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Rainforest Alliance
SmartWood Program

Validation Assessment
Report for:

Mindo Cloudforest Foundation / BOS+
in
Pichincha and Imbabura, Ecuador

Report Finalized:	October 18, 2012
Audit Dates:	November 14-18, 2011
Lead Auditor:	William Arreaga
Audit Team Member(s):	Judith Borja
Audit Standard:	*CCBA Second Edition (2008)*
Validation Code(s):	RA-VAL-CCB-015776
Project Latitude/Longitude:	-0.02333, -78.70611
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1 Introduction

The Rainforest Alliance's SmartWood program was founded in 1989 to certify forestry practices conforming to Forest Stewardship Council (FSC) standards and now focuses on providing a variety of forest auditing services. In addition to being an ANSI ISO 14065:2007 accredited validation and verification body, Rainforest Alliance SmartWood program is also a member of the Climate, Community, and Biodiversity Alliance (CCBA) standards, and an approved verification body with a number of other forest carbon project standards. For a complete list of the services provided by Rainforest Alliance see http://www.rainforest-alliance.org/climate.cfm?id=international_standards.

Dispute resolution: If Rainforest Alliance clients encounter organizations or individuals having concerns or comments about Rainforest Alliance / SmartWood and our services, these parties are strongly encouraged to contact the SmartWood program headquarters directly.

1.1 Objective

The purpose of this report is to document the conformance of Reforestation with native species in the Pachijal and Mira River watersheds for carbon retention with the requirements of the Climate, Community, and Biodiversity Standard . The project was developed by Mindo Cloudforest Foundation (MCF) / BOS+, hereafter referred to as "Project Proponent". The report presents the findings of qualified Rainforest Alliance auditors who have evaluated the Project Proponent's systems and performance against the applicable standard(s).

1.2 Scope and Criteria

Scope: The scope of the audit is to assess the conformance of Reforestation with native species in the Pachijal and Mira River watersheds for carbon retention Afforestation project in Pichincha and Imbabura, Ecuador, against the Climate, Community, and Biodiversity Standard. The objectives of this audit included an assessment of the project's conformance with the standard criteria. In addition, the audit assessed the project with respect to the baseline scenarios presented in the project design document. The project covers an area of 346.8 hectares. The land is privately owned. The project has a lifetime of 30 years, and has calculated a GHG reduction and/or removal of 209,183.60 tCO2e over the course of the project lifetime.

Standard criteria: Criteria from the following documents were used to assess this project:

- Climate, Community, and Biodiversity Project Design Standards (Second Edition) 2008

1.3 Project Description

The PD describes the project as:
"*This project activity groups together 13 private landowners to reforest 346 hectares of degraded grasslands in the Río Pachijal and Río Mira watersheds in Pichincha and Imbabura provinces of Ecuador, respectively. In the broadest sense, the project is divided into 5 strata, 3 in Pichincha province with generally more favorable, wetter environmental conditions and 2 in Imbabura province with generally more degraded, eroded and dry conditions. These disparate environmental realities are also characterized by greater biotic wealth and diversity in strata 1-3 (Pichincha) contrasted with species absence in strata 4-5 (Imbabura). Among this project's major goals is obtaining both VCS and CCBA validation to be able to demonstrate our carbon, community and biodiversity claims objectively.*"
The project start date is November 1st, 2011 and the crediting period is defined as 30 years, ending in October 31th, 2041. The project intends to generate GHG benefits of 6,972.79 tCO2e per year over the crediting period.

1.4 Level of assurance

The assessment was conducted to provide a reasonable level of assurance of conformance against the defined audit criteria and materiality thresholds within the audit scope. Based on the audit findings, a positive evaluation statement

reasonably assures that the project GHG assertion is materially correct and is a fair representation of the GHG data and information.

2 Audit Overview

Based on Project's conformance with audit criteria, the auditor makes the following recommendation:		
Final Report Conclusions		
☒	Validation approved: *No NCRs issued*	
☐	Validation not approved: *Conformance with NCR(s) required*	
Draft Final Report Conclusions		
☒	Validation approved: *No NCRs issued*	The Project Proponent has 7 days from the date of this report to submit any comments related to the factual accuracy of the report or the correctness of decisions reached. The auditors will not review any new material submitted at this time.
☐	Validation not approved: *Conformance with NCR(s) required*	
Draft Report Conclusions		
☐	Validation approved: *No NCRs issued*	The Project Proponent has 30 days from the date of this report to revise documentation and provide any additional evidence necessary to close the open non-conformances (NCRs). If new material is submitted the auditor will review the material and add updated findings to this report and close NCRs appropriately. If no new material is received before the 30 day deadline, or the new material was insufficient to close all open NCRs the report will be finalised with the NCRs open, and validation and/or verification will not be achieved. If all NCRs are successfully addressed, the report will be finalised and proceed towards issuance of a assessment statement.
☒	Validation not approved: *Conformance with NCR(s) required*	

2.1 Audit Conclusions

Considering the additional information submitted by the project proponent on July 3, 2012, the Rainforest Alliance audit team found the project to be in conformance with the CCBA Standard, Second Edition.

Summary of conformance to CCB Standards:

CCB Standard Criteria	Draft Report Conformance	Final Report Conformance
General Section		
G.1 Original Conditions in the Project Area	☐ Yes ☒ No	☒ Yes ☐ No
G.2 Baseline Projections	☐ Yes ☒ No	☒ Yes ☐ No
G.3 Project Design and Goals	☐ Yes ☒ No	☒ Yes ☐ No
G.4 Management Capacity and Best Practices	☐ Yes ☒ No	☒ Yes ☐ No
G.5 Legal Status and Property Rights	☐ Yes ☒ No	☒ Yes ☐ No
Climate Section		
CL.1 Net Positive Climate Impacts	☐ Yes ☒ No	☒ Yes ☐ No
CL.2 Offsite Climate Impacts ("Leakage")	☒ Yes ☐ No	☒ Yes ☐ No
CL.3 Climate Impact Monitoring	☒ Yes ☐ No	☒ Yes ☐ No
Community Section		

CM.1 Net Positive Community Impacts	☐ Yes ☒ No	☒ Yes ☐ No
CM.2 Offsite Stakeholder Impacts	☐ Yes ☒ No	☒ Yes ☐ No
CM.3 Community Impact Monitoring	☐ Yes ☒ No	☒ Yes ☐ No
Biodiversity Section		
B.1 Net Positive Biodiversity Impacts	☐ Yes ☒ No	☒ Yes ☐ No
B.2 Offsite Biodiversity Impacts	☐ Yes ☒ No	☒ Yes ☐ No
B.3 Biodiversity Impact Monitoring	☒ Yes ☐ No	☒ Yes ☐ No
Gold Level Section (Optional)		
GL.1 Climate Change Adaption Benefits	☐ Yes ☐ No	☐ Yes ☐ No
GL.2 Exceptional Community Benefits	☐ Yes ☐ No	☐ Yes ☐ No
GL.3 Exceptional Biodiversity Benefits	☒ Yes ☐ No	☒ Yes ☐ No

2.2 Non-conformance evaluation

Note: A non-conformance is defined in this report as a deficiency, discrepancy or misrepresentation that in all probability materially affects carbon credit claims. Non-conformance Request (NCR) language uses "shall" to suggest its necessity but is not prescriptive in terms of mechanisms to mitigate the NCR. Each NCR is brief and refers to a more detailed finding in the appendices.

NCRs identified in the Draft Report shall be closed through submission of additional evidence by the Project Proponents before Rainforest Alliance can submit an unqualified statement of conformance to the GHG program. Findings from additional evidence reviewed after the issuance of the draft report are presented in the NCR tables below.

NCR #:	01/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 General Section G1.1.
Report Section:	Appendix A. Indicator G1.1.
Description of Non-conformance and Related Evidence:	
The PDD shows the description of physical parameters by strata. The audit team considers this information very basic and incomplete: physical parameters such as soil and geology are not described for all the strata and as a result, information related with soil erosion and conservation is not analysed in all the strata.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	In Section 10 Conditions prior to project initiation, the PP added more information regarding physical parameters. New maps were included: geology in project zone (Pichincha), soils in project zone (Pichincha), erosion susceptibility in stratum 1, erosion susceptibility in stratum 2, and erosion susceptibility in stratum 3. These maps include specifics, for example the taxonomic classification of the soils in the project zone (order, suborder and group). Based on this information, it is possible now to analyse the physical parameters by strata.

NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	02/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G1.3.
Report Section:	Appendix A, Indicator G1.3.
Description of Non-conformance and Related Evidence:	
After discussing the topic with the PP, it was determined that the project area consists of 346 hectares where the plantations will be established, but the project zone definition was still confusing, and as a result it is not defined the geographic location of the project zone. The correct definition of the project zone is very important, since this is the area where the project will impact on, negatively or positively. CCB standard requires to clearly define the project zone.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf NCR2_Definition of Project Area and Zone.xls
Findings for Evaluation of Evidence:	The PP designed new maps in which the project zone is defined by strata. The delimitation of the project zone includes at least one of the adjacent communities in which the project activity could impact on. According to the PD, the following areas conform the project: Strata / Project area (ha) / Project zone (ha) 1 / 69.7 / 940 2 / 51.4 / 549 3 / 42.7 / 154.7 4 / 67 / 267.9 5 / 116 / 655.5 A total of 2,913.9 ha are considered as the project zone. The project zone as defined in the PD must be considered by the PP as the area to be monitored during the project lifetime.
NCR Status:	CLOSED
Comments (optional):	None.

NCR#:	03/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G1.5.
Report Section:	Appendix A Indicator G1.5.

Description of Non-conformance and Related Evidence:	
It is not clear in the PD if the PP defined “community” as it is established by CCB definition, and as a result the PP does not provide a detailed description of the communities based on the socioeconomic and cultural survey that was conducted in the area, for example: age class, gender, wealth or ethnicity. The PP shall base the community description on the project zone definition.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The relation between the project strata 1, 2 and 3 with community and expected impacts are analysed in Table 4 of the PD. The relevant communities are listed. Three cantons and the rural parishes of the Quito Metropolitan District (QMD) are defined within the project zone. Local communities are mentioned and described, e.g. Mindo parish of canton San Miguel de Los Bancos; Gualea parish of the QMD; canton of Pedro Vicente Maldonado and canton of Puerto Quito. Regarding strata 4 and 5 located in Pichincha, the PP describes the local communities based on the poverty index by canton (e.g. Quito, Cayambe, Mejía).
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	04/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G 1.7.
Report Section:	Appendix A G 1.7.
Description of Non-conformance and Related Evidence:	
The audit team reviewed the biodiversity section of the PDD. The PP based the description of the biodiversity with main focus on avifauna due to the PP expertise. Other taxa of wildlife for example mammals are not described including threats to that biodiversity using appropriate methodologies as it is required by the CCB standard. The description of the biodiversity must be done considering the definition of the project zone.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The biodiversity description was updated, including general information of other taxa of wildlife, basically mammals. The PP explains in the PD that based on the information available (personal communications, technical reports) the presence of other taxa in the project zone is minimum due to the fact that the area had been degraded for years.

	However, the PP commits to develop a formal research program in cooperation with universities in Belgium (Ghent University) and Ecuador to monitor other species groups specially invertebrates. There are more than 60 mammal species already identified in the project zone; the PP has identified the potential threats against the biodiversity as a whole.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	05/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G 1.8.1- 1.8.6.
Report Section:	Appendix A G 1.8.1- 1.8.6.
Description of Non-conformance and Related Evidence:	
The PDD includes a list of high conservation values for birds, in each one of the CCB categories within the project zone, but does not describe the presence or absence of the other categories of HCVs in the project zone. An evaluation of HCVs shall be completed, appropriate to the scale of the project, according to one specific methodology for its determination, in order to meet all the requirements of the indicators 8.1 to 8.6.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf Table_HCV.xlsx
Findings for Evaluation of Evidence:	The PP used as a guidance the “Guia para la identificación y manejo de bosques de alto valor de conservación en Ecuador, 2005, Alianza Jatun Sacha – CDC Ecuador”. All the HCV categories were analyzed in a comparative chart, considering the project zone. Apart from the already identified HCV (UICN Birds presence in strata 1, 2, 3; protected areas and threaten ecosystems for birds) the PP added areas that provide critical ecosystem services mainly water catchment in strata 1, 4, 5. According to the PD, the PP used a methodology including documentary review, community consultation and expert or knowledgeable judgment.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	06/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G2.4.
Report Section:	Appendix A Indicator G2.4.
Description of Non-conformance and Related Evidence:	
The description of how the without project reference scenario would affect communities was not done based on the project zone. The potential impacts only included water availability; however, as per the CCBA requirement, the description of the potential impacts shall include soil and other locally important ecosystem services.	

Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The impacts forseen in the communities of the project zone are analysed in table 4 and 6 of the PD (Section 1.10). In summary, it is expected that the without reference scenario would affect local communities by producing ever greater degradation of soils and watersheds. Erosion is also expected to increase due to the degradation level of the lands in the project zone. As a result, the water availability for local communities will decrease substantially.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	07/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G2.5.
Report Section:	Appendix A Indicator G2.5.
Description of Non-conformance and Related Evidence:	
The PDD does not address appropriately how the "without project" scenario would affect biodiversity in the project zone (e.g., availability of habitat, landscape connectivity and endangered species).	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The PP described the biodiversity identified in the project zone. Then the potential impacts on the biodiversity in the absence of the project was discussed, in summary the PP considers that in the without project scenario the natural habitats would decrease in quantity and quality because of the fragmented natural lands in the project zone. Restoration of bird habitats would not occur, and then the IBAs (Important Biodiversity Areas) will continue to be threatened or restricted for all the species. Natural regeneration of flora species would be diminished and maybe some species could disappear due to the lack of landscape connectivity.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	08/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G3.1.
Report Section:	Appendix A G3.1.
Description of Non-conformance and Related Evidence:	
The objectives of the project are written in the PDD in a disorganized manner. The audit team considers that this information could lead to a misinterpretation of the climate, biodiversity and community objectives of the project. As a result, the objectives of the project shall be set in the PDD but also explained in a consistent manner.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The PD now includes the project's Climate, Community and Biodiversity goals. The whole section was organized and updated. All the goals (objectives) are described and widely explained in section 1.1 of the PD. The audit team considers those goals as feasible to comply under the local conditions of the project.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	09/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G 3.2.
Report Section:	Appendix A G 3.2.
Description of Non-conformance and Related Evidence:	
The main project activity is basically tree planting, and as such this is well discussed in the PDD. However, this explanation is not enough to describe the climate, community and biodiversity impacts of the project activity and its relevance to achieving the project´s objectives.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf PGMF_CarbonNeg_Mayo.doc
Findings for Evaluation of Evidence:	All the project activities are described in the Forest Management Plan version May 12 along with the specific objectives. By implementing the project activities the PP will ensure the compliance of the goals of the project, for example by hiring local people or by giving them the opportunity to be trained in specific topics related with the management of the plantations.

	Also, the PD includes a wide list of project activities and clarifications about the expected impacts on climate, community and biodiversity. The list of project activities and milestones are considered by the audit team as adequate to achieve the goals of the project.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	10/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G 3.3.
Report Section:	Appendix A G 3.3.
Description of Non-conformance and Related Evidence:	
The PDD does not provide a map which clearly identifies the project locations in detail, and boundaries of the project area or areas in which activities take place. The proponent shall present a map identifying the project farms in detail, and boundaries of the project area, and of the locations that are predicted to be impacted by project activities. The definition of the project zone must also appear in the series of maps since this area will be affected by the implementation of the project activity, negatively or positively.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The PP has improved substantially the maps of the project in general. The maps contain technical information useful for the field workers and also the farm administrators to make decisions about the implementation of the project activities, but also to implement the monitoring plan. Regarding the requirement of the CCBA, the project zone is adequately delimited in the maps and through a GIS the area involved was estimated. These maps include the delimitation of the project area (eligible areas), infrastructure, near towns, high conservation value areas; geographical information (north location, coordinates, graphic scale, hypsometry).
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	11/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G 3.4.
Report Section:	Appendix A G 3.4.
Description of Non-conformance and Related Evidence:	
During the field visit, the PP explained that the forest management plan of all the lands was under construction. After the field visit, the document was not submitted to the audit team. In no other document the PP has defined a schedule	

indicating key dates and milestones in the project's development.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf PGMF_CarbonNeg_Mayo.doc Marco lógico-proyecto BOS+-MCF-reforestación
Findings for Evaluation of Evidence:	Even when a forest management plan per se is not a specific requirement of the CCBA standard, the audit team considered this document as a proper tool in which the project proponent can demonstrate that the project intends to pursue long term objectives. As a result, MCF submitted two main documents: the general forest management plan and a *marco lógico* which is a result-oriented approach document. In summary, the forest management plan aims to delineate all the silvicultural activities to be implemented during the 40-year period (2012 to 2051). During the first 20 years, the proponent is not planning a harvest; the only activities are related with the establishment and monitoring of the project plantation. The second period of the forest management includes only four project lands in which harvest will take place potentially in a total of 120 ha. Low intensity harvest would be implemented while the rest of the farms are not considering yet a harvest event Regarding the Marco Lógico document, the proponent includes only short-term activities; however, the audit team considers the forest management plan information as adequate to comply with the CCBA standard requirement.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	12/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G 3.5.
Report Section:	Appendix A G 3.5.
Description of Non-conformance and Related Evidence:	
PDD does not describe the actions to control and vigilance of the possible risks of the expected climate, community and biodiversity benefits, and how they will mitigate these possible risks. The proponent shall develop a plan of control and vigilance of risks to ensure that such activities are prevented.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of	In the updated version of the PD the PP determined two main potential risks to the

Evidence:	project: fire in the stratum 5 and cattle in stratum 3. In order to control the potential risks, some specific measures will be taken, for example fire breakers 6 meters wide around the plantation areas, strengthening fences and continue the meetings with local community representatives. The forest management plan includes a chapter of forest protection.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	13/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G3.6.
Report Section:	Appendix A G3.6.
Description of Non-conformance and Related Evidence:	
The PP has not completed a HCV evaluation; hence, it has not been demonstrated that the PP has designed specific measures to ensure the maintenance or enhancement of the high conservation value attributes identified, consistent with the precautionary principle. As such, the PP has to design a HCV monitoring program in the PDD, where also it is committed to implement it during the project lifetime.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	Once the HCV areas were defined, the PP analysed the potential risks and designed specific measures to ensure the maintenance of those value attributes identified. The main management activity will be the protection of the natural forests within the project zone, since all these areas will be maintained as protected areas as it is established in the plantation program. Even the plantations will be managed without pursuing a harvest in the mid-term, moreover only three owners will selectively cut trees at year 20th; the rest of the trees will be protected from logging. Being so, the audit team considers that both HCV attributes will be maintained properly. In the monitoring plan, the PP considered specific actions to monitor and protect both HCV attributes.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	14/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G 3.7.
Report Section:	Appendix A G3.7.
Description of Non-conformance and Related Evidence:	
The PDD does not describe the measures to be taken to maintain and enhance climate, community and biodiversity benefits beyond the life of the project. A forest management plan could be presented where the PP includes all the measurements taken to guarantee the compliance of all the related requirements of the CCB standard	

(implementation schedule, indicating key dates and milestones in the project's development; a formal monitoring plan of potential risks associated with the permanence of the plantation project).	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf PGMF_CarbonNeg_Mayo.doc
Findings for Evaluation of Evidence:	The PP has defined the following measures to maintain all the related benefits of the carbon project during its implementation and beyond, to assure the permanence: implementation of the monitoring plan and the forest management plan in which there are operation procedures and guidance to protect the plantations from fire, pests, diseases, inmigration, cattle, illegal cutting or hunting. Research and tourism activities are also included in the PD as methods to prevent illegal activities in the project lands. The audit team considers these measures adequate, considering the expertise and presence of the proponent in the area, and also considering the relationship with local institutions and community representatives.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	15/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G 3.8.
Report Section:	Appendix A G 3.8.
Description of Non-conformance and Related Evidence:	
The PDD does not document and describe how communities and stakeholders potentially affected by the project activities have been identified and have been involved in project design through effective consultation. The proponent shall document stakeholder and community dialogues and shall indicate if and how the project proposal was revised based on these contributions.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	Documentación_consulta_Comunitaria_CarbonNeg.doc
Findings for Evaluation of Evidence:	In an annex of the PD, the PP describes the methodology used to communicate and to give the opportunity to the local communities to design the plantation project. Personal communications with key people of the communities were obtained and also on site meetings and workshops were developed including a wide range of people: Dirección Ambiental del Cantón Puerto Quito, school teachers, leaders, Junta Parroquial, alcaldía. List of people who attended the meetings and workshops were submitted as

	evidence. All the documents submitted were dated 2009 to 2012. After reviewing the documents the audit team considers that the PP has established an adequate relationship with local communities and therefore they will have the opportunity to improve the implementation of the project during the following years.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	16/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G3.10.
Report Section:	Appendix A G3.10.
Description of Non-conformance and Related Evidence:	
The process for handling unresolved conflicts and grievances is being developed. MCF shall design and formalize a process for handling unresolved conflicts and grievances that arise during project planning and implementation, and include a process for hearing, responding and resolving community and other stakeholder grievances within a reasonable time period.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The conflict resolution process is defined in Annex I on Section G3.10 of the PD. The protocol consists basically of two steps. The first one is to handle the grievances domestically, that is within the project personnel and the person who brought the complaint or question. If there is no agreement between the parties, the second step will take place when the local political officer or Parish Board (Intendente Político o Junta Parroquial) plays a role of conciliation to finally arrive to a decision. All the process will be documented and a final statement will be shared with the parties within the following 30 days of the process.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	17/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G4.3.
Report Section:	Appendix A G4.3.
Description of Non-conformance and Related Evidence:	
The PP has not designed a training program for people who will be involved in the project directly or indirectly: project employees and relevant people from the communities. The training program shall pursue the objective of building local capacity and generate knowledge to increase local participation in project implementation regarding community, climate and biodiversity, when possible.	

Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The PP designed a training program for all employees. Project training focuses on three aspects for all employees during verbal training events: 1. Forestry techniques: Correct usage and maintenance of project tools; in-field class as to correct location, determination of species according to specific forestry model, hole-digging, placement of amendments and planting; creation of firebreaks where relevant; plant-crown maintenance. 2. Employee rights and responsibilities: all employees explained the breakdown of the components of their wages; emergency procedures; procedures in event of labor dispute or non-conformity. 3. Climate Change susceptibility. The plan will start with small groups working in the fields, for example the establishment of a nursery in which the employees will be trained in specific topics. The audit team reviewed pictures as evidence of the training implementation. It is also expected that the research agreement already signed with local universities would help to train workers in different topics such as biodiversity monitoring. The audit team considers that through the implementation and potential improvements, the training plan will help to build local capacities.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	18/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G 4.6.
Report Section:	Appendix A G4.6.
Description of Non-conformance and Related Evidence:	
In the PD or as a supporting document, the PP shall design and implement a plan to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be guaranteed, MCF shall show how the risks will be minimized using best work practices.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of	As part of the training plan, the PP will assure the workers know how to apply the

Evidence:	emergency procedures (first aid) but also how to identify the risks activities according to the project activity (nursery, cleaning, pruning, thinning, harvest, use of pesticides when applicable). As a contingency, all the strata are located near to hospital facilities. The audit team considers these measures as adequate to comply with the CCB requirement.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	19/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G4.7.
Report Section:	Appendix A G4.7.
Description of Non-conformance and Related Evidence:	
The PD shows the PP´s General Balance and Profit and Loss statements. A projection of the financial health of the PP needs to be demonstrated in order to estimate that financial resources budgeted will be adequate to implement the project activity. A financial analysis shall be done considering the secured funding from project partners, the carbon credit income and other direct and indirect costs and benefits expected during the project lifetime.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf Flujo de Caja Proyecto.xls
Findings for Evaluation of Evidence:	The PP has designed a cash flow in which it is included all the incomes and outcomes for the implementation of the project covering the project lifetime. Among the outcomes the PP includes basically the planting and maintenance activities, while the sale of credits (from VCUs) is included as incomes. The comparison between income and outcome suggests a 3% of superavit. Signed contracts with two companies are reflected in the cash flow as secured funding from project partners. The audit team reviewed the cash flow, no inconsistencies were found.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	20/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement G5.1.
Report Section:	Appendix A G5.1.
Description of Non-conformance and Related Evidence:	
A list of all relevant national and local laws and regulations, and also all applicable international treaties and agreements shall be submitted by the PP.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.

	Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf Marco legal e institucional forestal.docx Ecuadorian laws and other info (file)
Findings for Evaluation of Evidence:	A list of all relevant laws and national regulations was presented to the audit team during the field visit. The PP expects to hire temporary workers for implementing the project activities (nursery or site preparation, planting, etc.), such as field workers, forestry engineer, among others. By the time of the field visit, no workers had been hired so the audit team was not able to verify that the worker's rights in Ecuador were been honoured. However, in the PD the PP states that all workers (even those temporary workers) will sign legal individual work contracts and will have their rights explained verbally. To do this, the PP will use a lawyer who will be in charge of including the workers inscription in the Ecuadorian Institute of Social Security; salaries and benefits (also economic incentives) will be remarked in a monthly payroll receipt. It is expected that the lawyer can explain the project work contracts to the potential employees. In regards to compliance with other laws, during the stakeholder consultation, the audit team did not receive any complain or evidence that the PP or the participants (land owners) had violated the national regulatory framework.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	21/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement CL.1.1, CL2.4
Report Section:	Appendix A CL.1.1, CL2.4.
Description of Non-conformance and Related Evidence:	
In the PD and supporting documents the PP demonstrates the GHG benefits the project activity will represent during the project lifetime; however, in order to estimate the net change in carbon stocks due to the project activities, all the increase in non-CO2 GHG emissions as a result of the implementation of the project shall be estimated also. According to the methodology, the only increase in GHG emissions within the project boundary which results from the implementation of the project activity, and which is required to be accounted for is the non-CO2 GHG emission from burning of biomass for site preparation and/or forest management.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The equation 2 of the methodology* was used ($\Delta C_{ACTUAL} = \Delta C_P - GHG_E$); the GHG_E (increased in non-CO_2 GHG emissions within the project boundary) was neglected

	because no burning is involved in site preparation –after the use of the proper tool ("Estimation of non-CO2 GHG emissions resulting from burning of biomass attributable to an A/R CDM project activity"). * AR-AMS0007 Version 01.0.1: Simplified baseline and monitoring methodology for small-scale A/R CDM project activities implemented on grasslands or croplands.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	22/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement CL1.3, CL2.4.
Report Section:	Appendix A CL1.3, CL2.4.
Description of Non-conformance and Related Evidence:	
Although the PP understands that under the chosen methodology, only the CO_2 is the unique pool to be considered, the audit team considers that besides non-CO2 GHG emission from burning of biomass for site preparation and/or forest management, there are also other sources to be considered, such as emissions from fossil fuel consumption, direct emissions from the use of synthetic fertilizers, and emissions from the decomposition of N-fixing species.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The PP stated in the PD that "only organic fertilizers will be used, thus emissions from synthetic fertilizers are equal to 0." According to the interviews of the audit team with workers in the fields, the PP intends the use of organic fertilizers when applicable. During the visit, the audit team did not notice synthetic fertilizers storage in the farms. Regarding the emissions from the decomposition of N-fixing species, the PP demonstrated in the PD that this will be lower than 5% and thus not accounted for in the emission carbon calculations due to the implementation of the project activity.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	23/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement CM1.1.
Report Section:	Appendix A CM1.1.
Description of Non-conformance and Related Evidence:	
In the PDD, the PP did not consider the impacts on communities, both with and without project scenarios resulting from the planned project activities. The PP shall demonstrate that the difference between the with project scenario and the without project scenario of social economic well-being in the absence of the project is positive for all community groups.	

Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The PP has analysed the potential impacts on communities by comparing the with and without project scenarios in comparison tables. All the communities within the project zone were analysed, considering all the strata. In summary it is expected that the without reference scenario would affect local communities for instance, by producing ever greater degradation of soils and watersheds. Erosion is also expected to increase due to the degradation level of the lands in the project zone. As a result the water availability for local communities will decrease substantially. The monitoring plan includes also specific measures to continue analysing the potential impacts, both positive and negative once the project is fully implemented.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	24/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement CM1.2, CM3.2, B3.2.
Report Section:	Appendix A CM1.2, CM 3.2, B3.2.
Description of Non-conformance and Related Evidence:	
Since the PP has not finished a HCV evaluation within the project zone, it is not possible to demonstrate that no HCV identified will be negatively affected by the project. Moreover, the PP has not developed an initial plan for how they will assess the effectiveness of measures used to maintain or enhance HCV related to community well-being.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The PP completed the HCV evaluation within the project zone and found the following attribute in strata 2, 4 and 5 with respect to the local communities: Areas that provide critical ecosystem services (water catchment, erosion control, fire prevention). The audit team visited all the strata and confirmed that only the plantation project exists in the area and as such no negative impacts are expected on the attributes identified or the community well-being. In spite of that, the PP will monitor the whole area using specific indicators of community and biodiversity criteria.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	25/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement CM 2.1.- 2.3.
Report Section:	Appendix A CM2.1.- 2.3.
Description of Non-conformance and Related Evidence:	
The PDD does not estimate the negative impacts will be caused by the implementation of the project on the socio economic conditions of the offsite communities. MCF shall complete the estimation of the negative impacts on communities in the project area, by specifying the methodology and assumptions used, by including a credible estimate of impacts, and design an appropriate plan to mitigate the negative impact.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The PP used a survey in order to determine if the implementation of the project could lead to negative impacts to the local communities within the project area and within the project zone. Some minor negative impacts were identified during the survey; however, all of them were not directly related with the project activities, but related with external factors. The analysis were completed by comparing the with- and without project scenario. Here, some other minor issues were identified in the without project scenario and basically none negative impacts in the with- project scenario. The PP has established procedures to monitor the community criteria in the project lifetime.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	26/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement CM 3.1.
Report Section:	Appendix A CM 3.1.
Description of Non-conformance and Related Evidence:	
The PDD does not propose an initial social plan to select community variables to be monitored and frequency of monitoring and reporting. The audit team considers that MCF must design a formal socioeconomic monitoring plan.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf

Findings for Evaluation of Evidence:	In section 4.3.7. (Monitoring community aspects), the PP defines that the community/socio-economic monitoring plan will actually monitor the socio-economic parameters amongst the involved communities or actors within the project zone. The plan established a frequency of monitoring of once a year the first years of implementation of the project, then every four years during the rest of the project lifetime. The audit team considers the timeline is aligned with the proposed goals.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	27/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement B1.1.
Report Section:	Appendix A B1.1.
Description of Non-conformance and Related Evidence:	
The PP has established a monitoring protocol of avifauna populations and species diversity in project area. The audit team considers this protocol enough to monitor avifauna, but it is still needed to expand the protocol scope to other wildlife biodiversity species (flora and fauna) within the project zone, not only the project area. Also, the use of the methodology selected (field techniques supervised by a MCF founding member and recognized national expert) shall be focused on the estimation of changes in biodiversity as a result of the project activity in the project lifetime. Changes shall be positive when comparing the baseline with project biodiversity scenario against the without project scenario.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	In Section 4.3.8 of the PD the PP has explained that the CCB standards will be followed as guidelines to elaborate a detailed biodiversity monitoring plan within 1 year after project validation. The project monitoring plan will quantify bird species present in the project boundary over time and contribute to scientific understanding of the relation between bird populations and habitat quality. MCF has signed agreements with local universities in order to start a formal research program. The audit team reviewed the agreements. The research and monitoring will be leaded by a national expert and cofounder of the organization. Field technics and sampling will follow common guidance on the matter: The monitoring plan is already designed and considered deep study of the biodiversity since it is considered as useful indicator for the impact of habitat and climate disturbances on biodiversity and environmental health; however, the study of invertebrates is also considered. The biodiversity topic is perhaps the major strength of the proponent.
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	28/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement B2.1-B2.3.
Report Section:	Appendix A B2.1-B2.3.
Description of Non-conformance and Related Evidence:	
The PDD only mentions that no potential negative offsite biodiversity impacts were found; however, there is no reference of literature or appropriate methodology results used by the PP to arrive to this conclusion. Moreover, there is not a description of how the project plans to mitigate potential negative offsite biodiversity impacts, and how the PP will manage the unmitigated negative impacts against the biodiversity benefits of the project within the project boundaries.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	Based on personal communications from local stakeholders, and at least two biodiversity local experts, the PP defined that no negative offsite biodiviersity impacts are expected. However, since this topic is by far one of the major strengths of the PP, the biodiversity monitoring plan was designed to anticipate any negative issues, and to manage the unmitigated negative impacts if any. The monitoring plan is explained in detail in section 4.3.8 of the PD (Monitoring Biodiversity).
NCR Status:	CLOSED
Comments (optional):	None.

NCR #:	29/12
Standard & Requirement:	Climate, Community & Biodiversity Standards, Second Edition – December 2008 Requirement B3.1
Report Section:	Appendix A B3.1
Description of Non-conformance and Related Evidence:	
The PP has enough information about the birds as indicators of changes in biodiversity; however, there is no justification about the absence of other taxa. It is still needed that the PP develops an initial plan for selecting biodiversity variables to be monitored and the frequency of monitoring and reporting.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to validation
Evidence Provided by Organization:	MCF-BP-VCS Project Description Template – June 2012.pdf
Findings for Evaluation of Evidence:	The biodiversity monitoring plan will emphasize on the following, as it is stated in the PD:

	- Comparison of plant diversity in intact natural vegetation and degraded vegetation (baseline) - Evolution of plant diversity in degraded vegetation (project period) - Avifauna trends (project period) - Comparison of fauna diversity (after determining indicator species, also focusing on invertebrates) in intact natural vegetation and degraded vegetation (baseline) to provide a reference for biodiversity recuperation due to project activity. - Evolution of fauna diversity (after determined indicator species) in degraded vegetation (project period). The PP has established that the biodiversity monitoring will start one year after the validation and then will take place every year during 2013 and 2014; then further monitoring events will take place every five years. The audit team reviewed the monitoring plan, and confirmed that the goals are aligned with the proposed activities, and therefore the monitoring activities are feasible to comply.
NCR Status:	CLOSED
Comments (optional):	None.

2.3 Observations

Note: Observations are issued for areas that the auditor sees the potential for improvement in implementing standard requirements or in the quality system; observations may lead to direct non-conformances if not addressed. Unlike NCRs, observations are not formally closed. Findings from the field audit related to observations are discussed in Appendix A below.

No OBS were raised

2.4 Actions taken by the Project Proponent address NCRs (including any resolution of material discrepancy)

Action Taken by Project Proponent following the issuance of the Draft Report		Date
Additional documents submitted to audit team (additional documents listed below)	☒ Yes ☐ No ☐ N/A	July, 2012
Additional stakeholder consultation conducted (evidence described below)	☐ Yes ☒ No ☐ N/A	
Additional clarification provided	☐ Yes ☒ No ☐ N/A	
Documents revised (document revision description noted below)	☒ Yes ☐ No ☐ N/A	August, 2012
GHG calculation revised (evidence described below)	☒ Yes ☐ No ☐ N/A	August, 2012

The PP addressed the open NCRs by submitting an updated version of the PD and other supporting documents. No further clarification or stakeholder consultation was necessary. The audit team reviewed the evidence and found to be sufficient to close the non-conformance.

Included in the actions taken by the Project Proponent to address NCRs was the submission of the following revised files:

Ref	Title, Author(s), Version, Date	Electronic Filename
1a.	MCF PD, MCF 2012 Version June 2012	MCF-BP-VCS Project Description Template - June 2012
2a.	New maps, MCF 2012	MCF_GH_VCS_2011 (file)
3a.	Forest Management Plan MCF Version June 2012	MCF_PGMF_JUNIO.PDF

4a.	Marco Lógico, MCF 2012	Marco lógico-proyecto MCF-BOS+-reforestación.xls
5a.	Harvest Schedule, MCF 2012	tablilla_aprovechamiento maderable_2032-2041.xls
6a.	New maps in jpg extension, MCF 2012	nuevos_jpgs (file)

3 Audit Methodology

3.1 Audit Team

Overview of roles and responsibilities:

Auditor(s)	Responsibilities							
	Lead	Desk Review	On-site visit	Climate Specialist	Biodiversity Specialist	Social Specialist	Report	Senior Internal Review
William Arreaga	☒	☒	☒	☒	☐	☐	☒	☐
Judith Borja	☐	☒	☒	☐	☒	☒	☒	☐
Adolfo Lemus	☐	☐	☐	☐	☐	☐	☐	☒

Auditor qualifications:

Auditor(s)	Qualifications
William Arreaga, Rainforest Alliance Verification Services Coordinator Mesoamerica *Lead auditor*	Guatemalan forester from San Carlos de Guatemala University, and M.Sc. from CATIE, Turrialba, Costa Rica. He is also involved in a MBA program on Financial Administration in Guatemala. William serves as a lead auditor for FSC Forest Management, and Chain-of-Custody. His forest carbon experience includes a development of biomass allometric equations in Guatemala; he had also received formal training in Environmental Services, including Carbon issues at Winrock International; as well as he had developed a great experience with Carbon issues by his participation in the field for three CCB validations in Mexico, Nicaragua and Costa Rica; VCS validations in Honduras, Panama and Mexico, and CCB validation and CarbonFix verification in Panama. He had received training as lead auditor against ISO 14001.
Judith Borja, Consultant *Audit team member*	Ecuadorian biologist, graduated from the Pontificia Universidad Catolica del Ecuador, and bachelor's degree in Environmental Engineering from the University of Loja, where she currently teaches as a guest teacher for four years. Since 2004 she has worked with the FSC initiative in Ecuador (CEFOVE), and since 2007 assumed the national coordination. In September 2008 she participated on behalf of the Auditing CEFOVE GFA, by ASI-FSC, and in November the same year, the General Assembly of the FSC. She has developed experience on High Conservation Value Attributes (HCVA) and on social components of the certification. She has been linked to the German Technical Cooperation-GIZ, GFA Consulting Group and SmartWood Rainforest Alliance since 2006.

3.2 Description of the Audit Process

The validation process started on August 22, 2011 when the Project Proponent (PP) submitted the Project Description (PD) Version 1 and supporting documents. This information was used by the audit team to perform a pre-validation process, which consisted of identifying major gaps (observations) that could prevent the continuation of the project. Once the observations were addressed by the PP, the field audit took place. As a result of this, several minor issues were identified by the audit team, then a new version of the PD (Version 2) was developed. This last PD Version 2 was used by the audit team during the field visit which was performed on November 2011 and consisted of:

Desk-audit: Before starting the field visit an agenda that included interviews with stakeholders was designed; the audit team, along with the PP, selected key stakeholders from NGOs, producer associations, government institutions, among others. Some of the interviewees were visited by the audit team and others were interviewed during the field visit.

The auditors received all the documentation referenced in the PD and the information required by the standard in

digital version. Also to start the field visit, the project proponent made a presentation of PD in reference to the documents previously sent to the auditors. The PP also made an explanation of the project database: spreadsheets, maps, analysis of leakage, etc.

Field audit: According to the project area, the audit team visited two regions: Pichincha (strata 1 to 3) and Imbabura (strata 4 and 5). Within those projects, the audit team visited some plantations to evaluate the implementation of the management plan (treatment used for planting, soil preconditions and treatments), the risks factors such as fire, pest and disease threatens; and also topics as baseline, additionality, leakage and monitoring the GHG, inventory design and implementation. The audit sampling was defined in order to visit representative plantations, not only to evaluate the management within the project boundary, but also outside the project, mainly to assess the alternative scenarios (additionality and baseline). The field audit also consisted of visiting project lands with no plantations already established.

The CCBA audit was done along with VCS audit in the same area. The audit team evaluated both standards simultaneously.

Location/Facility	Date(s)	Length of Audit	Auditor(s)
Administrative office, MCF, Quito	Nov 14, 2011	3 hours	W.Arreaga / J.Borja
Stakeholder consultation: - Ministerio del Ambiente, Subsecretaría de Cambio Climático; - Ministerio del Ambiente, Dirección Forestal - ECOPAR	Nov 14, 2011	6 hours	W.Arreaga / J.Borja
Field visit: PB1, PB2, Santa Rosa de Mindo	Nov 15, 2011	One full day	W.Arreaga / J.Borja
Field visit: Stratum 3, Stakeholder consultation: Recinto 3, Escuela Carlos Gonzáles, Recinto Las Provincias Unidas, Escuela Martha Bucaram, Los Bancos (Ministerio del Ambiente, Unidad de turismo y gestión ambiental)	Nov 16, 2011	One full day	W.Arreaga / J.Borja
Field visit: Stratum 4, Stratum 5 Stakeholder consultation: Escuela Fuerza Aérea del Ecuador, Vivero	Nov 17, 2011	One full day	W.Arreaga / J.Borja

3.3 Review of Documents

The following documents were viewed as a part of the field audit:

Ref	Title, Author(s), Version, Date	Electronic Filename
1	MCF PD, MCF, 2012	MCF-GH-VCS Print 1-80 Nov 14, 2011.pdf
2	Oficio Versión Nueva, MCF, 2012	Oficio Versión Nueva.pdf
3	Internal communications, MCF, 2012	Gmail - Proyecto VCS de Mindo Cloudforest Foundation a SCC.pdf
4	MAE communication, MCF, 2012	Oficio Nro. MAE-SCC-2011-0181
5	Carbon calculations, MCF, 2012	Carbon Calculations.xlsx
6	Supporting documents, MCF, 2012	Other Reference Materials (file, 16 docs)

7	KML files, MCF, 2012	MCF_Iniciativa_CarbonNeg.kml
8	Plan de manejo BVPTST, 2012	Plan de Manejo BVPTST - 22 dic 09.pdf
9	Key to response, MCF, 2012	Key to Response VCS Pre-validation.docx
10	Fase1 estimations, MCF, 2012	FASE1-estimations-Carbon Calculations_v5.xlsx
11	Convenios firmados, MCF, 2012	Convenios Firmados Propietarios (file)
12	Ecuadorian laws, 2012	Ecuadorian laws and other info (file)
13	Legal documents, 2012	MCF Legal Standing docs (file)
14	Contracts, MCF, 2012	Telenet-VBV Contract Info
15	Risk assessment tables, MCF, 2012	Tables_MCF_AFOLU Risk Tool, Nov, 2011.pdf
16	KML project files, MCF, 2012	MCF Project Strata.kml
17	Carbon calculations, MCF, 2012	MCF-Carbon Calculations.xlsx

3.4 Interviews

The following is a list of the people interviewed as part of the audit. The interviewees included those people directly, and in some cases indirectly, involved and/or affected by the project activities.

Audit Date	Name	Title
Nov 14-18	Brian Krohnke	Project developer, owner, legal representative of MCF
Nov 14-18	Debbie Eraly	Asesora de proyectos, Groenhart VZW / BOS+
Nov 14	Pablo Astudillo	Coordinator Subsecretaría de Cambio Climático, Ministerio de Ambiente
Nov 14	Stefani Arellano	Climate Change Specialist, Ministerio de Ambiente
Nov 14	Aurelie Lhumeau	Climate Change Director, Ministerio de Ambiente
Nov 14	Cristian Velasco	Dirección Nacional Forestal Coordinador, Ministerio de Ambiente
Nov 14	Luis Ordónez	ECOPAR Director Ejecutivo
Nov 14	Patricio Erreis	Former ECOPAR employee
Nov 14	Wilson Araujo	Oficina Técnica Director, Milpe, Ministerio de Ambiente
Nov 15	Roberto Erneis	Former Ecopar employee
Nov 15	Luis Pérez, Lily Olmedo, Marina Tuqueros	Employees
Nov 16	Guillermo Laespina	Major, Puerto Maldonado
Nov 16	Rafael Ferro	Project land owner
Nov 16	Sr. Yaguachi	President Recinto 23 de Febrero
Nov 16	Milton Díaz	Teacher, School Carlos Alberto Gonzáles
Nov 16	Patricio Jaramillo	President Recinto Las Provincias Unidas
Nov 16	Marlene Alcocera	Teacher, School Martha Bucaram
Nov 17	Ximena Enríquez	Project land owner
Nov 17	Carlos Enríquez	Employee Stratum 4
Nov 17	Gerardo Pasapas	Project land owner
Nov 17	José Mina	Owner of a local restaurant

APPENDIX A: Field Audit Findings

Note: Findings presented in this section are specific to the findings resulting from the field audit as presented in the Draft Audit Report. Any non-conformances or observations identified during the field audit are noted in this section, and specific NCR and OBS tables are included in section 2 of this report for each identified non-conformance and observations. All findings related to audit team review of additional evidence submitted by the Project Proponent following the issuance of the Draft Audit Report by Rainforest Alliance, are included within section 2 of this report.

GENERAL SECTION

G1. Original Conditions at Project Site - Required

Concept

The original conditions at the project area[1] and the surrounding project zone[2] before the project commences shall be described. This description, along with baseline projections (G2), will help to determine the likely impacts of the project.

Indicators

The project proponents shall provide a description of the project zone, containing all the following information:

General Information

1) The location of the project and basic physical parameters (e.g. soil, geology, climate).

Findings from Review on APRIL 23, 2012			
The location of the project is well defined, the project has a geographic information system and database with the respective coordinates of each participant in the project. In the PDD the description of physical parameters is shown by strata. The audit team considers this information very basic and incomplete; physical parameters such as soil and geology are not described for all the strata and as a result, information related with soil erosion and conservation is not analysed. Most of the physical parameters information is described focused on the avifauna presence. The use of a chart could be helpful for the PP to comparatively demonstrate how similar or different the strata in regards of all physical parameters are.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 01/12		

2) The types and condition of vegetation within the project area.

Findings from Review on APRIL 23, 2012			
The PDD includes general information about the type of vegetation in the project area. The types and condition of vegetation present are widely described in several studies in the area, and also by the same proponent. The maps of the PDD also show different ecosystem types found in the project area, in the two provinces: Pichincha e Imbabura.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No CARs or OBS were raised		

3) The boundaries of the project area and the project zone.

Findings from Review on APRIL 23, 2012
In the PD it is stated that the project involves 13 private landowners (Section 2.5 Additionality mentions there are 13 different properties) to reforest 346 hectares of degraded grasslands in the Río Pachijal and Río Mira watersheds in Pichincha and Imbabura provinces of Ecuador, respectively. In the broadest sense, the project is divided into 5 strata, 3 in Pichincha province with generally more favorable, wetter environmental conditions and 2 in Imbabura

[1] The 'project area' is defined as the land within the carbon project boundary and under the control of the project proponent.
[2] The 'project zone' is defined as the project area and the land within the boundaries of the adjacent communities potentially affected by the project.

province with generally more degraded, eroded and dry conditions.
However, after discussing the topic with the PP it was determined that the definition of the project area and the project zone is not well defined. The project area can be considered to be the 346 hectares where the plantations will be established, but the project zone is still confusing for the PP. The correct definition of the project zone is very important since this is the area where the project will impact on, negatively or positively.

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 02/12		

Climate Information

4) 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 Use[3] (IPCC 2006 GL for AFOLU) or a more robust and detailed methodology.[4]

Findings from Review on APRIL 23, 2012

The PP has submitted the project "Reforestation with Native Species in the Pachijal and Mira river Watershed for Carbon Retention" to be validated against the VCS v3.1 and CCBA Second Edition standards, simultaneously. Being that way, it was decided to use an approved CDM methodology named "Simplified baseline and monitoring methodology for small-scale A/R CDM project activities implemented on grasslands or croplands (AR-AMS0007 / Version 01.0.1).
The chosen methodology requires the PP to proceed as follows:
Stratification
9. Stratification of the planned project area for baseline estimation is not required but may be carried out if it improves the accuracy and precision of biomass estimation.
10. Strata for biomass estimation may be defined on the basis of parameters that are key entry variables in the method (e.g. growth models or yield curves/tables) used to estimate changes in biomass stocks:
(a) For baseline net GHG removals by sinks. It will usually be sufficient to stratify the areas on the basis of tree/shrub crown cover.
11. PPs may use remotely sensed data acquired close to the time of project commencement and/or occurrence of natural or anthropogenic impacts for ex ante and ex post stratification.

In this regard, the PP has created five strata where a stratum is defined by both geographical and altitudinal proximity of work areas, as well as similarity of current vegetation cover. The delimitation of the strata was done using landsat images analysed through a GIS. This approach is considered accurate by the audit team.

12. Baseline net GHG removals by sinks is the sum of changes in carbon stocks in the selected carbon pools within the project boundary that would have occurred in absence of the A/R CDM project activity.
13. Since carbon stock in soil organic carbon (SOC) is unlikely to increase in the baseline, the change in carbon stock in SOC may be conservatively assumed to be zero for all strata in the baseline scenario.
14. If application of the "Guidance on conditions under which the change in carbon stocks in existing live woody vegetation are insignificant" does not lead to a conclusion that the change in carbon stocks in the existing live woody vegetation in the baseline is insignificant, then the change in carbon stock of tree and shrub biomass in the baseline is estimated as follows: Eq. 1.

The PP has defined two sinks (aboveground biomass and also carbon in soils) which will be analysed in the future to estimate the ex post total carbon stocks. Ex ante total carbon stocks (baseline) will be accounted as zero after the determination of this is insignificant due to the fact that the standing trees or shrubs will remain in the fields and will not be impacted by the project activity. The audit team reviewed this topic in the fields and confirmed that all the standing trees (and shrubs) were conserved.

[3] Volume 4 Agriculture, Forestry and Other Land Use http://www.ipcc-nggip.iges.or.jp/public/2006gl/vol4.html
[4] In cases where a published methodology is used, the full reference shall be given and any variations from the published methodology shall be explained.

Regarding the carbon stock in soil organic carbon, the audit team visited a wide sample of lands to be planted as part of the project. It is notorious that in most of the proposed lands, the soil organic carbon is unlikely to increase in the baseline, hence the change in carbon stock will be conservatively assumed to be zero for all strata in the baseline scenario.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

Community Information

5) A description of communities[5] located in 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[6] and describes any community characteristics.[7]

Findings from Review on APRIL 23, 2012			
Although there are no indigenous people (according to CCB definition) within the project area and the project zone, the PDD does not provide a detailed description of the socioeconomic and cultural survey that was conducted in the area, for example: age class, gender, wealth or ethnicity.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 03/12		

6) A description of current land use and customary and legal property rights including community property[8] 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**).

Findings from Review on APRIL 23, 2012			
There is no community property in the project boundary or immediate area of influence. The PP did not identify any disputes over land tenure amongst its 13 participating land-owners. According to the PP, this is the result of the pre-selection of participants to work only with people who have clear land title. The current land use and customary and legal property rights are forestry, and tenure is legally owned by each of the properties owners that are within the project. The team reviewed documents that legalize them and found no irregularities.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No CARs or OBS were raised		

Biodiversity Information

7) A description of current biodiversity within the project zone (diversity of species and ecosystems[9]) and threats to that biodiversity, using appropriate methodologies, substantiated where possible with appropriate reference material.

Findings from Review on APRIL 23, 2012
The PDD provides a general description of wildlife occurrences and issues within the region; it also contains an overview description of current biodiversity in the project, mainly focused on avifauna due to the PP expertise, it is evident however the lack of description based on studies of other taxa of wildlife for example mammals; there is not either a description of the appropriate methodology used to measure this biodiversity, and the reference material. The

[5] 'Communities' are defined as all groups of people—including Indigenous Peoples, mobile peoples and other local communities—who live within or adjacent to the project area as well as any groups that regularly visit the area and derive income, livelihood or cultural values from the area. (See Appendix B: Glossary for more information.)
[6] 'Indigenous Peoples' are defined as distinct, vulnerable, social and cultural groups whose members identify themselves as belonging to an indigenous cultural group. (See Appendix B: Glossary for more information.)
[7] Community characteristics may include shared history, culture, livelihood systems, relationships with one or more natural resources, or the customary institutions and rules governing the use of resources.
[8] Including lands that communities have traditionally owned, occupied or otherwise used or acquired.
[9] Equates to habitat types, biotic communities, ecoregions, etc.

threats found in the region include avifauna habitat fragmentation and habitat loss, due to land conversion and deforestation. However, the CCBA requirement is for a biodiversity description (habitat types, biotic communities, ecoregions, etc.), which should include flora, fauna, and habitat descriptions. Similarly, the PP does not specify if the wildlife species identified are maintained or promoted in the project area.

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 04/12		

8) An evaluation of whether the project zone includes any of the following High Conservation Values (HCVs) and a description of the qualifying attributes:[10]

8.1. Globally, regionally or nationally significant concentrations of biodiversity values;

a. protected areas[11]
b. threatened species[12]
c. endemic species[13]
d. areas that support significant concentrations of a species during any time in their lifecycle (e.g. migrations, feeding grounds, breeding areas).

Findings from Review on APRIL 23, 2012
The PDD includes a list of high conservation values for birds, in each one of the CCB categories within the project boundary, but the presence or absence of the other category HCVs is not analysed in the project zone. The PP has developed various scientific studies about the bird and ecologic attributes, mainly focused only in the biodiversity part; these documents were used to substantiate the presence of biodiversity attributes, however no documents related with other attributes were used. Also, the PP does not explain what the steps are (methodology used) to evaluate the presence of HCV within the project zone.

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 05/12		

8.2. 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;

Findings from Review on APRIL 23, 2012
According to the PD, the PP defined that this HCV is not found in the project boundary. However, the identification of all the HCV shall be done in the project zone, not only in the project boundary (project area).

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 05/12		

8.3. Threatened or rare ecosystems;

Findings from Review on APRIL 23, 2012
The PP identified that within the project participants lands around 12 vulnerable or endangered species can be found, based on the IUCN Red List. Scientific literature and on-site audio records were used to substantiate the presence of those species. However, only the presence of fauna biodiversity was analysed. The HCV analysis shall be done taken into account the threatened or rare ecosystems in the project zone.

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 05/12		

[10] These high conservation value criteria are based on those defined by the High Conservation Value (HCV) Resource Network http://hcvnetwork.org/. Practical help is available for using HCVs in each region, including generic guidance documents (Toolkits) and Country Pages.
[11] Legally protected areas equivalent to IUCN Protected Area Management Categories I-VI (see http://www.iucn.org/about/union/commissions/wcpa/wcpa_work/wcpa_strategic/wcpa_science/wcpa_categories/index.cfm for definitions) as well as areas that have been proposed for protected area status by the relevant statutory body but have not yet been officially declared, and including areas protected under international conventions (e.g., Ramsar sites, World Heritage Sites, UNESCO Man-and-Biosphere Reserves, etc.).
[12] Species that qualify for the IUCN Red List threat categories of Critically Endangered (CR), Endangered (EN) and Vulnerable (VU). (See www.iucnredlist.org and Appendix B: Glossary for more information.) Additional national or regional listings should also be used where these may differ from the IUCN Red List.
[13] Species for which the entire global range is restricted to the site, the region or the country (the level of endemicity shall be defined).

8.4. Areas that provide critical ecosystem services (e.g., hydrological services, erosion control, fire control);

Fin dings from Review on APRIL 23, 2012			
The PDD describes in Stratum 1 Water uptake of higher altitude in the basin of Pachijal. This basin has been identified by the Ministry of Environment of the Metropolitan District of Quito as one of its highest priorities for conservation. The remaining major mountain cloud forests and hills have not only a regional importance for biodiversity, but also for the creation and storage of drinking water, so necessary for the growing population of the region. The other strata were not evaluated to determine whether there are areas that provide critical ecosystem services within the project zone.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 05/12		

8.5. 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); and

Findings from Review on APRIL 23, 2012			
The PP did not evaluate the presence of areas that are fundamental for meeting the basic needs of local communities. The definition of local communities must be aligned with the definition of the project zone.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 05/12		

8.6. 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).

Findings from Review on APRIL 23, 2012			
The PP did not evaluate the presence of areas that are critical for the traditional cultural identity of communities as it is required by the CCB standard.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 05/12		

G2. Baseline Projections- Required

Concept

A baseline projection is a description of expected conditions in the project zone in the absence of project activities. The project impacts will be measured against this 'without-project' reference scenario.

Indicators

The project proponents shall develop a defensible and well-documented "without-project" reference scenario that shall:

1) 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,[14] 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.

Findings from Review on APRIL 23, 2012
The PP chose an approved CDM methodology named "Simplified baseline and monitoring methodology for small-scale A/R CDM project activities implemented on grasslandas or croplands" AR-AMS0007 Version 01.0.1. This methodology allows the PP to define that the most plausible baseline is continuation of pre-project land-use. Using a multi-temporal analysis the PP demonstrated to the audit team that since 1990 the land has been covered by degraded pastures. The audit team confirmed during stakeholder consultation that this could probably be the most likely land-use scenario in the absence of the project, basically due to the lack of interest of private companies or the government to develop the region.

[14] In cases where a published methodology is used, the full reference shall be given and any variations from the published methodology shall be explained.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

2) 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.[15]

Findings from Review on APRIL 23, 2012			
The PP used the "Assessment of Additionality" from the AR-AMS007 methodology. Under this tool, the PP has identified that the project lands are subject to barriers due to local ecological conditions, specifically the following subcategories of barriers: Most of the lands within the project boundary consist of degraded soils, mostly at Pichincha Province. Here, the audit team visited farms with no vegetation at all where the soils are not deep or organic, even parts without any kind of vegetation (wind erosion). As it was expressed by the project participants and local people, the way to improve the quality of the soils is by providing the land with a natural coverage gradually, or by implementing an irrigation channel. In fact, one of the participants has already established the irrigation channel during site preparation to implement the project activity. In some other strata, the presence of weed or grass in the project boundary along with degraded soils has prevented the natural regeneration of trees. As a human-induced event, the forest fire risks are also a potential barrier. Finally, the projects located in Imbabura province (strata 1 to 3) face barriers related mostly with the establishment of pasture since the properties were purchased, around 1996. Small diary operation is maintained in these farms in order to create income to pay workers. Debt funding is not available for small owners so they can start a different activity in the farms such as planting trees or manage natural forests. During the stakeholder consultation, the audit team had the opportunity to confirm that in fact, the barriers cited by the PP in the PD are correct and accurate and as a result, the most probable scenario is the continuation of the pre project activity. However, the audit team considers feasible to obtain positive benefits once the project activity starts.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

3) 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.[16] The timeframe for this analysis can be either the project lifetime (see **G3**) or the project GHG accounting period, whichever is more appropriate.[17] Estimate the net change in the emissions of non-CO_2 GHG emissions such as CH_4 and N_2O in the 'without project' scenario. Non-CO_2 gases shall be included if they are likely to account for more than 5% (in terms of CO_2-equivalent) of the project's overall GHG impact over each monitoring period.[18]

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) shall 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.[19] 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

[15] Project proponents shall demonstrate that project activities would not have been implemented under business as usual due to significant financial, technological, institutional or capacity barriers. Actions implemented by the project shall not be required by law, or project proponents shall demonstrate that the pertinent laws are not being enforced. Project proponents shall provide credible and well-documented analyses (e.g., poverty assessments, farming knowledge assessments, or remote sensing analysis) to demonstrate that the 'without project' reference scenario reflects land-use practices that are likely to continue or that otherwise differ from the land-use practices expected as a result of project activities.

[16] Above-ground biomass, below-ground biomass, deadwood, litter, soils.

[17] In some cases, the project lifetime and the project GHG accounting period may be different.

[18] The following CDM Executive Board tool can be used to test the significance of emissions sources: http://cdm.unfccc.int/EB/031/eb31_repan16.pdf.

[19] The analysis may use a model that is based on historical rates and patterns of deforestation and degradation or predict the expected increases or decreases in deforestation and degradation.

deforestation and/or degradation using an appropriately robust and detailed carbon accounting methodology before the start of the project.[20]

Findings from Review on APRIL 23, 2012			
As it was mentioned before, the PP used a CDM approved methodology to demonstrate baseline and additionality. The most probable scenario is the continuation of the pre project activity according to the methodology. Also, after determining that carbon stocks in existing live woody vegetation are insignificant, the PP has counted as zero the baseline scenario. Similarly, carbon stocks in soil organic carbon is unlikely to increase in the baseline, hence the change in carbon stock in SOC may be conservatively assume to be zero for all the strata in the baseline scenario. The audit team verified the use of the methodology and tool related, no inconsistencies were found.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4) 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.

Findings from Review on APRIL 23, 2012			
In the PD the PP based the required description on personal communication with Ing Fabián Coello, the General Manager of EMAPA-PVM (Empresa Municipal de Agua Pública y Alcantarillado de Puerto Vicente Maldonado, Ecuador). As a result, the description of how the without project reference scenario would affect communities in the region is focused on water availability. According to the consultation during 2007 and 2009, the water had to be driven through tanker trucks in Puerto Quito and Puerto Maldonado. The audit team tried to contact Mr. Coello and also to review statistical information but it was not possible. Moreover, the PD does not describe how the without project reference scenario would affect communities in the project zone, including impacts of likely changes in soil and other locally important ecosystem services.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 06/12		

5) Describe how the 'without project' reference scenario would affect biodiversity in the project zone (e.g., habitat availability, landscape connectivity and threatened species).

Findings from Review on APRIL 23, 2012			
The PDD does not address appropriately how the "without project" scenario would affect biodiversity in the project zone (eg. availability of habitat, landscape connectivity and endangered species).			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 07/12		

G3. Project Design & Goals - Required

Concept
The project shall be described in sufficient detail so that a third-party can adequately evaluate it.

Projects shall be designed to minimize risks to the expected climate, community and biodiversity benefits and to maintain those benefits beyond the life of the project. Effective local participation in project design and implementation is key to optimizing multiple benefits, equitably and sustainably. Projects that operate in a transparent manner build confidence with stakeholders and outside parties and enable them to contribute more effectively to the project.

Indicators
The Project proponents shall:

1) Provide a summary of the project's major climate, community and biodiversity objectives.

[20] The 'start of the project' is defined as the start of implementation of activities that will directly cause the project's expected GHG emissions reductions or removals.

Findings from Review on APRIL 23, 2012			
In section 1.1. Summary description of the project, the PP mentions the objectives of the project: Climate objectives: This project aims to neutralize or compensate the Green House Gas emissions of its sponsors and estimates CO2e removals of just over 9,000 metric tons as a yearly average for 30 years. Biodiversity objectives: While the project's geographical range does present some operational challenges, it also affords several unique opportunities to compare and contrast biodiversity recuperation as a result of the project's reforestation efforts. Besides, the following information is included in the PDD; the audit team assumed this as aside objectives: - To mitigate global warming by planting trees for sequestration of GHGs; - To voluntarily neutralize the GHG emissions of project sponsors; - To convert marginal and degraded grasslands into valuable natural forest habitat; - To increase income, provide employment opportunities, and as a result to help alleviate poverty in rural communities. - To create a community of knowledge and interchange amongst the several project partners in two different ways. The audit team considers the information incomplete and confusing; hence the PP shall organize the information in the PDD and clearly state the objectives of the project.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 08/12		

2) Describe each project activity with expected climate, community and biodiversity impacts and its relevance to achieving the project's objectives.

Findings from Review on APRIL 23, 2012			
According to the PDD, all the information related with the requirement is found in section 1.8. description of the project activity. However, the requirements of section G3.2 are not explained in the PDD. Impacts of the project activity (tree planting) must be described with expected climate, community and biodiversity impacts and its relevance to achieving the project's objectives.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 09/12		

3) 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).

Findings from Review on APRIL 23, 2012			
The PDD includes a group of maps where the PDD identifies the project location, but does not provide details which clearly identifies the farms, and boundaries of the project area and surrounding areas that predicts the sites that will be impacted by activities. The project has a geographic information system (GIS) that defines the properties of the project, but during the field visit it was found that some boundaries were hard to be located on maps.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 10/12		

4) 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.

Findings from Review on APRIL 23, 2012
The PP has established that the project start date is November 1st, 2011 and the GHG accounting period will be of 30 years, from November 1st, 2011 to October 31st, 2041. As such, both the project lifetime and the GHG accounting period are aligned. During the field visit, the PP explained that the forest management plan of all the lands was under construction. After

the field visit, the document was not submitted to the audit team. In no other document the PP has defined a schedule indicating key dates and milestones in the project's development.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 11/12		

5) 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.

Findings from Review on APRIL 23, 2012			
The PP evaluated the potential risks about the use of fire in the surrounding areas of the project area, and also the potential impact of the cattle. Stratum 5 was identified with some risk of damage to project plantations from fire, as a mitigation measure, the workers are committed to build 5-meter fire breakers around the plantations' areas and also will seek support from adjacent fire and police stations. Stratum 3 was identified with risks of neighbors allowing their cattle to enter project lands. Fences are being strengthened and also the land owners have discussed the issue with local city councilman. The audit team verified in the fields that no fire was presented, neither presence of cattle in the project area. In spite of this, the audit team considers that the forest management plan must establish a formal plan to monitor all the activities that could generate potential risks of non-permanence of plantation projects.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 12/12		

6) 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.[21]

Findings from Review on APRIL 23, 2012			
The PP has not completed a HCV evaluation; hence it has not been demonstrated that the PP has designed specific measures to ensure the maintenance or enhancement of the high conservation value attributes identified, consistent with the precautionary principle. As such, the PP has to design a HCV monitoring program in the PDD, where also it is committed to implement it during the project lifetime.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 13/12		

7) Describe the measures that will be taken to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime.

Findings from Review on APRIL 23, 2012			
During the field visit, the audit team interviewed the project participants about their expectations on the plantation economic benefits from cutting the trees through thinings, and also a potential final cut. The opinion is divided among the participants, since some of them expect to have the opportunity to cut the trees and sell the wood in local markets. According to the PP opinion, all the participants will be encouraged to view their plantation forests as something that can be managed sustainably with selective harvests. In either case, the PP has not designed the measures to be implemented to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime. These measures shall be part of the forest management plan of the plantation projects.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 14/12		

8) Document and defend how communities and other stakeholders[22] potentially affected by the project activities have been identified and have been involved in project design through effective consultation,[23] particularly with

[21] The 'precautionary principle' is defined in the Preamble to the *Convention on Biological Diversity* (1992): '[W]here there is a threat of **significant reduction** or loss of biological diversity, lack of full scientific certainty should not be used as a reason for postponing measures to avoid or minimize such a threat.'

[22] 'Other stakeholders' are defined as the main groups potentially affected by the project activities that are not living on or adjacent to the project site.

a view to optimizing community and stakeholder benefits, respecting local customs and values and maintaining high conservation values. Project developers shall document stakeholder dialogues and indicate if and how the project proposal was revised based on such input.[24] A plan shall 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.

Findings from Review on APRIL 23, 2012			
The PP has defined a list of key local stakeholders who can be potentially affected by the project activities; the following is a list of stakeholders identified: a) Ministry of Environment (Carola Borja Osorio, Sub-secretariat for Climate Change of the Ministry of Environment, under the secretary for Climate Change). b) The Municipality of Ibarra, the Parish Board (Junta Parroquial) of Salinas. c) The Director of Environment and Tourism of the Municipality of San Miguel de Los Bancos. d) Municipal Council representatives from Canton Puerto Quito. e) 13 project participants (landowners). f) Northern Technical University (students and staff). The audit team considers that the PP needs to complete the list of stakeholders with other group of people that are not necessarily adjacent to the project site (e.g. neighbours). The PDD does not indicate how the PP identified the communities and other stakeholders and how they were all involved in project design. Also, a plan must be developed to continue communication and consultation between project managers and all community groups.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 15/12		

9) Describe what specific steps have been taken, and communications methods used, to publicize the CCBA public comment period[25] to communities and other stakeholders and to facilitate their submission of comments to CCBA. Project proponents shall 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.

Findings from Review on APRIL 23, 2012			
The PDD describes how the information is communicated at the beginning of public comment period, through phone calls and personal emails with the 13 landowners that participate through the website of MCF www.mindocloudforest.org.; also by notification writing to the Parish Council of Salinas, the Parish Council of the Carolina, the Vestry of Gualea and the municipalities of San Miguel de los Bancos, Pedro Vicente Maldonado and Puerto Quito.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

[23] Effective consultation requires project proponents to inform and engage broadly with all community groups and other stakeholders using socially and culturally appropriate methods. Consultations shall be gender and inter-generationally inclusive and shall be conducted at mutually agreed locations and through representatives who are designated by the communities themselves in accordance with their own procedures. Stakeholders affected by the project shall have an opportunity to evaluate impacts and raise concerns about potential negative impacts, express desired outcomes and provide input on the project design, both before the project design is finalized and during implementation.

[24] In cases where it is unclear whether a project will be implemented or not, it is acceptable to start with a preliminary community consultation, provided there are plans for appropriate full engagement before the start of the project. Where conformance with the Standards is being applied to a project already under implementation, project proponents shall either provide documentation of appropriate consultation during the project design phase or demonstrate how more recent consultations have been effective in evaluating community benefits and adapting project design and implementation to optimize community and stakeholder benefits and respect local customs.

[25] 'The CCBA public comment period' is the process whereby CCBA posts project documents that are under evaluation by an auditor for conformance with the Standards on www.climate-standards.org for at least 30 days with an invitation and link for public comments to which the auditor shall respond in the audit report.

10) Formalize a clear process for handling unresolved conflicts and grievances that arise during project planning and implementation. The project design shall include a process for hearing, responding to and resolving community and other stakeholder grievances within a reasonable time period. This grievance process shall be publicized to communities and other stakeholders and shall be managed by a third party or mediator to prevent any conflict of interest. Project management shall attempt to resolve all reasonable grievances raised, and provide a written response to grievances within 30 days. Grievances and project responses shall be documented.

Findings from Review on APRIL 23, 2012			
Although the proponent maintains permanent dialogues with the people directly related to the project and will develop a program of communication with them, there is no evidence that the PP has designed a formal Plan of Conflict Management. This plan shall include a process for hearing, responding to and resolving community and other stakeholder grievances. A mechanism to resolve all reasonable grievances within 30 days shall be designed and implemented.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 16/12		

11) 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 biodiversity benefits.

Findings from Review on APRIL 23, 2012			
Mindo CloudForest Foundation has contracts for the full-funding during the first 20 years of the project, from project partner Groenhart, subcontracted by Association for Forests in Flanders, Belgium (VBV) who in turn has signed a contract with Belgian telecommunications company Telenet. Also, since 2010 project developer has received much smaller contributions from USA company Roastery 7, and project scope has been designed precisely to match these funding sources. Contracts detail that the first 20 years of carbon credits will be used by Groenhart to sell to Telenet, so they can compensate emissions from the telecommunications activity; and the last 10 years of carbon credits will be used by Roastery 7, also as an environmental compensation. Besides, lately the PP has signed other kind of contracts with local and foreign universities to develop very specific studies regarding monitoring biodiversity, climate and communities within the project lifetime. This could represent for the PP a reduction of costs needed.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised.		

G4. Management Capacity and Best Practices - Required

Concept

The success of a project depends upon the competence of the implementing management team. Projects that include a significant capacity-building (training, skill building, etc.) component are more likely to sustain the positive outcomes generated by the project and have them replicated elsewhere.

Best practices for project management include: local stakeholder employment, worker rights, worker safety and a clear process for handling grievances.

Indicators

The project proponents shall:

1) 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 shall also be described.

Findings from Review on APRIL 23, 2012
In Ecuador, Mindo Cloudforest Foundation and Brian Krohnke (Project Director) are responsible for all aspects of

project design and implementation. In section 4.4 Organizational Structure there is a complete description of the different roles and responsibilities of the partner organizations. Also, in Table 1 of the risk analysis done, following the AFOLU Non-Permanence Risk Tool: VCS Version 3 a clear demonstration of the different project partners' experience and competencies is given. The PP has signed contracts with local and foreign universities, as well as with project partners; however, the general responsible for all aspects of project design and implementation is MCF/BOS+ The new version of the PD (June 30, 2012) in which MCF addresses the NCRs, includes an update of the section 1.3 Project Proponent. Here, MCF added as second project proponent to its organization partner called BOS+ which is a merge of two organizations Groenhart vzw and Vereninging voor Bos in Vlaanderen (VBV). Both organizations (MCF and BOS+) have overall control and responsibility for the implementation of the project over the crediting period.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

2) 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 shall either demonstrate how other organizations will be partnered with to support the project or have a recruitment strategy to fill the gaps.

Findings from Review on APRIL 23, 2012			
MCF staff includes experts in ecological and biodiversity issues, and is in the process of hiring a forester to be the responsible for the technical aspects of the project. The project has contracts with Groenhart, a company subcontracted by Association for Forests in Flanders, Belgium (VBV); also has contracts with local universities in order to develop social and technical experience.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised.		

3) 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.

Findings from Review on APRIL 23, 2012			
The PP has not designed a training program for people who are involved in the project directly or indirectly. This will be developed in the coming months as project hires new staff in MCF or formalize a relationship with local universities and Belgian universities Louvain and Ghent.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 17/12		

4) 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 shall explain how employees will be selected for positions and where relevant, shall 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.

Findings from Review on APRIL 23, 2012
The project has only one employee, the Project Director. Currently the project has sub-contracted nursery production of trees by networking and discovering local competencies. All the land owners are participating in the plantation project as a secondary productivity activity, meaning that besides their core business (cattle, agriculture, other) they will take care of the plantations when it is defined by the PP. When visiting the farms, the audit team interviewed the land owner to confirm they will actually have the time to take care of the project. The general answer was that the land owners have high expectations of the project. Being so, there is no need to hire local people but also include the project participants in training sessions.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No CARs or OBS were raised.		

5) Submit a list of all 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[26] and, where relevant, demonstrate how compliance is achieved.

Findings from Review on APRIL 23, 2012			
A list of all relevant laws and national regulations was presented to the audit team during the field visit. The PP expects to hire temporary workers for implementing the project activities (nursery or site preparation, planting, etc.), such as field workers, forestry engineer among others. By the time of the field visit, no workers had been hired so the audit team was not able to verify that the workers' rights in Ecuador were been honoured. However, in the PD the PP states that all workers (even those temporary workers) will sign legal individual work contracts and will have their rights explained verbally. To do this, the PP will use a lawyer who will be in charge of including the workers inscription in the Ecuadorian Institute of Social Security; salaries and benefits (also economic incentives) will be remarked in a monthly payroll receipt. It is expected that the lawyer can explain the project work contracts to the potential employees.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No CARs or OBS were raised.		

6) Comprehensively assess situations and occupations that pose a substantial risk to worker safety. A plan shall be in place to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be guaranteed, project proponents shall show how the risks will be minimized using best work practices.

Findings from Review on APRIL 23, 2012			
The PDD evidences knowledge of national legislation on the subject of Occupational Safety Health, and a quick analysis of the institutions that provide support. By the time of the field visit, the PP had not hired workers; only the participants were working in the fields. The audit team interviewed them and confirmed that MCF has not implemented a plan to inform workers of risks and to explain how to minimize them. The project must not only avoid dangerous situations, but also must ensure the safety of their workers, in a planned and systematic manner in order to prevent potential accidents during the implementation of the project activities. This issue is not considered in the PDD, and also the workers were not aware of safety and security measures.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 18/12		

7) Document the financial health of the implementing organization(s) to demonstrate that financial resources budgeted will be adequate to implement the project.

Findings from Review on APRIL 23, 2012			
In the PPD the PP shows MCF's General Balance and Profit and Loss statements where it is demonstrated the historic behaviour of the financial health of the organization. A superavit was reported as of August 2011; however, a projection of the financial health of the PP needs to be demonstrated in order to estimate that financial resources budgeted will be adequate to implement the project activity. A financial analysis shall be done, considering the secured funding from project partners, the carbon credit income and other direct and indirect costs and benefits expected during the project lifetime.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 19/12.		

[26] 'Workers' are defined as people directly working on project activities in return for compensation (financial or otherwise), including employees, contracted workers, sub-contracted workers and community members that are paid to carry out project-related work.

G5. Legal Status and Property Rights - Required

Concept

The project shall be based on a solid legal framework (e.g., appropriate contracts are in place) and the project shall satisfy applicable planning and regulatory requirements.

During the project design phase, the project proponents should communicate early on with relevant local, regional and national authorities in order to allow adequate time to earn necessary approvals. The project design should be sufficiently flexible to accommodate potential modifications that may arise as a result of this process.

In the event of unresolved disputes over tenure or use rights to land or resources in the project zone, the project should demonstrate how it will help to bring them to resolution so that there are no unresolved disputes by the start of the project.

Indicators

Based on information about current property rights provided in **G1**, the project proponents shall:

1) Submit a list of all relevant national and local laws[27] and regulations in the host country and all applicable international treaties and agreements. Provide assurance that the project will comply with these and, where relevant, demonstrate how compliance is achieved.

Findings from Review on APRIL 23, 2012			
According to the PDD, the PP will make a list of all relevant national and local laws and regulations and also all applicable international treaties and agreements. Through stakeholder consultation the audit team confirmed that all the project activities have been implemented following the legal frame.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 20/12		

2) Document that the project has approval from the appropriate authorities, including the established formal and/or traditional authorities customarily required by the communities.

Findings from Review on APRIL 23, 2012			
The audit team interviewed a representative of Climate Change Department at Ministry of Forestry of Ecuador. It was explained that the department has been provided with a hard copy of the MCF project initiative and also the PP has explained several times the scope and objectives of the plantation project in Pichincha and Imbabura, Ecuador. The representative explained that the department is about to start implementing a national registry of offsets from all kind of carbon projects (e.g. biomass, hydroelectric, forest projects), so the PP was encourage to submit again the project under a formal template designed by the department so the Department can evaluate it and approve it if necessary before the registry. The audit team asked the representative about various topics such as additionality, risks of non-permanence, and carbon calculations, however the representative preferred not to answer prior to the evaluation of the project. It was explained that the ARR project is not necessarily approved by the Climate Change Department. Being a project developed by a company with its own resources, the Ministry of Environment is only responsible to make sure the PP is implementing the project activities following the national laws and regulations; no complaints were presented regarding this topic. Finally, since the project activity is implemented in private property, no traditional rights are held by local communities. Hence, the project does not need approval from traditional authorities.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

[27] Local laws include all legal norms given by organisms of government whose jurisdiction is less than the national level, such as departmental, municipal and customary norms.

3) Demonstrate with documented consultations and agreements that the project will not encroach uninvited on private property, community property,[28] or government property and has obtained the free, prior, and informed consent of those whose rights will be affected by the project.[29]

Findings from Review on APRIL 23, 2012			
The PDD is executed on private land only, and the audit team found that all the contracts with all the owners have been signed. As a result, the project will not encroach uninvited on private property, community or government property, also there is no need to obtain consent of third parties to develop the forest plantation project.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised.		

4) Demonstrate that the project does not require the involuntary relocation of people or of the activities important for the livelihoods and culture of the communities.[30] If any relocation of habitation or activities is undertaken within the terms of an agreement, the project proponents shall demonstrate that the agreement was made with the free, prior, and informed consent of those concerned and includes provisions for just and fair compensation.[31]

Findings from Review on APRIL 23, 2012			
Since the forest project initiative is developed in private property, no relocation of people or activities are promoted.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS were raised		

5) 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.

Findings from Review on APRIL 23, 2012			
No illegal events had been reported during the last years within the project area. If some illegal activity is detected in the future, the PP is committed to help with the necessary legal complaint and will archive copies of such documentation. While the field audit, the auditors noticed that all the project land is clearly demarcated by fences which could contribute to prevent the occurrence of other activities different than those projected by the PP.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised.		

6) 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 shall 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.

Findings from Review on APRIL 23, 2012			
In the PD the PP states the following: "*Currently, project funders don't have any plans to transact "carbon credits" or VCUs of any nature. The voluntary heart of this project resides in project funders' desire to explain to their clients how they have "neutralized' their emissions voluntarily.*" In any case, whether the PP decides to sell VCUs or compensation offsets to neutralize the funders emissions, MCF has clear, uncontested title to the carbon rights. The audit team was provided with the contracts signed by MCF and all the project participants.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised.		

[28] Including lands that communities have traditionally owned, occupied or otherwise used or acquired.
[29] In conformance with the United Nations Declaration on the Rights of Indigenous Peoples.
[30] Restricting the evaluation to activities that comply with statutory laws or conform with customary rights. 'Customary rights' to lands and resources refers to patterns of long-standing community land and resource usage in accordance with Indigenous Peoples' and local communities' customary laws, values, customs, and traditions, including seasonal or cyclical use, rather than formal legal title to land and resources issued by the State.
[31] In conformance with the United Nations Declaration on the Rights of Indigenous Peoples.

CLIMATE SECTION

CL1. Net Positive Climate Impacts - Required

Concept

The project shall generate net positive impacts on atmospheric concentrations of greenhouse gases (GHGs) over the project lifetime from land use changes within the project boundaries.

Indicators

The project proponents shall:

1) 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.[32] The net change is equal to carbon stock changes *with* the project minus carbon stock changes *without* the project (the latter having been estimated in **G2**). This estimate shall be based on clearly defined and defendable assumptions about how project activities will alter GHG emissions or carbon stocks over the duration of the project or the project GHG accounting period.

Findings from Review on APRIL 23, 2012

Following the chosen methodology, the actual net GHG removals by sinks shall be estimated by subtracting the increase in non-CO2 GHG emissions as a result of the implementation of the project activity from the change in the carbon stocks in all selected carbon pools in the project scenario. In order to estimate the change in the carbon stocks, the PP has chosen two sinks (living biomass and soil organic carbon).

Estimation of the first sink followed the use of equation 3.2.5 “Average Annual Increment in Biomass” from the IPCC Good Practice Guidance for LULUCF, Chapter 3.2 Forest Land, as follows:

$$G_{total} = G_w \times (1+R)$$

Where:
Gtotal = annual average biomass increment above and belowground, tonnes d.m. ha-1 yr-1
Gw = average annual aboveground biomass increment, tonnes d.m. ha-1 yr-1; Tables 3A1.5 and 3A1.6
R = root-to-shoot ratio appropriate to increments, dimensionless; Table 3A1.8

Strata	Name of strata	Gtotal	Gw (table 3A 1.6*	(1+R)	Hectares
1	Santa Rosa	1346	13.6	1.42	69.7
2	Las Tolas	992.6	13.6	1.42	51.4
3	Suamox	824.6	13.6	1.42	42.7
4	Salinas	272.3	3.2	1.27	67
5	San Gerónimo	1383.6	8.4	1.42	116
Total		4819.2			346.8

* According to table 3A1.6, the annual average biomass increment of other broadleaved tropical forests is 17 t/ha/year in wet lands (annual rainfall greater than 2000 mm/year) and 4 t/ha/year in montane moist (annual rainfall greater than 1000 mm/year), and finally 10.5 t/ha/year is the annual average increment in moist with long dry season lands (annual rainfall between 1000 and 2000 mm/year). However, the PP decided to subtract 20% of the increment as a conservative measure.

In order to estimate the Soil Organic Carbon, the PP used the following formula for calculating initial SOC:
$SOC_{INITIAL, i} = SOC_{REF, I} \times f_{LU, I} \times f_{MG, I} \times f_{IN, T}$

Strata	Name of strata	SOC initial, i	SOC ref, i	F LU, i	f MG, i	F IN, i	Hectares

[32] In cases where a published methodology is used, the full reference shall be given and any variations from the published methodology shall be explained.

1	Santa Rosa	2275	34	1	0.96	1	69.7
2	Las Tolas	1677.7	34	1	0.96	1	51.4
3	Suamox	2733.7	66	1	0.97	1	42.7
4	Salinas	1453.9	31	1	0.7	1	67
5	San Gerónimo	3166.8	39	1	0.7	1	116
Total		11307.1					346.8

In summary, the PP has estimated that 8,835.28 tCO_2e is the annual average removal by sink (living biomass) and 408.75 tCO2e in the soil organic carbon. The estimated net GHG removals are 273,233 tCO2e over the project lifetime (year 2011 to year 2041).

Finally, the increase in non-CO2 GHG emissions as a result of the implementation of the project activity was not calculated according to the chosen methodology. Being so, the original equation was not used properly, since only one of the factors was taken into account to calculate the net carbon stock changes (benefits).

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 21/12		

2) Estimate the net change in the emissions of non-CO_2 GHG emissions such as CH_4 and N_2O in the *with* and *without* project scenarios if those gases are likely to account for more than a 5% increase or decrease (in terms of CO_2-equivalent) of the project's overall GHG emissions reductions or removals over each monitoring period.

Findings from Review on APRIL 23, 2012			
The methodology does not require that non-CO_2 GHG's are considered.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS			

3) 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 from fossil fuel combustion,[33] direct emissions from the use of synthetic fertilizers,[34] and emissions from the decomposition of N-fixing species.

Findings from Review on APRIL 23, 2012			
In the PD the PP states "Project methodology AR-AMS0007 / Version 01.0.1 defines CO_2 as the only GHG Pool that will be considered in the Project Boundary." However, the chosen methodology states the following: *Estimation of GHG emissions within the project boundary* *9. The only increase in GHG emissions within the project boundary which results from the implementation of the A/R CDM project activity and which is required to be accounted for is the non-CO2 GHG emission from burning of biomass for site preparation and/or forest management."* In this regard, the audit team considers that the PP shall use the tool "Estimation of non-CO2 GHG emissions resulting from burning of biomass attributable to an A/R CDM project activity". Moreover, in order to fully comply with the CCBA standard requirement G5.3, the PP has to include in the analysis other sources such as emissions from fossil fuel consumption, direct emissions from the use of synthetic fertilizers, and emissions from the decomposition of N-fixing species.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 22/12		

4) 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_2 GHGs where appropriate minus any other GHG

[33] The following CDM Executive Board tool can be used to quantify these emissions: http://cdm.unfccc.int/EB/033/eb33_repan14.pdf
[34] The following CDM Executive Board tool can be used to quantify these emissions: http://cdm.unfccc.int/EB/033/eb33_repan16.pdf

emissions resulting from project activities minus any likely project-related unmitigated negative offsite climate impacts (see CL2.3).

Findings from Review on APRIL 23, 2012			
The net impact of the project is simply counted as the sequestration in the growing trees and in the soil organic carbon. This is because the baseline can be accounted as zero, and there are no expected project emissions and the ex-ante estimate of leakage is zero. Hence, the project was found to have a projected net climate benefit.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

5) Specify how double counting of GHG emissions reductions or removals will be avoided, particularly for offsets sold on the voluntary market and generated in a country with an emissions cap.

Findings from Review on APRIL 23, 2012			
Ecuador has no emission caps; however, as it was mentioned before, the Climate Change Department of Ecuador is trying to build a database with information of all kind of offsets coming from any kind of projects. Once this platform is working, the PP will be encouraged to register their forest carbon project in order to have full reports of how many carbon credits are being generated and sold. In this regard, the PP informed the audit team that the only objective of their carbon project is that the project partners can compensate their emissions, for example from the telecommunication and coffee business. Being so, the PP has stated that no carbon credits will be sold in the voluntary market, but all the GHG benefits will be sold under a carbon footprint program. The audit team considers that no double counting risks will be caused under this kind of business.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

CL2. Offsite Climate Impacts ("Leakage") - Required

Concept

The project proponents shall quantify and mitigate increased GHG emissions that occur beyond the project area and are caused by project activities (commonly referred to as 'leakage').

Indicators

The project proponents shall:

1) Determine the types of leakage[35] 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.

Findings from Review on APRIL 23, 2012
According to the methodology, leakage due to displacement of pre-project activity from the project area to an area outside the project boundary has to be estimated using the "Guidelines on conditions under which increase in GHG emissions attributable to displacement of pre-project crop cultivation activities in A/R CDM project activity is insignificant" and/or the "Guidelines on conditions under which increase in GHG emissions related to displacement of pre-project grazing activities in A/R CDM project activity is insignificant". The PP used the second guidelines cited and lead to the conclusion that, in fact, leakage due to displacement of pro-project activity related to displacement of pre-project grazing activities is insignificant. In this regard, the PP estimated that only 164 hectares (project participants in Pichincha) will need around 114 hectares in order to relocate cattle. The PP expects to rent these 114 hectares in the project zone where some project partners (current and future

[35] Offsite changes in GHG emissions can result from a variety of causes including:
- activity shifting or displacement;
- market effects (particularly when timber harvest volumes are reduced by the project);
- increased investment in the project zone;,,,,,,,,,
- decreased investment in the project zone; and
- alternative livelihood programs or other leakage prevention activities.

participants) has plenty land available to relocate the cattle. The audit team considers that this approach is accurate and agrees that leakage due to displacement of grazing activities can be assumed as zero.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

2) Document how any leakage will be mitigated and estimate the extent to which such impacts will be reduced by these mitigation activities.

Findings from Review on APRIL 23, 2012			
Since the leakage was estimated to be zero, the PP has no leakage to be mitigated.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	No NCRs or OBS were raised		

3) 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**).

Findings from Review on APRIL 23, 2012			
Leakage is accounted to be zero, hence no unmitigated negative offsite climate impacts has to be subtracted.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	No NCRs or OBS were raised		

4) Non-CO_2 gases shall be included if they are likely to account for more than a 5% increase or decrease (in terms of CO_2-equivalent) of the net change calculations (above) of the project's overall off-site GHG emissions reductions or removals over each monitoring period.

Findings from Review on APRIL 23, 2012			
Non-CO 2 gases have not been assessed appropriately using the methodology requirements and also CCBA standard requirements.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 21/12, NCR 22/12		

CL3. Climate Impact Monitoring - Required

Concept

Before a project begins, the project proponents shall have an initial monitoring plan in place to quantify and document changes (within and outside the project boundaries) in project-related carbon pools, project emissions, and non-CO_2 GHG emissions if appropriate. The monitoring plan shall identify the types of measurements, the sampling method, and the frequency of measurement.

Since developing a full monitoring plan can be costly, it is accepted that some of the plan details may not be fully defined at the design stage, when projects are being validated against the Standards. This is acceptable as long as there is an explicit commitment to develop and implement a monitoring plan.

Indicators

The project proponents shall:

1) Develop an initial plan for selecting carbon pools and non-CO_2 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 shall 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 leakage identified in CL2. A plan shall 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_2-equivalent benefits generated by the project.[36] Non-CO_2 gases shall be included if they are likely to account for more than 5% (in terms of CO_2-equivalent) of the project's overall GHG impact over each monitoring period. Direct field measurements using scientifically robust sampling shall be used to measure more significant elements of the project's carbon stocks. Other data shall be suitable to the project site and specific forest type.

Findings from Review on APRIL 23, 2012			
The PP has developed an initial plan considering the CCBA requirements and also the VCS requirements. Regarding specifically the CCBA requirements, the monitoring plan will take into account the following: - Climate change mitigation by GHG removals, in particular carbon sequestration; - Biodiversity restoration, - Community creation and development Monitoring activities include gathering information directly from the field and from indirect sources. Further, monitoring involves making the required calculations and estimations to assess if the project is being developed according to the project design documents and the forest management plan, with the final aim to determine GHG removals as well as community and biodiversity impacts. The PP expects to hire professional personnel to be in charge of the monitoring events. The PP has considered monitoring topics such as monitoring of project sites and forest management, growth rate increment and survival rate, project boundary area, monitoring of the social/community aspects, and monitoring of the biodiversity aspects.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

2) 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.

Findings from Review on APRIL 23, 2012			
As it is stated in the PD: "*In accordance with the CCB Standards (Version June 21, 2010) project proponent and third-party monitors will develop a CCB Standards monitoring plan to be integrated with the following monitoring structure in the six-month period after project start date, November 1st, 2011.*" The audit team considers that this approach is feasible.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

[36] The following CDM Executive Board tool can be used to test the significance of emissions sources: http://cdm.unfccc.int/EB/031/eb31_repan16.pdf

COMMUNITY SECTION

CM1. Net Positive Community Impacts - Required

Concept

The project shall generate net positive impacts on the social and economic well-being of communities and ensure that costs and benefits are equitably shared among community members and constituent groups during the project lifetime.

Projects shall maintain or enhance the High Conservation Values (identified in G1) in the project zone that are of particular importance to the communities' well-being.

Indicators

The project proponents shall:

1) Use appropriate methodologies[37] 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 shall include changes in community well-being due to project activities and an evaluation of the impacts by the affected groups. This estimate shall be based on clearly defined and defendable assumptions about how project activities will alter social and economic well-being[38], 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 shall then be compared with the 'without project' scenario of social and economic well-being in the absence of the project (completed in **G2**). The difference (i.e., the community benefit) shall be positive for all community groups.

Findings from Review on APRIL 23, 2012			
In the PDD, the PP did not consider the impacts on communities, both with and without project scenarios resulting from the planned project activities. The PP shall demonstrate that the difference between the with project scenario and the without project scenario of social en economic well-being in the absence of the project is positive for all community groups.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 23/12		

2) Demonstrate that no High Conservation Values identified in **G1.8.4-6**[39] will be negatively affected by the project.

Findings from Review on APRIL 23, 2012			
The PP has not finished a HCV evaluation within the project zone; hence, it was not determined yet that no HCV identified will be negatively affected by the project.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 24/12		

[37] See Appendix A of CCB Standard "Potential Tools and Strategies".

[38] Restricting the evaluation to well-being based on activities that comply with statutory laws or conform with customary rights.

[39] **G1.8.4** Areas that provide critical ecosystem services (e.g., hydrological services, erosion control, fire control);
G1.8.5 Areas that are fundamental for the livelihoods of local communities (e.g., for essential food, fuel, fodder, medicines, or building materials without readily available alternatives); and,
G1.8.6 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).
Note that High Conservation Values G1.8.1-3 that are more related to biodiversity conservation are covered in B1.

CM2. Offsite Community Impacts - Required

Concept
The project proponents shall evaluate and mitigate any possible social and economic impacts that could result in the decreased social and economic well-being of the main stakeholders living outside the project zone resulting from project activities. Project activities should at least 'do no harm' to the well-being of offsite stakeholders[40].

Indicators
The project proponents shall:

1) Identify any potential negative offsite stakeholder impacts that the project activities are likely to cause.

Findings from Review on APRIL 23, 2012			
The PDD does not analyse and document the possible negative impact on the actors, and documents the identification and description of any possible negative impact on these off-site project activities. Since the project zone is not yet well defined, the PP cannot be aware of any possible social an economic impacts.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 25/12		

2) Describe how the project plans to mitigate these negative offsite social and economic impacts.

Findings from Review on APRIL 23, 2012			
The PDD does not describe the social and economic effects, there is no plan for mitigating those outside the project zone.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 25/12		

3) Demonstrate that the project is not likely to result in net negative impacts on the well-being of other stakeholder groups.

Findings from Review on APRIL 23, 2012			
The PDD does not comprehensively explain that the project is not likely to result in negative net impacts on the welfare of other stakeholders. The multitude of benefits contained in the members of the community and environmental benefits far outweigh the potential negative impact; however, this is not clearly explained and documented in the study.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 25/12		

CM3. Community Impact Monitoring - Required

Concept
The project proponents shall have an initial monitoring plan to quantify and document changes in social and economic well-being resulting from the project activities (for communities and other stakeholders). The monitoring plan shall indicate which communities and other stakeholders will be monitored, and identify the types of measurements, the sampling method, and the frequency of measurement.

Since developing a full community monitoring plan can be costly, it is accepted that some of the plan details may not be fully defined at the design stage, when projects are being validated against the Standards. This is acceptable as long as there is an explicit commitment to develop and implement a monitoring plan.

Indicators
The project proponents shall:

[40] Restricting the evaluation to well-being based on activities that comply with statutory or conform with customary rights.

1) 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 development objectives and to anticipated impacts (positive and negative).[41]

Findings from Review on APRIL 23, 2012			
The PDD does not propose an initial social plan to select community variables to be monitored and frequency of monitoring and reporting. The audit team considers that MCF must design a formal socioeconomic monitoring plan.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 26/12		

2) 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.

Findings from Review on APRIL 23, 2012			
The PP has not completed a HCV evaluation within the project zone; hence, no initial plan has been developed to assess the effectiveness of measures used to maintain or enhance HCV related to community well-being.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 24/12		

3) 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.

Findings from Review on APRIL 23, 2012			
The PDD does not present a full social monitoring plan in the short or medium term because it has no comprehensive study of social analysis and clearly defined. According to the PP, MCF is committed to develop a full monitoring plan as it is required by the CCB Standard.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

[41] Potential variables may include but are not limited to: income, employment generation, health, market access, schools, food security and education.

BIODIVERSITY SECTION

B1. Net Positive Biodiversity Impacts - Required

Concept

The project shall generate net positive impacts on biodiversity within the project zone and within the project lifetime, measured against the baseline conditions.

The project should maintain or enhance any High Conservation Values (identified in G1) present in the project zone that are of importance in conserving globally, regionally or nationally significant biodiversity.

Invasive species populations[42] shall not increase as a result of the project, either through direct use or indirectly as a result of project activities.

Projects may not use genetically modified organisms (GMOs)[43] to generate GHG emissions reductions or removals. GMOs raise unresolved ethical, scientific and socio-economic issues. For example, some GMO attributes may result in invasive genes or species.

Indicators

The project proponents shall:

1) Use appropriate methodologies[44] to estimate changes in biodiversity as a result of the project in the project zone and in the project lifetime. This estimate shall be based on clearly defined and defendable 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) shall be positive.

Findings from Review on APRIL 23, 2012			
The PP has established a monitoring protocol of avifauna populations and species diversity in project area. The audit team considers this protocol enough to monitor avifauna but it is still needed to expand the protocol scope to other wildlife biodiversity species (flora and fauna) within the project zone, not only the project area. Also, the use of the methodology selected (field techniques supervised by a MCF founding member and recognized national expert) shall be focused on the estimation of changes in biodiversity as a result of the project activity in the project lifetime. Changes shall be positive when comparing the baseline with project biodiversity scenario against the without project scenario.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 27/12		

2) Demonstrate that no High Conservation Values identified in **G1.8.1-3**[45] will be negatively affected by the project.

Findings from Review on APRIL 23, 2012

[42] 'Invasive species' are defined as non-native species that threaten ecosystems, habitats or species in the project zone as identified in the Global Invasive Species Database: http://www.issg.org/database, from scientific literature, and from local knowledge.

[43] 'Genetically modified organisms' are defined as any living organism that possesses a novel combination of genetic material obtained through the use of modern biotechnology and which is capable of transferring or replicating genetic material.

[44] See Appendix A of CCB Standard "Potential Tools and Strategies" for further guidance.

[45] **G1.8.1** Globally, regionally or nationally significant concentrations of biodiversity values, including protected areas, threatened species, endemic species and areas that support significant concentrations of a species during any time in their lifecycle(e.g., migrations, feeding grounds, breeding areas);
G1.8.2 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;
G1.8.3 Threatened or rare ecosystems.
Note that High Conservation Values G1.8.4-6 that are more related to community well-being are covered in CM1.

The HCV evaluation must be completed by the PP and then demonstrate that no HCV identified will be negatively affected by the implementation of the project activity within the project zone.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 24/12		

3) 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.

Findings from Review on APRIL 23, 2012

In the PDD the PP has named all the species to be planted in each of the strata:

Stratum	Area (ha)	Native species	Non-native Species
1	69.7	*Inga sp. Croton lechleri, Vismea sp, Carapa guianensis, Melastomatacea sp, Cedrela montana, other*	*Alnus nepalensis*
2	51.4	*Alnus nepalensis, Ing sp. Croton lechleri, Vismea sp, Carapa guianensis, Melastomatacea sp, Cedrela Montana, other*	
3	42.7	*Carapa guianensis, Melastomatacea sp, Ing sp, Swietenia macrophylla, Virola sp, Tabewbuia crysantha, Symphonia globulifera, Gliricidia sepium, Cordia alliodora, other*	
4	67	*Inga sp, Shinus molle, Acacia macracantha, Cedrela Montana, Juglans neotropica, Caesalpinia spinosa, Tecoma stands, other*	*Casuarina equisetifolia.*
5	116	*Inga sp, Cordia alliodora, Acacia macxracantha, Cedrela odorata, Psidium guajava, Gliricidia sepium, Jacaranda copaiba, Sapindus saponaria, other*	

Around 20% of the area of stratum 1 will be planted with *Alnus nepalensis*. The PP decided not to use *Alnus acuminata* (native) because suffers fungal attack. In the other hand, around 40% of the area of stratum 4 will be planted with *Casuarina equisetifolia* as this species has demonstrated to be ideal for windbreaks. None of these species has demonstrated to be invasive according to the stakeholder consultation.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

4) 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 shall justify any use of non-native species over native species.

Findings from Review on APRIL 23, 2012

The PDD explains that the use of casuarinas to create windbreaks is a common practice in much of the Ecuadorian Sierra and they help create micro-climates that allow other, native species to become established and grow. The PDD decided to use *Alnus nepalense* because various studies and the local experience have shown that locally more prevalent *Alnus acuminata* has been suffering fungal attack in recent years and also several nurseries and local experts have reported their inability to find viable seeds for this second alder species. No adverse effects of these species have been documented in the region; this was confirmed by stakeholders during audit team consultation.

Conformance	Yes ☒	No ☐	N/A ☒
NCR/OBS	No NCRs or OBS were raised		

5) Guarantee that no GMOs will be used to generate GHG emissions reductions or removals.

Findings from Review on APRIL 23, 2012			
The audit team confirmed that the project boundary will be planted with trees raised in local nurseries; no GMO will be used to generate GHG benefits. Native and non-native species will be planted mainly through the use of seedlings collected in the neighbour forests. Ecuadorian constitution of 2008 prohibits the use of GMOs.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

B2. Offsite Biodiversity Impacts - Required

Concept
The project proponents shall evaluate and mitigate likely negative impacts on biodiversity outside the project zone resulting from project activities.

Indicators
The project proponents shall:

1) Identify potential negative offsite biodiversity impacts that the project is likely to cause.

In the PDD have not identified the potential impacts on biodiversity outside the project site			
The PDD only mentions that no potential negative impacts were found, however there is no reference of literature or appropriate methodology results used by the PP to arrive to this conclusion.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 28/12		

2) Describe how the project plans to mitigate these negative offsite biodiversity impacts.

The PP states in the PDD that this is not relevant; however, the audit team considers useful to identify potential offsite biodiversity impacts first, and then describe how the project plans to mitigate them if applicable.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 28/12		

3) 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.

The PP states in the PDD the following: "*If there are no negative biodiversity impacts, clearly the net effect is positive."* However the audit team considers that there shall be a formal identification of offsite biodiversity impacts, also a formal plan to mitigate them and finally demonstrate that the net effect of the project on biodiversity is positive.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 28/12		

B3. Biodiversity Impact Monitoring - Required

Concept
The project proponents shall have an initial monitoring plan to quantify and document the changes in biodiversity resulting from the project activities (within and outside the project boundaries). The monitoring plan shall identify the types of measurements, the sampling method, and the frequency of measurement.

Since developing a full biodiversity-monitoring plan can be costly, it is accepted that some of the plan details may not be fully defined at the design stage, when projects are being validated against the Standards. This is acceptable as long as there is an explicit commitment to develop and implement a monitoring plan.

Indicators
The project proponents shall:

1) 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).[46]

Findings from Review on APRIL 23, 2012			
Although the PDD has enough information about the birds as indicators of changes in biodiversity, there is no justification for the absence of other faunal groups within this category. Birds are the main focus for the monitoring of biodiversity as they provide information on the impact on habitat diversity and the important structural features of ecosystems, but information is still incomplete.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 29/12		

2) 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.

Findings from Review on APRIL 23, 2012			
The PP has not developed a complete HCV evaluation, considering all the categories required by the CCB Standard. Hence, there is no plan for assessing the effectiveness of measures used to maintain or enhance HCV present in the project zone.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 24/12		

3) 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.

Findings from Review on APRIL 23, 2012			
The PP stated during the field visit that the monitoring plan is been developed. The audit team considers that it is feasible for the PP to have in place and also implemented the monitoring plan.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

[46] Potential variables may include but are not limited to: species abundance; population size, range, trends and diversity; habitat area, quality and diversity; landscape connectivity; and forest fragmentation.

GOLD LEVEL SECTION
OPTIONAL

GL1. Climate Change Adaptation Benefits - Optional

Concept

This Gold Level Climate Change Adaptation Benefits criterion identifies projects that will provide significant support to assist communities and/or biodiversity in adapting to the impacts of climate change. Anticipated local climate change and climate variability within the project zone could potentially affect communities and biodiversity during the life of the project and beyond. Communities and biodiversity in some areas of the world will be more vulnerable to the negative impacts of these changes due to: vulnerability of key crops or production systems to climatic changes; lack of diversity of livelihood resources and inadequate resources, institutions and capacity to develop new livelihood strategies; and high levels of threat to species survival from habitat fragmentation. Land-based carbon projects have the potential to help local communities and biodiversity adapt to climate change by: diversifying revenues and livelihood strategies; maintaining valuable ecosystem services such as hydrological regulation, pollination, pest control and soil fertility; and increasing habitat connectivity across a range of habitat and climate types.

Indicators

The project proponents shall:

1) Identify likely regional climate change and climate variability scenarios and impacts, using available studies, and identify potential changes in the local land-use scenario due to these climate change scenarios in the absence of the project.

Findings from Review on APRIL 23, 2012			
The PP decided to demonstrate compliance with GL3. Exceptional Biodiversity Benefits, only.			
Conformance	Yes ☐	No ☐	N/A ☐
NCR/OBS	N/A		

2) Identify any risks to the project's climate, community and biodiversity benefits resulting from likely climate change and climate variability impacts and explain how these risks will be mitigated.[47]

Findings from Review on APRIL 23, 2012			
The PP decided to demonstrate compliance with GL3. Exceptional Biodiversity Benefits, only.			
Conformance	Yes ☐	No ☐	N/A ☐
NCR/OBS	N/A		

3) Demonstrate that current or anticipated climate changes are having or are likely to have an impact on the well-being of communities[48] *and/or* the conservation status of biodiversity[49] in the project zone and surrounding regions.

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[47] Examples of how risks from climate change can be mitigated include the choice of species (adapted to various temperatures, precipitation, seasonality, salinity of water table, diseases/pests, etc.), the methods used to implement GHG emissions reduction activities, certainty of water sources critical for project success and location of activities in relation to anticipated land cover changes (e.g. flooding) expected as a result of climate change.

[48] Project proponents can demonstrate, for example, evidence of decreased access to natural resources of importance for communities' livelihoods and overall well-being. Climate change models that detail the predicted effects on these natural resources, such as freshwater, and participatory evaluations can be used to demonstrate anticipated impacts on communities.

[49] Project proponents can demonstrate evidence of a change in actual range, phenology or behavior of a species found within the project zone. For a range change, the project proponents should demonstrate that the change affects the entire range of the species and not just a subset of the range (which might be part of natural variation and offset by gains in other parts of the species range). Alternatively, the project proponents can demonstrate anticipated negative changes in the range of one or more species found in the project area using modeling techniques. The recommended modeling tool is Maxent because of its ease of implementation and performance (http://www.cs.princeton.edu/~schapire/maxent/). Recommended climatologies are IPCC4 A1 or A2 scenarios, Hadley or Japan high resolution GCM, downscaled to 1km (also available on the internet at http://www.worldclim.org). Best practice is to have this analysis conducted by a researcher who has published on climate and species distribution modeling using Maxent in the peer-review literature.

Findings from Review on APRIL 23, 2012			
The PP decided to demonstrate compliance with GL3. Exceptional Biodiversity Benefits, only.			
Conformance	Yes ☐	No ☐	N/A ☐
NCR/OBS	N/A		

4) Demonstrate that the project activities will assist communities[50] *and/or* biodiversity[51] to adapt to the probable impacts of climate change.

Findings from Review on APRIL 23, 2012			
The PP decided to demonstrate compliance with GL3. Exceptional Biodiversity Benefits, only.			
Conformance	Yes ☐	No ☐	N/A ☐
NCR/OBS	N/A		

GL2. Exceptional Community Benefits – OPTIONAL

Concept

This Gold Level Exceptional Community Benefits criterion recognizes project approaches that are explicitly pro-poor in terms of targeting benefits to globally poorer communities and the poorer, more vulnerable households and individuals within them. In so doing, land-based carbon projects can make a significant contribution to reducing the poverty and enhancing the sustainable livelihoods of these groups. Given that poorer people typically have less access to land and other natural assets, this optional criterion requires innovative approaches that enable poorer households to participate effectively in land-based carbon activities. Furthermore, this criterion requires that the project will 'do no harm' to poorer and more vulnerable members of the communities, by establishing that no member of a poorer or more vulnerable social group will experience a net negative impact on their well-being or rights.

Indicators

Project proponents shall:

1) Demonstrate that the project zone is in a low human development country OR in an administrative area of a medium or high human development[52] country in which at least 50% of the population of that area is below the national poverty line.

Findings from Review on APRIL 23, 2012			
The PP decided to demonstrate compliance with GL3. Exceptional Biodiversity Benefits, only.			
Conformance	Yes ☐	No ☐	N/A ☐
NCR/OBS	N/A		

2) Demonstrate that at least 50% of households within the lowest category of well-being (e.g., poorest quartile) of the community are likely to benefit substantially from the project.

Findings from Review on APRIL 23, 2012			
The PP decided to demonstrate compliance with GL3. Exceptional Biodiversity Benefits, only.			
Conformance	Yes ☐	No ☐	N/A ☐

[50] Where communities are predicted to experience or are experiencing decreased access to natural resources because of climate change, project proponents shall demonstrate that activities are likely to decrease communities' dependence on these natural resources. For example, where freshwater access is affected by climate change, a project can improve water management for maximum efficiency or provide alternative agricultural methods or products that require less water. Project activities may also help communities adapt to new planting and harvesting schedules to ensure maximum yields. Other climate change adaptation assistance can involve helping communities prepare for 'extreme events' such as floods, droughts and mudslides.

[51] Where an actual range or phenology change in a species is identified, project proponents shall demonstrate that the project activities will make a significant contribution to mitigating this impact of climate change. Examples include: creating suitable habitat in an area that is becoming climatically suitable for a species that is losing climatically suitable habitats in other parts of its range; and providing a native food source for a species that is suffering population declines because of timing mismatches between its food needs and food availability linked to climate change (such as spring emergence of vegetation or insects). Where a modeled range impact is demonstrated, project proponents should demonstrate that the project significantly contributes to improving species' ability to occupy a new range or creates habitat in areas to which the species is migrating.

[52] Low, Medium, and High Human Development Countries defined in the latest UNDP Human Development Report http://hdr.undp.org/en/media/hdr_20072008_en_complete.pdf

NCR/OBS	N/A

3) Demonstrate that any barriers or risks that might prevent benefits going to poorer households have been identified and addressed in order to increase the probable flow of benefits to poorer households.

Findings from Review on APRIL 23, 2012			
The PP decided to demonstrate compliance with GL3. Exceptional Biodiversity Benefits, only.			
Conformance	Yes ☐	No ☐	N/A ☐
NCR/OBS	N/A		

4) Demonstrate that measures have been taken to identify any poorer and more vulnerable households and individuals whose well-being or poverty may be negatively affected by the project, and that the project design includes measures to avoid any such impacts. Where negative impacts are unavoidable, demonstrate that they will be effectively mitigated.

Findings from Review on APRIL 23, 2012			
The PP decided to demonstrate compliance with GL3. Exceptional Biodiversity Benefits, only.			
Conformance	Yes ☐	No ☐	N/A ☐
NCR/OBS	N/A		

5) Demonstrate that community impact monitoring will be able to identify positive and negative impacts on poorer and more vulnerable groups. The social impact monitoring shall take a differentiated approach that can identify positive and negative impacts on poorer households and individuals and other disadvantaged groups, including women.

Findings from Review on APRIL 23, 2012			
The PP decided to demonstrate compliance with GL3. Exceptional Biodiversity Benefits, only.			
Conformance	Yes ☐	No ☐	N/A ☐
NCR/OBS	N/A		

GL3. Exceptional Biodiversity Benefits – OPTIONAL

Concept

All projects conforming to the Standards shall demonstrate net positive impacts on biodiversity within their project zone. This Gold Level Exceptional Biodiversity Benefits criterion identifies projects that conserve biodiversity at sites of global significance for biodiversity conservation. Sites meeting this optional criterion shall be based on the Key Biodiversity Area (KBA) framework of vulnerability and irreplaceability.[53] These criteria are defined in terms of species and population threat levels, since these are the most clearly defined elements of biodiversity. These scientifically based criteria are drawn from existing best practices that have been used, to date, to identify important sites for biodiversity in over 173 countries.

Indicators

Project proponents shall demonstrate that the project zone includes a site of high biodiversity conservation priority by meeting either the vulnerability *or* irreplaceability criteria defined below:

1) Vulnerability
    a. Regular occurrence of a globally threatened species (according to the IUCN Red List) at the site:
    b. Critically Endangered (CR) and Endangered (EN) species - presence of at least a single individual; or
    c. Vulnerable species (VU) - presence of at least 30 individuals or 10 pairs.

Findings from Review on APRIL 23, 2012
Based on different methods and technics (e.g. sight/audio records), the PP has reported regular occurrence of the following 12 Vulnerable and 3 Endangered IUCN Red List species present in some of the 13 participating properties: 1. Gray-backed Hawk (*Leucopternis occidentalis*)

[53] See Appendix A of CCB Standard "Potential Tools and Strategies" for further guidance.

2. Plumbeous forest-falcom (*Micrastur plumbeus*)
3. Dark-backed wood-quail (*Odontophorus melanonotus*)
4. Rufous-headed Chachalaca (*Ortalis erythroptera*)
5. Brown wood-rail (*Aramides wolfi*)
6. Banded ground-cuckoo (*neomorphus radiolosus*)
7. Cloud-forest Pygmy-owl (*Glaucidium nubicola*)
8. Little woodstar (*Acestura bombus*)
9. Giant antpitta (*Grallaria gigantea)*
10. Moustached antpitta (*Grallaria alleni*)
11. Slaty becard (*Pachyramphus spondiurus*)
12. Long-wattled umbrellabird (*Cephalopterus penduliger*)
13. Cerulean warbler (*Dendroica cerulean*)
14. Scarlet-breasted dacnis (*Dacnis berlepschi*)
15. Tanger finch (*Oreothraupis arremonops*)

Complementarily in the PD the PP lists the endemic bird species, including those of particular conservation interest, i.e. IUCN Red List Vulnerable and Endangered Species.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCRs or OBS were raised		

Or,

2) Irreplaceability
   a. A minimum proportion of a species' global population present at the site at any stage of the species' lifecycle according to the following thresholds:[54]
   b. Restricted-range species - species with a global range less than 50,000 km^2 *and* 5% of global population at the site; or
   c. Species with large but clumped distributions - 5% of the global population at the site; or
   d. Globally significant congregations - 1% of the global population seasonally at the site; or
   e. Globally significant source populations - 1% of the global population at the site;

Findings from Review on APRIL 23, 2012			
Conformance	Yes ☐	No ☐	N/A ☐
NCR/OBS			

3) Demonstrate that the project zone is in a low human development country OR in an administrative area of a medium or high human development[55] country in which at least 50% of the population of that area is below the national poverty line.

Findings from Review on APRIL 23, 2012			
Conformance	Yes ☐	No ☐	N/A ☐
NCR/OBS			

[54] While there is wide consensus on the need for a sub-criterion for bioregionally restricted assemblages, this sub-criterion has been excluded from the Standards until guidelines and thresholds have been agreed.

[55] Low, Medium, and High Human Development Countries defined in the latest UNDP Human Development Report http://hdr.undp.org/en/media/hdr_20072008_en_complete.pdf

APPENDIX B: Organization Details

Contacts

Primary Contact for Coordination with Rainforest Alliance

Primary Contact, Position:	Brian Krohnke
Address:	Camino Vecinal Milpe-Pachijal S/N y Km. 91 Vía Calacalí – La Independencia, Pichincha, Ecuador
Tel/Fax/Email:	+(5939)355-1949 / info@mindocloudforest.org

Billing Contact

Contact, Position:	Same as above
Address:	Same as above
Tel/Fax/Email:	Same as above

APPENDIX C: Stakeholders Interviewed (Confidential)

List of Project Proponent Staff Consulted

Name	Title	Contact	Type of Participation
Brian Krohnke	Project developer, owner (Stratum 1), legal representative of MCF	Tel: +(5939) 355-1949 bkrohnke@gmail.com	Interview
Debbie Eraly	Asesora de proyectos, Groenhart VZW / BOS+	Tel. 09/264.90.56 Fax 09/264.90.92. debbie.eraly.groenhart@gmail.com	Interview
Rafael Ferro	Project land owner Stratum 3	Rancho Suamox, Puerto Vicente Maldonado	Interview
Ximena Enríquez	Project land owner Stratum 4	Salinas, Ibarra	Interview
Carlos Enríquez	Employee Stratum 4	Salinas, Ibarra	Interview
Luis Pérez, Lily Olmedo, Marina Tuqueros	Employees	Puerto Vicente Maldonado	Interview
Gerardo Cuasapaz	Project land owner Stratum 5	La Carolina, Ibarra	Interview

List of other Stakeholders Consulted

Name	Organization	Contact	Type of Participation
Stefani Arellano	Climate Change Specialist, Ministerio de Ambiente	Calle Madrid 1159 y Andalucía Quito - Ecuador Teléfono: 593-2 398-7600	Interview
Aurelie Lhumeau	Climate Change Director, Ministerio de Ambiente	Calle Madrid 1159 y Andalucía Quito - Ecuador Teléfono: 593-2 398-7600	Interview
Cristian Velasco	Dirección Nacional Forestal Coordinador, Ministerio de Ambiente	Calle Madrid 1159 y Andalucía Quito - Ecuador Teléfono: 593-2 398-7600	Interview
Luis Ordónez	ECOPAR Director Ejecutivo	Quito, Ecuador	Interview
Patricio Erreis	Former ECOPAR employee	Quito, Ecuador	Interview
Wilson Araujo	Oficina Técnica Director, Milpe, Ministerio de Ambiente	Calle Madrid 1159 y Andalucía Quito - Ecuador Teléfono: 593-2 398-7600	Interview
Guillermo Laespina	Major, Puerto Maldonado	Puerto Vicente Maldonado	Interview
Roberto Erneis	Former Ecopar employee	Quito, Ecuador	Interview
Pablo Astudillo	Coordinator Subsecretaría de Cambio Climático, Ministerio de Ambiente	Calle Madrid 1159 y Andalucía Quito - Ecuador Teléfono: 593-2 398-7600	Interview
Sr. Yaguachi	President Recinto 23 de Febrero	Recinto 23 de Febrero, Puerto Maldonado	Interview
Milton Díaz	Teacher, School Carlos Alberto Gonzáles	Puerto Maldonado, Ecuador	Interview
Patricio Jaramillo	President Recinto Las Provincias Unidas	Recinto Las Provincias, Puerto Vicente Maldonado	Interview
Marlene Alcocera	Teacher, School Martha Bucaram	Puerto Vicente Maldonado	Interview
José Mina	Owner local restaurant	Las Tolas, Quito	Interview