



RINA

SOCIAL CARBON STANDARD VALIDATION REPORT

Final

“Tatar Hydro Electricity Power Plant”
in
Turkey

Report N° 2011-DG-MD-203

Revision N° 1.1

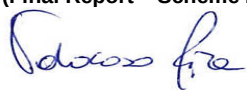
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Project Title: Tatar Hydro Electricity Power Plant	Country: Turkey	
Client: DARENHES Elektrik Üretim A.Ş.	Client contact: Dr. Asli Özcelik	
Report No.: 2011-DG-MD-203	Revision: 1.1	Date of this report: 11/11/2013
Approved by (Final Report – Authorized officer signing for the DOE):  Laura Severino		Date of approval: 11/11/2013

RINA Services S.p.A. (RINA), commissioned by DARENHES Elektrik Üretim A.S., is performing the validation of the SOCIALCARBON Report of the project activity “Tatar Hydro Electricity Power Plant” in Turkey, with regard to the relevant requirements of Social Carbon Standards.

In conclusion, it is RINA's opinion that the SOCIALCARBON Report for the project activity “ Tatar Hydro Electricity Power Plant”, in “Turkey”, version 2.2 of 31/10/2013, meets all relevant requirements established by the SOCIALCARBON Standard, SOCIALCARBON Methodology and it contains the identification of social economic and environmental impacts as well the presentation of the results obtained in accordance to the Social Carbon Standard indicators for “hydropower plants”.

Work carried out by: Sergio Degener (Team Leader, Validator) Isil Timuroglu (Local Expert) Casper Van der Tak (Financial Expert)	☒ No distribution without permission from the Client or organizational unit responsible ☐ Strictly confidential ☐ Unrestricted distribution
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Work verified by (Final Report – Scheme Manager)  Rita Valoroso	Keywords: Social Carbon Standard, Validation, Indicators
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Abbreviations

Explain any abbreviations that have been used in the report here.

CAR	Corrective Action Request
CDM	Clean Development Mechanism
CER(s)	Certified Emission Reduction(s)
CL	Clarification Request
CRT	Coordination and Technical Control Staff
DCI	Certification Division of RINA Services Spa
DOE	Designated Operational Entity
EIA	Environmental Impact assessment
ER	Emission Reductions
FAR	Forward Action Request
GHG(s)	Greenhouse gas(es)
GWP	Global Warming Potential
IPCC	Intergovernmental Panel on Climate Change
IRR	Internal Rate of Return
MoEUP	Ministry of Environment and Urban Planning
MP	Monitoring Plan
MR	Monitoring Report
NGO	Non-Governmental Organization
NPO	Non-Profit Organization
ODA	Official Development Assistance
OSHAS	Occupational Health and Safety Advisory Services
PDD	Project Design Document
PP(s)	Project Participant(s)
RINA	RINA Services Spa
SCM	Social Carbon Methodology
SCS	Social Carbon Standard
VCS	Voluntary Carbon Standard
VER(s)	Verified Emission Reduction(s)

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Appendix A:

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1 INTRODUCTION

DARENHES Elektrik Uretim A.S. has commissioned RINA to carry out the validation of the SCS Report for the project activity “Tatar Hydro Electricity Power Plant” project in Turkey.

This report summarizes the findings of the validation of the project, performed on the basis of Social Carbon Methodology, as well as criteria established by the SCS Indicators for “Hydroelectric Power Plants”.

1.1 Objective

The objective of the Validation is to have an independent evaluation of a specific project activity by a certifying entity against the requirements of the Social Carbon Standard and Social Carbon Standard indicators, on the basis of the SCS report. In particular, the social and environmental indicators are validated in order to confirm that the impacts arising from a carbon offset project for the six resources of the methodology (Social, Human, Financial, Natural, Biodiversity and Carbon), as documented, is sound and reasonable and meets the identified criteria. The Validation of the SCS report is as a complementary standard for co-benefits and it does not set its own criteria regarding the project type, location, and size, crediting period or baseline and monitoring methodologies; it covers only criteria of social and environmental impact of the project but not for emission reduction itself.

1.2 Scope

The validation scope is to review the SCS Report against the SCS Methodology and SCS Indicators.

Validation is not meant to provide any consultancy towards the project participants. However, stated requests for clarifications and/or corrective actions may have provided input for improvement of the project design.

2 METHODOLOGY

Validation was conducted using RINA procedures in line with the requirements specified in the latest version of the Social Carbon Standard, and applying standard auditing techniques.

The validation consisted of the following three phases:

- Document review;
- Follow-up actions;
- The resolution of outstanding issues and the issuance of the final validation report.

The following sections outline each step in more detail.

2.1 Document Review

The evidence obtained during the audit is to verify the accuracy of all information contained in the present project. The SCS Report, version 1.0 of 09/09/2011/01/ and its update version 2.2 of 31/10/2013 /21/, in particular the applicability of the SCS methodology and the SCS indicators for “hydropower plants” were assessed as part of the validation.

The following table lists the documentation that was reviewed during the validation.

List the documentation provided by the project participants and used by RINA to verify/cross-check the information provided by the project participants.

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/01/	Ekobil Environmental Services and Consultancy Ltd.: SCS Report for project activity "Tatar Hydroelectric Power Plant" in Turkey, version 1.0 of 09/09/2011
/02/	Social Carbon Standard version 4.2 of June 2011
/03/	Social Carbon Standard: Guide for completing Social Carbon Reports – version 4.0 of September 2013
/04/	RINA: Signed participant list of all stakeholders involved during site-visit, 24/02/2012.
/05/	CDM Executive Board: Validation and Verification Standard, version 3.0 of 23/11/2012
/06/	CDM Executive Board: Baseline and monitoring methodology "ACM0002", version "Consolidated baseline methodology for grid-connected electricity generation from renewable sources", version 12.3.0. of 02/03/2012. CDM Executive Board: Baseline and monitoring methodology "ACM0002", version "Consolidated baseline methodology for grid-connected electricity generation from renewable sources", version 13.0.0 of 11/05/2012.
/07/	CDM Executive Board: Tool to calculate the emission factor for an electricity system, Version 02.2.1.of 29/09/2011
/08/	SCS: Indicator for Hydroelectric Power Plants version 4.1 of 10/06/2011
/09/	Ekobil Ltd.: VCS-PD for project activity "Tatar Hydro Electricity Power Plant" in Turkey, version 1.0 of 10/02/2012. Ekobil Ltd : VCS-PD for project activity "Tatar Hydro Electricity Power Plant" in Turkey, version 2.1 of 30/10/2013
/10/	UNFCCC: Guidelines for the reporting and validation of plant load factors, version 1, 17/072009.
/11/	UNFCCC: "Tool for the demonstration and assessment of additionality" version 6.0.0. 25/11/2011 (version applied by the PP in the initial version of the document). UNFCCC: "Tool for the demonstration and assessment of additionality" version 7.0.0. 23/11/2012.
/12/	Turkish requirements on meter equipment ICE/TSE 62053-22: Electricity metering equipment (a.c) – Particular requirements - Part 22: Static meters for active energy (Classes 0,2 S and 0,5 S, no version number, April 2005.
/13/	CDM Executive Board: Glossary of CDM terms, version 07 of 23/11/2012
/14/	UNFCCC, Tool to determine the remaining lifetime of equipment, version 1, 16/10/2009.
/15/	CDM Executive Board: Tool to calculate the emission factor for an electricity system, Version 3.0.0. 23/11/2012
/16/	The Ministry of Environment and Forestry: Approval Letter of Revised Feasibility Study of 10/11/2011
/17/	The Ministry of Environment and Forestry: EIA Affirmative Certificate of 15/11/2006
/18/	Energy Market Regulatory Authority: Tatar Expropriation decision, 10/01/2008
/19/	Revision on Environmental Impact Assessment regulation (Official Gazette on 30/06/2011 with no. 27980).
/20/	The Ministry of Environment and Forestry: Approval Letter of Revised Feasibility Study of 10/11/2011
/21/	Ekobil Environmental Services and Consulatncy Ltd.: SCS Report for project activity "Tatar Hydroelectric Power Plant" in Turkey, version 2.2 of 31/10/2013
/22/	Ekobil Environmental Services and Consultancy Ltd.: Excel sheet TatarSocialCarbonDataV2.0, submitted 11/09/2013.
/23/	Darenhes Elektrik Üretimi A.S.: Company Sustainable Principle, no date.
/24/	Kovancilar Civil Court of First instance: Expropriation outcome example, 13/07/2011

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/25/	Mukhtar Alayagmur Village: Information on works performed in the village, 25/01/2013
/26/	Selin Insaat Turizm Musavirlik Sanayi ve Ticaret Ltd.: EIA report, September 2006.
/27/	Ministry of Environment and Registry: Compliance environmental audit report, 12/07/2011
/28/	Gokler Law office: Confirmation on no current lawsuit related to the project development, 09/09/2013
/29/	Detam Healt, Safety & Environment: Quality Management Systems Auditing Report, 09/09/2011
/30/	Limak Insaat: Letter confirming the supply of seeds for afforestation activities, 12/12/2011.
/31/	Limak Insaat: Letter confirming the correct disposal of used oil, 22/12/2011.
/32/	Elmalik General Command of Gendarmerie: Information Letter for prevention of illegal hunting and conservation of wildlife, 05/08/2013
/33/	TÜV Rheinland: OHSAS and ISO 14001 certificates, 07/09/2013
/34/	Darenhes Elektrik Üretimi A.S.: Earthquake, Flood and Fire emergency plan, no date.
/35/	Darenhes Elektrik Üretimi A.S.: Training plan, no date.
/36/	Darenhes Elektrik Üretimi A.S.: Environmental Handbook, revision 00, 22/04/2011
/37/	Darenhes Elektrik Üretimi A.S.: Environmental Management Plan, no date.
/38/	DETAM Health & Safety & Environment: Application Report of Environmental Spill Leak, 13/02/2013
/39/	Diyarbakir Environmental Analysis Laboratory: Waste Water Analysis Report, 23/07/2012
/40/	Tatar Baraji Ve Hes.: Project Plans, November 2012

2.2 Follow-up actions

On 24/02/2012, RINA visited the project site, which is located within the jurisdictions of Elazığ and Tunceli Provinces, Turkey, to perform interviews with the key informants aiming at the obtainment of the information about the six resources of the SCS methodology and with the relevant stakeholders in the host country. Documentation and legal conformity are checked and interviews are made with the proponent and employees responsible for important activities in the company.

The key personnel interviewed and the main topics of the interviews are summarized in the table below.

	Date	Name and Role	Organization	Topic
/a/	24/02/2012	Asli Özcelik VCS and SCS Consultant	Ekobil Environmental Services and Consultancy Ltd.	SCS Report development
/b/	24/02/2012	Murat Özcelik VCS and SCS Consultant	Ekobil Environmental Services and Consultancy Ltd.	SCS Report development
/c/	24/02/2012	Çetin Aköz Project Manager	Darenhes Elektrik Üretimi A.Ş.	Project development
/d/	24/02/2012	Şah Demir HSE and Environmental Engineer	Darenhes Elektrik Üretimi A.Ş.	IRR calculations
/e/	24/02/2012	Eşref Sönmez excavator operator	Darenhes Elektrik Üretimi A.Ş. and citizen of	Project construction / Local Stakeholder Consultation

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/f/	24/02/2012	Düzgün Ge rçek Head of Elmalık District	Nışantepe Village Elmalık District	Local Consultation	Stakeholder
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2.3 Resolution of outstanding issues

The objective of this phase of the validation is to resolve any outstanding issues which need to be clarified for RINA's positive conclusion on the project design.

To guarantee transparency a validation protocol has been customized for the project. The protocol shows in a transparent manner the requirements, means of validation and the results from validating the identified criteria. The completed validation protocol is enclosed in Appendix A to this report.

A corrective action request (CAR) is raised if one of the following occurs:

- The project participants have made mistakes that will influence the ability of the project activity to achieve real, measurable additional emission reductions.
- The SCS requirements have not been met.
- There is a risk that the sustainable indicators cannot be monitored.

A clarification request (CL) is raised if information is insufficient or not clear enough to determine whether the applicable SCS requirements have been met.

CARs and CLs identified are included in Appendix A of this report.

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2.4 Internal quality control

All the revisions of the validation report before being submitted to the client were subjected to an independent internal technical review to confirm that all validation activities had been completed according to the pertinent RINA instructions.

The technical review was performed by a technical reviewer(s) qualified in accordance with RINA's qualification scheme for SCS validation and verification.

2.5 Validation team and the technical reviewer(s)

The validation team and the technical reviewers consist of the following personnel:

Role	Last Name	First Name	Country
Team Leader SCS Validator	Degener	Sergio	Germany
Local Expert SCS	Timuroglu	Isil	Turkey
Financial Expert	Van der Tak	Casper	Italy
Technical Reviewer	Menon	Rekha	India
Technical Reviewer	Alfieri	Felice	Italy

3 VALIDATION FINDINGS

The findings of the validation related to the project, as described in the SCS Report version 1.0 of 09/09/2011 /01/ and its revised version 2.2 of 31/10/2013 /21/, are stated in the following sections.

3.1 Project design

Basic information	
Project name	Tatar Hydro Electricity Power Plant
Location	Located within the jurisdictions of Elazığ and Tunceli Provinces, Turkey
Indicators	Indicators for Hydroelectric Power Plants, version 4.1 /08/
Year-Point of the project	Point Zero /21/, as this is the first SCS assessment for Tatar HPP Project.
Project Developer	Darenhes Elektrik Üretimi A.Ş.
Researcher	Ekobil Environmental Services and Consultancy Ltd.

The purpose of the proposed project activity is to generate renewable electricity to be delivered to the National Power Grid by utilizing water resources. The project is located within the jurisdictions of Elazığ and Tunceli Provinces, Turkey. The total installed capacity of the Project is 128.22 MW in line with the latest version of the VCS-PD /09/. The project is expected to produce 429,560 MWh of electricity per year, calculated based on a plant load factor of 38.24% as per the project feasibility calculations /20/, resulting an annual reduction of GHG emission of 231,898 tCO₂e as well as alleviating the demand of new thermal power plants and reliance on imported fossil fuels. The Tatar HEPP is going to be made up of one hydro power plant.

The starting date of the project activity is 01/11/2013 and the start date of the crediting period is 01/11/2013. It has been verified by RINA that the starting date represents the start date of generation of electricity and supply to the electricity grid. It was observed during the site visit that the project is under construction, start of operation is expected to be 01/11/2013.

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As per the applied methodology “ACM002 Consolidated Baseline Methodology for Grid-connected electricity generation from renewable sources /06/, the spatial extent of the project boundary includes the project power plant and all power plants connected physically to the electricity system that the project power plant connected to. In this case, the Turkish National Grid is the electricity system that the Tatar HPP is connected to. The greenhouse gases (GHG) and the emission sources included in from the project boundary is the CO₂ emissions from electricity generation in fossil fuel fired power plant that is displaced due to the project activity (Baseline emission). As per the VCS-PD version 2.1 of 31/10/2013 /09/, the GHG emission due to the diesel-fired stand by generator were not taken into consideration for estimating the project emission throughout the monitoring period, in line with the provisions of the methodology..

3.2 Methodology used for reduction/capture of GHGs

This emission reduction project involves construction hydro power plant which is connected to the Turkish National Power Grid. The methodology used for determining the GHG emission reduction resulted from the project is “ACM002 Consolidated Baseline Methodology for Grid connected electricity generation from renewable sources”, version 13.0.0. of 11/05/2012 /06/.

3.3 SOCIALCARBON Indicators

3.3.1 SOCIALCARBON Method

As indicated in the SCS report version 1.0 of 09/09/2011 /01/, the year for the point zero is 2011, which is consistent with SCS as per Guide for completing SCS Report version 4.0 /03/.

SCS Indicators for Hydroelectric Power Plants version 4.1 of June 2011 /08/ was used for evaluating the project activity, with the exception of indicator 24 “APP (Permanent Protected Areas) and Legal Reservation” under the Biodiversity Resources. This indicator was excluded as there is no PPA or legally protected reserve within the vicinity of the project site. EIA has been approved for the project activity /17/. Furthermore, the indicator „Transfer of New Technology“ was excluded, as the technology to be implemented in the project activity is not new in the host country.

As per the SCS report version 2.2 /021/, three methods were adopted to collect information for the, as listed in the following:

- Semi-structured interviews with key stakeholders on the project site
- Questionnaires obtained through the project owner
- Relevant reports of the project activities

The methods used for information collection in the SCS report are found to be in accordance with the Social Carbon standard version 4.2 of June 2011 /08/, as both interviews and questionnaires are eligible for information collection.

3.3.2 Social, economic and environmental impacts of the GHG emission reductions project.

The EIA is not regulated in Turkey by means of law, whereas through a decree put into force on the basis of the relevant provision of the Environmental Law. The latest version of EIA regulation in Turkey was published on 30/06/2011 (Official Gazette No. 27980) /19/. The purpose of the EIA regulation is to define the administrative and technical aspects that must be followed during an EIA process. The EIA for the project activity has been approved /17/.

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3.3.3 Project indicators

3.3.3.1 Social Resources

Name of indicator		<i>Population Displacement</i>
Description of Indicator	of	Evaluates if the project requires people, activities or services to be displaced due to the implementation of the project, as well as the measures adopted during the planning and implementation stages, in order to minimize negative impacts or maximize positive impacts.
Assessment of current situation of the project	on	As the settlements are close to the river's flood plain some houses and private property (with agricultural land use) needed to be expropriated. The expropriation is done according to government rules. The initial estimates in the Feasibility studies for the expropriation costs were about 88% less than what was realized, indicating that all the property owners were fairly compensated.
Score obtained		5- Participatory Relocation Program, including negotiations with different actors (owners, public agencies, and civil society organizations).
Perspectives		The project is going to help improve the infrastructure of the new settlements.
Conclusion		CL1: The PP shall provide evidence on the payment provided to affected stakeholders. FAR 1: The infrastructure development in the new settlements shall be assessed during the first verification process. CL closed after submission of evidence. The decision of the court has been provided to demonstrate expropriation outcomes /24/.

Name of indicator		<i>Communication With Stake Holders</i>
Description of Indicator	of	Evaluates the process for contacting stakeholders in the planning, implementation and operation stages.
Assessment of current situation of the project	on	The project owner is open to dialogue with stakeholders. They communicate regularly with the village heads, and welcome the visitors. From time to time, the nearby villages are visited regularly and the project officers talks to them and explains issues related to the project and listens to their needs and answers their questions.
Score obtained		4-Establishment of a permanent forum in order to maintain communication with local stakeholders.
Perspectives		The project owner will establish a platform to collect the opinions of different stakeholders about the project.
Conclusion		During the site visit, it was possible to confirm with stakeholder that the responsible from the project activity maintain a communication flow with the nearby villages. FAR 2: The communication flow with stakeholders will be checked during next periodic verification.

Name of indicator		<i>Acceptance</i>
Description of Indicator	of	Evaluates the level of support or acceptance from the neighbouring population in regard to the project construction or management of the reservoir.
Assessment	on	All the parties interviewed in this aspect agrees that the project is accepted in general but there is minor opposition. When you try to understand the

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current situation of the project	reasons behind opposition it is understood that the opposition is either because it is fashionable to protest hydro power plants or because of personal reasons such as a person who wanted a job to work but was not suitable to work in the construction site.
Score obtained	4-Support from local stakeholders, but some opposition still exists
Perspectives	In order to keep this support the project owner is going to continue its openness policy and the good relationship that was already established with the local stakeholders.
Conclusion	In general, the population against the project complains with the expropriation payment. The payments performed by the PP are in line with the requirements of Turkey, but see CL 1. CL closed after submission of evidence /24/.

Name of indicator	<i>Social Demands</i>
Description of Indicator	Social Demands may be understood as institutional or civil society interests: demands made by institutions, agencies, NGOs, municipalities or other institutions which aim to improve the human development and/or the environment near the project. This item evaluates which social demands the entrepreneur addresses.
Assessment on current situation of the project	The entrepreneur is maintaining the roads of the new settlements and providing earthmovers or construction materials when requested by the villagers. They especially help the villagers during the winter times when the roads are blocked by snow cover.
Score obtained	4-The entrepreneur takes actions that surpass compulsory activities.
Perspectives	The entrepreneur is developing a policy that will cover the rules and other criteria to address voluntary social actions. Within one year the project owner is going to prepare an internal code of conduct that will outline these rules.
Conclusion	CL 2: Evidence on the works performed in the settlements shall be provided to the DOE. CL closed after submission of evidence. External letter from the Mukhtars is provided /25/.

Name of indicator	<i>Social Programs</i>
Description of Indicator	Evaluates the quality and results of additional social programs, such as: - Social and Environmental Communications Program - Community development / income generation - Ethnic integration (Not Applicable in this case) - Other social areas (women's involvement in family income generation)
Assessment on current situation of the project	The entrepreneur gives great importance to such issues; however such programs are at the planning stage since the project itself is at the construction stage, which is the most vulnerable stage of a project from an economical point of view.
Score obtained	2 Actions are in planning stage with high uncertainty that benefits can be delivered.
Perspectives	The Entrepreneur is going to be identifying such activities together with the local stakeholders. They will assess the situation taking into account socio economical characteristics of the area.
Conclusion	FAR 3: The social programs and it results shall be assessed during verification activities.

Name of indicator	<i>Social Benefits</i>
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Description Indicator	of	Evaluates the additional benefits to local stakeholders, when these benefits are measurable or evident. These benefits may include: Improvements in health system (new installations, enhanced water and electricity systems, support for health programs, and others) Additional economic activities (industry, commerce, and others) Improvements in the infrastructure (roads, energy provision, leisure spaces, and others)
Assessment on current situation of the project	on	The project owner is improving the connection roads between the villages and the town, and In addition to this the project owner have made a drilling to find drinking water and helped the water supply to the nearby settlements.
Score obtained		5. Project delivers in two major areas to a large number of local stakeholders.
Perspectives		The Project will keep helping the community by improving the roads, and helping the communal areas.
Conclusion		The activities performed by the PP were checked during the site visit and found to be done and correct.

3.3.3.2 Human Resources

Name of indicator		Human Resource Availability Capacity Building Initiatives
Description Indicator	of	Level of experience and capacity of people involved in the operation and maintenance of the project.
Assessment on current situation of the project	on	In the immediate vicinity there were not enough people with the ability to work in the construction works. Especially tunnel construction and other hydro power plant specific structures require significant experience. But still the entrepreneur prioritized the local workers, when there is a job opening for unskilled workers. The entrepreneur has a dedicated space in the construction site, for in-house trainings and seminars in the facility. Also the unskilled workers learn from the experienced ones by observation.
Score obtained		3. Significant delays in planning schedules and execution due to low availability of human resources.
Perspectives		The entrepreneur targets to keep the regular in-house trainings and will keep a record of the successful apprentice, to provide them job in the future.
Conclusion		During the site visit, workers were interview and could be checked that, a as much as possible, local workers were employed to performed activities in line with their capacity.

Name of indicator		Health & Safety
Description Indicator	of	Evaluates if a comprehensive employee safety program is in place and its effectiveness can be demonstrated by the absence of life-threatening accidents
Assessment on current situation of the project	on	The project site also has a regular medical doctor responsible for the H&S of the employee. There is an established OSHAS certification that is audited by a third party.
Score obtained		6. Existence of an Occupational Health and Safety Management System certified by a third party.
Perspectives		The project owner will keep implementing the OSHAS management system and renew its certification as deemed necessary
Conclusion		CL 3: A copy of the actual OSHAS certificate shall be provided to the audit team. CL closed after submission of evidence. The certificates of the company for OHSAS and ISO 14001 were provided to the audit team /33/.

Name of indicator		Benefits
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Description of Indicator	of	Evaluates existence of additional benefits to workers regarding the following: - Education (support for studies) - Health (medical and hospital assistance) - Retirement assistance - Other (leisure, sports, and meal vouchers, among others). In cases where the services for implementation, operation and maintenance are outsourced, the indicator evaluates the outsourced employees also.
Assessment of current situation of the project	on	The project provides benefits such as free access to medical services at the on-site health cabin and accommodation and free lunch and dinner at the construction site.
Score obtained		3-Benefits are offered to all employees involved in the project in two areas.
Perspectives		The project owner will ensure employee job satisfaction and consider feedbacks to further improve working environment.
Conclusion		It was possible to confirm during the site visit, the benefits the employees are obtaining at the construction site. The audit team visited the health cabin and observed the delivery of the lunch for the employees at the site. The situation was further confirmed during the discussions with the stakeholders. The score of 3 is correct taking into account that benefits are being given in at least one of the areas.

Name of indicator		<i>Involvement of Employees in the Project</i>
Description of Indicator	of	Evaluates internal communication process of the entrepreneur in relation to project emissions reductions.
Assessment of current situation of the project	on	The employees are not aware of the contribution of the project to the global climate change. Only the upper management and those that are immediately involved in carbon project know about these issues.
Score obtained		2. Only management and employees directly involved in the carbon project are aware.
Perspectives		The project owner is planning to organize a training session to inform the employee about the climate change and the carbon project.
Conclusion		FAR 4: The training records shall be assessed during the verification process. Training record was possible to assess during validation. FAR is therefore closed as in-house training were performed in the company /35/.

3.3.3.3 Financial Resources

Name of indicator		<i>Economic Performance</i>
Description of Indicator	of	Evaluates if the economic performance of the project met the expectations of the shareholders and directors regarding, for example, goals for energy generation, stated periods for executing jobs, and operational and maintenance costs. It evaluates if the goals were met or if they did not meet the expectations for the given period.
Assessment of current situation of the project	on	The project is going for now according to planned schedule and the project owner indicates that their expenditures are within their expected margins, therefore they think that they have achieved their goals.
Score obtained		4. Adequate Performance. Goals and expectations established with shareholders have been accomplished.
Perspectives		The project owner will try to achieve the same and will set "SMART ¹ " targets.

¹ SMART: Sustainable, Measurable, Achievable, Reasonable and Time Specific targets.

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Conclusion	CL 4: Evidences are required to confirm that the major expenditures are in line with the expectations. CL closed after submission of evidence. The project economic performance is described in the vCS documentation, all expenditures are described there /09/.
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Name of indicator	Market
Description of Indicator	Evaluates eligibility of credits to CDM Market or to other voluntary markets as well as their attractiveness to potential buyers.
Assessment on current situation of the project	The carbon asset of the project is developed considering the CDM rules and the project is validated to the Voluntary Carbon Standard and can only reach to the voluntary markets.
Score obtained	3. Project activities are eligible for the voluntary market.
Perspectives	The project owner is hoping to have an opportunity to bring the project into compliance market. However, this depends mainly on the change of the status of Turkey. So the project owner will actively contribute to the lobbying activities to support improvement of Turkey's status in global carbon markets.
Conclusion	It is confirmed that the project comply with the requirements to be registered under the VCS standard, as the VCS-PD presented comply with the requirements of the applicability of the methodology ACM0002 as is currently under registration as a VCS project. The score will be finally confirmed once the project is registered and approved under the VCS standard. FAR 5: The registration of the project under the VCS standard will be assessed in the future, latest during first verification.

Name of indicator	Sale of Credits
Description of Indicator	Evaluates uncertainties regarding the value of commercialized credits generated by the project
Assessment on current situation of the project	The project owner started to probe potential buyers by the help of their carbon finance consultant. But the carbon asset is till at a early stage of development.
Score obtained	At this stage this indicator is not going to be evaluated as the construction is still going on and the carbon asset development of the project is at an early stage.
Perspectives	The project owner is willing to improve the value of their VCUs by distinguishing their project by adding the social carbon standard and by emphasizing the distinctive aspects of the project.
Conclusion	FAR 6: The carbon credit sale shall be assessed during the verification process.

3.3.3.4 Natural Resources

Name of indicator	Sustainability Principles
Description of Indicator	Evaluates the existence of specific policies and programs geared toward project sustainability and the applicability of the principles, values and objectives regarding sustainability.
Assessment on current situation of the project	The sustainability concept and principles are appreciated and practiced as environmental protection, improved working environments, in-house trainings and improving the quality of life in the vicinity of the project area. These are applied as common sense and as part of the company culture.

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Score obtained	3. Incorporation of sustainability in the values, strategy and principles of the project owner.
Perspectives	The project owner will write an internal code of conduct to incorporate sustainability principles and will set sustainability goals and monitor achievement towards these goals. In addition to that they will incorporate sustainability principles to the tender documents they prepare for their subcontractors encouraging them to adapt sustainability principles.
Conclusion	CL 5: Documental evidences are required to confirm the sustainable principles of the company. CL closed after submission of evidence. The environmental principles for the company were provided /36/.

Name of indicator	<i>Environmental Management</i>
Description of Indicator	Evaluates environmental management procedures adopted by the project, including organization, coordination of actions, and documentation of impacts identification, monitoring, and periodic emissions reporting, as well as existence of regular certification.
Assessment on current situation of the project	The project is implementing an environmental management system that is followed by a government accredited environmental officer that follows the commitments project made in its EAI report. This is followed by 6 monthly reports to the Ministry of Environment and Urban Planning (MoEUP).
Score obtained	5. Efficient environmental management system exists but is not necessarily certified.
Perspectives	The project owner will maintain the situation and will consider third party certification depending on the availability of the resources.
Conclusion	CL 6: The implementation status of the environmental management system shall be supported with evidences. CL 7: The EIA Report shall be provided to the audit team. CL closed after submission of evidence /37; 26/

Name of indicator	<i>Environmental Legislation</i>
Description of Indicator	Evaluates accordance of the project with environmental laws and norms, including agreements with public authorities, such as environmental licenses, requested authorizations for installation, etc.
Assessment on current situation of the project	The project complies with the Turkish environmental regulations and rules. All the environmental permits and licenses are valid and up to date.
Score obtained	5. Environmental licenses routinely issued; determined obligations are fulfilled.
Perspectives	The project owner will integrate the systematic control of the licensing process to their environmental management system.
Conclusion	The EIA of the project activity has been approved. But see CL3. CL closed after submission of evidence.

Name of indicator	<i>Legal Procedures</i>
Description of Indicator	Evaluates if the project was involved with any lawsuit or administrative sanctions executed by public organs, person or people, aiming the environment and human health protection or repair.
Assessment on current situation of the project	In the past one year there was no such legal law suits nor there were any judicial actions related to the project. There were only some minor warnings related to some of the environmental practices, and this was corrected immediately. The local branch of the MoEUP indicated that the project owner

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	does everything in order and all their permits and papers are in place.
Score obtained	6. The project did not suffer from public civil or judicial action or receive any warnings due to potential risk or effective damage to human health or the environment.
Perspectives	The project will keep carefully obeying the rules and regulations to avoid any public lawsuit.
Conclusion	CL 8: It shall be clarified, if the legal case involving the Pembelik project also involves Tatar. Further information on this issue shall be provided to the audit team. CL closed after submission of evidence. It is confirmed that no lawsuit is currently in process for the project activity /28/.

Name of indicator	<i>Environmental Impacts</i>
Description of Indicator	Evaluates magnitude of environmental impacts of the project, existence of environmental impact statements/studies, and maintenance of environmental evaluation procedures.
Assessment on current situation of the project	The project has submitted an EIA report to the MoEUP. The report is examined by the EIA committee and the project received an EIA affirmative certificate.
Score obtained	5. Studies show insignificant environmental impact.
Perspectives	The project owner will ensure to keep the impacts at a minimal level
Conclusion	See CL 7. CL closed after submission of evidence.

Name of indicator	<i>Environmental Risk Management</i>
Description of Indicator	Evaluates the definition, implementation and maintenance of procedures relevant to potential emergencies and accidents related to the project, as well as those relevant to the preparation of answers for such situations, in case of emergency.
Assessment on current situation of the project	The project has its environmental risk management plans in place and there were no environmental risk or emergency situations during the specified validation period. In addition to this environmental risks are periodically evaluated and monitored together with the compliance monitoring regarding the commitments made in the EIA report.
Score obtained	5-Periodic evaluations of environmental risks are conducted. Environmental emergencies are documented and monitored.
Perspectives	The project owner will maintain the good practice and the present situation. Also Internal and external audits will be considered depending on the availability of the resources.
Conclusion	CL 9: The environmental evaluations shall be provided to the audit team. CL closed after submission of evidence. The document prepared by a third party is provided /38; 29; 27/.

Name of indicator	<i>Reservoir and marginal areas management</i>
Description of Indicator	Measures the effectiveness of the Reservoir and marginal areas management, considering: a) existence of invasions in the marginal and adjacent areas and mitigation measures adopted b) existence of plan or program for use of the reservoir and surrounding areas, considering its coverage and efficacy for assurance of the planned uses.
Assessment on current situation of the project	The project is highly focused to construction affairs, but there is no intrusion to the project area.

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the project	
Score obtained	3. There are no invasions or inadequate uses of project owner' areas around the reservoir.
Perspectives	The project owner is developing a plan for the management of the reservoir and marginal areas.
Conclusion	CL 10: Evidence on the actual status of the plan for the management of the reservoir and marginal areas. CL closed after submission of evidence /30, 40/.

Name of indicator	<i>Erosion, landslides, silting and floods</i>
Description of Indicator	Evaluate the current stage of erosion and silting of the reservoir and if the operations are a major cause of the problem and the existence of programs to manage these risks, such as monitoring, and erosive processes control (ex: protection and reforestation programs for reservoir protection zone).
Assessment on current situation of the project	The project is developed as part of a 5 set of dams at the upstream direction of the first biggest hydro power project of Turkey: Keban HPP. Therefore the erosion and siltation is not much, as Tatar is the 5 th dam in the sequence. Also the forestation and erosion control studies in the entire catchment area is coordinated by the Forestry department and during the operation stage Tatar management will contribute to these studies.
Score obtained	4. Operations cause minimal or none on going sedimentation or erosion problems in Reservoir or downstream areas.
Perspectives	The project owner will improve the surrounding area by reforestation projects.
Conclusion	FAR 7: The reforestation process shall be assessed during the verification process.

Name of indicator	<i>Water Resources</i>
Description of Indicator	Evaluate the current stage of water quality of the reservoir or downstream water and if the operations are a major cause of the problem and the existence of programs to manage these risks, such as monitoring data and measures of control implemented (ex: sewage treatment station eventually implemented in local communities due to construction of the hydroelectric plant, actions taken for sanitary vigilance, etc).
Assessment on current situation of the project	As these are the stage dams, water exits one HPP and enters the next, so there is no change in the quantity or quality of the water available in the stream. So, the project has no negative impact on the water quality and quantity.
Score obtained	4. Operations either enhance or cause minimal deterioration to Reservoir or downstream water quality.
Perspectives	The project owner is planning to prepare a program that will determine preventive actions that will protect the water quality of the river water. Including basic awareness programs that will inform local inhabitants on how to protect their river.
Conclusion	CL 11: The PP shall confirm if there are requirement on water measurements. If available, the result of the past measurements shall be provided. CL closed after submission of evidence. There are different reports and activities available to keep water quality /31; 39/.

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3.3.3.5 Biodiversity Resources

Name of indicator	<i>Recovery of Degraded Areas</i>
Description of Indicator	Evaluates existence of reforestation projects in marginal areas of the reservoir, procedures for planting, maintenance, control measures and surveillance. It also evaluates extent of actions: limited legal obligations, areas of the company, riparian forest in the incremental basin, and so on.
Assessment on current situation of the project	The project is at the construction stage but as soon as the construction will be completed there are voluntary landscaping and tree planting plans that are going to be implemented by the project owner.
Score obtained	4. Voluntary recovery of degraded areas but only in areas of project ownership.
Perspectives	For the operation stage the project owner is planning to initiate a tree planting campaigns together with the local inhabitants of the area, thus helping to improve areas that are outside the project borders.
Conclusion	See FAR 7. .

Name of indicator	<i>Biodiversity Conservation</i>
Description of Indicator	Evaluates actions of biological monitoring developed in surrounding environmental areas and influence of the power plant; assesses specific programs developed for flora and fauna on the banks of the reservoir or in surrounding areas for conservation and research.
Assessment on current situation of the project	As the project is at the construction phase, the project owner is only doing their legal obligations for the moment.
Score obtained	3. Limited to legal obligation.
Perspectives	The project owner will be watching the area and will be helping the preventing of illegal hunting and will support conservation actions by distributing information about the necessity of the protection of the local wildlife.
Conclusion	FAR 8: The activities performed on the protection on local wildlife shall be assessed during periodic verification.

Name of indicator	<i>Ichthyofauna</i>
Description of Indicator	Evaluates existence of procedures for monitoring the Ichthyofauna, partnerships for research, and management actions (restocking, culture in ponds, net)
Assessment on current situation of the project	The project is supporting the fish life by preventing illegal hunting. In the body of the project area, also they are constructing a fish passage to support fish migration.
Score obtained	5. The project is implementing a program for preventive actions
Perspectives	The project owner is going to complete the fish passage and ensure its maintenance and operation.
Conclusion	CL 12: Evidence on the activities to avoid illegal hunting shall be provided to the DOE. CL closed after submission of evidence. Third party letter provided /32/.

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3.3.3.6 Carbon Resources

Name of indicator	<i>Additionality</i>
Description of Indicator	Consists of reduction of greenhouse gas emissions or increase in removal of CO ₂ beyond what would occur in absence of project activity. This item evaluates tools used for assessing additionality and compliance with national and international standards.
Assessment on current situation of the project	The project is implementing VCS version 3 standard and CDM Approved tools to demonstrate additionality the project is under validation..
Score obtained	6. It is considered additional according to criteria stated in a monitoring methodology approved by the CDM Executive Board. The project is developed to the VCS rules.
Perspectives	The project is targeting to comply with the VCS rules and will be monitored to be in compliance with CDM approved emission reduction methodology.
Conclusion	FAR 9: The score shall be assessed once the project is registered under the VCS rules.

Name of indicator	<i>Emissions Reductions Calculations & Monitoring</i>
Description of Indicator	Evaluates methodologies used to calculate emissions and monitor compliance with national and international standards.
Assessment on current situation of the project	The projects emission reductions are going to be calculated and monitored based on CDM approved Methodology "ACM0002 version12.1: Grid-connected electricity generation from renewable sources"
Score obtained	6. The project has a methodology to calculate emissions reductions and a monitoring plan based on a methodology approved by the CDM Executive Board.
Perspectives	The project owner is targeting to keep complying with the VCS and CDM rules.
Conclusion	CAR 5: The version of the mentioned methodology is not valid anymore. CL closed after submission of evidence /09/.

Name of indicator	<i>Validation & Verification</i>
Description of Indicator	Evaluates existence of total or partial validation/verification of project by a third party, if third party is accredited by UNFCCC, and compliance procedures for validation/verification with national and international standards.
Assessment on current situation of the project	The ongoing validation of the project is conducted by a UNFCCC accredited DOE.
Score obtained	6. Validation and Verification are conducted by a Designated Operational Entity according to UNFCCC specifications.
Perspectives	The project owner is targeting to keep complying with the VCS and CDM rules.
Conclusion	RINA is accredited by the UNFCCC as Designated Operational Entity for validation and verification of project activities.

Name of indicator	<i>Project Performance</i>
Description of Indicator	Evaluates performance of project, verified by comparison with estimates of emissions reductions under the PDD.

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Indicator	
Assessment on current situation of the project	The project is not yet commissioned. It is expected to achieve at least 95 to 95% of the VERs targeted in the PDD.
Score obtained	It is not possible to provide a score at this stage.
Perspectives	The project is targeting to produce at least 95% of the amount of VERs estimated in the validated PDD.
Conclusion	FAR 10: The performance of the project will be assessed during the verification process.

3.3.4 Sustainability performance of the project

Based on the distribution of the average numerical points as per the guide for completing Social SCS Reports version 4.0 /03/, the average index obtained for the project is 4.36 as per the SCS report version 2.2 /21/. The performances of two resources are considered as sustainable, and the remaining four are considered as satisfactory.

The results of the project performance are summarized in the following table:

Resource	Critical	Satisfactory	Sustainable	Average Score	General Performance
Social	17%	50%	33%	4	Satisfactory
Human	25%	50%	25%	3.75	Satisfactory
Financial	0%	100%	0%	3.5	Satisfactory
Natural	0%	33%	67%	4.88	Sustainable
Biodiversity	0%	67%	33%	4	Satisfactory
Carbon	0%	0%	100%	6	Sustainable
Overall Assessment	6.94%	50%	43.06%	4.36	Satisfactory

Critical: % of all the indicators that obtained scores 1 or 2

Satisfactory: % of all the indicators that obtained scores of 3 or 4

Sustainable: % of all the indicators that obtained scores of 5 or 6

Average Score: arithmetical average of the scores obtained for the resource

General performance: classification (critical, satisfactory, sustainable) of the average score obtained

Overall assessment: values obtained taking into account the performance of all the indicators of the six resources.

The overall index for the project activity is satisfactory, with no resource with a “critical” performance. The project can be therefore considered in compliance with the SCS requirements. The critical parameters were the social program and the awareness of the employees about the carbon project development.

The development of these parameters will be assessed during the verification activities.

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4 VALIDATION CONCLUSION

RINA Services Spa (RINA) has performed the SOCIALCARBON validation of the project activity “Tatar Hydro Electricity Power Plant” in Turkey, with regard to the relevant requirements for SOCIALCARBON STANDARD activities.

The SOCIAL CARBON Indicators for “Hydropower Plants” and the SOCIAL CARBON Methodology have been followed during the validation process of the project “Tatar Hydroelectricity Power Plant”, particularly the project is in accordance to the six SOCIALCARBON Resources of the methodology: Social, Human, Financial, Natural, Biodiversity and Carbon.

The conclusions of this report show that the Point Zero evaluation, as it was described in the project documentation and SOCIALCARBON Report is in line with all applicable criteria for the validation. All details of the Indicators are accurate and the calculation correct.

APPENDIX A

RESOLUTION OF CORRECTIVE ACTION REQUESTS AND CLARIFICATION REQUESTS

Corrective action and/ or clarification requests	Reference to Report Sections	Response by project participants	Validation Conclusion
CAR 1 The installed capacity in the SCS report is not in line with the data of the VCS-PD. Furthermore, the electricity production needs to be confirm, as there are different values reported in the VCS-PD.	Project Information Basic	Corrected Please see version 2.0 of the report Further issue from the DOE: There are still inconsistencies between the documents. The VCS-PD describes generations from 421,270 MWh and 429,560 MWh, the emission reductions are 231,898 tCO₂. The SCS report uses the value 421,270 MWh to calculate ERs from 227,423 tCO₂ per year.	CAR closed.
CAR 2 The name of the project does not comply with the name provided in the VCS-PD. Name shall be corrected.	Project Information Basic	Corrected Please see version 2.0 of the report	Name corrected, CAR closed.
CAR 3 The description of the project milestones is incorrect in the SCS report, as Tatar has been wrongly included (Tatar under construction...to finish before Tatar)	3.1. Project Design	Was unable to spot the mistake please be more specific. Tatar is the name of the project that we are considering?	CAR closed.
CAR 4 The version of the applied methodologies and tools shall be updated to the latest available versions.	3.2. Methodology used for reduction/capture of GHGs.	Corrected Please see version 2.0 of the report	The version of the tools and methodologies are updated. CAR closed.
CAR 5 The version of the mentioned methodology is not valid anymore.	3.3.3.6. Carbon Resources	Corrected Please see version 2.0 of the report	The version of the tools and methodologies are updated. CAR closed.

Corrective action and/ or clarification requests	Reference to Report Sections	Response by project participants	Validation Conclusion
CL 1 The PP shall provide evidence on the payment provided to affected stakeholders.	3.3.3.1. Social Resources	Please see Supporting Document 1. This pdf is a sample court decision with the attached expert report on how the value of the land is determined, the payment receipt is also provided at the last pages of the PDF.	Document provided. CL closed.
CL 2 Evidence on the works performed in the settlements shall be provided to the DOE.	3.3.3.1. Social Resources	During the DOE site visit, in the interviews with the local inhabitants these works were also mentioned by the villagers that were interviewed, yet please find attached Supporting Document 2 (SD2), that contains the evidences of the works performed in the nearby settlements.	Document provided, CL closed.
CL 3 A copy of the actual OSHAS certificate shall be provided to the audit team.	3.3.3.2. Human Resources	Please see Supporting Document 3 (SD3), the scanned copy of the OSHAS and ISO certifications related to Tatar HPP.	OHSAS certificates were provided to the audit team. CL closed.
CL 4 Evidences are required to confirm the major expenditures are in line with the expectations.	3.3.3.3. Financial Resources	We are not able to provide evidence for this, our judgement is based on project owners testimonial. This type of documentation is sensitive and is not required by the standard's guidelines.	As the most important income is the electricity generation, and the generation was calculated based on the river flow, it is to expect that the economic performance of the project will be satisfactory. CL closed.
CL 5 Documental evidences are required to confirm the sustainable principles of the company.	3.3.3.4. Natural Resources	Please see the sustainability statement of the company. This is an internal document. (Darenhes Sustainability Principle.pdf)	Document available. CL closed.
CL 6 The implementation status of the environmental management system shall be supported with evidences.	3.3.3.4. Natural Resources	Please see supporting document 3 package that contains the ISO 14001 certification of the Tatar Project Site (please read the audit report that refers to the projects name) Please also see supporting Document 4 package that contains the entire components of the tatar environmental managementsystem.	The document has been provided. CL closed.
CL 7	3.3.3.4. Natural Resources	The EIA report was already provided	Document attached, CL closed.

Corrective action and/ or clarification requests	Reference to Report Sections	Response by project participants	Validation Conclusion
The EIA Report shall be provided to the audit team.	Resources	earlier but please see supporting document 5 The Tatar EIA report.	
CL 8 It shall be confirmed to the audit team, if the legal situation that affected the Pembelik HPP also affected the Tatar project. Further information on this issue shall be provided to the audit team.	3.3.3.4. Natural Resources	In order to support our arguments related to the legal procedures indicator, please find attached the support document 6 that contains the audit reports from the Ministry of Environment's on site audits. In addition to this please see supporting document 6a, a letter from the authorized attorney of the project owner that states that the project is not involved to an Environmental court case.	Document provided to the audit team. CL can be considered closed.
CL 09 The environmental evaluations shall be provided to the audit team	3.3.3.4. Natural Resources	Please see supporting Document 7(SD7) that exhibits regular environmental monitoring reports prepared by a 3 rd party.	Documents provided. CL closed.
CL 10 Evidence on the actual status of the plan for the management of the reservoir and marginal areas.	3.3.3.4. Natural Resources	The project is at the construction stage but still the project owner is observed to be in close cooperation with the local forest authority. Please see supporting document 8 (SD8), a registered letter sent to the local forest authority requesting assistance and young trees for reforestation efforts within project boundaries. The management plan for the marginal areas is a target set for the operation stage of the project activity.	Documents provided. CL closed.
CL 11 The PP shall confirm if there are requirement on water measurements. If available, the result of the past measurements shall be provided.	3.3.3.4. Natural Resources	There are water quality measurements performed by the project owner. It is not a requirement by the state but is performed by the project owner. Please see supporting document 9 (SD9 andSD9b) that exhibits actions for water protection such as proper disposal of waste oils and water quality measurements.	Documents provided. CL closed.
CL 12 Evidence on the activities to avoid illegal hunting	3.3.3.5. Biodiversity Resources	Please see Tatar Supporting Document 10 which is a letter sent by the local	Documents provided. CL closed.

Corrective action and/ or clarification requests	Reference to Report Sections	Response by project participants	Validation Conclusion
shall be provided to the DOE.		gendarme office that explains the help and support of the project to avoid illegal hunting. Also Supporting Document 10b contains the plans and drawings of the Tatar Fish ladder.	
FAR 1 The infrastructure development in the new settlements shall be assessed during the first verification process.	3.3.3.1. Social Resources		
FAR 2 The communication flow with stakeholders will be checked during next periodic verification.	3.3.3.1. Social Resources		
FAR 3 The social programs and it results shall be assessed during verification activities.	3.3.3.1. Social Resources		
FAR 4 The training records shall be assessed during the verification process.	3.3.3.2. Human Resources	Training records provided.	Evidences on in-house trainings were provided. The FAR can be closed at validation stage.
FAR 5 The registration of the project under the VCS standard will be assessed in the future, latest during first verification.	3.3.3.3. Financial Resources		
FAR 6 The carbon credit sale shall be assessed during the verification process.	3.3.3.3. Financial Resources		
FAR 7 The reforestation process shall be assessed during the verification process.	3.3.3.4. Natural Resources		
FAR 8 The activities performed on the protection on local wildlife shall be assessed during periodic verification.	3.3.3.5. Biodiversity Resources		

Corrective action and/ or clarification requests	Reference to Report Sections	Response by project participants	Validation Conclusion
FAR 9 The score shall be assessed once the project is registered under the VCS rules.	3.3.3.6 Carbon Resources		
FAR 10 The performance of the project will be assessed during the verification process.	3.3.3.6 Carbon Resources		