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

Section 1: Request for registration	
Name of the designated operational entity (DOE) submitting this form	Bureau Veritas Quality International (BVQI)
Title of the proposed CDM project activity (Section A.2 of the attached CDM-PDD) submitted for registration	Cosipar Renewable Electricity Generation Project
Project participants (Name(s))	Cosipar – Cia. Siderúrgica do Pará EcoSecurities Ltd.
Sector in which project activity falls	Energy industries (renewable - / non renewable sources)
Is the proposed project activity a small-scale activity?	Yes

Section 2: Validation report	
List of documents to be attached to this validation report (please check mark):	

- ξ The CDM-PDD of the Project activity
- ξ An explanation by the submitting designated operational entity of how it has taken due account of comments on validation requirements received, in accordance with the CDM modalities and procedures, from Parties, stakeholders and UNFCCC accredited non-governmental organisations;
- ρ The written approval of voluntary participation from the designated national authority of each Party involved, including confirmation by the host Party that the project activity assists it in achieving sustainable development:
  - o (Attach a list of all Parties involved and attach the approval (in alphabetical order))
- ξ Other documents, including any validation protocol used in the validation
  - o (comprehensive list of documents attached clearly referenced)
  - o List of persons interviewed by DOE validation team during the validation process
  - o Any other documents. Please specify.
- ρ Information on when and how the above validation report is made publicly available.
- ρ Banking information on the payment of the non-reimbursable registration fee
- ρ A statement signed by all project participants stipulating the modalities of communicating with the Executive Board and the secretariat in particular with regard to instructions regarding allocations of CERs at issuance

Executive Summary and Introduction, including:

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

The project activity consists in the expansion of a 4 MW to 10 MW thermoelectric plant. Therefore, the project will claim for carbon credits correspondent to 6 MW of installed capacity. The new plant is fired by blast furnace gas to generate part of the electricity required by Cosipar Pig Iron Plant. The only fuel used by the plant will be the blast furnace gas. With the installation of this new thermoelectric, the old facility will only be used as stand-by plant, in case of any emergency. As a consequence of the construction of the plant, there will be a reduced need for electricity supplied from the grid for the operation of the pig iron plant and, in case of any surplus, this will be sold to the N/NE subsystem of the Brazilian grid.

Cosipar is a private company producing Basic/Foundry Pig Iron industry that is part of ASICA, an association of pig iron industries located in the Carajás region. The Carajás region includes the states of Maranhão and Pará. It produces a total of 450,000 tonnes of pig iron per year.

The validation scope is defined as an independent and objective review of the project design document, the project's baseline study and monitoring plan and other relevant documents. The information in these documents is reviewed against Kyoto Protocol requirements, UNFCCC rules and associated interpretations. BVQI has, based on the recommendations in the Validation and Verification Manual (IETA/PCF, r. 01, 2003), employed a risk-based approach in the validation, focusing on the identification of significant risks for project implementation and the generation of CERs.

The Project Design Document (PDD) submitted by Cosipar and additional background documents related to the project design and baseline, i.e. Agenda 21 Brasileira, Resolução Interministerial 01/03, Appendixes A, B and C of the simplified modalities and procedures for small-scale CDM project activities, ANNEX II - Simplified modalities and procedures for small–scale clean development mechanism project activities, Kyoto Protocol, Approved baseline methodologies AM0015, AMS-I.D, Road-Testing Baselines for Greenhouse Gas Mitigation Projects in the Electric Power Sector, Plano Decenal de Expansão dos Sistemas Elétricos, Federal Laws 10.438/02 and 10/761/03, Clarifications on Validation Requirements to be Checked by a Designated Operational Entity, were reviewed.

The validation team consisted of the following personnel:

MSc. Flávio Gomes da Silva	BVQI Brazil	Team Leader, GHG Auditor
MSc. José Fernando F. Sousa	BVQI Brazil	GHG Auditor, expert
MSc. Jay Wintergreen	FirstEnvironment	GHG Auditor, expert
MSc. Hubmaier Lucas Andrade	BVQI Brazil	GHG Auditor
MSc. Márcio Viegas	BVQI Holdings	Internal verifier
MSc. Ricardo Fontenele	BVQI Brazil	GHG Auditor
Dr. Tod Delaney	FirstEnvironment	GHG Auditor, expert

Description of methodology for carrying out validation

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

The overall validation, from Contract Review to Verification Report & Opinion, was conducted using internal procedures (BMS, September 2003) which were audited by the UN CDM Accreditation Team in December 2004.

In order to ensure transparency, a validation protocol was customised for the project, according to the Validation and Verification Manual (IETA/PCF, r. 01, 2003). The protocol shows, in a transparent manner, criteria (requirements), means of verification and the results from validating the identified criteria. The validation protocol serves the following purposes:

- It organises, details and clarifies the requirements a CDM 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.

The following documents were used as references to the validation work, in addition to internal BVQI

procedures: IETA/PCF – Validation and Verification Manual (v. 03, Dec 2003) /17/; ISO DIS 14064-3 - Greenhouse gases —Part 3:Specification with guidance for the validation and verification of greenhouse gas assertions /18/; ISO DIS 14064-2 - Greenhouse gases — Part 2: Specification with guidance at the project level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements /19/.

To address BVQI corrective action and clarification requests Cosipar revised the PDD and resubmitted it on February 2005 and in April 2005.

The final validation findings presented in this report relate to the project as described in the PDD on April 2005.

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

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

According to the modalities for the Validation of CDM projects, the validator shall make publicly available the project design document and receive, within 30 days, comments from Parties, stakeholders and UNFCCC accredited non-governmental organisations and make them publicly available.

BVQI published the project documents on the UNFCCC CDM website (http://cdm.unfccc.int) on 2004-12-04 and invited comments within 2005-01-03 by Parties, stakeholders and non-governmental organisations.

No comments were received.

Conclusions, final comments and validation opinion

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

BVQI has performed a validation of the Cosipar Renewable Electricity Generation Project in Brazil. The validation was performed on the basis of UNFCCC criteria and host country criteria, as well as criteria given to provide for consistent project operations, monitoring and reporting.

By displacing fossil fuel-based electricity with electricity generated from a renewable source, the project is likely to result in reductions of CO2 emissions that are likely to be real, measurable and give long-term benefits to the mitigation of climate change. An analysis of the investment and technological barriers demonstrates that the proposed project activity is not a likely baseline scenario. Emission reductions attributable to the project are hence additional to any that would occur in the absence of the project activity. Given that the project is implemented and maintained as designed, the project is likely to achieve the estimated amount of emission reductions.

The review of the project design documentation (April 2005 version) and the subsequent follow-up interviews have provided BVQI with sufficient evidence to determine the fulfilment of stated criteria. In its opinion, the project correctly applies the simplified baseline and monitoring methodology AMS.I-D and meets the relevant UNFCCC requirements for the CDM and the relevant host country criteria, except that up to this date COSIPAR has not yet provided corrective actions do CAR 3 (see Appendix A), since the confirmation by Brazil government is the final step, after PDD and validation report submission.

BVQI recommends the project for registration with the provision that COSIPAR rectify the above issue.

The validation is based on the information made available to us and the engagement conditions detailed in this report. BVQI can not guarantee the accuracy or correctness of this information. Hence, BVQI can not be held liable by any party for decisions made or not made based on the validation opinion.

The DOE declares herewith that in undertaking the validation of this proposed CDM project activity it has no financial interest related to the proposed CDM project activity and that undertaking such a validation does not constitute a conflict of interest which is incompatible with the role of a DOE under the CDM.			
By submitting this validation report, the DOE confirms that all validation requirements are met. Name of authorised officer signing for the DOE	Note: The Cosipar Renewable Electricity Generation Project has not yet obtained written approval of the participating Parties, including a confirmation by the host Party that the project assists in achieving sustainable development. Ricardo Fontenele		
Date and signature for DOE	April 14th, 2005 		
Section bellow to be filled by UNFCCC secretariat			
Date when the form is received at UNFCCC secretariat			
Date at which the registration fee has been received			
Date at which registration shall be deemed final			
Date of request for review, if applicable			
Date and number of registration	Date	Number	