



# ENVIRONMENTAL SERVICES, INC.

## **Climate, Community and Biodiversity Project Design Standards (Second Edition – December 2008)**

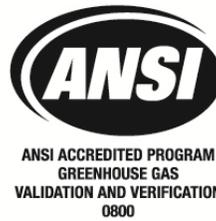
**Project Validation Report:**  
Kuzuko Lodge Private Game Reserve  
thicket restoration project  
Version: 1.6

**Validation Report Date:\*** 05 September 2013

**Validation Conducted by:**  
Environmental Services, Inc.  
Forestry, Carbon, and GHG Services Division  
Corporate Offices at:  
7220 Financial Way, Suite 100  
Jacksonville, Florida 32256  
Phone: 904-470-2200; Fax: 904-470-2112

Project No. VO12035.00

\*09 January 2014 Update Statement (revised 17 July 2014): Please note commercially sensitive information that could jeopardize the project has been removed from the originally issued Validation Report (issued on 05 September 2013) and Project Design Document (originally submitted for public comment on 07 September 2012). Please note that ESI completed CCB validation of the project on 05 September 2013, and the CCB information included in the newly dated PDD of 21 May 2014 was not revised for content, except for omission of commercially sensitive information.



## Table of Contents

Introduction.....	4
Contact Information .....	4
Validation Details .....	5
Validation Standard .....	5
Validation Criteria .....	5
Level of Assurance .....	5
Validation Date(s).....	6
Materiality.....	6
Site Visits.....	6
Final Documents from Client.....	6
Public Comment Period on CCBA .....	6
Number of Comments Received.....	6
Project Description.....	6
Executive Summary of Validation Results .....	7
Validation Findings.....	8
G1 Original Conditions in the Project Area.....	8
G2 Baseline Projections .....	13
G3 Project Design and Goals .....	17
G4 Management Capacity and Best Practices .....	24
G5 Legal Status and Property Rights.....	28
CL1 Net Positive Climate Impacts .....	32
CL2 Offsite Climate Impacts (“Leakage”).....	36
CL3 Climate Impact Monitoring .....	38
CM1 Net Positive Community Impacts.....	40
CM2 Offsite Stakeholder Impacts .....	42
CM3 Community Impact Monitoring.....	42
B1 Net Positive Biodiversity Impacts.....	45
B2 Offsite Biodiversity Impacts .....	46
B3 Biodiversity Impact Monitoring.....	48
Gold Level Section .....	50
Public Shareholder Comments.....	51
Local Shareholder Comments.....	51



CCB Public Comment Period .....	52
Public Meetings .....	52
Validation Conclusion .....	52
Submittal Information .....	53
Appendix A – Documents Reviewed / Received.....	54



## Climate, Community & Biodiversity Alliance Kuzuko Lodge Private Game Reserve thicket restoration project Validation Report

### Introduction

This report presents the findings of an audit conducted by Environmental Services, Inc., (ESI), to validate that the claims made by C4 EcoSolutions conform to the Climate, Community and Biodiversity Project Design Standards (Second Edition- December 2008). ESI is accredited by the American National Standards Institute (ANSI) under ISO 14065:2007 for greenhouse gas validation and verifications bodies and is approved by the Climate, Community & Biodiversity Alliance (CCBA) to perform such validations.

### Contact Information

Client Name	C4 EcoSolutions
Address	9b Mohr Road Tokai, Cape Town, 7945, South Africa
Phone	+27 21 715 1560
Website	<a href="http://www.c4es.co.za/">http://www.c4es.co.za/</a>
Contact Name	Mr. Mike Jennings
Address	9b Mohr Road Tokai, Cape Town, 7945, South Africa
Phone	+27 21 715 1560
3 <sup>rd</sup> Party Auditors	Environmental Services, Inc.
Lead Validator	Shawn McMahon – (smcmahon@esinc.cc / 330-833-9941)
Validation Team	Caitlin Sellers – Validation Team Member ( <a href="mailto:csellers@esinc.cc">csellers@esinc.cc</a> / 772-834-8571) Stewart McMorro – Validation Team Member (smcmorrow@esinc.cc / 530-412-1221) Richard Scharf – Validation Team Member (rscharf@esinc.cc / 252-402-7354) Janice McMahon – QA/QC (jmcMahon@esinc.cc / 330-833-9941)



## Validation Details

Validation Standard	Climate, Community and Biodiversity Project Design Standards (Second Edition – December 2008)
Validation Criteria	<p>The criteria will follow the validation guidance documents provided by CCBA located at <a href="http://www.climate-standards.org">www.climate-standards.org</a>. These documents include the following:</p> <ul style="list-style-type: none"><li>a) <i>Project Design Standards (Second Edition, December 2008)</i></li><li>b) <i>Rules for the use of the Climate, Community &amp; Biodiversity Standards, Version June 21, 2010.</i></li></ul>
Level of Assurance	<p>The level of assurance was used to determine the depth of detail that the validator placed in the validation plan to determine if there were any errors, omissions, or misrepresentations (ISO 14064-3:2006). ESI selected samples of data and information to be validated, to provide <i>reasonable assurance</i>.</p>
Validation Scope	<p>The scope of the validation included the review of all project documentation provided by the project developer and the appropriate level of fact finding by the validator during the on-site visit. The validator used evidence such as, but not limited to, interviews with stakeholders and project proponents, review of supporting records and reports.</p>



Validation Date(s)	17 May 2012 – 04 September 2013
Materiality	Materiality is a concept that errors, omissions and misrepresentations could affect the project design assertions and influence the intended users. CCB does not specifically outline a materiality threshold, but ESI used a 5% threshold for evidence. However, for project design document (PDD) validations, the specific level of materiality does not apply. The materiality of the CCBA validation was based on an evaluation of whether or not the project’s PDD is consistent with the CCB Project Design Standards criteria (Second Edition). If a non-conformance was discovered, the project developer was given the opportunity to correct the non-conformance to the PDD. For this project, all CCBA-related non-conformances were corrected, so the project PDD is herewith validated.
Site Visits	14-19 August 2012
Final Documents from Client	PD: Kuzuko Lodge Private Game Reserve thicket restoration project, Version 1.6, dated 21 May 2014* *Validation was completed on 05 September 2013, but subsequent, non-material formatting requests from relevant registries resulted in a final document dated after that time.  Please see Appendix A for a complete list of documents received/reviewed during this validation.
Public Comment Period on CCBA	07 September 2012 to 06 October 2012 – Project listing on CCB website for public comment
Number of Comments Received	None

## Project Description

“Historical degradation of the thicket vegetation by over-browsing (by goats, in particular) has caused a significant reduction in biomass and therefore ecosystem carbon stocks in the Eastern Cape, South Africa. The general area is semi-arid, and natural regeneration of the arid and valley forms of thicket does not occur spontaneously after degradation. A number of factors prevent natural regeneration, including an altered micro-climate resulting in extremely high soil temperature and reduced infiltration into soils due to soil hardening. This degradation can be observed as structural simplification, loss of biomass, loss of soil organic matter – including soil organic carbon (SOC) – and/or soil erosion. Most importantly, with degradation there is a concomitant loss of carbon throughout the ecosystem, which can only be recovered through a process of active restoration and regeneration.



Restoration will be achieved by planting cuttings of the indigenous thicket tree *Portulacaria afra* Jacq. (*P. afra* or spekboom) in the project area. *P. afra* is a common and frequently dominant species in this region. Restoration of the thicket using *P. afra* captures considerable amounts of carbon in biomass and soils, as has been demonstrated at several sites across the thicket biome. Only areas classified as moderately and severely degraded by the Subtropical Thicket Ecosystem Programme (STEP) will be considered for planting.

The project area falls within the Kuzuko Lodge Private Game Reserve (KLPGR), which borders the Addo Elephant National Park (AENP), one of the largest national parks in South Africa. KLPGR is a contractual area of the AENP, and an agreement has been signed ensuring that the KLPGR is managed according to the AENP Park Management Plan. Wild game is therefore found in the project area, including IUCN Red threatened species that have been withheld by the project proponent to ensure population levels are maintained. Browsing by these and other herbivores promotes *P. afra* growth provided game is stocked at optimum levels, largely because any such disturbance will result in portions of the *P. afra* plants breaking off and re-sprouting on the ground, thus facilitating additional *P. afra* growth and consequent carbon accrual<sup>1</sup>.

## Executive Summary of Validation Results

	Criterion	Required/ Optional	Conformance Y/N or N/A
G1	Original Conditions in the Project Area	Required	Y
G2	Baseline Projections	Required	Y
G3	Project Design and Goals	Required	Y
G4	Management Capacity and Best Practices	Required	Y
G5	Legal Status and Property Rights	Required	Y
CL1	Net Positive Climate Impacts	Required	Y
CL2	Offsite Climate Impacts (“Leakage”)	Required	Y
CL3	Climate Impact Monitoring	Required	Y
CM1	Net Positive Community Impacts	Required	Y
CM2	Offsite Stakeholder Impacts	Required	Y
CM3	Community Impact Monitoring	Required	Y
B1	Net Positive Biodiversity Impacts	Required	Y
B2	Offsite Biodiversity Impacts	Required	Y
B3	Biodiversity Impact Monitoring	Required	Y
GL1	Climate Change Adaptation Benefits	Optional	N/A
GL2	Exceptional Community Benefits	Optional	N/A
GL3	Exceptional Biodiversity Benefits	Optional	Y

<sup>1</sup> PD Kuzuko Lodge Private Game Reserve thicket restoration project, v1.6, dated 21 May 2014.  
068-FOR-CCBA Validation Report Template – final – v3  
Controlled Document 21 June 2013



## Validation Findings

### G1 Original Conditions in the Project Area

<b>Indicator G1.1</b> – The location of the project and basic physical parameters (e.g. soil, geology, climate).	The PD provides an adequate description of the basic location and physical parameters, including soils, geology, hydrology and climate.
Evidence Used to Assess Conformance:	Annex 3 of the VCS PD, Section 1.9 of PD, Google Earth file "Kuzuko Project Area.kml, and site visit.
Findings:	The PD and site visit confirms compliance with CCB indicator G1.1.
Non-conformance Request (NCR) to Address Non-conformance:	PD states G1.1 can be found in Annex 5. This is a typo, as it should read Annex 3. Please correct typo to direct readers to Annex 3.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	This reference has been corrected.
Evidence Used to Consider NCR Addressed:	The PD now correctly references Annex 3 in Section G1.1.
Date Closed:	13 February 2013

<b>Indicator G1.2</b> – The types and condition of vegetation within the project area.	The PD describes the types and condition of vegetation within the project area.
Evidence Used to Assess Conformance:	Annex 3, Section 1.8 of VCS PD and site visit.
Findings:	The PD and supporting documents confirm compliance with G1.2.
Non-conformance Request (NCR) to Address Non-conformance:	PD states G1.2 can be found in Annex 5. This is a typo, as it should read Annex 3. Please correct typo to direct readers to Annex 3.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	This reference has been corrected.
Evidence Used to Consider NCR Addressed:	The PD now correctly references Annex 3 in Section G1.2.
Date Closed:	13 February 2013

<b>Indicator G1.3</b> – The boundaries of the project area and the project zone.	The PD provides a general overview of the boundaries of the project area. The supporting documents provide detailed project boundaries.
Evidence Used to Assess Conformance:	Annex 3, PD Section G1.3, Figure 33, Google Earth file "Kuzuko Project Area.kml" and site visit.
Findings:	PD adequately describes the project area, but does



	not mention the project zone.
Non-conformance Request (NCR) to Address Non-conformance:	Please define the boundaries of the project zone.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The project zone for this project includes adjacent properties (although the project is not anticipated to have impacts on these areas), and also certain towns up to 90km distant from the project site from which workers may be employed for restoration activities. This map will be provided.
Evidence Used to Consider NCR Addressed:	Section G1.3 has been updated and Figure 33 has been added to detail a sufficient project zone.
Date Closed:	13 February 2013

<b>Indicator G1.4</b> - Current carbon stocks within the project area(s), using stratification by land-use or vegetation type and methods of carbon calculation (such as biomass plots, formulae, default values) from the Intergovernmental Panel on Climate Change's 2006 Guidelines for National GHG Inventories for Agriculture, Forestry and Other Land Uses (IPCC 2006 GL for AFOLU) or a more robust and detailed methodology.	The PD describes project stratification and how carbon stocks are being calculated, using AR-ACM0003 (Version 1.0.0). Growth model is based on observed growth rates in literature for areas close to the project area.  Baseline C stocks are estimated initially, but will be monitored as per the PD <i>ex post</i> .
Evidence Used to Assess Conformance:	Section 3 & 4.1.4 of the PD.
Findings:	This aspect will be addressed under the VCS validation.
Non-conformance Request (NCR) to Address Non-conformance:	This will be considered addressed after the VCS validation is complete.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Please refer to VCS Round 2 NCRs.
Evidence Used to Consider NCR Addressed:	The current PD depicts current carbon stocks within the project area, estimated per AR-ACM0003.
Date Closed:	03 September 2013

<b>Indicator G1.5</b> - A description of communities located in the project	The PD states that besides the approximately 40 staff members, there is no one living within the project
---	--



zone, including basic socio-economic and cultural information that describes the social, economic and cultural diversity within communities (wealth, gender, age, ethnicity etc.), identifies specific groups such as Indigenous Peoples and describes any community characteristics.	area. The communities beyond the project area are described as poor, with high unemployment and few educational opportunities.
Evidence Used to Assess Conformance:	Section G1.5 of PD.
Findings:	This Section lacks cultural information required by G1.5.
Non-conformance Request (NCR) to Address Non-conformance:	Please add more information about people living around the project (in the project zone), including ethnicity, specific groups, gender and age demographics, etc.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Demographic information obtained from Statistics South Africa has been provided.
Non-conformance Request (NCR) to Address Non-conformance:	Although Section G1.5 has been updated, it does not appear to contain any information about indigenous peoples. Please include, if applicable.
Date Issued:	13 February 2013
Project Proponent Response/Actions and Date:	There is no specific group within the project zone that would be defined as Indigenous People. There is no group that shows a collective attachment to geographically distinct habitats or ancestral territories in the project area. There is no group that has customary cultural, economic, social, or political institutions that are separate from those of the dominant society. The main languages spoken in the area are Afrikaans and Xhosa, both of which are official languages in South Africa. Therefore, there is no group which speaks an indigenous language different to the official languages of the country. As a result, including information about Indigenous People is not applicable.
Evidence Used to Consider NCR Addressed:	Section G1.5 of the March 2013 revision of the PDD.
Date Closed:	25 April 2013

<b>Indicator G1.6</b> - A description of current land use and customary and	The PD states that the current land use is conservation, and the lands are a privately owned
---	--



legal property rights including community property in the project zone, identifying any ongoing or unresolved conflicts or disputes and identifying and describing any disputes over land tenure that were resolved during the last ten years (see also G5).	nature preserve with no land disputes.
Evidence Used to Assess Conformance:	Section 1.10 & 2.4 of the PD.
Findings:	The PD adequately addresses G1.6.

<b>Indicator G1.7</b> - A description of current biodiversity within the project zone (diversity of species and ecosystems) and threats to that biodiversity, using appropriate methodologies, substantiated where possible with appropriate reference material.	The PD describes the vegetation communities that exist in the project area, their current states, and includes lists of threatened and endangered flora and fauna. The degraded state of the land is described as a threat to biodiversity.
Evidence Used to Assess Conformance:	Annex 3, Sections 1.8 & 1.10 of the PD.
Findings:	The PD addresses the requirements of G1.7.
Non-conformance Request (NCR) to Address Non-conformance:	The PD refers to Annex 5. This is a typo and should read Annex 3.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	This reference has been corrected
Evidence Used to Consider NCR Addressed:	The PD now correctly references Annex 3 in Section G1.7.
Date Closed:	13 February 2013

<b>Indicator G1.8</b> - An evaluation of whether the project zone includes any of the following High Conservation Values (HCVs) and a description of the qualifying attributes.	
<b>Indicator 8.1</b> - Globally, regionally or nationally significant concentrations of biodiversity values: a. protected areas b. threatened species	1.8.1 The project area is a Protected Area under the Protected Areas Act of 2004. The PD includes a list of rare and endangered species, some of which are endemic.



<p>c. endemic species</p> <p>d. areas that support significant concentrations of a species during any time in their lifecycle (e.g. migrations, feeding grounds, breeding areas).</p> <p><b>Indicator 8.2</b> - Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance.</p> <p><b>Indicator 8.3</b> Threatened or rare ecosystems.</p> <p><b>Indicator 8.4</b> - Areas that provide critical ecosystem services (e.g., hydrological services, erosion control, fire control).</p> <p><b>Indicator 8.5</b> - Areas that are fundamental for meeting the basic needs of local communities (e.g., for essential food, fuel, fodder, medicines or building materials without readily available alternatives).</p> <p><b>Indicator 8.6</b> - Areas that are critical for the traditional cultural identity of communities (e.g., areas of cultural, ecological, economic or religious significance identified in collaboration with the communities).</p>	<p>1.8.2 The PD states the project area is within the Maputaland-Pondoland-Albany biodiversity hotspot and the Albany Centre of Floristic Endemism. There are many endemic species, and habitat loss is a serious problem. Therefore the PD describes the area as regionally, nationally and globally significant.</p> <p>1.8.3 The PD lists criteria for levels of ecosystem threat, and state that parts of the project area includes vulnerable, endangered and critically endangered ecosystems. Planting areas will be in parts deemed moderately or severely degraded.</p> <p>1.8.4 The PD describes the project areas as important parts of the watershed, and point to scientific studies finding the degradation of thicket to savannah leads to soil quality reductions. Naturally vegetated lands provide a more regular water flow in the streams that run through them.</p> <p>1.8.5 The PD states that the area is within a private nature preserve and there is no consumptive use by local communities permitted, however communities will benefit by increased ecosystem services, including water supply enhancements and natural pollinator populations.</p> <p>1.8.6 The PD states that no specific areas critical for the traditional cultural identity of local communities exist in the project area, but that the thicket ecosystem is important to the economy of surrounding communities.</p>
<p>Evidence Used to Assess Conformance:</p>	<p>Section G1.8 of PD; Table 37, Figure 34</p>
<p>Findings:</p>	<p>More information needed to identify endemics and migratory species.</p> <p>No map found in PD that includes waterways or shows the project area's position within the</p>



	watershed.
Non-conformance Request (NCR) to Address Non-conformance:	1.8.1 Please discuss migratory species and include a list of endemics.  1.8.4 Hydrological ecosystem services are specified. A map depicting the project area's position within the watershed would help illustrate that point.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The project area does not support significant populations of migratory species. A list of endemic species has been included in Table 38.  A map illustrating the project area's position within the broader hydrological context is provided.
Evidence Used to Consider NCR Addressed:	Revised Section G1.8.1 of Annex 7, including Figure 34.
Date Closed:	13 February 2013

## G2 Baseline Projections

<b>Indicator G2.1</b> - Describe the most likely land-use scenario in the absence of the project following IPCC 2006 GL for AFOLU or a more robust and detailed methodology, describing the range of potential land use scenarios and the associated drivers of GHG emissions and justifying why the land-use scenario selected is most likely.	The project uses the afforestation and reforestation methodology AR-ACM0003 (Version 1.0.0), "Afforestation and reforestation of lands except wetlands.  The land is in conservation and would be expected to remain in conservation. It is degraded and will continue to degrade in the absence of the project. Lack of seed sources is a problem, as well as degraded soil conditions that prevent seed sprouting and growth of young trees.  No additional emission of GHGs is expected in the baseline scenario.
Evidence Used to Assess Conformance:	Section 2.4 of the PD.
Findings:	This aspect will be addressed under the VCS validation.
Non-conformance Request (NCR) to Address Non-conformance:	This will be considered addressed after the VCS validation is complete.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Please see responses to VCS NCRs from 13 February 2013.
Evidence Used to Consider NCR	The project meets the requirements of the CCB



Addressed:	because a valid methodology (AR-ACM0003) was used and scientific studies indicate the land will not spontaneously recover to thicket vegetation on its own.
Date Closed:	03 September 2013
<b>Indicator G2.2</b> - Document that project benefits would not have occurred in the absence of the project, explaining how existing laws or regulations would likely affect land use and justifying that the benefits being claimed by the project are truly ‘additional’ and would be unlikely to occur without the project.	<p>The PD states that the expense of massive plantings like those proposed prevent this kind of project on private lands.</p> <p>A list of applicable land use laws is provided. Since the land is subject to an agreement between the landowners and S.A. National Parks, it is legally bound to remain in conservation.</p> <p>Soil degradation prevents the natural regeneration of the land, in the absence of the project. It has failed to improve, in spite of 40 years of sustainable game management.</p>
Evidence Used to Assess Conformance:	Pages 32 – 34 of the PD.
Findings:	PD provides support for why lands are publically owned and a national park; however, it does not discuss how “current land processes” are consistent with all legal requirements.
Non-conformance Request (NCR) to Address Non-conformance:	From Section 2.5b, please provide a discussion supporting how “current land processes” are consistent with all legal requirements.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	An existing agreement between KLPGR and SANParks binds the KLPGR properties as a functional part of the Addo Elephant National Park. This makes it a “national park” in terms of Section 12 of the NEM: Protected Areas Act. This legislation states that any commercial activity that takes place within a national park may not negatively affect the survival of any species, or disrupt the integrity of the ecological systems of the nature reserve. The current land use (conservation), as well as the proposed A/R project, is consistent with these legal requirements.
Evidence Used to Consider NCR Addressed:	The Kuzuko-SANParks Conservation Contract, 2004 was reviewed and depicted the information stated above.



Date Closed:	13 February 2013
--------------	------------------

<p><b>Indicator G2.3</b> - Calculate the estimated carbon stock changes associated with the ‘without project’ reference scenario described above. This requires estimation of carbon stocks for each of the land-use classes of concern and a definition of the carbon pools included, among the classes defined in the IPCC 2006 GL for AFOLU. The timeframe for this analysis can be either the project lifetime (see G3) or the project GHG accounting period, whichever is more appropriate. Estimate the net change in the emissions of non-CO<sub>2</sub> GHG emissions such as CH<sub>4</sub> and N<sub>2</sub>O in the ‘without project’ scenario. Non-CO<sub>2</sub> gases must be included if they are likely to account for more than 5% (in terms of CO<sub>2</sub>-equivalent) of the project’s overall GHG impact over each monitoring period.</p>	<p>The PD states that <i>P. afra</i> trees are the only source of increased C under the without project scenario. Soils are expected to continue to degrade and lose C. For areas without <i>P. afra</i> trees, the baseline is conservatively estimated to be 0.</p>
<p>Projects whose activities are designed to avoid GHG emissions (such as those reducing emissions from deforestation and forest degradation (REDD), avoiding conversion of non-forest land, or certain improved forest management projects) must include an analysis of the relevant drivers and rates of deforestation and/or degradation and a description and justification of the approaches, assumptions and data used to perform this analysis. Regional-level estimates can be used at the project’s planning stage as long as there is a commitment to evaluate locally-specific carbon stocks and to develop a project-specific spatial analysis of</p>	<p>For areas with <i>P. afra</i> trees, a growth model for half-grown trees is used, which is considered conservative, since many of the trees are considerably older than that.</p> <p>Table 20 provides the calculations of C sequestration each year for the without project scenario.</p>



deforestation and/or degradation using an appropriately robust and detailed carbon accounting methodology before the start of the project.	
Evidence Used to Assess Conformance:	Section <b>Error! Reference source not found.</b> of the PD.
Findings:	This aspect will be addressed under the VCS validation.
Non-conformance Request (NCR) to Address Non-conformance:	This will be considered addressed after the VCS validation is complete.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Please see responses to VCS NCRs.
Evidence Used to Consider NCR Addressed:	The project meets the requirements of the CCB because the likelihood of the ‘without project’ scenario is demonstrated; continued degradation of this area under those conditions was scientifically established. Carbon stock calculations utilized AR-ACM0003.
Date Closed:	03 September 2013

<b>Indicator G2.4</b> - Describe how the ‘without project’ reference scenario would affect communities in the project zone, including the impact of likely changes in water, soil and other locally important ecosystem services.	The PD states that while no one aside from employees live in the project area the land will continue to degrade without the project, further reducing available water supplies and possibly compounding land degradation for people downstream. Losses in biodiversity will also negatively affect tourism.
Evidence Used to Assess Conformance:	Page 132 of PD.
Findings:	The PD addresses the requirements of G2.4 but does not reference the project zone.
Non-conformance Request (NCR) to Address Non-conformance:	Please revise the discussion to specifically state these elements for the project zone, as required by the indicator.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The discussion has been revised to state these elements for the project zone.
Evidence Used to Consider NCR Addressed:	Revised Section G2.4.
Date Closed:	13 February 2013



<b>Indicator 2.5</b> - Describe how the 'without project' reference scenario would affect biodiversity in the project zone (e.g., habitat availability, landscape connectivity and threatened species).	The PD states that without the project, land would remain degraded and natural recovery would not occur. There would be no increase in biodiversity in the absence of the project.
Evidence Used to Assess Conformance:	Sections 1.13.4 and G2.5 of the PD.
Findings:	The PD addresses the requirements of G2.4 but does not reference the project zone.
Non-conformance Request (NCR) to Address Non-conformance:	Please revise the discussion to specifically state these elements for the project zone, as required by the indicator.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The discussion has been revised to state these elements for the project zone.
Evidence Used to Consider NCR Addressed:	Revised Section G2.5.
Date Closed:	13 February 2013

### G3 Project Design and Goals

<b>Indicator G3.1</b> - Provide a summary of the project's major climate, community and biodiversity objectives.	<p>The PD provides a bulleted list of project objectives, which includes:</p> <ul style="list-style-type: none"> <li>• Planting 5,185 ha of degraded thicket with <i>P. afra</i> cuttings.</li> <li>• Removing 2.1 t CO<sub>2</sub>e from the atmosphere.</li> <li>• Creating 121 jobs in an area of high unemployment.</li> <li>• Increasing biodiversity.</li> <li>• Improving ecosystem services.</li> </ul> <p>Other parts of the PD go into further detail on these objectives.</p>
Evidence Used to Assess Conformance:	Sections 1.8 and G3.1 of the PD. Numerous other parts of the document.
Findings:	The PD addresses the requirements of G3.1.
<b>Indicator G3.2</b> - Describe each project activity with expected climate, community and biodiversity impacts and its relevance to	The project activities include planting the <i>P. afra</i> cuttings and then monitoring them after planting. Additional specifics are mentioned, including the selection of planting sites, appointment of



achieving the project's objectives.	contractors, harvesting cuttings of <i>P. afra</i> , and the actual planting and supplemental plantings.
Evidence Used to Assess Conformance:	Section 1.8, 4 and G3.2 of PD; numerous other parts of the document.
Findings:	The PD addresses the requirements of G3.2.

<b>Indicator G3.3</b> - Provide a map identifying the project location and boundaries of the project area(s), where the project activities will occur, of the project zone and of additional surrounding locations that are predicted to be impacted by project activities (e.g. through leakage).	Maps depicting the project area are provided, showing the project boundaries. A map showing the locations of moderately and severely degraded thicket are provided, though the specific areas currently slated for replanting are not depicted, and perhaps have not yet been chosen (see PD Section G3.1).  The project zone is not identified graphically on maps, nor mentioned in the PD.
Evidence Used to Assess Conformance:	Sections G3.3 & G1.3 of the PD.
Findings:	Project zone is not discussed or depicted.
Non-conformance Request (NCR) to Address Non-conformance:	Please depict and describe the project zone. Typo: Maps of the project area are found in Annex 3, not Annex 5.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The project zone is described in G1.3.  Annex 3 is now referenced instead of Annex 5.
Evidence Used to Consider NCR Addressed:	Revised Sections G3.3 and G1.3.
Date Closed:	13 February 2013

<b>Indicator G3.4</b> - Define the project lifetime and GHG accounting period and explain and justify any differences between them. Define an implementation schedule, indicating key dates and milestones in the project's development.	The PD describes the project lifetime is 52 years on page 133, but indicates a 54 year crediting period on page 5. Justification of the 54 year crediting period is reasonable. A high level implementation schedule provided in Section 1.6, as indicated by Annex 7.
Evidence Used to Assess Conformance:	Pages 5 and 133 of PD.
Findings:	Discrepancies between Annex 7 and Section 1.6 project lifetime/crediting period exist. In the implementation schedule please provide greater detail, such as anticipated dates of monitoring and



	verification.
Non-conformance Request (NCR) to Address Non-conformance:	In the implementation schedule please provide greater detail, such as anticipated dates of monitoring and verification. Please rectify the project lifetimes/crediting period reported in Annex 5 and Section 1.6.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	These details have been included in Section 4.3.5 as Table 29.
Evidence Used to Consider NCR Addressed:	Section 4.3.5 of revised VCS PD.
Date Closed:	13 February 2013

<b>Indicator G3.5</b> - Identify likely natural and human-induced risks to the expected climate, community and biodiversity benefits during the project lifetime and outline measures adopted to mitigate these risks.	The PD describes risks to the project grouped under several categories, including management risk, financial viability risk, opportunity cost risk, project longevity risk, land tenure risk, political risk, and natural risks.
Evidence Used to Assess Conformance:	Section 1.14 of PD.
Findings:	The PD addresses the requirements of G3.5.

<b>Indicator G3.6</b> - Demonstrate that the project design includes specific measures to ensure the maintenance or enhancement of the high conservation value attributes identified in G1 consistent with the precautionary principle.	The project activities will take place in nature reserves and a national park, in keeping with relevant management plans.
Evidence Used to Assess Conformance:	Section G3.6 of PD, other places in document.
Findings:	The PD addresses the requirements of G3.6.

<b>Indicator G3.7</b> - Describe the measures that will be taken to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime.	The PD states that the project will take place within a private nature preserve, protected by relevant legislation throughout and beyond the project duration.
Evidence Used to Assess Conformance:	Sections 1.11 & G3.7 of PD.
Findings:	The PD addresses the requirements of G3.7.



<p><b>Indicator G3.8</b> - Document and defend how communities and other stakeholders potentially affected by the project activities have been identified and have been involved in project design through effective consultation, particularly with a view to optimizing community and stakeholder benefits, respecting local customs and values and maintaining high conservation values. Project developers must document stakeholder dialogues and indicate if and how the project proposal was revised based on such input. A plan must be developed to continue communication and consultation between project managers and all community groups about the project and its impacts to facilitate adaptive management throughout the life of the project.</p>	<p>The stakeholder engagement process is detailed in Annex 5.</p>
<p>Evidence Used to Assess Conformance:</p>	<p>PD Annex 5 &amp; 6 (Section G3.8) and site visit</p>
<p>Findings:</p>	<p>Annex 5 does provide some detail on anticipated effects, but could not locate in this Section how stakeholders were involved in project design, stakeholder dialogues, or a plan for continued communication.</p>
<p>Non-conformance Request (NCR) to Address Non-conformance:</p>	<p>Please discuss how stakeholders were involved in project design. Please provide stakeholder dialogues and a plan for continued communication.</p>
<p>Date Issued:</p>	<p>07 September 2012</p>
<p>Project Proponent Response/Actions and Date:</p>	<p>Stakeholders are ONLY neighbouring landowners, (including SANParks), Kuzuko labour force and potential labourers from relatively distant communities. The stakeholder meeting is detailed in the project document in Annex 6. Labourers have not been consulted in drawing up the project but will be addressed when they are employed. A plan for continued communication is detailed in G3.8</p>
<p>Findings:</p>	<p>An adaptive management plan should be included in the validation of the CCB project.</p>



Non-conformance Request (NCR) to Address Non-conformance:	Please provide the adaptive management/monitoring plan.
Date Issued:	13 February 2013
Project Proponent Response/Actions and Date:	A plan outlining how the project will continue to communicate with stakeholders, and how the comments received from stakeholders will be used to facilitate adaptive management processes, has been outlined in Section G3.8.
Evidence Used to Consider NCR Addressed:	Section G3.8 in March 2013 revision of PDD sufficiently details appropriate adaptive management plan.
Date Closed:	25 April 2013

<b>Indicator G3.9</b> - Describe what specific steps have been taken, and communications methods used, to publicize the CCBA public comment period to communities and other stakeholders and to facilitate their submission of comments to CCBA. Project proponents must play an active role in distributing key project documents to affected communities and stakeholders and hold widely publicized information meetings in relevant local or regional languages.	The PD states that the public comment period will be publicized in the areas surrounding the project area via word of mouth and "direct engagement with relevant communities."
Evidence Used to Assess Conformance:	G3.9 of PD.
Findings:	Specific steps, especially in regard to holding public meetings, are not mentioned.
Non-conformance Request (NCR) to Address Non-conformance:	Include and document specific steps stating how confirmation will be assured that all appropriate stakeholders are reached. How will comments from stakeholders be documented and considered?
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	A list of all appropriate stakeholders will be compiled, and confirmation from each of these stakeholders will to confirm that they have been made aware of the CCBA comment period will be obtained.  A written record of all comments received will be kept. These records will contain the name of the



	individual or organization; the date and nature of the comment; any follow-up actions taken; and the final result arising from the comment.
Findings:	As the CCB public comment period began 07 September 2012, the process mentioned in the PD (Section G3.9) should have already occurred. Please update. Also, the requirement of indicator G3.9 is to describe specific steps that have already been taken, which indicates this is something that needs to happen prior to validation. Please address.
Non-conformance Request (NCR) to Address Non-conformance:	See above.
Date Issued:	13 February 2013
Project Proponent Response/Actions and Date:	Section G3.9 has been updated. A description of the steps taken to publicize the CCBA comment period have been detailed.
Evidence Used to Consider NCR Addressed:	Section G3.9 of the revised PDD includes the steps that have already been taken.
Date Closed:	25 April 2013

<b>Indicator G3.10</b> - Formalize a clear process for handling unresolved conflicts and grievances that arise during project planning and implementation. The project design must include a process for hearing, responding to and resolving community and other stakeholder grievances within a reasonable time period. This grievance process must be publicized to communities and other stakeholders and must be managed by a third party or mediator to prevent any conflict of interest. Project management must attempt to resolve all reasonable grievances raised, and provide a written response to grievances within 30 days. Grievances and project responses must be documented.	For this indicator, the PD reiterates that the project will be on private lands, far from neighboring communities. It states a mechanism will be implemented to ensure project developers meet with regional stakeholders to communicate project progress and address grievances but does not describe that mechanism.
Evidence Used to Assess Conformance:	Section G3.10 of PD.
Findings:	No mechanism to communicate with stakeholders



	and address grievances is described in the PD.
Non-conformance Request (NCR) to Address Non-conformance:	Please develop and implement a method to communicate with stakeholders and address grievances consistent with all the requirements of this indicator.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The grievance procedures specified are in line with the Basic Conditions of Employment Act. See G.3.10.
Findings:	No mention of third party mediation as noted. Although the Basic Conditions of Employment Act describes rules in place for employees bringing grievances to employers, this does not specify or detail the <i>mechanism</i> that the project will use. How will stakeholders be made aware of this process? The validator believes a stronger, implementable framework should be specified in the PD.
Non-conformance Request (NCR) to Address Non-conformance:	Please see above.
Date Issued:	13 February 2013
Project Proponent Response/Actions and Date:	Third party mediation has been added to the grievance process. Furthermore, the grievance procedure has been further detailed to show the specific steps that the project will use to receive and address grievances.  The grievance procedures related to the workers has also been extended. For further detail on this procedure please see the “Spekboom Trading Staff Manual” (Confidential) in the “Updates – 19 March 2013” folder.
Evidence Used to Consider NCR Addressed:	Section G3.10 revision, chapter 7 of Spekboom Trading Staff Manual.
Date Closed:	25 April 2013
<b>Indicator G3.11</b> - Demonstrate that financial mechanisms adopted, including projected revenues from emissions reductions and other sources, are likely to provide an adequate flow of funds for project implementation and to achieve the anticipated climate, community and	The project developers provided a budget summary for the project indicating sufficient funds for project implementation.



biodiversity benefits.	
Evidence Used to Assess Conformance:	Sections 1.3 & G3.11 of PD and confidential file provided by the project developers.
Findings:	This aspect will be addressed under the VCS validation.
Non-conformance Request (NCR) to Address Non-conformance:	This will be considered addressed after the VCS validation is complete.
Date Issued:	07 September 2012
Evidence Used to Consider NCR Addressed:	The project meets the requirements of the CCB because projected revenues are reasonable and likely to provide an adequate flow of funds for project implementation.
Date Closed:	03 September 2013

#### G4 Management Capacity and Best Practices

<b>Indicator G4.1</b> - Identify a single project proponent which is responsible for the project's design and implementation. If multiple organizations or individuals are involved in the project's development and implementation the governance structure, roles and responsibilities of each of the organizations or individuals involved must also be described.	<p>The PD states that Spekboom Trading Ltd., will implement the project, assisted by the management of KLPGR.</p> <p>More specifics regarding responsibilities of each organization are provided, as well.</p>
Evidence Used to Assess Conformance:	Sections 1.3 & G4.1 of PD.
Findings:	The PD addresses the requirements of G4.1

<b>Indicator G4.2</b> - Document key technical skills that will be required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills. Document the management team's expertise and prior experience implementing land management projects at the scale of this project. If relevant experience is lacking, the proponents must either demonstrate	<p>The PD states that technical requirements for the project are fairly simple. Field managers have been trained in monitoring operations. After planting, management is likely to be minimal, given similar planting projects in the region.</p> <p>KLPGR Management is responsible for the physical management of the project area, and has been managing the land for a number of years.</p> <p>Training, technical planning and management of the GIS database is performed by C4 EcoSolutions.</p>
--	---



how other organizations will be partnered with to support the project or have a recruitment strategy to fill the gaps.	
Evidence Used to Assess Conformance:	PD Sections 1.8 & G4.2
Findings:	Topically discusses the technical skills required but does not list the management team's expertise and prior experience.
Non-conformance Request (NCR) to Address Non-conformance:	Please provide a discussion and support for the management team's expertise and prior experience.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The management team's experience and expertise is detailed in section 1.3 of the PD. A reference to this has been added to section G4.2. KPLGR reserve has been operating since 2007, and thus their management team has over 5 years-experience managing a large (~16, 000 ha) game reserve.
Evidence Used to Consider NCR Addressed:	Section 1.3 of VCS PDD adequately discusses the expertise and prior experience, which is more than sufficient for the successful implementation of the project.
Date Closed:	25 April 2013

<b>Indicator G4.3</b> - Include a plan to provide orientation and training for the project's employees and relevant people from the communities with an objective of building locally useful skills and knowledge to increase local participation in project implementation. These capacity building efforts should target a wide range of people in the communities, including minority and underrepresented groups. Identify how training will be passed on to new workers when there is staff turnover, so that local capacity will not be lost.	<p>The PD states that training opportunities for employees involved in the planting teams will include health and safety, first aid, bookkeeping and productivity planning. In each team, a leader is trained to manage the tasks and the skills transfer to other business opportunities.</p> <p>Skills may also enable employees to move in the conservation field.</p> <p>Due to the finite nature of this project and the fact that only private preserve employees live on the land, there may be no need to be concerned about staff turnover.</p>
Evidence Used to Assess Conformance:	Sections 1.13.4 and G4.3 (Annex 7) of the PD.
Findings:	The paragraph on capacity building may not constitute a training plan. There is no mention of



	efforts to target a wide range of people, including minorities or underrepresented groups.
Non-conformance Request (NCR) to Address Non-conformance:	Please add a more robust training plan. Add efforts to include a wide variety of people, including underrepresented groups, or justify omitting such efforts.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	A training plan, in line with the South African Government's Extended Public Works Programme, has been included in G4.3.
Evidence Used to Consider NCR Addressed:	Revised Section G4.3.
Date Closed:	13 February 2013

<b>Indicator G4.4</b> - Show that people from the communities will be given an equal opportunity to fill all employment positions (including management) if the job requirements are met. Project proponents must explain how employees will be selected for positions and where relevant, must indicate how local community members, including women and other potentially underrepresented groups, will be given a fair chance to fill positions for which they can be trained.	<p>The PD states that staff for <i>P. afra</i> reforestation activities will be sourced from nearby towns and selected to ensure gender equity.</p> <p>For additional information on teams and principles of selection, the document refers to Section 1.16.2, which was not found.</p>
Evidence Used to Assess Conformance:	Section 1.13.4 of PD.
Findings:	Requirements of G4.4 not met. States a commitment to, but does not show how, requirements will be met.
Non-conformance Request (NCR) to Address Non-conformance:	Please address the requirements of G4.4.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The proposed A/R project will follow all of the principles of equal opportunity employment as they are implemented within South Africa.
Evidence Used to Consider NCR Addressed:	Revised Section G4.4 and Section 1.13.4
Date Closed:	13 February 2013

<b>Indicator G4.5</b> - Submit a list of all	A list of relevant laws and regulations are provided in
--	---



relevant laws and regulations covering worker's rights in the host country. Describe how the project will inform workers about their rights. Provide assurance that the project meets or exceeds all applicable laws and/or regulations covering worker rights and, where relevant, demonstrate how compliance is achieved.	the PD. The PD states that Spekboom Trading and KLPGR inform all workers of their rights when contracts are signed.
Evidence Used to Assess Conformance:	Section G4.5 of the PD.
Findings:	No statement of assurance.
Non-conformance Request (NCR) to Address Non-conformance:	Please include a statement of assurance that the project will meet or exceed applicable laws and regulations. Please describe how workers will be informed of their rights.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The proposed A/R project will meet all applicable laws and regulations. Spekboom Trading and KLPGR routinely informs all workers of their rights, when contracts are signed.
Evidence Used to Consider NCR Addressed:	Revised Section G4.5.
Date Closed:	13 February 2013
<b>Indicator G4.6</b> - Comprehensively assess situations and occupations that pose a substantial risk to worker safety. A plan must be in place to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be guaranteed, project proponents must show how the risks will be minimized using best work practices.	The PD states there is very little risk faced by the project workers. Operators of the mechanical auger will receive proper training from the contractors.
Evidence Used to Assess Conformance:	Section G4.6 of the PD.
Findings:	Risks are said to be so minimal and therefore none are mentioned, but the auger is then mentioned specifically as potentially being a source of risk, without any explanation or indications that a plan is in place to minimize the unnamed risk.
Non-conformance Request (NCR) to	Please comprehensively assess any substantial risks



Address Non-conformance:	(ex. the auger) and explain what they are, and how they will be dealt with, in accordance with G4.6.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Potential risks: Animals Auger Heat/exhaustion An explanation of how these potential risks will be dealt with is provided in G4.6.
Evidence Used to Consider NCR Addressed:	Revised Section G4.6 now explains multiple risks and how they will be minimized and mitigated.
Date Closed:	13 February 2013

<b>Indicator G4.7</b> - Document the financial health of the implementing organization(s) to demonstrate that financial resources budgeted will be adequate to implement the project.	The PD states the project will be implemented by private shareholders.
Evidence Used to Assess Conformance:	Sections 1.3 & G4.7 of the PD.
Findings:	Spekboom Trading will handle finances of the project. No documentation of entity's financial health found.
Non-conformance Request (NCR) to Address Non-conformance:	Provide evidence of sufficient financial health to implement project.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	As detailed in the cash flow, the project implementation is predicated on forward sales of carbon credits. An expression of interest in the purchase of these credits has been obtained from a potential client. This is provided as the confidential document "EOI to purchase (CONFIDENTIAL) 19102012.pdf".
Evidence Used to Consider NCR Addressed:	EOI to purchase letter, dated 19 October 2012.
Date Closed:	13 February 2013

## G5 Legal Status and Property Rights

<b>Indicator G5.1</b> - Submit a list of all relevant national and local laws and regulations in the host country and all applicable international treaties and	The PD includes a list of relevant national laws as well as overarching international and national treaties and obligations.
---	--



agreements. Provide assurance that the project will comply with these and, where relevant, demonstrate how compliance is achieved.	
Evidence Used to Assess Conformance:	Sections 1.11 and G5.1 of PD
Findings:	Provides laws but not assurance or demonstration.
Non-conformance Request (NCR) to Address Non-conformance:	Please provide assurance that the project will comply with these and, where relevant, demonstrate how compliance is achieved.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The proposed A/R project activities will comply with all of the relevant legislation.
Evidence Used to Consider NCR Addressed:	Revised Section G5.1 states that they will comply with all relevant laws.
Date Closed:	13 February 2013

<b>Indicator G5.2</b> - Document that the project has approval from the appropriate authorities, including the established formal and/or traditional authorities customarily required by the communities.	The PD states, "No relevant approval is required by traditional authorities or formal authorities to undertake restoration activities upon private and uncontested land in South Africa."
Evidence Used to Assess Conformance:	Section G5.2 of PD, confidential proof of title letter from KPMG auditors, provided by the PD.
Findings:	The PD meets the requirements of G5.2.

<b>Indicator G5.3</b> - Demonstrate with documented consultations and agreements that the project will not encroach uninvited on private property, community property, or government property and has obtained the free, prior, and informed consent of those whose rights will be affected by the project.	The PD states that all project activities will take place on a private nature preserve, and no encroachment on neighboring properties or rights will occur, so no consent from third parties was sought.  A stakeholders' meeting that included adjacent property owners was held to inform and provide a forum for questions was held, and minutes from the meeting, along with a list of attendees, was included in the PD.
Evidence Used to Assess Conformance:	Section G5.3 of the PD, Annex 6, confidential proof of title letter from KPMG auditors, provided by the PD.
Findings:	The PD addresses the requirements of G5.3.

<b>Indicator G5.4</b> - Demonstrate that	The PD states that "No communities or individuals
--	---



the project does not require the involuntary relocation of people or of the activities important for the livelihoods and culture of the communities. If any relocation of habitation or activities is undertaken within the terms of an agreement, the project proponents must demonstrate that the agreement was made with the free, prior, and informed consent of those concerned and includes provisions for just and fair compensation.	have been or will be relocated as a consequence of the proposed A/R project."  Additional information and assurances throughout the document indicate that the land is a private nature preserve, and includes no communities. Any individuals present on the property are employees of the preserve.
Evidence Used to Assess Conformance:	Section G 5.4 of the PD, and numerous other parts of the document.
Findings:	The PD adequately addresses the requirements of G5.4.

<b>Indicator G5.5</b> - Identify any illegal activities that could affect the project's climate, community or biodiversity impacts (e.g., logging) taking place in the project zone and describe how the project will help to reduce these activities so that project benefits are not derived from illegal activities.	The PD states, "There are no such illegal activities taking place in the project area."  The property is an actively managed nature preserve, with no adjacent communities.
Evidence Used to Assess Conformance:	Section G5.5 of the PD, various other parts of the document that explain the land's ownership and management.
Findings:	The nature of the project site as a reserve and discussions with adjacent landowners indicated a risk of trespass and poaching may be a concern.
Non-conformance Request (NCR) to Address Non-conformance:	Please discuss concerns about illegal poaching and trespass.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	SANParks has expressed a concern that the presence of additional workers within the KLPGR will increase the chances of trespass into the adjacent Darlington Dam Section of the Addo Elephant National Park. However, the project proponent will be building an electric fence around the lodging that is being built at Paardepoot for the workers whilst



	<p>they are on site. This will reduce the chances of workers and game coming into proximity, and will reduce the likelihood of workers trespassing on the Darlington Dam Section. In addition, workers will be accompanied by a supervisor at all times during the day whilst planting is being undertaken, and workers will only be on the premises during planting cycles. Security cameras will be placed over the entrance to the Paardepoort Section by SANParks in order to monitor the traffic entering and leaving the nature reserve.</p> <p>The concerns regarding poaching are more difficult to deal with, but all possible measures will be undertaken to prevent poaching.</p>
Evidence Used to Consider NCR Addressed:	Revised Section G5.5 and discussions during site visit indicate the project developer is taking every possible precaution to minimize this risk.
Date Closed:	13 February 2013

<p><b>Indicator G5.6</b> - Demonstrate that the project proponents have clear, uncontested title to the carbon rights, or provide legal documentation demonstrating that the project is undertaken on behalf of the carbon owners with their full consent. Where local or national conditions preclude clear title to the carbon rights at the time of validation against the Standards, the project proponents must provide evidence that their ownership of carbon rights is likely to be established before they enter into any transactions concerning the project's carbon assets.</p>	<p>The land is owned by Inqo Investments, Ltd., who has title to the carbon rights.</p>
Evidence Used to Assess Conformance:	Section 1.3 of the PD, confidential proof of title letter from KPMG auditors provided by the PD.
Findings:	While it is assumed that Inqo Investments has uncontested carbon rights for the project area lands, no statement specifically regarding carbon rights, or explanation that carbon rights are not severed from other land ownership rights in this case, is in the PD.



Non-conformance Request (NCR) to Address Non-conformance:	Please specifically state who owns the carbon rights for this property, or explain whether carbon rights are ever severed from other land ownership rights (like mineral rights) in S.A.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The property is owned by Inqo Investments (Pty) Ltd, as shown in the provided conveyancer's certificate ("Kuzuko - Conveyancer's Certificate (CONFIDENTIAL) 25102012.pdf"). The shareholders' agreement ("Shareholders_agreement (CONFIDENTIAL)_C4ES_13112012.pdf") details the co-ownership of the project by Inqo Investments (Pty) Ltd and AfriCarbon (Pty) Ltd. The carbon rights are therefore held <i>in toto</i> by the project proponent.
Evidence Used to Consider NCR Addressed:	The above-mentioned documents and Section 1.3 of the VCS PD explain the co-ownership of the project (carbon) by Inqo Investments (Pty) Ltd and AfriCarbon (Pty) Ltd.
Date Closed:	13 February 2013

**CL1 Net Positive Climate Impacts**

<b>Indicator CL1.1</b> - Estimate the net change in carbon stocks due to the project activities using the methods of calculation, formulae and default values of the IPCC 2006 GL for AFOLU or using a more robust and detailed methodology. The net change is equal to carbon stock changes <i>with</i> the project minus carbon stock changes <i>without</i> the project (the latter having been estimated in G2). This estimate must be based on clearly defined and defensible assumptions about how project activities will alter GHG emissions of carbon stocks over the duration of the project or the project GHG accounting period.	The PD states that the rate of C sequestration is estimated to be ~10 t CO <sub>2</sub> e ha <sup>-1</sup> yr <sup>-1</sup> for 50 years after planting, based on rates derived from seven scientific papers and theses, and equations from the methodology. Total C sequestration per unit land area is 613.31 t CO <sub>2</sub> e ha <sup>-1</sup> , for the entire project over 54 years it is ~2.1 million t CO <sub>2</sub> e
Evidence Used to Assess Conformance:	Section 3 of PD, Kuzuko calculations spreadsheet, provided by PD.
Findings:	This aspect will be addressed under the VCS



	validation.
Non-conformance Request (NCR) to Address Non-conformance:	This will be considered addressed after the VCS validation is complete.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Please see responses to VCS NCR/CARs.
Evidence Used to Consider NCR Addressed:	The project meets the requirements of the CCB because these calculations follow AR-ACM0003 (Version 1.0.0) These assertions were also vetted during the VCS validation process.
Date Closed:	03 September 2013

<b>Indicator CL1.2</b> - Estimate the net change in the emissions of non-CO <sub>2</sub> GHG emissions such as CH <sub>4</sub> and N <sub>2</sub> O in the <i>with</i> and <i>without</i> project scenarios if those gases are likely to account for more than a 5% increase or decrease (in terms of CO <sub>2</sub> -equivalent) of the project's overall GHG emissions reductions or removals over each monitoring period.	The PD states that non-CO <sub>2</sub> GHG emissions will be less than 5% of the overall GHG removal for the project, so they are not included.
Evidence Used to Assess Conformance:	Section 3 of the PD.
Findings:	This aspect will be addressed under the VCS validation.
Non-conformance Request (NCR) to Address Non-conformance:	This will be considered addressed after the VCS validation is complete.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Please see responses to VCS NCR/CARs.
Evidence Used to Consider NCR Addressed:	The validator has confirmed that non-CO <sub>2</sub> GHG emissions will be less than 5% of the overall GHG removal for the project.
Date Closed:	13 February 2013

<b>Indicator CL1.3</b> - Estimate any other GHG emissions resulting from project activities. Emissions sources include, but are not limited to, emissions from biomass burning during site preparation, emissions	The PD states the project uses the equation for the calculation of emissions from project activities from AR-ACM0003 (Version 1.0.0).  Included project emissions are emissions from the decline in C stock of non-tree vegetation and
---	--



from fossil fuel combustion, direct emissions from the use of synthetic fertilizers, and emissions from the decomposition of N-fixing species.	emissions from biomass burning. This is expected to be a minimal source due to <i>P. afra</i> 's fire resistance.  Fuel emissions are negligible, and no synthetic fertilizers will be used.
Evidence Used to Assess Conformance:	Section 3.2.2 of the PD.
Findings:	There is no mention of n-fixing species. This aspect will be addressed under the VCS validation.
Non-conformance Request (NCR) to Address Non-conformance:	This will be considered addressed after the VCS validation is complete. Additionally, please discuss if N-fixing species occur onsite.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Please see responses to VCS NCR/CARs.  N-fixing species such as <i>Faidherbia karoo</i> are present in some sites and are anticipated to regrow in such places. However, these species are not considered to be relevant to the project because the project methodology specifically excludes N <sub>2</sub> O as a potential greenhouse gas. In addition, the rate of aerial emissions from N-fixing species is very low in arid and semi-arid environments.
Findings:	Revised Section CL1.3 details that N <sub>2</sub> O is exempted from the methodology, but that any emissions would be very low. However, because CCB requires the information, can you provide supporting documentation that the rate of aerial emissions from N-fixing species is very low in semi-arid environments?
Non-conformance Request (NCR) to Address Non-conformance:	Because CCB requires the information, can you provide supporting documentation that the rate of aerial emissions from N-fixing species is very low in semi-arid environments?
Date Issued:	13 February 2013
Project Proponent Response/Actions and Date:	Barton <i>et al</i> (2008) describes the emission response of semi-arid agricultural soils in Australia. Total emissions from unfertilized soils there come to ~ 0.09 kg yr <sup>-1</sup> ha <sup>-1</sup> , which translates to 0.6 t CO <sub>2</sub> e ha <sup>-1</sup> for the project duration (0.09 [kg ha <sup>-1</sup> ] * 60 [yr project duration] * 114 [IPCC Global warming potential] / 1000 [kg t <sup>-1</sup> ]). This is clearly negligible, and the paper specifically says that it appears that the IPCC



	default may not be suitable for semi-arid regions. Typical soil conditions that lead to higher emissions are: i) increased soil moisture; ii) low plant growth; and iii) higher temperatures. These conditions rarely co-occur within the thicket environment, since the periodic rainfalls coincide strongly with raised plant growth. The reference has been added to the “Updates – 19 March 13” folder.
Evidence Used to Consider NCR Addressed:	Reference now included and sufficiently addresses requirements.
Date Closed:	25 April 2013

<b>Indicator CL1.4</b> - Demonstrate that the net climate impact of the project is positive. The net climate impact of the project is the net change in carbon stocks plus net change in non-CO <sub>2</sub> GHGs where appropriate minus any other GHG emissions resulting from project activities minus any likely project-related unmitigated negative offsite climate impacts (see CL2.3).	Using growth models with factors derived from peer reviewed literature, the PD demonstrates that the net climate impact of the project is positive.
Evidence Used to Assess Conformance:	Section 3.4 of the PD.
Findings:	This aspect will be addressed under the VCS validation.
Non-conformance Request (NCR) to Address Non-conformance:	This will be considered addressed after the VCS validation is complete.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Please see responses to VCS NCR/CARs.
Evidence Used to Consider NCR Addressed:	The project demonstrates a positive net climate impact, as calculated using AR-ACM0003 (Version 1.0.0). As stated in the PD, the total carbon sequestration potential for the entire project (5,185 ha) over a 54-year period is calculated using the methodological equations to be ~2.1 million t CO <sub>2</sub> e
Date Closed:	03 September 2013

<b>Indicator CL1.5</b> - Specify how double counting of GHG emissions reductions or removals will be avoided, particularly for offsets sold	The PD states this indicator is not applicable to the project.
---	--



on the voluntary market and generated in a country with an emissions cap.	
Evidence Used to Assess Conformance:	Section CL1.5 of the PD, February 2010 CCBA policy announcement.
Findings:	The PD does not adequately addresses CL1.5, as it is not clear why this is not applicable.
Non-conformance Request (NCR) to Address Non-conformance:	Please address the indicator, or provide justification why it is not applicable.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Double counting will not occur because the project will be registered on a VCS accredited market. All credits will be verified and registered on the market, and retired under the account of the purchaser. No national credits will be earned through the voluntary carbon market.
Evidence Used to Consider NCR Addressed:	Revised Section CL1.5 includes a statement depicting why this is not applicable.
Date Closed:	13 February 2013

**CL2 Offsite Climate Impacts (“Leakage”)**

<b>Indicator CL2.1</b> - Determine the types of leakage that are expected and estimate potential offsite increases in GHGs (increases in emissions or decreases in sequestration) due to project activities. Where relevant, define and justify where leakage is most likely to take place.	The PD states that since the land use/land management is unchanged, no leakage is anticipated as a result of project activities.
Evidence Used to Assess Conformance:	Section 3.3 of the PD.
Findings:	This aspect will be addressed under the VCS validation.
Non-conformance Request (NCR) to Address Non-conformance:	This will be considered addressed after the VCS validation is complete.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Please see responses to VCS NCR/CARs.
Evidence Used to Consider NCR Addressed:	The project area consists of degraded lands with low biomass levels and the land use is unchanged. This means the land should continue to provide the same services and therefore leakage is anticipated to be



	zero. Leakage was calculated using AR-ACM0003 methodology and equations. The leakage assertions were also vetted during the VCS validation process.
Date Closed:	03 September 2013

<b>Indicator CL2.2</b> - Document how any leakage will be mitigated and estimate the extent to which such impacts will be reduced by these mitigation activities.	Not applicable, since the project lands will remain under the same land use and management.
Evidence Used to Assess Conformance:	Section 3.3 of the PD.
Findings:	This aspect will be addressed under the VCS validation.
Non-conformance Request (NCR) to Address Non-conformance:	This will be considered addressed after the VCS validation is complete.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Please see responses to VCS NCR/CARs.
Evidence Used to Consider NCR Addressed:	The project meets the requirements of the CCB because, as mentioned under indicator CL2.1, land use remains the same and leakage is anticipated to be zero. Leakage was calculated using AR-ACM0003 methodology and equations. The leakage assertions were also vetted during the VCS validation process.
Date Closed:	03 September 2013

<b>Indicator CL2.3</b> - Subtract any likely project-related unmitigated negative offsite climate impacts from the climate benefits being claimed by the project and demonstrate that this has been included in the evaluation of net climate impact of the project (as calculated in CL1.4).	Not applicable (see above).
Evidence Used to Assess Conformance:	Section 3.3 of the PD
Findings:	This aspect will be addressed under the VCS validation.
Non-conformance Request (NCR) to Address Non-conformance:	This will be considered addressed after the VCS validation is complete.
Date Issued:	07 September 2012
Project Proponent Response/Actions	Please see responses to VCS NCR/CARs.



and Date:	
Evidence Used to Consider NCR Addressed:	Please see indicator 1 and 2 above. The project does not anticipate having project-related negative offsite climate impacts.
Date Closed:	03 September 2013

<b>Indicator CL2.4</b> - Non-CO <sub>2</sub> gases must be included if they are likely to account for more than a 5% increase or decrease (in terms of CO <sub>2</sub> -equivalent) of the net change calculations (above) of the project's overall off-site GHG emissions reductions or removals over each monitoring period.	The PD states that non-CO <sub>2</sub> GHG will be less than 5% of the overall GHG removal of the overall project, so they can be ignored.
Evidence Used to Assess Conformance:	Section 3 of the PD.
Findings:	This aspect will be addressed under the VCS validation.
Non-conformance Request (NCR) to Address Non-conformance:	This will be considered addressed after the VCS validation is complete.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	Please see responses to VCS NCR/CARs.
Evidence Used to Consider NCR Addressed:	The project meets the requirements of the CCB because calculated non-CO <sub>2</sub> emissions are minimal based on the use of AR-ACM0003 (Version 1.0.0).
Date Closed:	03 September 2013

### CL3 Climate Impact Monitoring

<b>Indicator CL3.1</b> - Develop an initial plan for selecting carbon pools and non-CO <sub>2</sub> GHGs to be monitored, and determine the frequency of monitoring. Potential pools include aboveground biomass, litter, dead wood, belowground biomass, wood products, soil carbon and peat. Pools to monitor must include any pools expected to decrease as a result of project activities, including those in the region outside the project boundaries resulting from all types of	Carbon pools selected for monitoring and the frequency of monitoring is explained and listed in tables in the PD in Sections 4.2 and 4.3.
---	---



<p>leakage identified in CL2. A plan must be in place to continue leakage monitoring for at least five years after all activity displacement or other leakage causing activity has taken place. Individual GHG sources may be considered ‘insignificant’ and do not have to be accounted for if together such omitted decreases in carbon pools and increases in GHG emissions amount to less than 5% of the total CO<sub>2</sub>-equivalent benefits generated by the project. Non-CO<sub>2</sub> gases must be included if they are likely to account for more than 5% (in terms of CO<sub>2</sub>-equivalent) of the project’s overall GHG impact over each monitoring period. Direct field measurements using scientifically robust sampling must be used to measure more significant elements of the project’s carbon stocks. Other data must be suitable to the project site and specific forest type.</p>	
<p>Evidence Used to Assess Conformance:</p>	<p>Section 4.3 of the PD.</p>
<p>Findings:</p>	<p>This aspect will be addressed under the VCS validation.</p>
<p>Non-conformance Request (NCR) to Address Non-conformance:</p>	<p>This will be considered addressed after the VCS validation is complete.</p>
<p>Date Issued:</p>	<p>07 September 2012</p>
<p>Project Proponent Response/Actions and Date:</p>	<p>Please see responses to VCS NCR/CARs.</p>
<p>Evidence Used to Consider NCR Addressed:</p>	<p>The project’s monitoring plan follows Section 6 of the approved methodology AR-ACM0003 (Version 1.0.0)</p>
<p>Date Closed:</p>	<p>03 September 2013</p>
<p><b>Indicator CL3.2</b> - Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and</p>	<p>The PD states that the monitoring plan presented in Section 4.3 will be finalized within 12 months of validation. They will be made available to the public on the appropriate website.</p>



to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.	
Evidence Used to Assess Conformance:	Page 139 of the PD.
Findings:	Commits to 12 months, but does not state what the appropriate website is.
Non-conformance Request (NCR) to Address Non-conformance:	Please state what the “appropriate website” is where the plan will be made available.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The plan will be made available on the Africarbon website.
Evidence Used to Consider NCR Addressed:	Revised Section CL3.2 states the Africarbon website.
Date Closed:	13 February 2013

**CM1 Net Positive Community Impacts**

<p><b>Indicator CM1.1</b> - Use appropriate methodologies to estimate the impacts on communities, including all constituent socio-economic or cultural groups such as indigenous peoples (defined in G1), resulting from planned project activities. A credible estimate of impacts must include changes in community well-being due to project activities and an evaluation of the impacts by the affected groups. This estimate must be based on clearly defined and defensible assumptions about how project activities will alter social and economic well-being, including potential impacts of changes in natural resources and ecosystem services identified as important by the communities (including water and soil resources), over the duration of the project. The ‘with project’ scenario must then be compared with the ‘without project’ scenario of</p>	<p>The PD states that the major impact of the project on local communities will be the creation of 110 jobs.</p> <p>In addition, economic opportunities may be stimulated by increased tourism potential, increasing water catchment and restoring biodiversity.</p>
--	--



social and economic well-being in the absence of the project (completed in G2). The difference (i.e., the community benefit) must be positive for all community groups.	
Evidence Used to Assess Conformance:	Section 1.8.1 of the PD.
Findings:	The PD discusses the community benefits anticipated by the project in the with project scenario, but does not discuss the without project scenario.
Non-conformance Request (NCR) to Address Non-conformance:	Please provide a discussion of the without project scenario for comparison in this Section, or reference here where it is described elsewhere in the document.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	A discussion of the without project scenario has been added to CM1.1.
Findings:	Revised Section CM1.1 depicts the without project scenario, but no reference to an “appropriate methodology” from Appendix A of the Project Design Standards was noted.
Non-conformance Request (NCR) to Address Non-conformance:	Please describe which appropriate methodology from Appendix A was used and how it will be implemented.
Date Issued:	13 February 2013
Project Proponent Response/Actions and Date:	The Sustainable Livelihoods Approach was used to determine the potential impact of the project on local communities. A full description of how the chosen methodology was implemented is provided in section CM1.1.
Evidence Used to Consider NCR Addressed:	Revised section CM1.1 adequately addresses the requirement.
Date Closed:	25 April 2013
<b>Indicator CM1.2</b> - Demonstrate that no High Conservation Values identified in G1.8.4-6 will be negatively affected by the project.	<p>The PD states that the project will not negatively affect areas that provide critical ecosystem services, areas that are fundamental to the livelihoods of the local communities, or areas that are critical for the traditional cultural identity of communities.</p> <p>The project area is uninhabited, and project activities are likely to improve ecosystem services, and very unlikely to damage them.</p>
Evidence Used to Assess	Section 1.13.4 and CM1.2 of the PD.



Conformance:	
Findings:	The PD adequately addresses the requirements of CM1.2.

**CM2 Offsite Stakeholder Impacts**

<b>Indicator CM2.1</b> - Identify any potential negative offsite stakeholder impacts that the project activities are likely to cause.	The PD states that the project will not cause any negative offsite stakeholder impacts.
Evidence Used to Assess Conformance:	CM 2.1 of the PD, the general nature of the project and project lands, as described throughout the PD.
Findings:	The PD adequately addresses the requirements of CM2.1

<b>Indicator CM2.2</b> - Describe how the project plans to mitigate these negative offsite social and economic impacts.	Not applicable.
Evidence Used to Assess Conformance:	Section CM2.2 of the PD, the general nature of the project and project lands, as described throughout the PD.
Findings:	The PD adequately addresses the requirements of CM2.2

<b>Indicator CM2.3</b> - Demonstrate that the project is not likely to result in net negative impacts on the well-being of other stakeholder groups.	The PD states that the project will not cause any negative impacts for any stakeholders in the project.
Evidence Used to Assess Conformance:	Section CM2.3 of the PD, the general nature of the project and project lands, as described throughout the PD.
Findings:	The PD adequately addresses the requirements of CM2.3.

**CM3 Community Impact Monitoring**

<b>Indicator CM3.1</b> - Develop an initial plan for selecting community variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project's community	The PD states that a community impact monitoring plan is currently being developed by C4ES to monitor the well-being of workers benefitting from the project activities. It will take the form of a questionnaire for the people the project will employ.
---	---



development objectives and to anticipated impacts (positive and negative).	
Evidence Used to Assess Conformance:	Section CM3.1 of the PD.
Findings:	The plan has not been submitted for validation.
Non-conformance Request (NCR) to Address Non-conformance:	Please complete and submit the community impact monitoring plan for validation.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	No plan has been prepared to date. This will be undertaken within six months of the project start, in line with the CCB standards. (see below)
Findings:	The 6-month grace period is for the climate monitoring plan from CL3.2. This grace period does not apply to the community impact monitoring plan. This needs to be presented for validation and should include various aspects mentioned in Footnote 44 of the CCB Standard. In addition, it should include “an initial plan for selecting community variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project’s community development objectives and to anticipated impacts.”
Non-conformance Request (NCR) to Address Non-conformance:	Please see above.
Date Issued:	13 February 2013
Project Proponent Response/Actions and Date:	A community monitoring plan has been developed. It is based upon the Sustainable Livelihoods Approach, and includes a questionnaire. For full details see section CM3.1.
Evidence Used to Consider NCR Addressed:	Revised section CM3.1 includes the full community monitoring plan and adequately addresses the requirements.
Date Closed:	25 April 2013
<b>Indicator CM3.2</b> - Develop an initial plan for how they will assess the effectiveness of measures used to maintain or enhance High Conservation Values related to community well-being (G1.8.4-6) present in the project zone.	The PD states that an assessment of the enhancement of areas that provide critical ecosystem services and traditional cultural identity will be incorporated into the questionnaire described in CM3.1.
Evidence Used to Assess	CM3.1 of the PD.



Conformance:	
Findings:	Plan not yet submitted to validators.
Non-conformance Request (NCR) to Address Non-conformance:	See NCR for CM3.1.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	No plan has been prepared to date. This will be undertaken within six months of the project start, in line with the CCB standards. (see below)
Findings:	See indicator CM3.1.
Non-conformance Request (NCR) to Address Non-conformance:	See NCR for CM3.1.
Date Issued:	13 February 2013
Project Proponent Response/Actions and Date:	Please see the response to CM3.1
Evidence Used to Consider NCR Addressed:	Revised section CM3.3 details how this assessment is incorporated into the community monitoring questionnaire.
Date Closed:	25 April 2013

<b>Indicator CM3.3</b> - Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.	The PD states that an assessment of the questionnaire will be undertaken after the first review process and a full monitoring plan will be developed prior to commencement of reforestation. It will be made publicly available on the appropriate website. Comments and suggestions received will be used to strengthen the effectiveness of the monitoring process.
Evidence Used to Assess Conformance:	Section CM3.3 of the PD.
Findings:	Though commencement of replanting is the trigger for the project start date (01 December 2012) and the PD states that a full monitoring plan will be developed prior to commencement of reforestation, it is possible that unforeseen circumstances could still cause a delay of this date.
Non-conformance Request (NCR) to Address Non-conformance:	Please specifically commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards.
Date Issued:	07 September 2012



Project Proponent Response/Actions and Date:	No plan has been prepared to date. This will be undertaken within six months of the project start, in line with the CCB standards.
Evidence Used to Consider NCR Addressed:	Revised Section CM3.3.
Date Closed:	13 February 2013

### B1 Net Positive Biodiversity Impacts

<b>Indicator B1.1</b> - Use appropriate methodologies to estimate changes in biodiversity as a result of the project in the project zone and in the project lifetime. This estimate must be based on clearly defined and defensible assumptions. The 'with project' scenario should then be compared with the baseline 'without project' biodiversity scenario completed in G2. The difference (i.e., the net biodiversity benefit) must be positive.	<p>The PD describes the thrust of the project (restore degraded thicket by planting <i>P. afra</i> cuttings) and the effects on the soils and microclimate beneath the thicket canopy. This, in turn, will increase shrub and tree establishment, and enhances habitat, both of which will have a positive impact on biodiversity.</p> <p>In the absence of the project, the land will remain degraded, and conditions would not allow the soil/habitat improvements needed for the recovery of the landscape.</p>
Evidence Used to Assess Conformance:	Section B1.1 of the PD.
Findings:	The PD adequately addresses the requirements of B1.1.

<b>Indicator B1.2</b> - Demonstrate that no High Conservation Values identified in G1.8.1-3 will be negatively affected by the project.	The PD states that the project activities will take place on a private nature reserve formed to protect biodiversity. The nature of the project, the restoration of native thicket, uses a proven method to enhance degraded habitat, and therefore will likely positively affect the HC values identified in G1.8.
Evidence Used to Assess Conformance:	Section G1.8 & B1.2
Findings:	The PD adequately addresses the requirements of B1.2.

<b>Indicator B1.3</b> - Identify all species to be used by the project and show that no known invasive species will be introduced into any area affected by the project and that the population of any invasive species will not increase as a result of the project.	<p>The PD states that <i>P. afra</i> is the only species that will be used in the project. <i>P. afra</i> is a dominant native species in the project area.</p> <p>The cuttings of <i>P. afra</i> will be taken from within 50 km of the project site in order to reduce the risk of genetic pollution. The cuttings are obtained through a</p>
---	---



	sustainable harvesting process.
Evidence Used to Assess Conformance:	Section B1.3 of the PD.
Findings:	The PD adequately addresses the requirements of B1.3.

<b>Indicator B1.4</b> - Describe possible adverse effects of non-native species used by the project on the region's environment, including impacts on native species and disease introduction or facilitation. Project proponents must justify any use of non-native species over native species	Not applicable. No non-native species will be used.
Evidence Used to Assess Conformance:	Section B1.4 of the PD.
Findings:	The PD adequately addresses the requirements of B1.4.

<b>Indicator B1.5</b> - Guarantee that no GMOs will be used to generate GHG emissions reductions or removals.	The PD asserts that no GMOs will be used in the project.
Evidence Used to Assess Conformance:	Section B 1.5 of the PD.
Findings:	The PD adequately addresses the requirement of B1.5.

**B2 Offsite Biodiversity Impacts**

<b>Indicator B2.1</b> - Identify potential negative offsite biodiversity impacts that the project is likely to cause.	The PD states that the project activities are not expected to result in negative impacts offsite. An increase in biodiversity on the site will positively impact offsite biodiversity by expected cross-boundary flow.  Additional positive offsite impacts include improved water retention and more regulated water flow.
Evidence Used to Assess Conformance:	Page 142 of the PD.
Findings:	See NCR in indicator B2.2 below.
Non-conformance Request (NCR) to Address Non-conformance:	See NCR in indicator B2.2 below.



Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	All harvesting of all <i>P. afra</i> will be done from within the KPLGR reserve itself, from plants in proximity to the planting area. Sustainable harvesting (ensuring that no more than 30% of the branches are removed from a single source plant) prevents ecosystem damage, as the biomass harvested is replaced by regrowth. Such sustainable harvesting is possible as thicket (and <i>P. afra</i> in particular) has evolved with herbivory (i.e. harvesting) and thus has a strong regeneration capacity. Thus harvesting activities are not expected to result in any negative offsite biodiversity impacts.
Evidence Used to Consider NCR Addressed:	Revised Section B2.1.
Date Closed:	13 February 2013

<b>Indicator B2.2</b> - Document how the project plans to mitigate these negative offsite biodiversity impacts.	<i>P. afra</i> is the only species to be used in the proposed A/R project. <i>P. afra</i> is a native and often dominant species within the project areas (Mucina & Rutherford, 2006). The <i>P. afra</i> cuttings used in the proposed A/R project are obtained from wild plants within 50 km of each the project areas, in order to reduce risks of 'genetic pollution'. These cuttings are obtained through a sustainable harvesting process, thereby minimizing the impacts of harvesting on wild plants.
Evidence Used to Assess Conformance:	Section B2.1 and B2.2 of PD.
Findings:	The PD explains that offsite impacts are unlikely; however, it does not detail the sustainable harvesting practice.
Non-conformance Request (NCR) to Address Non-conformance:	Please describe the sustainable harvesting practice used to harvest from wild plants within 50 km of the project areas, particularly detailing how it will not negatively impact offsite diversity.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	See B2.1 above
Evidence Used to Consider NCR Addressed:	Revised Section B2.1.
Date Closed:	13 February 2013



<b>Indicator B2.3</b> - Evaluate likely unmitigated negative offsite biodiversity impacts against the biodiversity benefits of the project within the project boundaries. Justify and demonstrate that the net effect of the project on biodiversity is positive.	<i>P. afra</i> is the only species to be used in the proposed A/R project. <i>P. afra</i> is a native and often dominant species within the project areas (Mucina & Rutherford, 2006). The <i>P. afra</i> cuttings used in the proposed A/R project are obtained from wild plants within 50 km of each the project areas, in order to reduce risks of ‘genetic pollution’. These cuttings are obtained through a sustainable harvesting process, thereby minimizing the impacts of harvesting on wild plants.
Evidence Used to Assess Conformance:	Section B2.1 and B2.3 of the PD.
Findings:	The PD explains that offsite impacts are unlikely.
Non-conformance Request (NCR) to Address Non-conformance:	Please see the NCR for indicator B2.2.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	See B2.1 above
Evidence Used to Consider NCR Addressed:	Revised Section B2.1.
Date Closed:	13 February 2013

### B3 Biodiversity Impact Monitoring

<b>Indicator B3.1</b> - Develop an initial plan for selecting biodiversity variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project’s biodiversity objectives and to anticipated impacts (positive and negative).	The PD states that a biodiversity plan is currently being developed by C4ES. It will include species counts along transects and in plots, and monitoring will occur at 5 year intervals, during growth monitoring.  Baseline species count will be made for each biodiversity sample plot.
Evidence Used to Assess Conformance:	B3.1 of the PD.
Findings:	Plan not sent to validators.
Non-conformance Request (NCR) to Address Non-conformance:	Please complete the plan and include it in the PD.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	The biodiversity plan has been included in B3.1. For additional details, see Section 4.1.6 and ("Kuzuko_Baseline and monitoring SOPs_30 July 2012.docx").



Evidence Used to Consider NCR Addressed:	Revised Section B3.1 and Section 4.1.6 of the VCS PD explain the plan to monitoring biodiversity.
Date Closed:	13 February 2013

<b>Indicator B3.2</b> - Develop an initial plan for assessing the effectiveness of measures used to maintain or enhance High Conservation Values related to globally, regionally or nationally significant biodiversity (G1.8.1-3) present in the project zone.	The PD states that the monitoring plan described in B3.1 will assess the effectiveness of the thicket restoration in enhancing biodiversity in the project areas, which also qualify as HCV areas.
Evidence Used to Assess Conformance:	Page 143 of the PD.
Findings:	Plan not sent to validators.
Non-conformance Request (NCR) to Address Non-conformance:	Please complete the plan and include it in the PD.
Date Issued:	07 September 2012
Project Proponent Response/Actions and Date:	See B3.1 above
Evidence Used to Assess Conformance:	Section B3.1
Findings:	All biodiversity monitoring centers around the species planted. No monitoring of area wildlife is included.
Non-conformance Request (NCR) to Address Non-conformance:	Please indicate if the plan will include biodiversity monitoring for wildlife species, if applicable.
Date Issued:	13 February 2013
Project Proponent Response/Actions and Date:	The biodiversity monitoring plan aims to measure plant diversity, and uses this as a proxy for overall biodiversity. It is not feasible to monitor wildlife populations in the small plots specified in the biodiversity monitoring plan as they move over much larger areas. KPLGR, however, regularly conducts game counts throughout the reserve, and these data will be made available to the project's monitoring teams.
Evidence Used to Consider NCR Addressed:	Revised sections B3.1 and B3.2. Because the Project Proponent will make the results of the game counts available at verification events, the wildlife biodiversity will be monitored in accordance with Indicator B3.2. Addressed.
Date Closed:	25 April 2013



<p><b>Indicator B3.3</b> - Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.</p>	<p>The PD states that the biodiversity monitoring plan currently being developed will be reviewed after implementation and a full biodiversity monitoring plan will be developed within 12 months of validation. It will be made publically available on the appropriate website and printed copies will be provided to stakeholders upon request.</p>
<p>Evidence Used to Assess Conformance:</p>	<p>Section B3.3 of the PD.</p>
<p>Findings:</p>	<p>The PD adequately addresses the requirements of B3.3.</p>

## Gold Level Section

### GL3 Exceptional Biodiversity Benefits

<p><b>Indicator GL3.1 – Vulnerability</b> Regular occurrence of a globally threatened species (according to the IUCN Red List) at the site:</p> <p>1.1 - Critically Endangered (CR) and Endangered (EN) species - presence of at least a single individual; or</p> <p>1.2 - Vulnerable species (VU) - presence of at least 30 individuals or 10 pairs.</p>	<p>The PD states that the project areas contain IUCN Red list threatened species.</p>
<p>Evidence Used to Assess Conformance:</p>	<p>Annex 3, Section GL3.1.2 of the PD.</p>
<p>Findings:</p>	<p>The PD describes that the KLPGR contains species found on the International Union for Conservation of Nature (IUCN) Red List of threatened species, but does not provide the direct evidence (dated survey, photo, etc.) confirming its presence on-site.</p>
<p>Non-conformance Request (NCR) to Address Non-conformance:</p>	<p>Please provide the direct evidence (dated survey, photo, etc.) confirming the presence of critically endangered and endangered species on site.</p>
<p>Date Issued:</p>	<p>07 September 2012</p>



Project Proponent Response/Actions and Date:	The project proponent submitted relevant evidence to support that IUCN Red threatened species are on site.
Evidence Used to Consider NCR Addressed:	Above-mentioned documents and photos depict critically endangered, endangered and vulnerable species; however, the validator would like a walk-through of the evidence before closing. Pending.
Project Proponent Response/Actions and Date:	The above-mentioned documents were further explained to the validators during a conference call. In addition, a document detailing how the evidence relates to each of the threatened species mentioned in the PD has been sent to the validators. Lastly, additional evidence “Kuzuko Game Count 2011” has been shared with the validators (in “Updates – 13 March 13”).
Evidence Used to Consider NCR Addressed:	The validator observed some of the sited wildlife during the field visit. The game counts confirm the species noted in the supporting documents occur on-site. Addressed.
Date Closed:	25 April 2013

### Public Shareholder Comments

Public comments for CCBA were solicited by posting of the PD to the CCBA website and meeting with neighboring landowners prior to project commencement and informing them of the validation process and comment period. The area is fairly remote from any communities. No surrounding communities would be involved until project activities began and employees were hired, temporarily, from them, so they were not consulted during the project design process. The comments and other input of laborers will be documented and considered for revisions to the project. Workers will have the opportunity to comment on the project on a continual basis through interaction with management. Neighboring landowners will also have the opportunity to make comments or offer other input at biannual meetings that will be held for this purpose.

No comments were received regarding the PD.

### Local Shareholder Comments

A public meeting was held at Kuzuko Lodge to discuss the project with adjacent landowners on 23 February 2012. James Reeler of EcoSolutions “...then gave a presentation about the restoration programme, describing the background of degradation in the Eastern Cape, the process of rehabilitation, the benefits of rehabilitation, and the specific context of the KLPGR restoration programme.”



Comments from attendees included:

**CJ van Hussteen**, a local police officer, was concerned about the possibility of an increase in crime due to hired staff being brought in. It was explained that staff would be housed on the premises, and when work was complete, they would return to their communities.

**H. Scheepers** asked about animal damage, especially by kudu, who damaged a spekboom planting on his land. It was explained that more damage might occur, but after early stages of growth, more browsing does not affect survival rate.

**Ian Ritchie** asked for more information about the carbon market, since little was said about this funding source in the program. James Reeler explained how carbon offset markets work.

**Ian Ritchie** also asked whether Kuzuko was putting in money of its own, and whether they expected a return on investment. The answer was yes, Inqo Investments is investing money, but hoped for a return in the medium term. The main reason for the project is the restoration and to provide some temporary employment to local community members.

Although some comments included concerns, the validator asserts the Project demonstrated that the concerns were not material and that all concerns would be sufficiently mitigated and monitored over the life of the project.

### **CCB Public Comment Period**

The project PD was posted to the CCBA website for the formal 30-day public comment period (07 September 2012 to 06 October 2012). No comments were received by VCS during the formal 30-day public comment period.

### **Public Meetings**

C4 EcoSolutions held a public meeting for adjacent landowners or their representatives at the Kuzuko Game Reserve lodge on 23 February 2012. Due to the remote area, there are no other stakeholders at this time.

### **Validation Conclusion**

ESI confirms all validation activities, including objectives, scope and criteria, level of assurance and the Project Design Documentation adherence to the CCB Project Design Standards, Second Edition, as documented in this report are complete. ESI concludes without any qualifications or limiting conditions that the CCB Project Design Documentation *Kuzuko Lodge Private Game Reserve thicket restoration project*, Version 1.6 (21 May 2014)\*, meets the requirements of the CCB Project Design Standards (Second Edition – December 2008) and Gold Level for Exceptional Biodiversity Benefits.

\*Registry requested non-material update of the Project Design Document resulted in a revised version dated after final CCB validation occurred.



### Submittal Information

Report Submitted to:	Mr. Mike Jennings C4 EcoSolutions 9b Mohr Road Tokai, Cape Town, 7945, South Africa  Climate, Community & Biodiversity Alliance
Report Submitted (CCBA-Approved Verifier) by:	Environmental Services, Inc. 7220 Financial Way, Suite 100 Jacksonville, Florida 32256
Lead Validator and Regional Technical Manager (QA/QC) Names and Signatures:	 Shawn McMahon – Lead Validator   Janice McMahon – Vice President and Regional Technical Manager Forestry, Carbon, and GHG Services Division
Date:	05 September 2013

RS/CS/SM/JPM/ VO12035.00/CCB Val Report-final\_v3.doc  
K:pf 07/17/14f



## Appendix A – Documents Reviewed / Received

### Documents received on 3 August 2012:

Blanking and Mortality Surveys.docx  
Inquo – Spekboom project cashflow  
(CONFIDENTIAL) 23072012.pdf  
Kuzuko – Proof of title 2012  
(CONFIDENTIAL).PDF  
Kuzuko PD\_C4ES\_02 August 2012.docx  
Kuzuko Project Area.kml  
Kuzuko\_Baseline and monitoring SOPs\_30  
July 2012.docx  
Kuzuko\_Calculation \_C4ES\_02 August  
2012.xlsx  
Kuzuko-SANParks Conservation Contract  
2004 (CONFIDENTIAL).PDF  
Planting\_areas.kml

### Documents received on 14 August 2012:

Austral Ecology\_Thicket C storage\_Mills et  
al 2005.pdf  
Journal of Arid  
Environments\_Vaviaanskloof Carbon\_Mills  
and Cowling\_2010.pdf  
PhD\_Soi-plant relationships South  
Africa\_Mills.pdf  
Plant and soil\_Thicket Soil Quality\_Mills  
Fey 2004.pdf  
Restoration Ecology\_Spekboom\_Mills and  
Cowling\_2006.pdf  
Restoring Natural Capital\_Spekboom\_Mills  
et al\_2007.pdf  
SAJB\_Litter dynamics Lechmere-Oertel et  
al.2008.pdf  
SAJB\_Spekboom in Fish River  
Reserve\_Mills et al\_2011b.pdf  
SAJB\_Spekboom rainfall  
interception\_Cowling Mills\_2011.pdf  
SAJB\_Thicket\_Sigwela et al\_2009.pdf

SAJPS\_Ecosystem Carbon\_Mills et  
al\_2005.pdf  
SAJPS\_Soil Carbon Nitrogen\_Mills et  
al\_2004.pdf  
SAJS\_Soil quality review\_Mills  
Fey\_2003.pdf  
The impact of browsing-induced  
degradation on the reproduction of subtrop.  
Thicket canopy shrubs and trees, SA J. of  
Bot. 2009.pdf

### Documents received on 31 August 2012:

Kuzuko PD\_C4ES\_31 August 2012.pdf  
Kuzuko\_Calculations\_C4ES\_30 August  
2012.xlsx  
Kuzuko\_Planting\_area\_12.08.30\_final.kml  
Supplementary\_planting\_areas\_12.08.30\_fin  
al.kml

### Documents received on 13 November 2012:

Documentation of C4ES communications  
with VCS and UNFCCC.docx  
EOI to purchase (CONFIDENTIAL)  
19102012.pdf  
Kuzuko – Conveyancer's Certificat  
(CONFIDENTIAL) 25102012.pdf  
Kuzuko Additional Planting Areas.kml  
Kuzuko PD\_C4ES\_Validation Revisions  
12nov.docx  
Kuzuko  
\_core\_spekboom\_planting\_areas\_28.09.201  
2.kml  
Kuzuko\_ESI Validation\_Round 1  
NCRs\_Responses\_C4ES\_11 Nov 2012.xlsx  
Shareholders\_agreement  
(CONFIDENTIAL)\_C4ES\_13112012.pdf



Spekboom Trading\_CoR15 2 Name Change  
(CONFIDENTIAL) 23-01-2012.pdf

World Bank\_World Governance indicator  
Dataset.xlsx

**Documents received on 7 February 2013:**

Blanking and Mortality Surveys.docx

Inqo – Spekboom project cashflow  
(CONFIDENTIAL) 23072012.pdf

Kuzuko – Proof of title 2012  
(CONFIDENTIAL).pdf

Kuzuko Project Area.kml

Kuzuko\_Baseline and monitoring SOPs\_30  
July 2012.docx

Kuzuko-SANParks Conservation Contract  
2004 (CONFIDENTIAL).pdf

Planting\_areas.kml

Kuzuko PD\_C4ES\_Validation Revisions 23  
Jan 2013.docx

Kuzuko PD\_C4ES\_Validation Revisions 23  
Jan 2013.pdf

Kuzuko\_ESI Validation CBB Responses 23  
Jan.xlsx

Kuzuko\_ESI Validation\_Round1

NCRs\_ResponsesC4ES\_23 Jan 2013.xlsx

SABAP1 3325AB.pdf

SABAP1 3325AD.pdf

SABAP1 3325BA.pdf

SABAP1 3325BC.pdf

**Documents received on 12 March 2013:**

Kuzuko\_additional\_planting\_areas\_shapefil  
e.shp and companion files

**Documents received on 19 March 2013:**

Barton et al 2008 – Nitrous oxide emissions  
from a cropped soil in a semi-arid  
climate.pdf

Kuzuko Game Count 2011.pdf

Kuzuko PD\_C4ES\_Validation Revisions  
\_20 March 13.docx

Kuzuko PD\_C4ES\_Validation Revisions  
\_20 March 13.pdf

Kuzuko\_CCBA Round 2 Responses \_20  
March 13.docx

Kuzuko\_VCS Validation Round 2  
Responses\_20 march 13.xlsx

Spekboom Trading Staff Manual.pdf  
(Confidential)

**Documents received on 6 June 2013:**

Inqo – Spekboom Agreement \_30 may  
2013.doc

Kuzuko PD\_C4ES\_Validation Revisions 6  
June 2013.docx

Kuzuko PD\_C4ES\_Validation Revisions 6  
June 2013.pdf

Kuzuko\_Calculations\_C4ES\_6 June  
2013.xlsx

Kuzuko\_additional\_planting\_area\_35S.shp  
and associated companion files

Kuzuko\_core\_spekboom\_planting  
area\_35S.shp and associated companion  
files

**Documents Received on 19 August 2013:**

Kuzuko PD\_C4ES\_Validation Revisions\_19  
August 2013.docx

Kuzuko PD\_C4ES\_Validation Revisions\_19  
August 2013.pdf

Kuzuko\_Baseline and Monitoring SOPs\_30  
July 2012.pdf

Kuzuko\_Calculations\_C4ES\_19 August  
2013.xlsx

Kuzuko\_Validation Round 3 Response  
Report\_C4ES\_19 August 2013.xlsx

Kuzuko\_Project\_Area\_UTM35S.shp and  
companion files.

3325AB\_UTM35S.tif and companion files

3325AD\_UTM35S.tif and companion files

3325BA\_UTM35S.tif and companion files



3325BC\_UTM35S.tif and companion files

**Documents Received on 05 September 2013:**

Kuzuko PD\_C4ES\_5 September 2013.pdf

**Documents received 30 October 2013**

- Kuzuko\_Validation Round 5 Response Report\_C4ES\_17 October 2013.xlsx
- Kuzuko PD\_C4ES\_Validation Revisions\_17 October 2013\_clean copy.docx
- Kuzuko PD\_C4ES\_Validation Revisions\_17 October 2013\_track changes.docx

**Documents received 19 December 2013**

- Kuzuko PD\_C4ES\_31 October 2013.pdf
- FW Kuzuko validation reports.msg
- Kuzuko PD\_C4ES\_31 October 2013.docx

**Documents received 09 January 2014**

- Kuzuko PD\_C4ES\_31 October 2013.docx
- Kuzuko PD\_C4ES\_31 October 2013.pdf

**Documents received 16 July 2014**

- 035 ESI-Kuzuko CCBA Validation Report-Final\_V2.docx

**Commercially Sensitive Information**

- Annexure A - Kuzuko - Proof of title 2012 (CONFIDENTIAL).pdf
- Endangered species information
- EOI to purchase (CONFIDENTIAL) 19102012.pdf
- Inqo - Spekboom project cashflow (CONFIDENTIAL) 23072012.pdf
- Kuzuko - Conveyancer's Certificate (CONFIDENTIAL) 25102012.pdf
- Kuzuko - Proof of title 2012 (CONFIDENTIAL).pdf
- Kuzuko-SANParks Conservation Contract 2004 (CONFIDENTIAL).pdf
- Shareholders\_agreement (CONFIDENTIAL)\_C4ES\_13112012.pdf
- Spekboom Trading Staff Manual.pdf
- Spekboom Trading\_CoR15 2 Name Change (CONFIDENTIAL) 23-01-2012.pdf
- Expression of Interest (provision of finance) 19-10-2012
- Shareholders agreement 13-11-2012
- Inqo - Spekboom Agreement 30-05-2013