list-style-type: none"> <li>• Supplying energy to a national or a regional grid; OR</li> <li>• Supplying energy to an identified consumer facility via national/regional grid through a contractual agreement such as wheeling.</li> </ul> <p>(c) Any Project supplying electricity to a mini-grid shall refer to Community Services Activity Requirements.</p> <p>(d) Projects generating on-site energy for captive consumption at an industrial facility shall refer to the requirements in this document.</p>	<p>Based on the review PDD and onsite validation activities it is confirmed that project involves implementation of grid (national grid) connected renewable energy project using Wind technology and hence it is concluded that project is complying with this eligibility criteria.</p>
2.1.3	<p>New Gold Standard Verified Emission Reductions (GS VER) or Gold Standard labels for Certified Emission Reductions (GS CER), Renewable Energy projects connected to national or a regional electricity grid must be located in either a:</p> <p>a. Least Developed Country (LDC), Small Island Developing State (SIDS) or a Land Locked Developing Country (LLDC) or</p> <p>b. Low Income and Low Middle-income country where the penetration level of the proposed Renewable Energy Technology type is less than 5% of the total grid installed capacity, at the time of the first submission to preliminary review.</p> <p>Renewable Energy projects connected to national or a regional electricity grid are ineligible for GS VERs/CERs, if located in: - an Upper Middle-Income Country or High-Income Country<sup>5</sup> or - SIDS and LLDC, defined as a High- Income Country</p>	<p>The project is located in Vietnam - a Lower Middle-Income country<sup>2</sup> where the penetration level - the ratio of installed capacity of the wind power (538 MW<sup>3</sup>) to the total grid installed capacity (70,393 MW<sup>4</sup>) is 0.76%, which is less than 5%.</p> <p>This is confirmed using relevant publicly available information as provided in the footnotes. Hence it is concluded that the project meets this eligibility criteria.</p>
2.1.4	<p>Grid Connected off-shore wind projects and waste to energy projects that involve utilization of landfill gas/biogas to electricity generation with or without thermal energy production are exempted from eligibility requirement outlined in paragraph 2.1.3 above.</p>	<p>This criterion is not applicable to the proposed project.</p>
2.1.5	<p>The eligibility requirement outlined in paragraph 2.1.3 above is effective from 24 Jan 2020. This requirement is applicable in case of projects and PoAs as follows;</p> <p>a. Projects submitted for preliminary review after 24 Jan 2020 shall demonstrate compliance with the requirements of paragraph 2.1.3.</p> <p>b. PoAs registered before 24th Jan 2020:</p> <p>i. A registered PoA can include new VPAs/CPAs until the next renewal of the PoA following the approved</p>	<p>This proposed project submitted for preliminary review after 24 Jan 2020, and it is appropriately demonstrated that project meets eligibility criteria 2.1.3 as validated above.</p> <p>Please note that this is not the PoA and hence eligibility criteria 2.1.1 (b) – (e) are not applicable.</p> <p>And hence it is confirmed that only</p>

<sup>2</sup> <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519>

<sup>3</sup> EVN NLDC, Operational result of 2020 & Q1/2021, dated 23/04/2021.

<sup>4</sup> EVN NLDC, Operational result of 2020 & Q1/2021, dated 23/04/2021.

Eligibility Criteria	Requirement	Validation Conclusion
	<p>inclusion criteria as per the registered PoA Design Document (i.e., previous RE eligibility rules). At the time of next PoA renewal, the inclusion criteria for new VPAs/CPAs must be updated in line with the paragraph 2.1.3 above.</p> <p>ii. Any new VPAs/CPAs included as per the previous rules can continue till the end of their respective maximum allowed crediting period.</p> <p>iii. Registered PoAs that have inclusion criteria as per previous eligibility rules cannot extend PoA boundary to include new countries or expand the scope to include new renewable technology types until next PoA renewal.</p> <p>iv. Registered PoAs that have inclusion criteria in line with paragraph 2.1.3 above can extend the PoA boundary to include new countries or expand the scope to include new renewable technology types.</p> <p>c. PoAs validated and/or listed before 24 Jan 2020</p> <p>i. Validated and /or listed PoAs submitting request for registration after 24 October 2020 shall define the VPAs/CPAs inclusion criteria in line with the new RE activity requirements, paragraph 2.1.3 above.</p> <p>d. New PoAs listed after 24 October 2020</p> <p>i. PoAs submitted for preliminary review after 24 October 2019, shall define the VPAs/CPAs inclusion criteria in line with the new RE activity requirements, paragraph 2.1.3 above.</p> <p>e. Projects/PoAs seeking transition to Gold Standard</p> <p>i. Projects/PoAs seeking transition from another carbon crediting scheme to GS4GG or labelling of emission reductions under GS4GG are exempted from eligibility requirements of paragraph 2.1.3 above if the projects/POAs started their first crediting period with the original carbon crediting scheme from 01/01/2016 or later but before 24/01/2020.</p> <p>ii. PoAs seeking transition from another carbon crediting scheme to GS4GG or labelling of emission reductions under GS4GG are exempted from eligibility requirements of paragraph 2.1.3 above. At the time of submission to Gold Standard, PoAs seeking transition shall update the inclusion criteria for new CPAs in line with the paragraph 2.1.3 above. CPAs that started their first crediting period with the original carbon crediting scheme from 01/01/2016 or later but before 24/01/2020 are exempted from the eligibility requirements of paragraph 2.1.3.</p>	<p>condition 2.1.5(a) is applicable to this project activity.</p>

Eligibility Criteria	Requirement	Validation Conclusion
2.1.6	<p>Where exceptional circumstances exist, a project may seek an exception to paragraph 2.1.3 above. This include cases when a project serves impoverished beneficiaries at preferential electricity rates or the project is located in a conflict zone<sup>10</sup>, or penetration of proposed project technology type is not a common practice in the relevant region of the host country. Exceptional circumstances will be judged on a case by case basis and are entirely at the discretion of Gold Standard. If exceptional circumstance exists;</p> <p>a. A request for exception approval should be submitted before submitting the project for preliminary review.</p> <p>b. The project developer shall submit a deviation request describing the exceptional circumstances that are relevant to the proposed activities, accompanied, at a minimum, with an Investment Analysis to demonstrate the financial additionality. The developer shall follow the latest version of CDM methodology tool “Methodological tool: Investment analysis” to demonstrate financial additionality as per the CDM Requirements. The review process may include independent expert analysis, paid for by the Project Developer but reimbursable against fees for first issuance (not reimbursable in the event of an unsuccessful application for exceptional circumstances). Penetration level significantly higher than the 5% benchmark, when proposed as an exception, are unlikely to be approved.</p> <p>c. Projects must still demonstrate additionality at the time of design certification.</p>	This criterion is not applicable to the proposed project.
2.1.7	<p>An exception to paragraph 2.13 is pre-approved for distributed installations of renewable technologies, as outlined below;</p> <p>a. Grid connected Renewable Energy projects/ VPAs that involve distributed installation of Renewable technology, where individual unit size is up to a maximum 500 kW of installed capacity, are eligible for the issuance of GSVERs or GS-CERs.</p> <p>b. Projects/ VPAs must be submitted to Gold Standard for preliminary review on or before 31/12/2023.</p> <p>c. Projects/ VPAs must still demonstrate additionality at the time of design certification or inclusion, as applicable.</p>	This criterion is not applicable to the proposed project.
2.1.8	<p>Additional eligibility criteria for specific Renewable Energy project technologies like Hydropower, projects using biomass resources, biogas, waste heat/gas recovery, fossil co-generation, waste incineration and gas, and waste handling and disposal etc., are prescribed in Annex A.</p>	This criterion is not applicable to the proposed project.
2.1.9	<p>Projects seeking to issue of both Renewable Energy Labels and GS VERs shall meet the applicable requirements of:</p> <p>a. Applied Impact Quantification Methodologies for Emissions Reductions</p> <p>b. GHG Emissions Reductions &amp; Sequestration Product Requirements</p> <p>c. Renewable Energy Label Product Requirements</p>	This criterion is not applicable to the proposed project as the project only seeks for issuance of GS VERs.

Eligibility Criteria	Requirement	Validation Conclusion
3.1.1	Eligible projects shall include physical action/implementation on the ground. Pre-identified eligible project types are mentioned in the paragraph 2 above.	This is confirmed in eligibility criteria 2.1.2 above as it is observed that project is eligible project and demonstrated physical actions, at the time of validation site visit the project has completed installation, commissioning and it has started generating renewable energy as per the design capacity. COD is issued by the relevant authority, and it is available for validation. Hence it is concluded that Physical action/implementation ground is found satisfactory.
3.2.1	Eligible projects may be located in any part of the world. Hydropower projects shall not be located in High Conservation Values (HCVs) areas. Please refer to Annex A for further information on hydropower projects.	Yes, this project is located in the host country Vietnam, and it is not a Hydropower project. Hence it is considered that the condition is applicable and the project is eligible.
3.3.1	Project Area and Boundary shall be defined in line with the applicable Methodologies and Product Requirements.	Yes, PD has demonstrated the Project are and boundary in PDD section B.3, which is found in accordance with applied methodology ACM 002, Version 21.0, hence acceptable and confirmed that project meets the eligibility requirement.
3.3.2	<p>The following scale categories are applied to RE activities:</p> <p>a. Microscale i. RE project issuing less than or equal to 10,000 GS VERs ii. RE project seeking any product other than GS VERs with an installed capacity less than equal to 2 MW electricity / 6 MW thermal</p> <p>b. For the purpose of applying GS approved methodologies for quantification of GS VERs/CERs, 'small scale' is defined as per the indicated type, as follows;</p> <p>i. Renewable energy Project with a maximum output capacity of 15 MW (or an appropriate equivalent). In this context: a. "Output" is the installed/rated capacity as indicated by the manufacturer of the equipment or plant, irrespective of the actual load factor of the plant. The installed/rated capacity of renewable electricity generating units that involve turbine generator systems shall be based on the installed/rated capacity of the generator; b. Regarding the "appropriate equivalent" of 15 MW, the project developer may refer to MW(p), MW(e) or MW(th). As MW (e) is the most common denomination, MW is defined as MW (e), and otherwise an appropriate conversion factor shall be applied; c. For biomass, biofuel and biogas project activities, the maximal limit of 15 MW (e) is equivalent to a 45 MW thermal output of the equipment or the plant (e.g. boilers). For thermal applications of biomass, biofuels or biogas (e.g. cookstoves), the limit of 45 MW(th) is the installed/rated capacity of the thermal application equipment or device(s) (e.g. biogas stoves). For electrical or mechanical applications, the limit of a 15 MW installed/rated output shall be used. In the case of</p>	The project scale is large scale as the install capacity is 50 MW, and project do not claim RE label product requirements.

Eligibility Criteria	Requirement	Validation Conclusion
	<p>co-firing renewable and fossil fuels, the rated capacity of the system when using fossil fuel shall apply; d. For thermal applications of solar energy project activities, “maximum output” shall be calculated using a conversion factor of 700 W(th)/m<sup>2</sup> of aperture area of glazed flat plate or evacuated tubular collector, that is, the eligibility limit in terms of aperture area is 64,000 m<sup>2</sup> of the collector. 20 The project participants may also use other conversion factors determined as per the requirements in paragraph 73 above, but shall then justify why the chosen conversion factor is more appropriate to the project activity; ii. End-use energy efficiency improvement project activities that reduce energy consumption, on the supply side, with a maximum energy saving of 60 GWh per year (or an appropriate equivalent) in any year of the crediting period. In this context, for project activities that improve thermal energy efficiency, the maximum energy saving of 60 GWh(e) per year is equivalent to 180 GWh(th) per year saving iii. Other project types not included in Renewable and End use energy project types that result in GHG emission reductions not exceeding 60,000 tCO<sub>2</sub>eq per annum in any year of the crediting period.</p>	
3.4.1	<p>Certain Impact Quantification methodologies allow projects to account for a Suppressed Demand scenario when establishing a baseline. In such cases, the application of the Suppressed Demand baseline is limited to small scale and microscale projects.</p>	<p>This project activity does not use Certain Impact Quantification as well as a Suppressed Demand scenario when establishing the baseline.</p>
3.5.1	<p>A single Renewable Energy project may potentially pursue any number and combination of Certified Impact Statements or Products. However, certain Product Requirements, which supersede the generic requirements stated in this document can set restrictions on co-issuance of Certified Impact statements or Products. For instance, GS VERs or GS CERs with REC labels cannot be claimed for the same MWh.</p>	<p>The project activity claims for GS VERs only. GS VERs with REC labels (if any) shall not be claimed for the same MWh.</p>
3.5.2	<p>Where a Suppressed Demand baseline is applied, it is not allowed to ‘stack’ Gold Standard Certified Impact Statements or Products as the definition of the baseline may be contradictory</p>	<p>This criterion is not applicable to the proposed project.</p>

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**Document information**

<i>Version</i>	<i>Date</i>	<i>Description</i>
04.0	31 May 2019	Revision to: <ul style="list-style-type: none"> <li>• Ensure consistency with version 02.0 of the “CDM validation and verification standard for project activities” (CDM-EB93-A05-STAN);</li> <li>• Make editorial improvements.</li> </ul>
03.1	11 January 2018	Editorial revision to remove an erroneously included instruction paragraph in section D.2 (Identification of project type).
03.0	31 October 2017	Revision to align with the requirements of the “CDM validation and verification standard for project activities” (version 01.0).
02.0	22 July 2016	EB 90, Annex 3 Revision to include provisions related to automatically additional project activities.
01.0	23 March 2015	Initial publication.

Decision Class: Regulatory  
Document Type: Form  
Business Function: Registration  
Keywords: project activities, validation report