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**Rainforest
Alliance**

Validation
Assessment
Report for:

**THE MONTE PASCOAL-PAU BRASIL
ECOLOGICAL CORRIDOR:
CARBON, COMMUNITY AND
BIODIVERSITY INITIATIVE**

in

**Caraiva Watershed, south region of
Bahia State, Brazil**

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Audit Team: Mauricio Voivodic,
IMAFLORA; Adam Gibbon,
Rainforest Alliance

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1 INTRODUCTION

The purpose of this report is to document conformance with the requirements of CCBA project design validation standards by The Nature Conservancy – TNC, with other partner organizations, who are the Project Proponents, hereafter referred to as “Company” or “Project proponents”. The report presents the findings of SmartWood auditors who have evaluated company systems and performance against the applicable standard(s). Section 2 below provides the audit conclusions and any necessary follow-up actions by the company through corrective action requests.

This evaluation follows Climate, Community and Biodiversity Project Design Standards, First Edition, May 2005. These were not developed by Rainforest Alliance, but by the Climate, Community and Biodiversity Alliance, CCBA. SmartWood CCBA evaluation reports are kept confidential in the draft stage. When finalized and successfully approved, the report is posted on SmartWood’s website and that of the CCBA.

The Rainforest Alliance’s certification program, SmartWood, was founded in 1989 to certify responsible forestry practices and now focuses on providing a variety of certification and auditing services. In 2005, Rainforest Alliance extended our role as a forest assessor/auditor to standards and services that included verification of forest carbon projects. Rainforest Alliance has the following status with the listed climate related standards and systems:

- Voluntary Carbon Standard – we are an approved *verifier*
- Climate, Community & Biodiversity Alliance – we are a *member* and an approved *verifier*
- Chicago Climate Exchange - we are an *associate member* and an approved *verifier*
- Plan Vivo – we are a *verifier*
- CarbonFix – we are an approved *verifier*

The CCBA Standards are primarily project design standards and demonstrated conformance to the standard in this audit related to the planning, development, and design of the project in the inception or start-up phase. Conformance related to systems, design, and proposed activities in the process of development by the project. The standards were not used to measure project implementation, thus conformance to the standard was not meant to evaluate any delivery of emissions reductions, community or biodiversity benefits, or other results hoped to be achieved through future performance of the project. The CCB Standards were designed to be a tool to demonstrate high-quality project design that should lead to multiple-benefits in addition to carbon sequestration and emissions reductions. Use of the standards may increase confidence in forestry carbon projects.

Dispute resolution: If Rainforest Alliance clients encounter organizations or individuals having concerns or comments about Rainforest Alliance / SmartWood program and our services, these parties are strongly encouraged to contact Rainforest Alliance / SmartWood Headquarters directly. Formal complaints or concerns should be sent in writing.

2 AUDIT CONCLUSIONS

2.1 Summary of Conformance to CCB Standards

The “Monte Pascoal-Pau Brazil Ecological Corridor: Carbon, Community and Biodiversity Initiative” in the Caraiva watershed, of Bahia state, Brazil was found not to be in compliance with CCBA standards at the time of the validation audit conducted in May 2009. The project aims at restoring native ecosystems within the Caraiva river basin through reforestation. The reforestation pattern is planned to create connectivity through corridors running between two national parks. The reforestation has objectives to enhance biodiversity within the Atlantic forest of Brazil, which

is one of the most threatened forest ecosystems globally. The primary project activity is to restore ecosystem integrity to a critical area of the Atlantic forest through engagement of private landowners, mostly cattle ranchers, who will reforest existing pasture or degraded areas. The plantings are designed to reestablish patches of forest in areas cleared over the years due to cattle ranching - one of the most common land uses in the region.

The review of the project description, supporting documentation and interviews has provided Rainforest Alliance with the evidence to determine fulfillment to the stated criteria with reasonable assurance. The project proponents corrected deficiencies identified in the draft validation audit report through submittal of revised versions of the PoA and CPA of August 21, 2009.

Based upon the evidence presented the Rainforest Alliance validation conclusion is that the project is likely to achieve the expected benefits to climate, community and biodiversity.

The CCBA rules provide for three levels or tiers by which a project may be validated to the standards. These are:

- **Approved:** projects satisfying all fifteen mandatory criteria;
- **Silver:** projects that satisfy all fifteen mandatory criteria and receive at least 4 points with at least one point from optional criteria in each of the four sections (General, Climate, Community, and Biodiversity);
- **Gold:** projects that satisfy all fifteen mandatory criteria and receive at least 6 points, with at least one point from optional criteria in each of the four sections.

The “Monte Pascoal-Pau Brazil Ecological Corridor: Carbon, Community and Biodiversity Initiative” project earned validation at the gold level and the following scorecard shows the level of compliance achieved by the project:

General Section

G1. Original Conditions at Project Site	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
G2. Baseline Projections	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
G3. Project Design & Goals	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
G4. Management Capacity	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
G5. Land Tenure	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
G6. Legal Status	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
G7. Adaptive Management for Sustainability	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Optional
G8. Knowledge Dissemination	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Optional

Conformance:

Climate Section

CL1. Net Positive Climate Impacts	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
CL2. Offsite Climate Impacts (“Leakage”)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
CL3. Climate Impact Monitoring	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
CL4. Adapting to Climate Change & Climate Variability	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Optional
CL5. Carbon Benefits Withheld from Regulatory Markets	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Optional

Conformance:

Community Section

CM1. Net Positive Community Impacts	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
CM2. Offsite Community Impacts	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
CM3. Community Impact Monitoring	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
CM4. Capacity Building	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Optional
CM5. Best Practices in Community Involvement	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Optional

Conformance:

Biodiversity Section

B1. Net Positive Biodiversity Impacts	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
B2. Offsite Biodiversity Impacts	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
B3. Biodiversity Impact Monitoring	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required

Conformance:

B4. Native Species Use Yes No Optional
 B5. Water & Soil Resource Enhancement Yes No Optional

CCBA Validation Level Attained:

Approved Yes No
 Silver Yes No
 Gold Yes No

2.2 Auditor Recommendation

Based on Company's conformance with CCBA requirements, the auditor makes the following recommendation:

- Validation approved:
No CARs issued
- Validation not approved:
Conformance with CAR(s) required

Additional comments:

After the Project Proponent submitted objective evidence to the auditor demonstrating that the non-conformances were addressed, Rainforest Alliance evaluated the evidence and then updated this report on the status of the CARs and actions taken. The revised versions of PoA and CPA August 21, 2009 was submitted on that day to Rainforest Alliance and reviewed on October 19, 2009. This report was updated and completed as all supporting documentation demonstrated that the CARs had been closed.

In the revised version of the CPA, the total area to be reforested has decreased from 17 ha to 11.25 ha. This was justified by the project proponent based on the new georeferencing classification when it was found that a part of the area was covered by secondary vegetation that would not comply with the eligibility criteria.

2.3 Corrective Action Requests

2.3.1 Corrective Action Requests (CARs)

Note: CARs describe required actions or improvements that address COMPANY non-conformances identified during audits. CARs include defined timelines for completion. CARs issued during validation audit shall be closed prior to issuance of Validation.

CAR 01/09	Reference Standard & Requirement: G1.2.
Non-conformance:	[Description of non-conformance]
	The PoA and CPA provide a brief description of the types and conditions of vegetation at the project region. This is acceptable for the PoA, but not for the CPA in where is expected additional information regarding specific types and conditions of vegetation at the project site will be presented.
Corrective Action Request: The Project Proponent shall adjust the CPA to provide a description of the vegetation at the project site to describe the actual situation (e.g.: current diversity, species composition, etc.) rather than the description of the general conditions in the region.	

Timeline for conformance:	Prior to validation
Evidence to close CAR:	In the revised version of the CPA (08.21.2009) a good description of the types and condition of the vegetation at the project site is provided.
CAR Status:	CLOSED
Follow-up Actions (if any):	

CAR 02/09	Reference Standard & Requirement: G1.5
Non-conformance:	[Description of non-conformance]
	The CPA presents a description of current land use and land tenure at the project site. However, the CPA indicates that legal title of the farm is presented in the annex, but this mentioned annex was not found. During the field audit, it was not possible to view those land title documents.
Corrective Action Request: The Project Proponent shall have a system to demonstrate land tenure of the farm where project activities will be implemented, including copies of the land title.	
Timeline for conformance:	Prior to validation
Evidence to close CAR:	In the revised CPA (08.21.2009) the Project Proponent has presented copies of legal documents of the farm (such as CCIR, ITR and land title) that demonstrates the land tenure at the project site.
CAR Status:	CLOSED
Follow-up Actions (if any):	

CAR 03/09	Reference Standard & Requirement: G2.1
Non-conformance:	[Description of non-conformance]
	The PoA provides a description of the most likely land-use scenario in the absence of the project. This scenario includes an analysis of the existing laws and regulations and the lack of enforcement in the project region. The business as usual scenario considered for the areas is the pasture use for cattle ranching. However, although silviculture is also a common practice in the region this was not considered in the “without-project” scenario. Although it became clear during the field audit that the areas where the reforestation activities will be implemented are not along the plateaus where silviculture usually takes place, this information is not clear in PoA or the CPA as eligibility criteria. If, in the other hand, the plateaus are also eligible for reforestation, than the eucalyptus scenario should also be considered as the “without-project”.
Corrective Action Request: The Project Proponent shall explain all potential “without-project” scenarios explicitly, including eucalyptus silviculture.	
Timeline for conformance:	Prior to validation
Evidence to close CAR:	In the revised version of the PoA (08.21.2009) the Project Proponent has included a explanation of why the eucalyptus silviculture was not considered as the most likely land-use scenario in the absence of the project. This explanation, based on the fact that the reforestation activities will be undertaken in the Legal Reserve (RL) areas, where the national regulation prohibits the use of exotic species, was considered acceptable. This explanation was also included in the eligibility criteria for assessing additionality of CPAs in the revised PoA (08.21.2009), as well as in the justification of eligibility presented in the revised CPA (08.21.2009).
CAR Status:	CLOSED
Follow-up Actions (if any):	

CAR 04/09	Reference Standard & Requirement: G2.2
Non-conformance:	[Description of non-conformance]
	The remote sensing methodology used to determine eligibility of land (no forest in the project area since December, 31 st 1989) described in section A.8 of the CPA and A5.4.1 of the PoA, was found to have weaknesses.
Corrective Action Request: The Project Proponent shall fully describe the remote sensing methodology used to determine land eligibility and present the findings clearly so that in particular, the accuracy of georeferencing can be determined.	
Timeline for conformance:	Prior to validation
Evidence to close CAR:	In the revised versions of the PoA and CPA (08.21.2009) the remote sensing methodology was improved in order to increase the accuracy of the determination of land eligibility. A full description of the methodology that was used was presented. The conclusion of the auditors was that the remote sensing had been correctly implemented.
CAR Status:	CLOSED
Follow-up Actions (if any):	

CAR 05/09	Reference Standard & Requirement: G3.1
Non-conformance:	[Description of non-conformance]
	The PoA provides a description of the scope of the project and a summary of the major climate, community and biodiversity goals. However, the difference in the scope between the PoA and the CPA is not made clear. Most of the information included in the CPA is exactly the same of the PoA and, although this is understandable given their relationship, the CPA should be specific to the actual site where the activities are occurring. In addition, at times, the copying and pasting between documents means that the text does not make sense.
Corrective Action Request: The Project Proponent shall review the scope description of the CPA in order to ensure the information in the CPA is specific to the area where the project activities will be implemented and correctly references the PoA and sections of the CPA.	
Timeline for conformance:	Prior to validation
Evidence to close CAR:	In the revised CPA (08.21.2009) the Project Proponent has made changes throughout the whole text in order to make it more specific to the project site rather than referring to the regional context. The scope description in this version is specific to the project site.
CAR Status:	CLOSED
Follow-up Actions (if any):	

CAR 06/09	Reference Standard & Requirement: G3.3
Non-conformance:	[Description of non-conformance]
	The PoA and the CPA provide both maps identifying the project region location, and the project site (first CPA) location with geo-referenced boundaries. However, the project site is not presented in relation to the farm boundaries where it will be implemented. Because of that, it's not clear the exact location of the project. The CPA should be more specific than the PoA in relation to the site where activities will be implemented and therefore should present in more detailed information about the project site. In addition, there appears to be some mis-referencing of images used in the CPA and PoA
Corrective Action Request: The Project Proponent shall clearly present the location of the project site in the CPA in relation with the farm boundaries, including basic information about the farm where the CPA will be implemented.	

Timeline for conformance:	Prior to validation
Evidence to close CAR:	The new maps provided in the revised version of the CPA (08.21.09), pages 10 and 11, present the georeferenced location of the project site in relation to the boundaries of the farm, to the PoA area and to the local and regional infrastructure (such as roads and rivers). The mis-referencing found between images used in the CPA and PoA was also corrected.
CAR Status:	CLOSED
Follow-up Actions (if any):	

CAR 07/09	Reference Standard & Requirement: G3.4
Non-conformance:	[Description of non-conformance] The PoA states that "PoA is considered open-ended, without a defined end date. It will be accepting new CPAs for five years after the start of the project. Each CPA will have an operational lifetime of 30 years": The CPA states that the length of the project is 30 years, consistent with the PoA. However, the rationale for the project lifetime is not presented in either document.
Corrective Action Request: The Project Proponent shall present the rationale used for determining the project lifetime.	
Timeline for conformance:	Prior to validation
Evidence to close CAR:	The revised versions of the PoA and the CPA (08.21.2009) provides a reasonable rationale for determining the project lifetime, which was defined as 35 years for the PoA, and 30 years for each CPA, considering a five years period for the inclusion of new CPAs in the PoA after the project start.
CAR Status:	CLOSED
Follow-up Actions (if any):	

CAR 08/09	Reference Standard & Requirement: G4.4
Non-conformance:	[Description of non-conformance] The financial health of the implementing organizations is well documented. However, it is not clear whether or not the financial resources required to implement the project activities are already available. It would be clearer if the total budget of the whole project was presented, as well as the budget of the first CPA project which is already available. The methods that the Project Proponents will use to raise the required resources to implement to total project activities should also be clear.
Corrective Action Request: The Project Proponents shall demonstrate the financial situation of the project, with clear distinction of the total amount of financial resources required to implement the whole project activities and the currently available resources to implement the first CPA.	
Timeline for conformance:	Prior to validation
Evidence to close CAR:	The revised version of the PoA (08.21.2009) provides a description of the strategic plan to raise the necessary funds to implement the target of 4,000 ha of restored area. It also presents an overall budget for the implementation of the PoA activities. The revised version of the CPA (08.21.2009) provides a budget for the implementation of the CPA activities.
CAR Status:	CLOSED
Follow-up Actions (if any):	

CAR 09/09	Reference Standard & Requirement: G6.1; CM 5.3
Non-conformance:	[Description of non-conformance]

	It is not clear how the project developers will guarantee that no laws will be broken by the project implementation, especially with regard to the labor requirements of the team involved in the implementation of the project activities.
Corrective Action Request: The Project Proponent shall describe how the labor law requirements will be met during the implementation of project activities.	
Timeline for conformance:	Prior to validation
Evidence to close CAR:	In the revised version of the PoA (08.21.2009), the Project Proponent provides a description of how the labor laws will be followed, including information of contract forms and health and safety measures. This was also included in the eligibility criteria of CPA areas for the PoA.
CAR Status:	CLOSED
Follow-up Actions (if any):	

CAR 10/09	Reference Standard & Requirement: CL1.1
Non-conformance:	[Description of non-conformance] The PoA (section C5.1.2) states that the deadwood, litter and soil organic carbon pools will be ignored, whilst the “above ground” and “below ground” pools will be included. The methodology AR-ACM0001 allows also for the exclusion of the pools mentioned above if transparent and verifiable information can be provided that their carbon stocks in the baseline scenario can be expected to decrease more or increase less, relative to the project scenario. This information has not been provided in the PoA or CPA.
Corrective Action Request: The Project Proponent shall provide transparent and verifiable information that justifies the carbon pool selection.	
Timeline for conformance:	Prior to validation
Evidence to close CAR:	The revised version of the PoA (08.21.2009) presents a justification for the selection of carbon pools to be considered in the estimative of the net change in carbon stocks due to the project activities. This justification is based on IPCC guidelines and other scientific information.
CAR Status:	CLOSED
Follow-up Actions (if any):	

CAR 11/09	Reference Standard & Requirement: CL.2.2
Non-conformance:	[Description of non-conformance] The two sources of leakage considered by the methodology AR-ACM0001 are not applicable to this project. The activity displacement will be monitored through monthly visits and satellite images analysis. The project developers will also control and monitor fuel consumption for implementation, maintenance and monitoring activities, although this is also not considered in the calculations. The CPA, in section C.3.2.1, states that cattle removal will be monitored indirectly by remote sensing (and by other means). It is not clear how this will be achieved, or the method that will be used to link the remotely sensed data to carbon stock losses due to leakage.
Corrective Action Request: The Project Proponent shall explain in more detail how cattle removal leakage will be monitored indirectly by remote sensing.	
Timeline for conformance:	Prior to validation
Evidence to close CAR:	In the revised version of the PoA (08.21.2009) the Project Proponent has included an explanation to demonstrate that the leakage due to cattle removal will be monitored indirectly by the remote sensing monitoring of

	forest cover and regeneration in the PoA area. If there is conversion of forest land into other land uses, this will be assessed in order to identify whether or not this conversion is linked to the cattle removal from the CPA areas.
CAR Status:	CLOSED
Follow-up Actions (if any):	

CAR 12/09	Reference Standard & Requirement: CM 2.1
Non-conformance:	[Description of non-conformance]
	The PoA (section E.4) identifies the potential negative offsite community impacts that the project is likely to cause. These are considered to be very small, focused only on the unemployment of few (4-8) rural workers of the properties due to the reduction of cattle ranching areas in the region. However, the CPA does not presents any specific information about the offsite community impact that the CPA activities are likely to cause; bur rather presents the same information of the PoA.
Corrective Action Request: The CPA shall present site-specific information about the offsite community impacts that the CPA activities are likely to cause.	
Timeline for conformance:	Prior to validation
Evidence to close CAR:	In the revised version of the CPA (08.21.2009) the information about the offsite community impacts was updated, being specific to the impacts in the site level, rather than in the regional level.
CAR Status:	CLOSED
Follow-up Actions (if any):	

CAR 13/09	Reference Standard & Requirement: B 2.1 , B 2.2
Non-conformance:	[Description of non-conformance]
	Section D1.2.2 of the PoA presents a description of the offsite biodiversity impacts. This description is based in the assumptions of Eucalyptus planting in the region, rather than a result of the project implementation. It is not clear why this approach was taken. There is no clear indication of the negative offsite biodiversity impacts that are expected to result from the project implementation.
Corrective Action Request: The Project Proponent shall identify potential negative offsite biodiversity impacts that the project is likely to cause and describe how the project plans to mitigate these negative offsite biodiversity impacts.	
Timeline for conformance:	Prior to validation
Evidence to close CAR:	In the revised version of the PoA (08.21.2009) the description of the offsite biodiversity impacts was updated with information specific to the potential impacts that may result from the implementation of the project activities. This version also presents mitigation plans for the potential negative offsite effects on biodiversity.
CAR Status:	CLOSED
Follow-up Actions (if any):	

2.3.2 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.

OBS 01/09	Reference Standard & Requirement: G 3.2
[Description of findings leading to observation] The PoA and the CPA provide description of the project activities and its relevance to achieving the project's goals. The PoA and the CPA presents as one of the main goals the restoration of a corridor between Pau Brasil National Park and the Monte Pascoal National Park through an "S" shaped land track. However, the location of the Monte Pascoal farm, the site of the first CPA, is outside this "S" shaped land track. It is therefore not clear how the PoA activities achieve the goal of the CPA.	
Observation: The Project Proponent should clarify the eligible land areas under the CPA and how the PoA for Monte Pascoal farm meets the criteria.	
Timeline for conformance:	Optional
Evidence to close OBS:	In the revised version of the PoA (08.21.2009), the Project Proponent has clarified the goals and priorities of the PoA, extending it to an area larger than the "S" shaped land track, justifying the contribution of the first CPA to the PoA goals.
OBS Status:	CLOSED
Follow-up Actions (if any):	
OBS 02/09	Reference Standard & Requirement: G 7.4 (optional)
[Description of findings leading to observation] It is not clear how a long-term commitment to the sustainability of the project benefits will be addressed. It is not clear what will happen to forests that are established when the project ends.	
Observation: The Project Proponent SHOULD demonstrate an early commitment to the long-term sustainability of project benefits once initial project funding expires	
Timeline for conformance:	Optional
Evidence to close OBS:	In the revised version of the PoA (08.21.2009) the Project Proponent has included a description of the strategy for a long term commitment to sustainability of PoA benefits. It's based on the fact that the reforested areas will be protected by law, since all of it falls in <i>Permanent Protected Areas (APP)</i> and <i>Legal Reserves (RL)</i> categories and will therefore be permanently protected by the land owners.
OBS Status:	CLOSED
Follow-up Actions (if any):	
OBS 03/09	Reference Standard & Requirement: CM 5.4
[Description of findings leading to observation] The project does not present a plan about workers safety, or provide any information on how the workers will be informed about their rights and risks of accident.	
Observation: The Project Proponent SHOULD comprehensively assess situations and occupations that pose a substantial risk to worker safety, and make a plan to inform workers of any risks.	
Timeline for conformance:	Optional
Evidence to close OBS:	In the revised version of the PoA (08.21.2009) the Project Proponent has updated the social risks evaluation with a specific plan for the employees' safety, based on a risk assessment of the project's activities. It has also presented specific measurements for mitigation of those risks, based on the legal requirements that define best practices for health and safety of rural workers.
OBS Status:	CLOSED
Follow-up Actions (if any):	

2.4 Actions Taken by Company Prior to Report Finalization

The first draft of the validation audit report was submitted to the client on July 22, 2009. The Project Proponents responded to the CARs on August 21, 2009 with revised versions of PoA and CPA.

Rainforest Alliance evaluated all of the CARs issued in the first draft of the validation audit and found that all of the mandatory CCB criteria had been met as described in section 2.3.1 above. The corrective actions taken by the Project Proponents are indicated within the findings sections below.

3 AUDIT PROCESS

3.1 Audit Overview

Note: The table below provides an overview of the audit scope. See standard checklist appendix for specific details on auditor qualifications, staff interviewed, and audit findings per facility audited.

Location/Facility	Date(s)	Length of Audit	Auditor(s)
Caraiva community Opening meeting with project developers and representatives of ANAC local association Interview with representatives of ANAC local association	20.05	2 hours	Mauricio Voivodic
		3 hours	
Nova Caraiva community Interview with representatives of ASCBENC local association and COOPLANTAR local cooperative.		2 hours	
Project site Evaluation of the stratum classification Evaluation of the native species plantation	21.05	3 hours	
		Itabela Interview with landowner Interview with Natureza Bela local organization	
Porto Seguro / Instituto Cidade office Review of documents Interview with project developers Closure meeting	22.05	4 hours	

3.2 Description of Audit Process

The project proponents presented a PDD with a similar scope in January, 2008. A validation field audit was conducted by Rainforest Alliance and Imafloira in April 2008 and a draft report was completed in June 2008. After reviewing the report findings and the list of non-conformances, the project proponents decided to submit a new project design document with significant changes to the structure and format of the project. Thus a new validation audit process was started, yet to the extent that is possible, has built upon the lessons learned in the audit of one year earlier.

The PDDs (at this stage divided in to PoA and CPA) supporting the project were presented to Rainforest Alliance and to CCBA in March, 2009. The field validation audit was conducted by the Rainforest Alliance Brazilian partner, Imaflora, in May, 2009. The project was also desk reviewed by the Rainforest Alliance climate specialist before and after the field audit. A draft report was presented by Rainforest Alliance and Imaflora in July 22, 2009, with 13 CARs and 3 Observations.

The Project Proponents submitted new versions of the PoA and CPA in August 21, 2009. The PoA submitted has the file name 'PoA_DD Caraíva Final'. It is referenced as Version 01 on the title page¹. The revised CPA has the file name 'CPA DD-Caraíva Final'. It is referenced as Version 01 on the title page¹. These documents were desk reviewed by Rainforest Alliance and Imaflora. The additional evidence presented in these updated documents demonstrated that the project complies with all CCBA requirements.

This is the final report from Rainforest Alliance, approved on October 22, 2009.

3.3 Documents reviewed

- Program of activities design document – Aforestation/reforestation project activities – version 1 (PoA);
- Program of activities design document – Afforestation/reforestation project activities – version 2 (PoA);
- Programme activity design document – aforestation/reforestation project activities – version 1 (CPA);
- Programme activity design document – afforestation/reforestation project activities – version 2 (CPA);
- Memorandum of Understanding between the project developers partnership;
- Portuguese public summary of the project;
- Contract between TNC and the landowner of the first CPA;
- Land titles of the property where the first CPA will be implemented;
- Ex-ante Carbon Estimates for resubmission;
- Project overall budget;

3.4 Stakeholder consultation process (if applicable)

The project was posted in the CCBA website for public consultation in March, 9th and was a public announcement was sent for Brazilian stakeholders at this time.

Before and during the field audit, local stakeholders were contacted for a consultation about the project.

¹ On the second page it is stated that it was first printed in January 2009, which would appear to be a typo, since it was recently revised.

Appendix A: COMPANY DETAILS

1 CONTACTS

1.1 Primary Contact for Coordination with Rainforest Alliance

Primary Contact, Position:	Gilberto Tiepolo – TNC – Forest Coordinator
Address:	Rua Padre Anchieta, 392 Mercês Curitiba-Paraná-Brazil CEP : 80.410-030
Tel/Fax/Email:	Tel/fax.: (41) 2111-8764 e-mail: gtiepolo@tnc.org

1.2 Billing Contact

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

2 Rainforest Alliance Website Fact Sheet

Note: Upon Validation, the Rainforest Alliance website posts and maintains Fact Sheets for companies with the information in the table below.

Field	Text for Fact Sheet	Has this Info Changed?
Contact, Title: (Sales & Marketing)		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Address:		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Tel/Fax/Email/Website:		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Products/Descriptions:		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

3 Validation Scope

3.1 Scope Definition:

This evaluation refers to a Program of Activities (PoA), submitted to Rainforest Alliance and the CCBA for validation, which represents an overarching group reforestation scheme, aiming for the establishment of a corridor of about 1000 ha, that will join two protected fragments of Atlantic Rainforest in Brazil.

This PoA is a general plan that presents the overall project guidelines and major activities. The PoA will be consolidated by a group of CDM Programme of Activities (CPA) in which is presented the specific information for each reforestation area that will join the project gradually, until the composition of the 1000 ha distributed in several CPAs.

This PoA was submitted together with the first CPA which presents the activities for a 17 ha of reforestation in a private property in the project region. The revised version of the CPA is only for a reduced area of 11.25 ha.

3.2 Type of Legal Entity: Group of NGOs and local organizations in the project region.

3.3 Jurisdiction: Brazil

Appendix B: STANDARD CHECKLIST CCB STANDARDS

1 Evaluation of Project

Project Name:	The Monte Pascoal-Pau Brasil Ecological Corridor: Carbon, Community and Biodiversity Initiative
Contact for Validation:	Gilberto Tiepolo
Address:	Rua Padre Anchieta, 392 Mercês Curitiba-Paraná-Brazil CEP : 80.410-030
Tel/Fax/Email:	Tel/fax.: (41) 2111-8764 e-mail: gtiepolo@tnc.org

2 Evaluation Details

Auditor(s), Qualifications:	<p>Mauricio de Almeida Voivodic</p> <p>Forest Engineer, Coordinator of natural forests certification and forest carbon projects at IMAFLORA. Has over seven years of experience with tropical forest management, FSC certification and SmartWood certification system. Within the FSC and SmartWood certification systems, is a lead auditor, with experience in more than 50 certification processes of companies and communities in the Amazon.</p> <p>Adam Gibbon, Rainforest Alliance Climate Change Technical Specialist</p> <p>Adam has led the technical climate change related side of nine CCBA validations that are either completed or currently underway. He has also led three methodology reviews, one VCS validation and been involved in one CCX verification. Adam has trained over 60 people in Spain, Bali and Vietnam in AFOLU project auditing and project development. Recipients of the training included Rainforest Alliance auditors, government officials, private consultants and NGO representatives. Adam was lead author of recent Rainforest Alliance publication entitled, "Guidance on coffee carbon project development using the (CDM) simplified agroforestry methodology" as well as two scientific articles currently in press.</p> <p>Before joining Rainforest Alliance Adam worked at Oxford University as a researcher. His research emphasized the potential of carbon markets to finance sustainable management of forest resources. He led a team conducting a landscape scale assessment of carbon stocks in the Peruvian Andes' cloud forests and montane grasslands.</p> <p>Adam earned a distinction on the Environmental Change and Management MSc. Program at Oxford University, winning prizes for his dissertation and overall performance. He was awarded the Sir Walter Raleigh Scholarship at Oriel College, Oxford. He graduated with a first class degree from Durham University, with a BSc in Natural Sciences, specializing in Geology, Chemistry & Geography.</p>
Sites Visited:	See section 3.1 of this report above.

People Interviewed, Titles:	<p>Gilberto Tiepolo: TNC technical specialist</p> <p>Jeferson Pecin: Instituto Bioatlântica technical specialist;</p> <p>Paulo Dimas Menezes: Instituto Cidade technical specialist;</p> <p>Rubens Benini: TNC technical specialist;</p> <p>Sabrina M. Moran: Ambiental PV project manager;</p> <p>Olival Covre: land owner participating in the first CPA;</p> <p>José Dilson da Silva Dias: COOPLANTAR president;</p> <p>Carlos Alberto Santos: ASCBENC president;</p> <p>Antonio Carlos da Silva: ANAC president</p> <p>David: ANAC associate;</p> <p>Deivison: Natureza Bela associate;</p> <p>Carielli: Natureza Bela associate;</p> <p>Ueslei: Natureza Bela associate;</p> <p>Sidivaldo: Natureza Bela associate;</p> <p>Regilene: Natureza Bela associate;</p> <p>Geiza: Natureza Bela associate;</p>
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3 Standard Checklist

Climate, Community and Biodiversity Project Design Standards First Edition, May 2005

G1. Original Conditions at Project Site - Required

Concept

The original conditions at the project site before the project commences must be described. This description, along with projections (G2), will help determine the likely impacts of the project

Indicators

The original conditions at the project site before the project commences must be described. This description, along with projections (**G2**), will help determine the likely impacts of the project:

General Information

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

Findings	The PoA provides information with the location of the project and a good description of local physical parameters.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 2) The types and condition of vegetation at the project site.

Findings	The PoA and CPA provide a brief description of the types and condition of vegetation in the project region which is acceptable for the PoA, but not for the CPA in which it is expected additional information regarding specific the types and conditions of vegetation at the project site will be presented.
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Conformance CAR/OBS	In the revised version of the CPA (08.21.2009) a good description of the types and condition of the vegetation at the project site is provided.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	CAR 01/09 The Project Proponent shall adjust the CPA to provide a description of the vegetation at the project site to describe the actual situation (e.g.: current diversity, species composition, etc.) rather than the description of the general conditions in the region.			
	This CAR was closed by actions of the Project Proponent evidenced in the revised version of the CPA (08.21.2009) and explained in the findings above.			

Climate Information

- 3) Current carbon stocks at the Project site(s), using methodologies from the Intergovernmental on Panel on Climate Change’s Good Practice Guidance (IPCC GPG) or other internationally-approved methodologies (e.g. from the CDM Executive Board).

Findings	The baseline carbon stocks are considered zero for both strata identified in the project’s area. This is justified by reference to continued degradation preventing forest re-establishment.		
Conformance CAR/OBS	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	n/a		

Community Information

- 4) A description of communities located in and around the project area, including basic socio-economic information (using appropriate methodologies such as the livelihoods framework).

Findings	The PoA presents a good description of the communities located in the project region, with reasonable socio-economic information.		
Conformance CAR/OBS	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	n/a		

- 5) A description of current land use and land tenure at the project site. (See also **G5**).

Findings	CPA presents a description of current land use and land tenure at the project site. However, the CPA indicates that legal title of the farm is presented in the annex, but this annex was not found. During the field audit, it was not possible to view those land title documents.		
	In the revised CPA (08.21.2009) the Project Proponent has presented copies of legal documents of the farm (such as CCIR, ITR and land title) that demonstrates the land tenure at the project site.		
Conformance CAR/OBS	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
	CAR 02/09 The Project Proponent shall have a system to demonstrate land tenure of the farm where project activities will be implemented, including copies of the land title.		
	This CAR was closed by actions of the Project Proponent evidenced in the revised version of the CPA (08.21.2009) and explained in the findings above.		

Biodiversity Information

- 6) A description of current biodiversity in the project area and threats to that biodiversity, using appropriate methodologies (e.g., key species habitat analysis, connectivity analysis), substantiated where possible with appropriate reference material

Findings	The PoA provides a good description of the current biodiversity in the project area and		
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	the threats to that biodiversity.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
CAR/OBS	n/a			

- 7) A list of all IUCN Red List threatened species (which encompasses endangered and vulnerable species) and species on nationally recognized list (where applicable) found within the project boundary. (See also **B1**).

Findings	The PoA provides a list of all IUCN Red List threatened species found within the project region.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>	
CAR/OBS	n/a			

G2. Baseline Projections

Concept

An analysis of projected land-use trends is necessary to predict likely on-site changes without implementation of a project. This “without-project” future land-use scenario enables comparison of the project’s likely impacts with what would otherwise have occurred.

Indicators

The Project Proponents must develop a defensible and well-documented "without-project" future land-use scenario and baseline projections.

- 1) Description of the most likely land-use scenario in the absence of the project, identifying whether the scenario assumes that existing laws or regulations would have required that project activities be undertaken anyway.²

Findings	<p>The PoA provides a description of the most likely land-use scenario in the absence of the project. This scenario includes an analysis of the existing laws and regulations and the lack of enforcement in the project region. The business as usual scenario considered for the areas is the pasture use for cattle ranching.</p> <p>However, although silviculture is also a common practice in the region this was not considered in the “without-project” scenario. Although it became clear during the field audit that the areas where the reforestation activities will be implemented are not along the plateaus where silviculture usually takes place, this information is not clear in PoA as eligibility criteria or in the CPA. If, in the other hand, the plateaus are also eligible for reforestation, than the eucalyptus scenario should also be considered as the “without-project”.</p> <p>In the revised version of the PoA (08.21.2009) the Project Proponent has included a explanation of why the eucalyptus silviculture was not considered as the most likely land-use scenario in the absence of the project. This explanation, based on the fact that the reforestation activities will be undertaken in the Legal Reserve (RL) areas, where the national regulation prohibits the use of exotic species, was considered acceptable.</p> <p>This explanation was also included in the eligibility criteria for assessing additionality of CPAs in the revised PoA (08.21.2009), as well as in the justification of eligibility presented in the revised CPA (08.21.2009).</p>
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²This is important for justifying whether the benefits being claimed by the project are truly “additional”, i.e., the climate, community, and biodiversity impacts that would not be likely to occur without the project. For example, actions implemented by the project must not be required by law, or Project Proponents must make a compelling case demonstrating that the pertinent laws are not being enforced. The Project Proponents must provide credible and well-documented analyses (poverty assessments, farming knowledge assessments, remote sensing analysis, etc) showing that without the project, improved land-use practices would be unlikely to materialize.

Conformance CAR/OBS	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
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CAR 03/09 The Project Proponent shall explain all potential “without-project” scenarios explicitly, including eucalyptus silviculture.

This CAR was closed by actions of the Project Proponent evidenced in the revised version of the PoA and the CPA (08.21.2009) and explained in the findings above.

- 2) A projection of future carbon stock changes in the absence of the project, based on the land-use scenario described above. The timeframe for this analysis can be either the project lifetime (see G3) or the project accounting period, whichever is more appropriate³. If there is evidence that non-CO₂ greenhouse gas (GHG) emissions such as CH₄ or N₂O are more than 15% of the baseline GHG fluxes at the project site (in terms of CO₂ equivalents), they must be estimated.

Findings	<p>The projection of future carbon stock change is considered zero in the absence of the project. A reasonable rationale was presented to justify that the expected land use for the areas eligible for the project implementation is to continue as pasture with cattle ranching activities.</p> <p>However, the remote sensing methodology used to determine eligibility of land (no forest in the project area since December, 31st 1989) described in section A.8 of the CPA and A5.4.1 of the PoA, was found to have weaknesses.</p> <p>The methodology does not state the dates on which the images were taken. This is potentially significant since, the first image is from 1990, which is after 1989. There is no description of the georeferencing conducted. For small scale change detection and classification, accurate georeferencing between time series images is essential. From a visual observation of figures 14 and 13 (numbered out of sequence), it appears that the Landsat scene is offset significantly along an east-west axis. This is most visible at the coast, where in the 2007 scene the Caraiva Watershed polygon traces the coastline exactly, whilst in 1990, the polygon extends into the sea. If this level of incorrect georeferencing exists then the change detection exercise results are not valid. There is no description of how the software was trained for the supervised classification. There is no description of the accuracy assessment performed on the classification, or the results. There is no mention of ground-thruthing. Scale bars on images would make the interpretation of maps significantly easier.</p> <p>In the revised versions of the PoA and CPA (08.21.2009) the remote sensing methodology was improved in order to increase the accuracy of the determination of land eligibility. The first image is now taken from 1998, which is suitable for proving land eligibility. A full description of the methodology that was used was presented. The conclusion of the auditors was that the remote sensing had been correctly implemented.</p>
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Conformance CAR/OBS	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
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CAR 04/09 The Project Proponent shall fully describe the remote sensing methodology used to determine land eligibility and present the findings clearly so that in particular, the accuracy of georeferencing can be determined.

This CAR was closed by actions of the Project Proponent evidenced in the revised versions of the PoA and the CPA (08.21.2009) and explained in the findings above.

- 3) Description of how the “without-project” scenario would affect local communities in the project area.

Findings	<p>The PoA and the CPA present a good description of how the “without-project” scenario would affect local communities in the project area.</p>
Conformance CAR/OBS	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>

n/a

³ In some cases, the project lifetime and the project accounting period may be different.

4) Description of how the “without-project” land-use scenario would affect biodiversity in the project area.

Findings	The PoA presents a good description of how the “without-project” scenario would impact the biodiversity in the region.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

5) Description of how the “without-project” land-use scenario would affect water and soil resources. (See also **B5**).

Findings	The PoA describes how the “without-project” scenario would affect water and soil resources.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

G3. Project Design & Goals - Required

Concept

The project must be described in sufficient detail so that a third-party can adequately evaluate it. Projects that operate in a transparent manner enable stakeholders and outside parties to contribute more effectively to the project.

Indicators

The Project proponents must:

1) Provide a description of the scope of the project and a summary of the major climate, community and biodiversity goals.

Findings	The PoA provides a description of the scope of the project and a summary of the major climate, community and biodiversity goals. However, this is not clear the difference in the scope between the PoA and the CPA. Most of the information included in the CPA is exactly the same of the PoA and, although this is understandable given their relationship, the CPA should specific to the actual site where the activities are occurring. In addition, at times, the copying and pasting between documents means that the text does not make sense. For example, in Section B1.1.2 of the CPA, the text refers to “this PoA” and then mis-references a section (C.4 for additionality).		
	In the revised CPA (08.21.2009) the Project Proponent has made changes throughout the whole text in order to make it more specific to the project site rather than referring to the regional context. The scope description in this version is specific to the project site.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	<p>CAR 05/09 The Project Proponent shall review the scope description of the CPA in order to ensure the information in the CPA is specific to the area where the project activities will be implemented and correctly references the PoA and sections of the CPA.</p> <p>This CAR was closed by actions of the Project Proponent evidenced in the revised version of the CPA (08.21.2009) and explained in the findings above.</p>		

2) Describe each major project activity (if more than one) and its relevance to achieving the project's goals.

Findings	The PoA and the CPA provide descriptions of the project activities and its relevance to achieving the project's goals. The PoA and the CPA presents as one of the main goals the restoration of a corridor between Pau Brasil National Park and the Monte Pascoal		
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National Park through an “S” shaped land track. However, the location of the Monte Pascoal farm, the site of the first CPA, is outside this “S” shaped land track. It is therefore not clear how the PoA activities achieve the goal of the CPA.

In the revised version of the PoA (08.21.2009), the Project Proponent has clarified the goals and priorities of the PoA, extending it to an area larger than the “S” shaped land track, justifying the contribution of the first CPA to the PoA goals.

Conformance
CAR/OBS

Yes No N/A

OBS 01/09 The Project Proponent should clarify the eligible land areas under the CPA and how the PoA for Monte Pascoal farm meets the criteria.

This OBS was closed by actions of the Project Proponent evidenced in the revised version of the PoA (08.21.2009) and explained in the findings above.

- 3) Provide a map identifying the project location, where the major project activities will occur, and geo-referenced boundaries of the project site(s).

Findings

The PoA and the CPA provide both maps identifying the project region location, and the project site (first CPA) location with geo-referenced boundaries. However, the project site is not presented in relation to the farm boundaries where it will be implemented. Because of that, the exact location of the project is not clear. The CPA should be more specific than the PoA in relation to the site where activities will be implemented and therefore should present in more detailed information about the project site.

In addition, there appears to be some mis-referencing of images used in the CPA and PoA. The figures are not numbered sequentially, for example they run 7, 9, and 8 in the PoA. In the CPA Figures 6 and 7 are the same. The last sentence of section B.2 (page 29) references Figure 6, but Figure 6 does not show what is referenced.

The new maps provided in the revised version of the CPA (08.21.09), pages 10 and 11, presents the georeferenced location of the project site in relation to the boundaries of the farm, to the PoA area and to the local and regional infrastructure (such as roads and rivers). The mis-referencing found between images used in the CPA and PoA were also corrected.

Conformance
CAR/OBS

Yes No N/A

CAR 06/09 The Project Proponent shall review ensure the information in the CPA is specific to the area where the project activities will be implemented and correctly references the PoA and sections of the CPA.

This CAR was closed by actions of the Project Proponent evidenced in the revised versions of the PoA and the CPA (08.21.2009) and explained in the findings above.

- 4) Provide a timeframe for the project’s duration and the rationale used for determining the project lifetime. If the accounting period for carbon credits differs from the project lifetime, explain.

Findings

The PoA states that “PoA is considered open-ended, without a defined end date. It will be accepting new CPAs for five years after the start of the project.

Each CPA will have an operational lifetime of 30 years”: The CPA states that the length of the project is 30 years, consistent with the PoA. However, the rationale for the project lifetime is not presented in either document.

The revised versions of the PoA and the CPA (08.21.2009) provides a reasonable rationale for determining the project lifetime, which was defined as 35 years for the PoA, and 30 years for each CPA, considering a five years period for the inclusion of new CPAs in the PoA after the project start.

Conformance CAR/OBS	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
	CAR 07/09 The Project Proponent shall present the rationale used for determining the project lifetime.
	This CAR was closed by actions of the Project Proponent evidenced in the revised versions of the PoA and the CPA (08.21.2009) and explained in the findings above.

5) Identify likely risks to climate, community and biodiversity benefits during the project lifetime. Outline measures that the project plans to undertake to mitigate these risks.

Findings	The PoA identifies likely risks to climate, community and biodiversity during the project lifetime and outlines the measures planned to undertake to mitigate these risks.
Conformance CAR/OBS	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
	n/a

6) Document and defend how local stakeholders have been or will be defined.

Findings	The PoA and the CPA describe how local stakeholders have been defined.
Conformance CAR/OBS	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
	n/a

7) Demonstrate transparency by: making all project documentation publicly accessible at, or near, the project site; only withholding information when the need for confidentiality is clearly justified; informing local stakeholders how they can access the project documentation; and by making key project documents available in local or regional languages, where applicable.

Findings	During the field trip, the contact with local stakeholders has demonstrated that there's transparency in the way that the project has been developed. It's clear that local stakeholders are well informed about the project activities.
Conformance CAR/OBS	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
	n/a

G4. Management Capacity - Required

Concept

The success of a Project depends upon the competent of the implementing management team.

Indicators

The Project Proponents must:

1) Document the management team's experience implementing land management projects. If relevant experience is lacking, the proponents must demonstrate how other organizations will be partnered with to support the project.

Findings	The management team's experience implementing the project activities is well documented in the PoA (section A.5.6.)
Conformance CAR/OBS	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
	n/a

2) Demonstrate that management capacity is appropriate to the scale of the project.

Findings	The experience of the organizations that are involved in the project is appropriate to the scale of the project.
Conformance CAR/OBS	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
	n/a

- 3) Document key technical skills that will be required to successfully implement the project and identify members of the management team or project partners who possess the appropriate skills.

Findings	The technical skills that will be required to implement the project are identified in the PoA (section A.5.6.) and it's clearly described who in the project partners possess these skills.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 4) Document the financial health of the implementing organization(s).

Findings	The financial health of the implementing organizations is well documented. However, it's not clear whether or not the financial resources required to implement the project activities are already available. It would be clearer if the total budget of the whole project was presented, as well as the budget of the first CPA project which is already available. The methods that the Project Proponents will use to raise the required resources to implement to total project activities should also be clear.		
	The revised version of the PoA (08.21.2009) provides a description of the strategic plan to raise the necessary funds to implement the target of 4,000 ha of restored area. It also presents an overall budget for the implementation of the PoA activities.		
	The revised version of the CPA (08.21.2009) provides a budget for the implementation of the CPA activities.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	CAR 08/09 The Project Proponents shall demonstrate the financial situation of the project, with clear distinction of the total amount of financial resources required to implement the whole project activities and the currently available resources to implement the first CPA.		
	This CAR was closed by actions of the Project Proponent evidenced in the revised versions of the PoA and the CPA (08.21.2009) and explained in the findings above.		

G5. Land Tenure - Required

Concept

There should be no significant land tenure disputes in the project area, or the project should fundamentally help to resolve these tenure issues.

Indicators

Based on information about current land tenure provided in **G3**, the Project Proponents must:

- 1) Guarantee that the project will not encroach uninvited on private property, community property, or government property.

Findings	It is clear that this project, as the PoA was designed (in partnership with local private farmers), will not encroach any uninvited on private, community or government property.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 2) Guarantee that the project does not require the relocation of people or any relocation is 100% voluntary and fundamentally helps resolve land tenure problems in the area.

Findings	It is clear that this project, as the PoA was designed (in partnership with local private farmers), does not require any relocation of people.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

CAR/OBS n/a

3) Describe potential “in-migration” of people from surrounding areas, if relevant, and explain how the project will respond.

Findings	It is clear that this project, as it is designed (in partnership with local private farmers), will not cause any in-migration of people from surrounding areas.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

G6. Legal Status - Required

Concept

The project must be based on a solid legal framework (e.g., appropriate contracts are likely to be in place) and the project must seek to 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 and allow adequate time to earn necessary approvals. The project design should be flexible to accommodate potential modifications that may arise to secure regulatory approval.

Indicators

The Project Proponents must:

1) Guarantee that no laws will be broken by the project.

Findings	It is not clear how the project developers will guarantee that no laws will be broken by the project implementation, especially with regard to the labor requirements of the team involved in the implementation of the project activities.		
	In the revised version of the PoA (08.21.2009), the Project Proponent provides a description of how the labor laws will be followed, including information of contract forms and health and safety measures. This was also included in the eligibility criteria of CPA areas for the PoA.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	CAR 09/09 The Project Proponent shall describe how the labor law requirements will be met during the implementation of project activities.		
	This CAR was closed by actions of the Project Proponent evidenced in the revised version of the PoA (08.21.2009) and explained in the findings above.		

2) Document that the project has, or expects to secure, approval from the appropriate authorities.

Findings	The project implementation does not require any approval from authorities and its objectives are aligned with the regional legal requirements.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

G7. Adaptive Management for Sustainability - 1 Point, Optional

Concept

Adaptive management is a formal, systematic, and rigorous approach to learning from the outcomes of management actions, accommodating change and improving management. It involves synthesizing existing knowledge, exploring alternative actions and making forecasts about their outcomes. ⁴

Adaptive management is based upon the premise that ecosystems and social systems are complex and inherently unpredictable. Adaptive management views land management actions as learning opportunities and as potential experiments for systematically testing assumptions and identifying adjustments that could benefit the project. It enables a project to evolve to meet changing or unanticipated needs, and can help ensure that the project realizes its goals over the long term.

Indicators

The Project Proponents must:

- 1) Demonstrate how management actions and monitoring programs are designed to generate reliable feedback that is used to improve project outcomes.

Findings	The PoA presents the formation of a Management Board that will oversee the whole project, including activities implemented for each CPA. This Board, composed of representatives of the eight different organizations that are involved in the project, is expected to be responsible for the general coordination of the project implementation, including the evaluation of the results and the monitoring programs, redefining strategies and activities when needed. During the field audit the members of the Management Board were contacted and it was found that the mechanisms are adequately working for the purposes that they were established.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 2) Have a management plan for documenting decisions, actions and outcomes and sharing this information with others within the project team, so experience is passed on rather than being lost when individuals leave the project.

Findings	The Management Board will document decisions, actions and outcomes and this will be shared during other meetings and workshops in the regions.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 3) Demonstrate how the project design is sufficiently flexible to accommodate potential changes and that the project has a defined process in place to adjust project activities as needed.

Findings	The mechanism to adjust the project as needed is the Management Board. The findings from the field audit demonstrated that this mechanism is working and has a great potential to become a useful tool of adaptative management.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 4) Demonstrate an early commitment to the long-term sustainability of project benefits once initial project funding expires. Potential activities may include: designing a new project that builds on initial project outcomes; securing payments for ecosystem services; promoting micro-enterprise; and establishing alliances with organizations or companies to continue sustainable land management.

Findings	It is not clear how a long-term commitment to the sustainability of the project benefits will be addressed. It is not clear what will happen to forests that are established when the project ends.		
	In the revised version of the PoA (08.21.2009) the Project Proponent has included a description of the strategy for a long term commitment to sustainability of PoA benefits. It's based on the fact that the reforested areas will be protected by law, since all of it		

⁴ The definition of Adaptive Management and several of the indicators were based on Nyberg (1999). *An Introductory Guide to Adaptive Management*.

Conformance CAR/OBS	falls in <i>Permanent Protected Areas (APP)</i> and <i>Legal Reserves (RL)</i> categories and will therefore be permanently protected by the land owners. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> OBS 02/09 The Project Proponent should demonstrate an early commitment to the long-term sustainability of project benefits once initial project funding expires. This OBS was closed by actions of the Project Proponent evidenced in the revised version of the PoA (08.21.2009) and explained in the findings above.
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G8. Knowledge Dissemination - 1 Point, Optional

Concept

Field-based knowledge can be of value to other projects. If actively disseminated, this information can accelerate the adoption of innovative practices that bring benefits both globally and locally.

Indicators

The Project Proponents must:

- 1) Describe how they will document the relevant or applicable lessons learned.

Findings	Other than the monitoring programs, the Management Board is responsible for documenting and discussing the lessons learned during the implementation of the project activities.
Conformance CAR/OBS	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> n/a

- 2) Describe how they will disseminate this information in order to encourage replication of successful practices. Examples include: undertaking and disseminating research that has wide-reaching applications; holding training workshops for community members from other locales; promoting “farmer to farmer” knowledge-transfer activities; linking to regional databases; and working with interested academic, corporate, governmental or non-governmental organizations to replicate successful project activities.

Findings	The PoA describes a series of activities with local communities and local organizations to disseminate the information generated in this project, with the intention to make it a reference to be replicated in other regions.
Conformance CAR/OBS	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/> n/a

CL1. Net Positive Climate Impacts - Required

Concept

The project must generate net positive impacts on atmospheric concentrations of greenhouse gases (GHGs) within the project boundaries and over the project lifetime.

Indicators

The Project Proponents must:

- 1) Use the methodologies of the Intergovernmental Panel on Climate Change’s Good Practice Guidance (IPCC GPG) to estimate the net change in carbon stocks due to the project activities. 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**). Alternatively, any methodology approved by the CDM Executive Board may be used. This estimate must be based on clearly defined and defensible assumptions about

how project activities will alter carbon stocks and non-CO₂ GHG emissions over the duration of the project or the project accounting period.

Findings	<p>The estimate of the net change in carbon stocks due to the project activities is, in general, well presented and follows the approved IPCC methodology AR-ACM0001. However, the PoA (section C5.1.2) states that the deadwood, litter and soil organic carbon pools will be ignored, whilst the “above ground” and “below ground” pools will be included. The methodology AR-ACM0001 allows also for the exclusion of the pools mentioned above if transparent and verifiable information can be provided that their carbon stocks in the baseline scenario can be expected to decrease more or increase less, relative to the project scenario. This information has not been provided in the PoA or CPA.</p> <p>The revised version of the PoA (08.21.2009) presents a justification for the selection of carbon pools to be considered in the estimative of the net change in carbon stocks due to the project activities. This justification is based on IPCC guidelines and other scientific information.</p>
Conformance CAR/OBS	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>CAR 10/09 The Project Proponent shall provide transparent and verifiable information that justifies the carbon pool selection.</p> <p>This CAR was closed by actions of the Project Proponent evidenced in the revised version of the PoA (08.21.2009) and explained in the findings above.</p>

2) Factor in the non-CO₂ gases CH₄ and N₂O to the net change calculations (above) if they are likely to account for more than 15% (in terms of CO₂ equivalents) of the project’s overall GHG impact.

Findings	<p>The project accurately calculated the emissions from the use of nitrogen fertilization practices and found that it represents less than 15% of the project’s overall GHG impact. Therefore, they were not considered in the GHG calculations.</p>
Conformance CAR/OBS	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>n/a</p>

3) Demonstrate that the net climate impact of the project (including changes in carbon stocks, and non-CO₂ gases where appropriate) will give a positive result in terms of overall GHG benefits delivered.

Findings	<p>The project adopted an IPCC equation (IPCC GPG-LULUCF 2003, Equation 3.2.3) to estimate the changes in the living biomass carbon stocks, with data published in the national literature (Siqueira, 2007) to calculate the average annual change in carbon stocks in aboveground biomass from reforestation activities.</p> <p>The methodology was accurately implemented and demonstrated.</p> <p>The revised version of the CPA (08.21.2009) the values for net carbon sequestration have fallen to 133.8 t CO₂ y⁻¹ for the whole project area. This reduction has occurred because the area has decreased from 17.4ha in the original version of the CPA to 11.25 in the latest version.</p>
Conformance CAR/OBS	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p> <p>n/a</p>

CL2. Offsite Climate Impacts (“Leakage”) - Required

Concept

The Project Proponents must quantify and mitigate likely negative offsite climate impacts; namely, decreased carbon stocks or increased emissions of non-CO₂ GHGs outside the project boundary, resulting from project activities (referred to as “leakage” in climate change policy).

Indicators

The Project Proponents must:

- 1) Estimate potential offsite decreases in carbon stocks (increases in emissions or decreases in sequestration) due to project activities.

Findings	The two sources of leakage considered by the methodology AR-ACM0001, due to activity displacement and to increase of wood posts for fencing, were analysed but not considered in the calculation. The rationale for this is clearly described in the C.5.1.4 section of the PoA and in the C3.2 section of the CPA.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 2) Document how negative offsite impacts resulting from project activities will be mitigated, and estimate the extent to which such impacts will be reduced.

Findings	The two sources of leakage considered by the methodology AR-ACM0001 are not applicable to this project. The activity displacement will be monitored through monthly visits and satellite images analysis. The project developers will also control and monitor fuel consumption for implementation, maintenance and monitoring activities, although this is also not considered in the calculations. The CPA, in section C.3.2.1, states that cattle removal will be monitored with, amongst other techniques, indirectly by remote sensing. It is not clear how this will be achieved, or the method that will be used to link the remotely sensed data to carbon stock losses due to leakage. In the revised version of the PoA (08.21.2009) the Project Proponent has included an explanation to demonstrate that the leakage due to cattle removal will be monitored indirectly by the remote sensing monitoring of forest cover and regeneration in the PoA area. If there's conversion of forest land into other land uses, this will be assessed in order to identify whether or not this conversion is linked to the cattle removal from the CPA areas.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	CAR 11/09 The Project Proponent shall explain in more detail how cattle removal leakage will be monitored indirectly by remote sensing. This CAR was closed by actions of the Project Proponent evidenced in the revised version of the PoA (08.21.2009) and explained in the findings above.		

- 3) Subtract any likely project-related unmitigated negative offsite climate impacts from the climate benefits being claimed by the project. The total net effect, equal to the net increase in onsite carbon stocks (calculated in the third indicator in **CL1**) minus negative offsite climate impacts, must be positive.

Findings	The two sources of leakage considered by the methodology AR-ACM0001 are not applicable to this project, as mentioned above.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

CL3. Climate Impact Monitoring - Required

Concept

Before a project begins, the Project Proponents must have an initial monitoring plan in place to quantify and document changes in project-related carbon pools, and non-CO₂ GHG emissions if appropriate, (within and outside the project boundaries). The monitoring plan should state which measurements will be taken and which sampling strategy will be used.

Since developing a full carbon-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 evaluated by the CCB Standards. This will be especially true for small-scale projects.

Indicators

The Project Proponents must:

- 1) Have an initial plan for how they will select carbon pools and non-CO₂ GHGs to be monitored, and the frequency of monitoring. Potential pools include aboveground biomass, litter, dead wood, belowground biomass and soil carbon. Pools to monitor must include any pools expected to decrease as a result of project activities. Relevant non-CO₂ gases must be monitored if they account for more than 15% of the project's net climate impact expressed in terms of CO₂ equivalents.

Findings	The PoA (section C5.6) and the CPA (section C.4) presents a technically sound monitoring plan, which follows the standard procedure described by the methodology AR-ACM0001.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

CL4. Adapting to Climate Change and Climate Variability - 1 Point, Optional

Concept

Projects designed to anticipate and adapt to probable impacts of climate change and climate variability are more likely to sustain the benefits generated by the project over the long term.

Indicators

The Project Proponents must:

- 1) Identify likely regional climate change and climate variability impacts, using available studies.

Findings	The section A.7 of the PoA identify likely regional climate change and climate variability impacts, based on regional knowledge of the traditional groups involved in the project, along with scientific studies.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 2) Demonstrate that the project has anticipated such potential impacts and that appropriate measures will be taken to minimize these negative impacts.

Findings	The PoA, in table 3, presents the potential impacts from climate change and climate variability alongside related actions to minimize such impacts.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

CL5. Carbon Benefits Withheld from Regulatory Markets - 1 Point, Optional

Concept

When some carbon benefits generated by a project are not sold to satisfy regulatory requirements, additional mitigation action will be required elsewhere to meet these requirements. Therefore, withholding a portion of the project's carbon benefits from being used in capped markets will result in greater overall climate change mitigation.

Moreover, projects that do not sell all their carbon benefits in regulated regimes have the opportunity to experiment with climate change mitigation activities other than the ones eligible under these regimes (such as avoided deforestation, which is not currently creditable under the Clean Development Mechanism). Such experimentation may generate new knowledge that is of value to carbon rule makers and other project developers.

Indicators

The Project Proponents must:

1. Not sell at least 10% of the total carbon benefits generated by the project⁵ into regulated GHG markets (e.g., CDM, New South Wales GHG Abatement Scheme, Oregon Standard). Projects can sell these carbon benefits in a voluntary market or retire them.

Findings	The carbon benefits of this PoA are not to be sold in the regulated GHG markets.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

CM1. Net Positive Community Impacts - Required

Concept

The project must generate net positive impacts on the social and economic wellbeing of communities within the project boundaries and within the project lifetime. In addition, local communities and other stakeholders should be engaged early on so that the project design can be revised based on their input. Finally, projects should ensure that stakeholders can express concerns and grievances to Project Proponents and that these concerns are responded to in a timely manner.

Indicators

The Project Proponents must:

- 1) Use appropriate methodologies (e.g. the livelihoods framework) to estimate the net benefits to communities resulting from planned project activities. A credible estimate of net benefits must include changes in community wellbeing given project activities. This estimate must be based on clearly defined and defensible assumptions about how project activities will alter social and economic wellbeing over the duration of the project. The “with project” scenario must then be compared with the baseline scenario of social and economic wellbeing in the absence of the project (completed in **G2**). The difference (i.e., the net community benefit) must be positive.

Findings	The sections E.3 and E.4 of the PoA describe the “without project” and the “with project” scenarios with accurate information. The potential benefits for local communities as a result of the implementation of the project activities are well described. It was found during the field audit that the communities are well integrated into the project overall planning and are expecting changes in their social and economic wellbeing. The project’s budget includes activities for the benefit of the local communities. Due to these findings, it became clear how the project will provide such benefits to local communities.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 2) Document local stakeholder participation in the project’s planning. If the project occurs in an area with significant local stakeholders, the project must engage a diversity of stakeholders, including appropriate

⁵ Total carbon benefits generated by the project can include those coming from activities that are currently not eligible for crediting under existing regulatory regimes (e.g., avoided deforestation).

sub-groups, underrepresented groups and women living in the project vicinity. Stakeholders in the project's area of influence must have an opportunity before the project design is finalized, to raise concerns about potential negative impacts, express desired outcomes and provide input on the project design. Project developers must document stakeholder dialogues and indicate if and how the project proposal was revised based on such input.⁶

Findings	Section F of the PoA describes the local stakeholder participation in the project planning. During the field audit this participation was evaluated through interviews with local communities' representatives. The findings are that local communities are well engaged in the project overall planning.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 3) Formalize a clear process for handling unresolved conflicts and grievances that arise during project planning and implementation. The project design must include a process for hearing, responding to and resolving community grievances within a reasonable time period. This grievance process must be publicized to local stakeholders. Project management must attempt to resolve all reasonable grievances raised, and provide a written response to grievances within 30 days. Grievances and project responses must be documented.

Findings	Section A.5.7.2 of the PoA describes a clear and formal process for handling unresolved conflicts and grievances that arise during the project planning and implementation. The process is also recognized by the local communities representatives interviewed during the field audit.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

CM2. Offsite Community Impacts - Required

Concept

The Project Proponents must quantify and mitigate likely negative social and economic offsite impacts; namely, the decreased social and economic wellbeing of communities or people living outside the project boundary, resulting from project activities.

Indicators

The Project Proponents must:

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

Findings	The PoA (section E.4) identifies the potential negative offsite community impacts that the project is likely to cause. These are considered to be very small, focused only on the unemployment of few (4-8) rural workers of the properties due to the reduction of cattle ranching areas in the region. However, the CPA does not presents any specific information about the offsite community impact that the CPA activities are likely to cause; bur rather presents the same information of the PoA.		
	In the revised version of the CPA (08.21.2009) the information about the offsite community impacts was updated, being specific to the impacts in the site level, rather than in the regional level.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	CAR 12/09: The CPA shall present site-specific information about the offsite community impacts that the CPA activities are likely to cause.		

⁶ 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 a full engagement once the project is funded. (Such a cautious approach is warranted when there is evidence that raising community expectations prematurely could lead to frustration).

This CAR was closed by actions of the Project Proponent evidenced in the revised version of the CPA (08.21.2009) and explained in the findings above.

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

Findings	As a mitigation plan for these small negative offsite impacts to rural workers of the farms the PoA states that these workers will be considered as priority for new jobs that will open due to the planting activities. During the field audit it was not possible to talk with workers of the CPA farm, since there were no activities being implemented. However, the land owner declared that he would not fire any rural worker due to the project activities.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

3) Evaluate likely unmitigated negative offsite social and economic impacts against the social and economic benefits of the project within the project boundaries. Justify and demonstrate that the net social and economic effect of the project is positive.

Findings	The PoA presents a sound justification that the net social and economic effects of the project are positive.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

CM3. Community Impact Monitoring - Required

Concept

The Project Proponents must have an initial monitoring plan to quantify and document changes in social and economic wellbeing resulting from the project activities (within and outside the project boundaries). The monitoring plan should indicate which measurements will likely be taken and which sampling strategy will be used to determine how the project affects social and economic wellbeing.

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 evaluated by the CCB Standards. This will especially be true for small-scale projects.

Indicators

The Project Proponents must:

1) Have an initial plan for how they will select community variables to be monitored, and the frequency of monitoring. Potential variables include income, health, roads, schools, food security, education and inequality. Community variables at risk of being negatively impacted by project activities should be monitored.

Findings	The monitoring plan of the social and economic impacts, described in the section E.5 of the PoA, includes periodically gathering statistics along with opinion surveys from local communities and landowners. The variables, as well as the timeframe for the data gathering are described in a good level of detail.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

CM4. Capacity Building - 1 Point, Optional

Concept

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. The Project Proponents must include a plan to provide orientation and training for the project's employees and relevant community members with an eye to building locally relevant skills and knowledge over time.

Indicators

The Project Proponents must show that capacity building is:

- 1) Structured to accommodate the needs of communities, not only of the project;

Findings	The PoA presents a list of activities (section E.4) that will be implemented together with the local communities aiming to increase their awareness about the project and other issues such as landscape planning and cooperative administration.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 2) Targeted to a wide range of groups, not just elites;

Findings	The activities proposed in the PoA target a wide range of groups, representatives of the local communities.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 3) Targeted to women to increase their participation; and

Findings	The project considers at least 50% of people participating in the capacity building activities will be women.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 4) Aimed to increase community participation in project implementation.

Findings	All the activities proposed are aimed to increase the awareness of the communities about the project and consider the direct participation of these communities in the project desing, monitoring and implementation.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

CM5. Best Practices in Community Involvement - 1 Point, Optional

Concept

Projects that use best practices for community involvement are more likely to benefit communities. Best practices include: respect for local customs, local stakeholder employment, worker rights and worker safety.

Indicators

Project proponents must:

- 1) Demonstrate that the project was developed with a strong knowledge of local customs and that, where relevant, project activities are compatible with local customs.

Findings	The PoA was designed with the participation of local organizations representatives of local communities. The activities are a continuation of other projects with the same objective which is the creation of a biodiversity corridor between two protected areas.		
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	During the field audit it became clear that the communities' representatives are very involved in the project design which is based in the local customs.
Conformance	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
CAR/OBS	n/a

- 2) Show that local stakeholders will fill all employment positions (including management) if the job requirements are met. Project proponents must explain how stakeholders will be selected for positions and where relevant, must indicate how traditionally underrepresented stakeholders and women, will be given a fair chance to fill positions for which they can be trained.

Findings	All employment position for the implementation of the project activities will be filled by local communities' representatives.
Conformance	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
CAR/OBS	n/a

- 3) Show that the project will inform workers about their rights, and that the project complies with international rules on worker rights.

Findings	The project does not indicate how workers rights and national and international regulations will be addressed.
	In the revised version of the PoA (08.21.2009), the Project Proponent provides a description of how the labor laws will be followed, including information of contract forms and health and safety measures. This was also included in the eligibility criteria of CPA areas for the PoA.
Conformance	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
CAR/OBS	See CAR 09/09
	This CAR was closed by actions of the Project Proponent evidenced in the revised version of the PoA (08.21.2009) and explained in the findings above.

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

Findings	The project does not present regarding plan about workers safety, or provide any information on how the workers will be informed about their rights and risks of accident.
	In the revised version of the PoA (08.21.2009) the Project Proponent has updated the social risks evaluation with a specific plan for the employees' safety, based on a risk assessment of the project's activities. It has also presented specific measurements for mitigation of those risks, based on the legal requirements that define best practices for health and safety of rural workers.
Conformance	Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> N/A <input type="checkbox"/>
CAR/OBS	OBS 03/09 The Project Proponent SHOULD comprehensively assess situations and occupations that pose a substantial risk to worker safety, and make a plan to inform workers of any risks.
	This OBS was closed by actions of the Project Proponent evidenced in the revised version of the PoA (08.21.2009) and explained in the findings above.

B1. Net Positive Biodiversity Impacts - Required

Concept

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

Projects should have no negative effects on species included in the IUCN Red List of threatened species (which encompasses endangered and vulnerable species) or species on a nationally recognized list (where applicable). Invasive species must not be planted by the project.

Genetically Modified Organisms (GMOs), as a relatively new form of technology, raise a host of ethical, scientific and socio-economic issues. Some GMO attributes may result in invasive genes or species. In the future, certain GMOs may be proven safe. However, given the currently unresolved issues surrounding GMOs, projects cannot use genetically modified organisms to generate carbon credits.

Indicators

The Project Proponents must:

- 1) Use appropriate methodologies (e.g., key species habitat analysis, connectivity analysis) to estimate changes in biodiversity as a result of the project. This estimate must be based on clearly defined and defensible assumptions. The “with project” scenario should then be compared with the baseline “without project” biodiversity scenario completed in **G2**. The difference (i.e., the net biodiversity benefit) must be positive.

Findings	The assumptions to demonstrate the net benefit for the biodiversity are well described and are based on the scientific understanding about corridors and the use of native specie restoration along river basin to increase local biodiversity.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 2) Describe possible adverse effects of non-native species on the area’s environment, including impacts on native species and disease introduction or facilitation. If these impacts have a substantial bearing on biodiversity or other environmental outcomes, the Project Proponents must justify the necessity of using non-native species over native species.

Findings	The project will use only native species.		
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
CAR/OBS	n/a		

- 3) Identify all IUCN Red List threatened species and species deemed threatened on nationally recognized lists that may be found within the project boundary. Project proponents must document how project activities will not be detrimental in any way to these species.

Findings	The IUCN Red List Threatened Species is presented. The implementation of the project activities has no potential to disturb those species.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 4) Identify all species to be used by the project and show that no known invasive species will be used.

Findings	The Annex 1 of the PoA and the CPA presents a list of all species that will be used in the reforestation. None invasive species will be used.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

5) Guarantee that no genetically modified organisms will be used to generate carbon credits.

Findings	No genetically modified organisms will be used.		
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
CAR/OBS	n/a		

B2. Offsite Biodiversity Impacts - Required

Concept

The Project Proponents must quantify and mitigate likely negative offsite biodiversity impacts; namely, decreased biodiversity outside the project boundary resulting from project activities.

Indicators

The Project Proponents must:

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

Findings	<p>The section D1.2.2 of the PoA presents a description of the offsite biodiversity impacts. This description is based in the assumptions of the Eucalyptus planting in the region, rather than in the result of the project implementation. This is not clear why this approach was taken. There's no clear indication of the negative offsite biodiversity impacts that are expected to result from the project implementation.</p> <p>In the revised version of the PoA (08.21.2009) the description of the offsite biodiversity impacts was updated with information specific to the potential impacts that may result from the project activities. This version also presents mitigation plans for the potential negative offsite effects on biodiversity.</p>		
Conformance	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	<p>CAR 13/09 The Project Proponent shall identify potential negative offsite biodiversity impacts that the project is likely to cause and describe how the project plans to mitigate these negative offsite biodiversity impacts.</p> <p>This CAR was closed by actions of the Project Proponent evidenced in the revised version of the PoA (08.21.2009) and explained in the findings above.</p>		

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

Findings	<p>No negative offsite biodiversity impacts were identified.</p> <p>In the revised version of the PoA (08.21.2009) the description of the offsite biodiversity impacts was updated with information specific to the potential impacts that may result from the implementation of the project activities. This version also presents mitigation plans for the potential negative offsite effects on biodiversity.</p>		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	<p>See CAR 13/09</p> <p>This CAR was closed by actions of the Project Proponent evidenced in the revised version of the PoA (08.21.2009) and explained in the findings above.</p>		

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.

Findings	The PoA presents a defensible description of the net positive biodiversity impacts of the project implementation in section D1.2.2.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

B3. Biodiversity Impact Monitoring - Required

Concept

The Project Proponents must 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 should state which measurements will likely be taken and which sampling strategy used.

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 evaluated by the CCB Standards. This will especially be true for small-scale projects.

Indicators

The Project Proponents must:

- 1) Have an initial plan for how they will select biodiversity variables to be monitored, and the frequency of monitoring. Potential variables include species abundance and diversity, landscape connectivity, forest fragmentation, habitat area and diversity, etc. Biodiversity variables at risk of being negatively impacted by project activities should be monitored.

Findings	The PoA (section D1.2.3) presents a monitoring plan for biodiversity impacts including; variables that will be monitored (avifauna and phytosociological), the timeframe for monitoring activities, the budget and responsibilities.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

B4. Native Species Use - 1 Point, Optional

Concept

In most cases, species that are native to a region will have a higher biodiversity benefit than non-native species. In other cases, non-native species can be more effective than native species for rehabilitating degraded areas or providing fast growing biomass, timber, fruits and other beneficial products. For instance a project may need to use non-native species on severely degraded land to achieve ecological restoration before native species can be reintroduced.

Indicators

The Project Proponents must:

- Show that the project will only use species that are native to the region.

Or

- Justify that any non-native species used by the project are superior to native species for generating concrete biodiversity benefits (e.g., for rehabilitating degraded areas unlikely to support natives, or for producing fuel wood that reduces logging pressure on intact ecosystems)

Findings	The project will only use native species.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

B5. Water and Soil Resource Enhancement - 1 Point, Optional

Concept

Climate change and other factors may stress and degrade water and soil resources at the project site over time. Projects should enhance the quality and quantity of water and soil resources.

Indicators

The Project Proponents must:

- 1) Identify project activities that are likely to enhance water and soil resources

Findings	The section D1.2.2 identifies the project activities that will enhance water and soil resources.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

- 2) Credibly demonstrate that these activities are likely to improve water and soil resource compared to the baseline, using justifiable assumptions about cause and effect, and relevant studies.

Findings	The assumptions used in this section are credibly justified, based on relevant studies of the national and international literature.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
CAR/OBS	n/a		

Appendix C: STAKEHOLDER LISTS

List of Project Proponent Staff Consulted

Name	Title	Contact	Type of Participation
Gilberto Tiepolo	TNC technical specialist	gtiepolo@TNC.ORG	interview
Jeferson Pecin	Instituto Bioatlântica technical specialist	pecin@bioatlantica.org.br	interview
Paulo Dimas Menezes	Instituto Cidade technical specialist	paulodimasmenezes@gmail.com	Interview
Rubens Benini	TNC technical specialist	rbenini@TNC.ORG	Interview
Sabrina M. Moran	Ambiental PV project manager	sabrina@ambientalpv.com	Interview

List of other Stakeholders Consulted

Name	Organization	Type of Participation
Olival Covre	land owner participating in the first CPA	Interview

José Dilson da Silva Dias	COOPLANTAR president	Interview
Carlos Alberto Santos	ASCBENC president	Interview
Antonio Carlos da Silva	ANAC president	Interview
David	ANAC associate	Interview
Deivison Carielli Ueslei Sidivaldo Regilene Geiza	Natureza Bela associate	Interview