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Validation Assessment Report for:

EcoPlanet Bamboo Group, LLC
in
El Rama and Kukra Hill, RAAS, Nicaragua

Report Finalized:	November 23, 2012
Draft Report Date:	November 20, 2012
Field Audit Dates:	August 27-31, 2012
Lead Auditor:	William Arreaga
Audit Team Member(s):	Galia Selaya
Senior Internal Reviewer	Adolfo Lemus
Audit Standard:	<i>CCBA Second Edition (2008)</i>
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Project Proponent Contact:	Camille Rebelo
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1 Introduction

Rainforest Alliance certification and auditing services are managed and implemented within its RA-Cert Division. All related personnel responsible for audit design, evaluation, and certification/verification/validation decisions are under the purview of the RA-Cert Division, hereafter referred to as Rainforest Alliance or RA. Rainforest Alliance is an ANSI ISO 14065:2007 accredited validation and verification body; additionally, Rainforest Alliance is a member of the Climate, Community, and Biodiversity Alliance (CCBA) standards, and an approved verification body with a number of other forest carbon project standards. For a complete list of the services provided by the Rainforest Alliance, see http://www.rainforest-alliance.org/climate.cfm?id=international_standards.

Dispute resolution: If Rainforest Alliance clients encounter organizations or individuals having concerns or comments about Rainforest Alliance and our services, these parties are strongly encouraged to contact the local Rainforest Alliance regional office or the RA-Cert Division headquarters directly. Formal complaints or concerns should be sent in writing.

1.1 Objective

The purpose of this report is to document the conformance of EcoPlanet Bamboo Group, LLC with the requirements of the Climate, Community, and Biodiversity Standard. The project was developed by EcoPlanet Bamboo Group, LLC, hereafter referred to as "Project Proponent". The report presents the findings of qualified Rainforest Alliance auditors who have evaluated the Project Proponent's systems and performance against the applicable standard(s).

1.2 Scope and Criteria

Scope: The scope of the audit is to assess the conformance of EcoPlanet Bamboo Group, LLC Reforestation project in El Rama and Kukra Hill, RAAS, Nicaragua against the Climate, Community, and Biodiversity Standard. The objectives of this audit included an assessment of the project's conformance with the standard criteria. In addition, the audit assessed the project with respect to the baseline scenarios presented in the project design document. The project covers an area of 1,364.54 ha. The land is privately owned. The project has a lifetime of 20 years, and estimates it will remove and/or reduce 816,301 tCO₂e over the course of the project lifetime.

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

- Climate, Community and Biodiversity Standard 2nd Edition;
- Rules for the use of the Climate, Community and Biodiversity Standards June 21, 2010; and
- All applicable methodologies used by the project.

Materiality: All GHG sinks, sources and/or reservoirs (SSRs) and GHG emissions equal to or greater than 5% of the total GHG assertion unless otherwise defined by the standard criteria.

1.3 Level of assurance

The assessment was conducted to provide a reasonable level of assurance of conformance against the defined audit criteria and materiality thresholds within the audit scope. Based on the audit findings, a positive evaluation statement reasonably assures that the project GHG assertion is materially correct and is a fair representation of the GHG data and information.

1.4 Project Description

The overall goal of the proposed project activity is to achieve the sustainable development, management and commercialization of a bamboo plantation in El Rama and Kukra Hill, Nicaragua, supporting economic and social development within the area and developing the market for bamboo as an alternative to timber traditionally harvested from natural forests. Based on "a triple-bottom-line" approach, the objectives of EcoPlanet Bamboo are threefold:

- To develop sustainable and commercially viable plantations of bamboo in an indigenous environment close to its largest export market;
- To provide sustainable jobs and economic vitality in a region where the company founders have long had a philanthropic interest;
- To help combat deforestation and climate change by reducing dependence on unsustainable tree species and by using one of the planet's most effective forms of natural carbon sequestration.

The total project area covers 1,365 hectares split between the two unique locations. The land has been purchased to private landowners with more than 10 years land clearing for cattle farming activity. Land use at the time of acquisition was pasture with scattered trees and patches of forest. The project has a lifetime of 20 years, and estimates it will remove 816,301 tCO₂e over the course of the project lifetime.

2 Audit Overview

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

2.1 Audit Conclusions

General Section

Conformance:

G1. Original Conditions in the Project Area	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 and Best Practices	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
G5. Legal Status and Property Rights	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required

Climate Section

Conformance:

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

Community Section

Conformance:

CM1. Net Positive Community Impacts	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Required
CM2. Offsite Stakeholder 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

Biodiversity Section

Conformance:

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

Gold Level Section

GL1. Climate Change Adaptation Benefits
 GL2. Exceptional Community Benefits
 GL3. Exceptional Biodiversity Benefits

Conformance:

Yes No Required
 Yes No Required
 Yes No Required

CCBA Validation Level Attained:

Approved
 Gold

Yes No
 Yes No

Considering the additional information submitted by the project proponent on November 21, 2012, the Rainforest Alliance audit team found the project to be in conformance with the CCBA Standard, Second Edition.

2.2 Nonconformance evaluation

Note: A non-conformance is defined in this report as a deficiency, discrepancy or misrepresentation that in all probability materially affects carbon credit claims. Each NCR is brief and refers to a more detailed finding in the appendices.

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

NCR #:	01/12
Standard & Requirement:	CCBA Standard Second Edition / Indicator G3.8
Report Section:	Appendix A: Field Audit Findings / Indicator G3.8
Description of Non-conformance and Related Evidence:	
Through direct observations, stakeholder consultations and based on the explanations in the PD, it is evident that the PP has built a strong relationship with local people during the design and implementation of the project. However, the consultation process must be documented in the PD and mention how other stakeholders of other locations were consulted. Also, a plan must be developed to continue communications and consultations between project managers and community representatives.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Validation.
Evidence Provided by Organization:	Updated version of the PD, nov 2012.
Findings for Evaluation of Evidence:	Since the compliance of this CCBA requirement had to be demonstrated during the design of the project, the PP has now created a mechanism to identify key stakeholders in the region and to include more within the project development. Examples of the mechanism are: <ul style="list-style-type: none"> - To assign a lawyer the role of ensure that stakeholders are kept aware of all the implementation of forest project activities. - To remark the EcoPlanet Bamboo's open policy in which local communities representatives may approach the farm manager and request a meeting in which updates will be made regarding the project implementation. - To implement monthly meetings with all interested stakeholders (already implemented). - To assign a full time employee the role of managing stakeholder interactions and develop solid programs for further involvement and integration.
NCR Status:	CLOSED.
Comments (optional):	N/A.

NCR #:	02/12
Standard & Requirement:	CCBA Standard Second Edition / Indicator G3.9
Report Section:	Appendix A: Field Audit Findings / Indicator G3.9
Description of Non-conformance and Related Evidence:	
The methods of communication with communities have been usually verbal and also through internet. The proponent mailed notes informing about evaluation of the project by Rainforest Alliance auditors. However, information provided to local communities or stakeholders does not explicitly address the CCBA public comment period definition.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Validation.
Evidence Provided by Organization:	Updated version of the PD, nov 2012
Findings for Evaluation of Evidence:	The PP has established a methodology to receive and review all comments regarding the validation of the project. Meetings with stakeholders and weekly radio shows figure among the methods to facilitate all relevant stakeholders to submit compliances, questions or positive comments. In general, the audit team considers this as an adequate approach, most importantly because it is evident that the PP is aware that the project will be under long term evaluation of local people or external organizations.
NCR Status:	CLOSED.
Comments (optional):	N/A.

2.3 Observations

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

No observations were raised

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

Action Taken by Project Proponent following the issuance of the Draft Report	Date
Additional documents submitted to audit team (additional documents listed below)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A 21 nov 2012
Additional stakeholder consultation conducted (evidence described below)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A N/A
Additional clarification provided	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A N/A
Documents revised (document revision description noted below)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A 21 nov 2012
GHG calculation revised (evidence described below)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A N/A

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

Ref	Title, Author(s), Version, Date	Electronic Filename
1a.	EPB Group LLC, Project Description final version, 2012	EPB CA VCS PD final.pdf

3 Audit Methodology

3.1 Audit Team

Overview of roles and responsibilities:

Auditor(s)	Responsibilities							
	Lead	Desk Review	On-site visit	Climate Specialist	Biodiversity Specialist	Social Specialist	Report	Senior Internal Review
William Arreaga	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Galia Selaya	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Adolfo Lemus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Auditor qualifications:

Auditor(s)	Qualifications
Galia Selaya, <i>Audit team member</i> Contact info: gselaya@yahoo.com	Bolivian; MSc Agroecology (Wageningen Netherland), PhD Forest Ecology (Utrecht Netherland). Interdisciplinary approach for environmental management and climate change adaptation; Application of best management practices and eco-efficiency in forest and agroforestry sectors; Monitoring and verification of carbon stocks and forest environmental services conservation; Environmental perturbations and land use changes impacts on forest succession pathways and biodiversity; Scaling up species specific biomass allocation and carbon dynamics to canopy structure and species assembly in response to environmental changes. Well experienced in FSC, CCBA and VCS audits; she had been formally trained as lead auditor under ISO 14001.
William Arreaga, Rainforest Alliance Verification Services Coordinator Mesoamerica <i>Lead Auditor</i>	Guatemalan forester from San Carlos de Guatemala University, and M.Sc. from CATIE, Turrialba, Costa Rica. He is also involved in a MBA program on Financial Administration in Guatemala. William serves as a lead auditor for FSC Forest Management, and Chain-of-Custody. He has developed two biomass allometric equations in natural forests and plantations in Guatemala. Moreover, he had received formal training in Environmental Services, including Carbon issues at Winrock International; as well as he had developed a great experience with Carbon issues by his participation in the field for CCB validations in Mexico, Nicaragua, Costa Rica, Panama and Ecuador; VCS validations in Guatemala, Honduras, Panama, Mexico, USA and Uruguay; CarbonFix verifications in Panama; and VCS verifications in Guatemala. He had received formal training as carbon auditor in Vermont, and as lead auditor against ISO 14001 in Guatemala. Nowadays, he is the Verification Services Coordinator in Rainforest Alliance Mesoamerica Region.

3.2 Description of the Audit Process

Location/Facility	Date(s)	Length of Audit	Auditor(s)
Arrival of auditors team to Nicaragua	Sunday 26, 2012	1 day	W. Arreaga, G. Selaya
Oficinas de EcoPlanet en Municipio de El Rama, RAAS Community Calderón Community Esperanza Siquia Farm and facilities	Monday 27, 2012	8 hours	W. Arreaga, G. Selaya
Río Kama Farm, Comarca La Fonseca, Municipio Kukra Hill EcoPlanet en El Rama, office	Tuesday 28, 2012	One full day	W. Arreaga, G. Selaya
Stakeholder consultation: Consejo Regional	Wednesday 29,	One full day	W. Arreaga, G. Selaya

Autónomo del Atlántico Sur (CRAAS), Bluefields, and MARENA, El Rama	2012		
Stakeholder consultation: Social Security and INAFOR Division, El Rama; and Work Ministry, Juigalpa, Department Chontales	Thursday, 30 2012	4 hours	W. Arreaga, G. Selaya
Stakeholder consultation: Clean Development division, MARENA EcoPlanet office, Nicaragua	Friday 31, 2012	8 hours	W. Arreaga, G. Selaya

3.3 Review of Documents

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

Ref	Title, Author(s), Version, Date	Electronic Filename
1	EPB Group LLC, Forest management plan Rio Siquia, 2012	EPB Rio Siquia Management Plan 05-16-12.pdf
2	EPB Group LLC, Forest management plan Rio Kama, 2012	EPB Rio Kama Management Plan 05-16-12.pdf
3	EPB Group LLC, VCS additionality report, 2012	VCS Additionality Report EPB CA.doc
4	EPB Group LLC, Carbon calculations, 2012	EPB CA carbon calculations – spreadsheets.xls
5	EPB Group LLC, Project Document V1, 2012	EPB CA CCBA PD V1.doc
6	EPB Group LLC, Risk report, 2012	VCS Non-Permanence Risk Report EPB CA.pdf
7	EPB Group LLC, Forest management plan Kama, 2012	PlandemanejoKAMA.doc
8	EPB Group LLC, Forest management plan Siquia, 2012	PlandeManejoSiquiaFINAL.doc
9	EPB Group LLC, Informe interpretacion de análisis de suelos y foliares finca Río Siquia, 2012	Report Rio Siquia.pdf
10	EPB Group LLC, Informe interpretacion de análisis de suelos y foliares finca Río Kama, 2012	Report Rio Kama.pdf
11	EPB Group LLC, KML polygons, 2012	Rio Siquia ex post project strata.kml
12	EPB Group LLC, KML polygons, 2012	Rio Siquia ex ante project strata.kml
13	EPB Group LLC, KML polygons, 2012	Rio Siquia 2011 land cover.kml
14	EPB Group LLC, KML polygons, 2012	Rio Kama ex post project strata.kml
15	EPB Group LLC, KML polygons, 2012	Rio Kama ex ante project strata.kml
16	EPB Group LLC, KML polygons, 2012	Rio Kama 2011 land cover.kml
17	EPB Group LLC, KML polygons, 2012	Project Boundary Locations.kml
18	EPB Group LLC, KML polygons, 2012	Project Area Boundary.kml
19	EPB Group LLC, Financial model, 2012	VCS Plantation Financial Model EPB CA.xls
20	EPB Group LLC, Project Document (1), 2012	EPB CA CCB PD (1).pdf
21	EPB Group LLC, Carbon calculations, 2012	CarbonCalculationtoVCS.xls
22	EPB Group LLC, Project Document V2, 2012	EPB CA CCB PD V2.pdf

Ref	Title, Author(s), Version, Date	Electronic Filename
1	Project Document V2, EcoPlanet Bamboo Central America, no date.	EPB-PDD CCBA V2
2	Project Document V3, EcoPlanet Bamboo Central America, no date.	
3	Environmental Impact Assesment of Bamboo Plantation for comercial use in Kama River Project, El Rama, Nicaragua, Fiallo y Asociados, September 2011.	EIA Rio Kama
4	Environmental Impact Assesment of Bamboo Plantation for comercial use in Siquia River Project, El Rama, Nicaragua, Fiallo y Asociados, August 2011.	EIA Rio Siquia
5	Emergency plan against fire in bamboo plantation, EcoPlanet Bamboo Central America, no date.	No electronic copy
6	Administration Plan Rio Kama, EcoPlanet Bamboo, 2012	No electronic copy
7	Guidelines for minor flora management, no author, no date.	

8	HVCs expert testimonial, EcoPlanet Bamboo, July 2012	EPB expert testimonial
9	HVCs report, EcoPlanet Bamboo, July 2012.	EPB report

3.4 Interviews

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

Audit Date	Name	Title
27-31/08/12	John Vogel	Principal Manager EcoPlanet Bamboo Nicaragua S.A.
27-31/08/12	Bernard Vogel	Vicepresident
27-31/08/12	Camille Rebelo	Partner, Co-Founder
27-31/08/12	Troy Wiseman	CEO, Co-Founder
27-31/08/12	Chase Wiseman	Vicepresident
27-31/08/12	Juan Carlos Camargo	Consultant, bamboo expert
02/11/12	David Cox	Partner, Financial responsible
27/08/12	Ricardo Fernández Martínez	Former owner, Comunidad La Esperanza
27/08/12	Dr. José Andrés Fernández	Former owner, Comunidad El Calderón
27/08/12	Lester Iván Ortega Sequeira	Oficina de Educación del Sector Río Kama Comunidad Carlos Fonseca
28/08/12	Carlos Agustín Miranda Larios	Major, Comunidad Kukra Hill
28/08/12	Jorge Palacios Campos	Regional office INTA-RAAS, Comunidad Kukra Hill
28/08/12	Antonio Suárez	Union President Nicabambú, Comunidad el Fonseca
28/08/12	Joanna Schwartz Saúl Reyes	Environmental división, MARENA Blufields
28/08/12	Javier Balmaceda	Planning director, Major office, El Rama
28/08/12	Alejandro Balmaceda	Taxes office, Major office, El Rama
30/08/12	Yader Guzmán	Director MAGFOR
28/08/12	Pedro Jose Guidel	Priest of Fonseca Community
28/08/12	Cecilio Lazo	Priest at Samuel Lago community
28/08/12	Máximo López	Priest at Comarca Pichinga
27-31/08/12	Norma Elizabeth Morataya Vázquez	Legal department
27-31/08/12	Walter Antonio Manzanares Huembes	Accountant associate
27/08/12	Maritza Tenorio	Field Supervisor at Siquia Farm
27/08/12	Yasiri Duarte Zenteno	Storage facilities responsible
27/08/12	Nora Ester Gonzales	Field Supervisor Zone 1
27/08/12	Lenin Arquim Mayorga	Support technician zone 1
27/08/12	Maria Jose Gonzales	Field Supervisor Zone 3
27/08/12	Pedro Odel Mendoza	Chofer
27/08/12	María Luisa Miranda	Chief at Siquia Farm
27/08/12	Andres Santana	Nurse
28/08/12	Pedro Jose Guidel	Priest of Fonseca community
28/08/12	Cecilio Lazo	Priest at Samuel Lago community
28/08/12	Máximo López	Priest Comarca Pichinga
28/08/12	Felix Rocha Garcia	Field supervisor Zone 1 Kama Farm
28/08/12	Julio Mendoza Lazo	Field supervisor Zone 2
28/08/12	José Lopez	Support field
28/08/12	Elder Andres Pérez	Field supervisor Zone 3
28/08/12	Erick Joaquín Orozco	Fire prevention responsible
28/08/12	Antonio Suárez	Union Nicabambu President
29/08/12	Olga Smith Luis Gaitán Lorenzo Quinto	CRASS representative environment and indigenous groups
29/08/12	Joanna Schwartz Saúl Reyes	Environmental Division MARENA Bluefields
30/08/12	María Nelis Mora	INAFOR, El Rama
30/08/12	Alvaro Lopez Vargas	Social Security Director, El Rama
30/08/12	Jarvin Brenez Jimenez	Social Security Inspector, El Rama

30/08/12	Zelmira Guamán	Ministerio de Trabajo, Chontales
31/08/12	Bismark Morales	Climate Change Office, Managua
31/08/12	Edilberto Duarte	Biodiversity Division Officer, Managua
31/08/12	Francisco bolaños	Ministerio de Trabajo, Managua
31/08/12	Lucia Flores	Ministerio de Trabajo, Managua

APPENDIX A: Field Audit Findings

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

GENERAL SECTION

G1. Original Conditions at Project Site - Required

Concept

The original conditions at the project area¹ and the surrounding project zone² before the project commences must be described. This description, along with baseline projections (G2), will help to determine the likely impacts of the project.

Indicators

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

General Information

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

Findings from Field Audit			
Project location is shown in Fig 1. Macro location of project sites within Nicaragua (Project Description, Page 3). Basic physical parameters (e.g. soils, geology, and climate) have been described on item Topography and soils of Project Description (Pages 5 to 10).			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
The proponent described two types of vegetation predominant in the two Rio Siquia and Kama farms as forest and pasture with scattered trees. This has been corroborated during the field evaluation (27 to 29 of August). The forest remains in around 10% in Rio Siquia and 24% in Rio Kama farm. The whole Atlantic region in Nicaragua has only 15% of natural forest cover left. Previous type of land of project area was forest, but as described in the Project Description (pages 9, 11, 12) the whole region went through heavy deforestation for cattle purposes long ago.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
The proponent has clearly defined the boundaries of the project area (the sum of Siquia and Kama farms). During the field visit and interviews, local stakeholders mentioned they know the boundaries of each farm. Maps are shown to demonstrate the geographic location of the project area. In the other hand, the project zone has been defined as the area in which the project activity will influence directly or indirectly no matter if an adjacent community is not located within the influence area. Specific geographic information is established in the PD. The audit team found no inconsistencies between this information and direct observations in the field visit. Following the PP definition of the project zone, two main communities are within: La Fonseca and Calderon. Maps 10, 11 and 12 clearly show the geographical location of four strata: forest within the project boundary, nearby forests, other lands with trees, villages and populations.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCR or OBS were raised.		

¹ The 'project area' is defined as the land within the carbon project boundary and under the control of the project proponent.

² The 'project zone' is defined as the project area and the land within the boundaries of the adjacent communities potentially affected by the project.

Climate Information

- 4) Current carbon stocks within the project area(s), using stratification by land-use or vegetation type and methods of carbon calculation (such as biomass plots, formulae, default values) from the Intergovernmental Panel on Climate Change's 2006 Guidelines for National GHG Inventories for Agriculture, Forestry and Other Land Use³ (IPCC 2006 GL for AFOLU) or a more robust and detailed methodology.⁴

Findings from Field Audit			
<p>According to the PD and supporting documents, the baseline net GHG removals by sinks was determined based on the density of standing trees; litter, dead wood and soil was also measured. In average, standing trees in Rio Siquia farm have between 99 and 217 tCO₂e/ha, and Rio Kama farm between 148 and 197 tCO₂e/ha.</p> <p>The use of fire during the land preparation is not a management practice; this was confirmed by the audit team through stakeholder consultation. Therefore, the GHG emission within the project boundary is assumed to be zero.</p> <p>Leakage was neglected because "a probably displacement of grazing activities caused by the implementation of project activities could occur". The PP submitted evidence related with the number of cows prior and after the implementation of the project in order for the audit team to verify that there was no displacement of this activity to new forest lands. Also, the audit team interviewed former land owners and neighbours; no inconsistencies were found.</p> <p>The PD document presents the quantification of GHG removals for each GHG relevant source/reservoir. The proponent makes an analysis of the carbon stocks changes using different suitable parameters.</p> <p>The PD shows the estimated actual net GHG emission removals in a yearly basis (tables 5, 6 and 7). A total of 816,301 tCO₂e is expected by year 2031 (20 years of crediting period).</p> <p>Estimations of GHG removals considered three carbon pools selected: above-ground, below-ground, and soil; litter, and dead wood were conservatively neglected. The carbon calculations followed the CDM approved methodology AR-ACM001 "Consolidated afforestation and reforestation baseline and monitoring methodology AR-ACM001 (version 05.2.0 Sectoral scope 14, EB 65).</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

Community Information

- 5) A description of communities⁵ located in the project zone, including basic socio-economic and cultural information that describes the social, economic and cultural diversity within communities (wealth, gender, age, ethnicity etc.), identifies specific groups such as Indigenous Peoples⁶ and describes any community characteristics.⁷

Findings from Field Audit			
<p>The proponent included in the Project description the closest two communities (comarcas) adjacent to Rio Siquia: Calderón; and Rio Kama: La Fonseca. Basic socio-economic and cultural information, including wealth, gender, age, ethnicity, are described at region level. Family composition, wealth, housing materials and access to basic services and work of Calderón and La Fonseca are described in the Project Description. During the field visit, stakeholders commented about the existence of migrants and stakeholders of other closeby comarcas. The audit team discussed this topic with the PP and lead to the conclusion that these kinds of communities are also internally included in the description but most importantly, in the monitoring plan.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 6) A description of current land use and customary and legal property rights including community property⁸ in the project zone, identifying any ongoing or unresolved conflicts or disputes and identifying and describing any disputes over land tenure that were resolved during the last ten years (see also **G5**).

Findings from Field Audit			
The proposed project land is predominantly degraded pastureland with scattered trees. Prior to the project activities, land was			

³ Volume 4 Agriculture, Forestry and Other Land Use <http://www.ipcc-nggip.iges.or.jp/public/2006gl/vol4.html>

⁴ In cases where a published methodology is used, the full reference must be given and any variations from the published methodology must be explained.

⁵ 'Communities' are defined as all groups of people—including Indigenous Peoples, mobile peoples and other local communities—who live within or adjacent to the project area as well as any groups that regularly visit the area and derive income, livelihood or cultural values from the area. (See Appendix B: Glossary for more information.)

⁶ 'Indigenous Peoples' are defined as distinct, vulnerable, social and cultural groups whose members identify themselves as belonging to an indigenous cultural group. (See Appendix B: Glossary for more information.)

⁷ Community characteristics may include shared history, culture, livelihood systems, relationships with one or more natural resources, or the customary institutions and rules governing the use of resources.

⁸ Including lands that communities have traditionally owned, occupied or otherwise used or acquired.

used for low intensity cattle grazing. This has been corroborated during the field visit to both Siquia and Kama farms. Land has been purchased from old time local private landowners and no unresolved conflicts or disputes exist over land tenure with local stakeholders during the last ten years or currently. Within the company is noteworthy EcoPlanet Bamboo Nicaragua S.A. is part of EcoPlanet Bamboo Group, LLC, and in charge of the project management, but the land belongs to a consortium formed by EcoPlanet Bamboo CA I, LLC, and EcoPlanet Bamboo CA II, LLC, all belonging to EcoPlanet Bamboo Group, LLC. The audit team was provided with adequate evidence regarding the registration of this company as "Series LLC" in the State of Delaware, USA.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

Biodiversity Information

- 7) A description of current biodiversity within the project zone (diversity of species and ecosystems⁹) and threats to that biodiversity, using appropriate methodologies, substantiated where possible with appropriate reference material.

Findings from Field Audit			
The Environmental Impact Assessment of both Siquia and Kama farms (EIA Siquia and Kama, Fiallo Consultores 2011) describes the current biodiversity within the project zone (diversity of species and ecosystems) using an appropriate methodology, according to the scale of the project.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

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

- a. protected areas¹¹
- b. threatened species¹²
- c. endemic species¹³
- d. areas that support significant concentrations of a species during any time in their lifecycle (e.g. migrations, feeding grounds, breeding areas).

Findings from Field Audit			
The proponent has presented an Assessment of the Presence of HCVFs within EcoPlanet Bamboo Central America's FMUs and the area of influence. In summary the assessment lead to the following conclusion:			
Rio Siquia's Farm contains 40 hectares of HCV forest. Rio Kama's Farm contains 89 hectares of HCV forest.			
As it is stated in the PD, this natural forest land consist of small patches of native forest (e.g. riparian) in which threatened and endemic species could be found:			
<ul style="list-style-type: none"> • Richmond's Squirrel (<i>Sciurus richmondii</i>) one of the most threatened neotropical squirrel • Tapir (<i>Tapirus bairdii</i>) • Golden - mantled Howling Monkey (<i>Alouata palliate</i>) • White - faced Monkey (<i>Cebus capucinus</i>) • Guardatinaja (<i>Agouti paca</i>) • White - tailed deer (<i>Odocoileus virginianus</i>) 			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

⁹ Equates to habitat types, biotic communities, ecoregions, etc.

¹⁰ These high conservation value criteria are based on those defined by the High Conservation Value (HCV) Resource Network <http://hcvnetwork.org/>. Practical help is available for using HCVs in each region, including generic guidance documents (Toolkits) and Country Pages.

¹¹ Legally protected areas equivalent to IUCN Protected Area Management Categories I-VI (see http://www.iucn.org/about/union/commissions/wcpa/wcpa_work/wcpa_strategic/wcpa_science/wcpa_categories/index.cfm for definitions) as well as areas that have been proposed for protected area status by the relevant statutory body but have not yet been officially declared, and including areas protected under international conventions (e.g., Ramsar sites, World Heritage Sites, UNESCO Man-and-Biosphere Reserves, etc.).

¹² Species that qualify for the IUCN Red List threat categories of Critically Endangered (CR), Endangered (EN) and Vulnerable (VU). (See www.iucnredlist.org and Appendix B: Glossary for more information.) Additional national or regional listings should also be used where these may differ from the IUCN Red List.

¹³ Species for which the entire global range is restricted to the site, the region or the country (the level of endemism must be defined).

NCR/OBS	No NCRs or OBS were raised.
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8.2. Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance;

Findings from Field Audit		
Through the HCV evaluation, the PP has determined that the small patches of native forest cannot be considered significant large landscape-level areas. The audit team confirmed this by visiting a sample of this kind of forest.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.	

8.3. Threatened or rare ecosystems;

Findings from Field Audit		
The PP has identified around 130 ha of natural forest distributed in small patches within the project area, riparian forests for instance. The same scenario can be found in the surrounding areas (influence areas). These forests are under certain threat due to agricultural and livestock activities.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.	

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

Findings from Field Audit		
It has been defined that the natural forest identified as HCV areas do not provide environmental services.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.	

8.5. Areas that are fundamental for meeting the basic needs of local communities (e.g., for essential food, fuel, fodder, medicines or building materials without readily available alternatives); and

Findings from Field Audit		
It has been defined that the natural forest identified as HCV areas do not provide basic services for local communities.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.	

8.6. Areas that are critical for the traditional cultural identity of communities (e.g., areas of cultural, ecological, economic or religious significance identified in collaboration with the communities).

Findings from Field Audit		
Even when there is a cemetery within a farm that has been fenced and preserved, the audit team do not consider this as a cultural or traditional area based on the fact that this place is not used as a cultural or religious site in the neighbouring community.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.	

G2. Baseline Projections- Required

Concept

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

Indicators

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

- 1) Describe the most likely land-use scenario in the absence of the project following IPCC 2006 GL for AFOLU or a more robust and detailed methodology,¹⁴ describing the range of potential land-use scenarios and the associated drivers of GHG emissions and justifying why the land-use scenario selected is most likely.

Findings from Field Audit		
<p>The “Tool for the demonstration and assessment of additionality in vcs agriculture, forestry and other land use (AFOLU) project activities” (VT0001, Version 3.0, 1 February 2012, Sectoral Scope 14) was used in order to identified alternative scenarios and determine the baseline scenario. The following is a summary of the analysis: The audit team agrees that these alternative scenarios are credible, and realistic:</p> <ol style="list-style-type: none"> Continuation of pre-project land use (low intensity cattle grazing). Conversion to large scale oil palm plantations. Bamboo reforestation without being registered as an AFOLU project. <p>All the scenarios are consistent with enforced mandatory applicable laws and regulations. The determination of these alternative scenarios was done by the PP based on analysis of historical and current land use, levels of development assistance and economic trend. A list of various possible barriers for the land-use alternatives identified. Then, the PP explained in detail why the barriers do not prevent any of the alternative scenarios, including the continuation of pre project. Assumptions and scientific literature were used as a reference. The conclusion of the barrier analysis is that none of the barriers prevent any of the alternative scenarios. It is said in the PD that “there are no similar activities within the project area neither in scale, nor objective as a private enterprise.” This statement is justified by providing a basic analysis in which only one similar bamboo plantation initiative is mentioned. The audit team discussed this with local stakeholders and confirmed that only CO2Bambu project is similar, but only because it is a bamboo plantation in the region. However, it is explained that this is a low income housing non-profit entity that has operated in RAAN since 2008, and so far there are only around 150 hectares planted and no industry has been planned. On the contrary, EcoPlanet Bamboo project does have a plan to even plant more bamboo in the region, and also to initiate and develop an industry in which the main products will be finished products, e.g. flooring. This bamboo project cannot be considered as the first of its kind; however, there are major differences versus CO2Bambu project. The first alternative scenario is then the baseline scenario: Continuation of pre-project land use (low intensity cattle grazing) with scattered trees.</p>		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.	

- 2) Document that project benefits would not have occurred in the absence of the project, explaining how existing laws or regulations would likely affect land use and justifying that the benefits being claimed by the project are truly ‘additional’ and would be unlikely to occur without the project.¹⁵

Findings from Field Audit		
<p>The audit team agrees the baseline analysis leads to the conclusion that the EcoPlanet Bamboo Central America project is additional. A further analysis is provided in order to demonstrate how the continuation of the pre-project activity will decrease the lands through the degradation to even more severe levels. See more details in findings of G2.1 above.</p>		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.	

- 3) Calculate the estimated carbon stock changes associated with the ‘without project’ reference scenario described above. This requires estimation of carbon stocks for each of the land-use classes of concern and a definition of the carbon pools included, among the classes defined in the IPCC 2006 GL for AFOLU.¹⁶ The timeframe for this analysis can be either the project lifetime (see **G3**) or the project GHG accounting period, whichever is more appropriate.¹⁷ Estimate the net change in the emissions of non-CO₂ GHG emissions such as CH₄ and N₂O in the ‘without project’ scenario. Non-CO₂ gases must be included if they are likely to account for more than 5% (in terms of CO₂-equivalent) of the project’s overall GHG impact over each monitoring period.¹⁸

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

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

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

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

¹⁸ The following CDM Executive Board tool can be used to test the significance of emissions sources:

Projects whose activities are designed to avoid GHG emissions (such as those reducing emissions from deforestation and forest degradation (REDD), avoiding conversion of non-forest land, or certain improved forest management projects) must include an analysis of the relevant drivers and rates of deforestation and/or degradation and a description and justification of the approaches, assumptions and data used to perform this analysis.¹⁹ Regional-level estimates can be used at the project's planning stage as long as there is a commitment to evaluate locally-specific carbon stocks and to develop a project-specific spatial analysis of deforestation and/or degradation using an appropriately robust and detailed carbon accounting methodology before the start of the project.²⁰

Findings from Field Audit			
According to the PD, the baseline net GHG removals by sinks was determined based on the density of standing trees; litter, dead wood and soil was also measured. In average, standing trees in Rio Siquia farm have between 99 and 217 tCO ₂ e/ha, and Rio Kama farm between 148 and 197 tCO ₂ e/ha. Conservatively, the PP has extrapolated the carbon stocks in the baseline scenario to 20 years, in which the methodology considers this time a steady-state.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 4) Describe how the 'without project' reference scenario would affect communities in the project zone, including the impact of likely changes in water, soil and other locally important ecosystem services.

Findings from Field Audit			
Soil erosion, water quality and other aspects are addressed by the PP based on comparisons between the with- and without-project scenarios. In summary, it is expected that the proposed project increases the ecological value of the ecosystems in general by avoiding the continuation of compaction of the soils, degradation of the lands, and water erosion. In the pre-project scenario the communities could be forced to clear further patches of existing forest in order to continue their subsistence livelihoods.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
Further land degradation is expected in the without project reference scenario, affecting biodiversity and fragmented ecosystems of the project area. In the field visit, it has been noted further deforestation is occurring around the project area and elsewhere both for cattle farming and oil palm production, leading to the expansion of agricultural frontier with severe consequences over ecosystem and biodiversity.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

G3. Project Design & Goals - Required

Concept

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

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

Indicators

The Project proponents must:

http://cdm.unfccc.int/EB/031/eb31_repan16.pdf.

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

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

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

Findings from Field Audit			
Major climate, community and biodiversity objectives are described in the Project Description. The project climate objective is to contribute to GHG mitigation through carbon sequestration and long term storage of carbon in bamboo products. The Community objective is to provide income through job creation and training to locals. EcoPlanet Bamboo is committed to maintaining conservation areas within its plantations. All areas of existing forest will be maintained, and areas not suitable for planting <i>Guadua</i> will be planted with native species to encourage habitat patches and biological corridors.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
Project activity and climate, community and biodiversity impacts are presented in the project description. Field activities as well as training are oriented to accomplish climate, community and biodiversity impacts and to ensure future provision of raw material and, at the same time, alternative income to locals, as well as to prevent and enhance biodiversity values. A forest management plan for each farm was presented. The audit team reviewed both documents to confirm that the proponent has planned the implementation of specific actions in order to achieve the objectives in general, for instance nursery, preparation of the land, thinning, harvest, monitoring and maintenance, among others.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

3) Provide a map identifying the project location and boundaries of the project area(s), where the project activities will occur, of the project zone and of additional surrounding locations that are predicted to be impacted by project activities (e.g. through leakage).

Findings from Field Audit			
A series of maps in the PD shows the exact location of the forests within the project area, forest in the influence area and also the two main communities: La Fonseca and Calderón.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

4) Define the project lifetime and GHG accounting period and explain and justify any differences between them. Define an implementation schedule, indicating key dates and milestones in the project's development.

Findings from Field Audit			
The project crediting period (project lifetime) is proposed to be of 20 years, from 1 June 2011 to 31 May 2031. The project crediting period was defined as such, to be aligned with the project start date. The PP has designed a forest management plan for each farm, the audit team reviewed the last version of them. Here, all the project activities are included: land preparation, maintenance, harvest and monitoring for instance. <i>Guadua aculeata</i> plantations will be harvested in a yearly basis after year 8, but until year 80, in which the PP considers the lands will be replanted, completing a cycle. During the field audit, the audit team visited two nurseries and lands in which the lands had been planted. This served to confirm that the project activities actually started on June 2011. The timeline for project activities 2011 to 2012 is presented in the PD. A complete milestone definition is shown also in the PD. Complementarily, the PP has designed a monitoring plan according to the VCS requirements.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

5) Identify likely natural and human-induced risks to the expected climate, community and biodiversity benefits during the project lifetime and outline measures adopted to mitigate these risks.

Findings from Field Audit			
Table 7 of the PD shows the analysis of risks related to the expected benefits during the project lifetime. The analysis includes the identification, level, description of the risks and also the mitigation actions to be implemented. One example is: Fire: low level of risk due to the high humidity in the zone; to prevent the occurrence of this risk, training courses will be implemented.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 6) Demonstrate that the project design includes specific measures to ensure the maintenance or enhancement of the high conservation value attributes identified in **G1** consistent with the precautionary principle.²¹

Findings from Field Audit			
The project has begun to include specific measures to ensure HCVs. The measures include training to staff, locating labels in conservation areas, prohibition of hunting and fishing as observed during the field visit. The reserves and riparian strips are excluded from other activities. Also a strip of 10 m of riparian area has been set for conservation.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
Benefits beyond project lifetime have been provided on the Project Description. These benefits are related with encouraging further bamboo plantation among local stakeholders once the market and transformation factory are established. EcoPlanet Bamboo intends to undertake significant debt to undertake the construction of value added manufacturing and processing plants, within the greater project area. It is understandable that the characteristics of the species make this initiative a long term project; besides, this project is also pursuing FSC certification and also VCS validation. Among these three approaches, the PP will make sure all the benefits will be maintained beyond the project lifetime.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 8) Document and defend how communities and other stakeholders²² potentially affected by the project activities have been identified and have been involved in project design through effective consultation,²³ particularly with a view to optimizing community and stakeholder benefits, respecting local customs and values and maintaining high conservation values. Project developers must document stakeholder dialogues and indicate if and how the project proposal was revised based on such input.²⁴ A plan must be developed to continue communication and consultation between project managers and all community groups about the project and its impacts to facilitate adaptive management throughout the life of the project.

Findings from Field Audit			
From the field visit, it is evident that the project proponent has built a strong relation with religious, institution and local communities. However, this process is not fully documented and defended in the project description. As noted elsewhere in this report only two communities are mentioned in the PD (La Fonseca and Calderón) whereas in the field visit stakeholders of some other locations around the farms reported to be either working or forming part of EcoPlanet network. There is not a plan developed to continue communications and consultations between project managers and community as requested by CCB Standard (G3.8).			
Conformance	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	NCR 01/12.		

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

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

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

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

- 9) Describe what specific steps have been taken, and communications methods used, to publicize the CCBA public comment period²⁵ to communities and other stakeholders and to facilitate their submission of comments to CCBA. Project proponents must play an active role in distributing key project documents to affected communities and stakeholders and hold widely publicized information meetings in relevant local or regional languages.

Findings from Field Audit		
Project proponent used internet to publicize CCBA public comment period. Local stakeholders consulted during the field visit knew about general project activities (community members, regional government officers). The methods of communication with communities have been usually verbal. The proponent mailed notes informing about evaluation of the project by the Rainforest Alliance auditors. However, information provided to local communities or stakeholders does not explicitly address CCBA public comment period definition.		
Conformance	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
NCR/OBS	NCR 02/12.	

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

Findings from Field Audit		
The process for handling unresolved conflicts and grievances is described on the Project Description. As noted during the field visit, the proponent follows the steps provided in the PD. Employees have the right to belong to the union and through this instance they direct their complaints to responsible staff, and also get access to the higher levels of hierarchy of EcoPlanet Bamboo in the region. Community members can either contact the local staff or the main manager in case of grievances. Conflict resolution is documented as verified during the evaluation.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.	

- 11) Demonstrate that financial mechanisms adopted, including projected revenues from emissions reductions and other sources, are likely to provide an adequate flow of funds for project implementation and to achieve the anticipated climate, community and biodiversity benefits.

Findings from Field Audit		
The PP explained during the field visit the mechanism of the project to secure the necessary fundings to achieve the community, climate and biodiversity objectives. Own financial methods are used to attract investors or collaborators. Among the supporting documents a cash flow analysis was shown as evidence. The audit team analysed the assumptions and data parameters but also discussed specific topics with the developer. In summary, the most important findings are: - The project cash flow breakeven point, where annual income consistently exceeds annual outgoings occurs in Year 8. The audit team discussed key details with the PP regarding the cash in and cash out used to create the cash flow in which it is demonstrated where the breakeven point is reached. - 52% of the funds before the project reaches the breakeven point, is secured. The calculations are explicit in the spreadsheet provided.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.	

G4. Management Capacity and Best Practices - Required

Concept

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

²⁵The CCBA public comment period²⁵ is the process whereby CCBA posts project documents that are under evaluation by an auditor for conformance with the Standards on www.climate-standards.org for at least 30 days with an invitation and link for public comments to which the auditor must respond in the audit report.

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

Indicators

The project proponents must:

- 1) Identify a single project proponent which is responsible for the project’s design and implementation. If multiple organizations or individuals are involved in the project’s development and implementation the governance structure, roles and responsibilities of each of the organizations or individuals involved must also be described.

Findings from Field Audit			
The PD clearly states that the sole Project Proponent is EcoPlanet Bamboo Group, a US based Series LLC. As the unique investor within the project activity, this company owns other local LLCs such as EcoPlanet Bamboo Nicaragua S.A., which is the responsible for the management of daily operations. There are other companies in the Series LLC: EcoPlanet Bamboo CA I, LLC, which owns Finca Rio Siquia, and EcoPlanet Bamboo CA II, LLC, which owns Finca Rio Kama. All those companies are owned by EcoPlanet Bamboo Group, LLC. Being EcoPlanet Bamboo Group a Series LLC, it is also clear that the land belongs indirectly to EcoPlanet Bamboo Group, LLC. All the subsidiary companies either based on US or Nicaragua will act as project participants and/or implementation partner, but the sole rights to the carbon credits belong to EcoPlanet Bamboo Group, as the only project proponent, meaning that it has overall control and responsibility of the implementation of the project during the project lifetime.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 2) Document key technical skills that will be required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills. Document the management team’s expertise and prior experience implementing land management projects at the scale of this project. If relevant experience is lacking, the proponents must either demonstrate how other organizations will be partnered with to support the project or have a recruitment strategy to fill the gaps.

Findings from Field Audit			
Key technical skills at higher levels have been described in the Project Description. Also the expertise of the specialist on bamboo and carbon measurement. Supporting documents describe expertise required at technical levels (management team and consultants). Even when bamboo plantation is new in Nicaragua, the audit team considers that the level of expertise of the PP, participants, staff and consultants, is enough to implement the project successfully.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 3) Include a plan to provide orientation and training for the project’s employees and relevant people from the communities with an objective of building locally useful skills and knowledge to increase local participation in project implementation. These capacity building efforts should target a wide range of people in the communities, including minority and underrepresented groups. Identify how training will be passed on to new workers when there is staff turnover, so that local capacity will not be lost.

Findings from Field Audit			
A plan to provide orientation and training to project’s employees and relevant people from the communities is provided by the proponent. The majority of project employees belong to local communities. EcoPlanet Bamboo gives them the chance to participate in training. Women are well represented (at least 36%) and encouraged to participate in training activities. The project makes effort to encourage other minority groups. The farm managers and field technicians are in charge to pass information to new workers and that prevents local capacity to be lost.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 4) Show that people from the communities will be given an equal opportunity to fill all employment positions (including management) if the job requirements are met. Project proponents must explain how employees will be selected for positions and where relevant, must indicate how local community members, including women and other potentially underrepresented groups, will be given a fair chance to fill positions for which they can be trained.

Findings from Field Audit			
People of local communities have equal opportunity to fill key employment positions. For instance, Siquia technician is a young			

local woman who started as field worker, and based on her skills has been promoted to farm manager. Positions are advertised at community level using oral notification through current employees, and then selected after checking work skills. Women and underrepresented groups are invited to participate. No discrimination of workers based on gender, religion or race has been observed during the field visit and from stakeholder consultation, including regional office of labour.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 5) Submit a list of all relevant laws and regulations covering worker's rights in the host country. Describe how the project will inform workers about their rights. Provide assurance that the project meets or exceeds all applicable laws and/or regulations covering worker rights²⁶ and, where relevant, demonstrate how compliance is achieved.

Findings from Field Audit

Representatives of local and national government institutions and other stakeholders interviewed by the audit team indicated that EcoPlanet Bamboo fully complies with environmental and labor legislation in Nicaragua. Complaints about the lack of payment of municipal taxes that the law assigns have not been presented. The audit team verified the compliance of national laws through environment and labor documentation review. Also, through field observations, review of tax receipts on land possession, interviews with community representatives, workers and representatives of the farms.

The PP has established a legal department in El Rama administrative office, and also in Managua administrative office. In both places there are copies of all relevant laws; the project staff in management and supervisory positions are familiar with, and adhere to the following laws:

- Ley General del Ambiente;
- Ley Forestal y su Reglamento;
- Normas técnicas y disposiciones administrativas del INAFOR;
- Ley de áreas protegidas y su reglamento;
- Ley de autonomía de las regiones de la costa caribe (RAAN, RAAS);
- Ley de municipios;
- Código del Trabajo.

The EcoPlanet Bamboo project is also been assessed against the FSC standards, then the PP used the list of related laws, regulations, norms, in order to show compliance with both standards: CCB and FSC.

Locally, the PP met with local representatives to present the project idea, but also to demonstrate how the implementation of the project activities will follow the local, national and international law framework. As a result, the PP received certificates from both the Environmental Commission of Nicaragua, and the Commission of the RAAS – both approving the project's environmental impact assessment and operation. The audit team interviewed representatives of both organizations and found no inconsistencies.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 6) 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 from Field Audit

The proponent presented situations and occupations that pose substantial risk to workers' safety, such as harvesting culms, snake bites, dehydration and heat, and fire. The measures toward the above risks are discussed on the Project Description. It was evident during the field visit that the PP takes specific measures to ensure a safe work environment, and to minimize risks. It is expected that a responsible of Safety and Security will be hired, and will be in contact with the Ministry of Labor, in order to follow all the legal requirements, depending on a diagnosis done with respect to all the project activities.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit

As it was explained before, the PP submitted a cash flow analysis, including all relevant incomes and outcomes related with the implementation of the project. Financial indicators were estimated based on adequate assumptions. The audit team

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

determined that the PP has secure funding to implement the project.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

G5. Legal Status and Property Rights - Required

Concept

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

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

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

Indicators

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

- 1) Submit a list of all relevant national and local laws²⁷ and regulations in the host country and all applicable international treaties and agreements. Provide assurance that the project will comply with these and, where relevant, demonstrate how compliance is achieved.

Findings from Field Audit			
In addition to national laws listed in G4.5 above, the plantation project is intended to comply with all the international regulatory frames, including the following:			
<ul style="list-style-type: none"> • CITES; • ILO Convention; • ITTO; • UN Convention on Biological Diversity; • UN Framework Convention on Climate Change; • UN Convention to Combat Desertification; 			
The international treaties and agreements that Nicaragua has ratified will be met, in order to be aligned with FSC certification.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
The proponent has presented the project to regional authorities of CRAAS and MARENA. Local communities acknowledge the project, and no restriction to continue the activities have been observed from stakeholders' interviews.			
The audit team had the opportunity to discuss all relevant aspects of the carbon project with the Climate Change Office representative (Designated Operation Entity of Nicaragua). It was explained that the DOE's jurisdiction does not include the voluntary carbon market, such as projects validated against VCS or CCBA. However, it was also outlined that Nicaragua would not present any objection against the bamboo plantations in the country.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised		

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

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

²⁸ Including lands that communities have traditionally owned, occupied or otherwise used or acquired.

²⁹ In conformance with the United Nations Declaration on the Rights of Indigenous Peoples.

Findings from Field Audit			
The project is being developed in private own lands and no indigenous or community groups are being affected. The project proponent is not encouraging uninited in private, community or government property. This was also substantiated against the FSC indicators' compliance.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
The project is being developed in privately owned lands legally purchased by the project proponent. No community or other type of groups lived within the project area; and therefore, no involuntary relocation of people is required.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 5) Identify any illegal activities that could affect the project's climate, community or biodiversity impacts (e.g., logging) taking place in the project zone and describe how the project will help to reduce these activities so that project benefits are not derived from illegal activities.

Findings from Field Audit			
Illegal activities have been identified. Illegal logging, hunting and fishing, fire outbreaks, trash and leaking chemicals are described in the Project Description, and the prevention measures are described in the document. The PP has built a strong relation with local individual people and authorities, and also has a plan in place to submit compliance against illegal activities in the region.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 6) Demonstrate that the project proponents have clear, uncontested title to the carbon rights, or provide legal documentation demonstrating that the project is undertaken on behalf of the carbon owners with their full consent. Where local or national conditions preclude clear title to the carbon rights at the time of validation against the Standards, the project proponents must provide evidence that their ownership of carbon rights is likely to be established before they enter into any transactions concerning the project's carbon assets.

Findings from Field Audit			
Nicaragua has not established a policy for carbon rights. Yet, there is not a restriction for private initiatives to approach voluntary carbon markets. EcoPlanet Bamboo has legal property rights over the land, and has a clear cut policy that benefits from carbon bonuses that will remain with the project. The only company that has uncontested title to the carbon rights is EcoPlanet Bamboo Group, LLC, a company registered in the State of Delaware, USA, with subsidiary office in Nicaragua.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

CLIMATE SECTION

CL1. Net Positive Climate Impacts - Required

Concept

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

³⁰ Restricting the evaluation to activities that comply with statutory laws or conform with customary rights. 'Customary rights' to lands and resources refers to patterns of long-standing community land and resource usage in accordance with Indigenous Peoples' and local communities' customary laws, values, customs, and traditions, including seasonal or cyclical use, rather than formal legal title to land and resources issued by the State.

³¹ In conformance with the United Nations Declaration on the Rights of Indigenous Peoples.

Indicators

The project proponents must:

- 1) Estimate the net change in carbon stocks due to the project activities using the methods of calculation, formulae and default values of the IPCC 2006 GL for AFOLU or using a more robust and detailed methodology.³² The net change is equal to carbon stock changes *with* the project minus carbon stock changes *without* the project (the latter having been estimated in **G2**). This estimate must be based on clearly defined and defensible assumptions about how project activities will alter GHG emissions or carbon stocks over the duration of the project or the project GHG accounting period.

Findings from Field Audit			
<p>The PP selected the CDM methodology AR-ACM001 “Consolidated afforestation and reforestation baseline and monitoring methodology AR-ACM001 (version 05.2.0 Sectoral scope 14, EB 65); the equations established in the methodology are used to estimate the net change in carbon stocks due to the project activities.</p> <p>The proponent calculated a total of 816,301 tCO₂e as emissions removals due to the project. Regarding this calculation, the annual emissions removal is 40,815 tCO₂e. The PD and supporting documents show the estimated net GHG emission removals within the project boundary and through the crediting period. Without trees stratum 12,798.9 tCO₂e (n = 16.8 ha); low stratum 680,880 tCO₂e (n = 893 ha); and moderate stratum 248,202.6 tCO₂e (n = 325 ha).</p> <p>The PP explained in detail all the procedures, tools and guidance used to estimate the GHG removals in the PD. Basically, the calculations were based on the requirements established by the methodology.</p> <p>The actual net GHG removals by sinks were calculated by using the equation 3, 4 and 5 of the methodology. When using the equation 5, the PP demonstrated that carbon stocks from shrubs and deadwood can be neglected and therefore assumed to be 0. Change in carbon stock in SOC in project was estimated by using the appropriate tool. This tool requires to estimate SOC_{initial} by using the equation 1(of the SOC tool); however, the PP actually measured this parameter and being so, this value was used in the estimation. The data is considered more accurate, 38.8 tC/ha Rio Kama and 25.34 tC/ha Rio Siquia. A total of 72,488 tCO₂e is estimated as ex-ante removal.</p> <p>The estimation of carbon stocks in litter was not done according to the methodology. Instead, a value obtained within the <i>Guadua aculeata</i> plantation was considered more precise (2.92% of the total carbon stock).</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 2) Estimate the net change in the emissions of non-CO₂ GHG emissions such as CH₄ and N₂O in the *with* and *without* project scenarios if those gases are likely to account for more than a 5% increase or decrease (in terms of CO₂-equivalent) of the project’s overall GHG emissions reductions or removals over each monitoring period.

Findings from Field Audit			
<p>Reductions of N₂O and/or CH₄ emissions are not eligible for crediting in this case. In the PD the PP justifies why these two non-CO₂ GHG gases are treated.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 3) Estimate any other GHG emissions resulting from project activities. Emissions sources include, but are not limited to, emissions from biomass burning during site preparation, emissions from fossil fuel combustion,³³ direct emissions from the use of synthetic fertilizers,³⁴ and emissions from the decomposition of N-fixing species.

Findings from Field Audit			
<p>After using the tool for “Estimation of non-CO₂ GHG emissions resulting from burning of biomass attributable to an A/R CDM project activity”, the PP determined that project emissions can be neglected and therefore can be estimated as zero. The audit team interviewed key personnel in the fields, and ratified that the use of fire for site preparation or any other activity that could cause emissions during the site preparation or burning residues have not been presented.</p> <p>GHG emissions from other sources can also be neglected, and therefore assumed to be zero.</p>			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

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

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

- 4) Demonstrate that the net climate impact of the project is positive. The net climate impact of the project is the net change in carbon stocks plus net change in non-CO₂ GHGs where appropriate minus any other GHG emissions resulting from project activities minus any likely project-related unmitigated negative offsite climate impacts (see CL2.3).

Findings from Field Audit			
The project has correctly followed the calculation process for estimating project emissions removals in ARR projects with planned harvesting. The project calculates a long term average (LA) of 830,716.3 tCO ₂ e over the course of the project crediting period. The calculation of the LA was reviewed by the audit team based on the spreadsheets. This LA represents all the positive (actual removals) and negative numbers (baseline emissions, project emissions, leakage).			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
Nicaragua's DOE (Designated Operational Entity) has no regulations to avoid double counting. However, since the project is also pursuing VCS validation and verification, the project will be registered in one of the platforms (e.g., Markit), which are a recognized and an approved way to monitor or control the issuance of GHG removals from all the carbon forest projects.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Concept

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

Indicators

The project proponents must:

- 1) Determine the types of leakage³⁵ that are expected and estimate potential offsite increases in GHGs (increases in emissions or decreases in sequestration) due to project activities. Where relevant, define and justify where leakage is most likely to take place.

Findings from Field Audit			
Section 3.3 of the PD explains in detail the procedure to estimate leakage due to a potential displacement of grazing activities caused by the implementation of the bamboo plantations in the project boundary. The appropriate tool was used and the conclusion was that the displacement of pre-project activities attributable to the A/R CDM project activity is insignificant, and therefore may be accounted as zero. The audit team reviewed the calculations, use of data, parameters and assumptions and agreed that there is no leakage to take into account in the net GHG benefits calculations.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
The PP demonstrated that no leakage is expected due to the implementation of the project.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

³⁵ Offsite changes in GHG emissions can result from a variety of causes including:

- activity shifting or displacement;
- market effects (particularly when timber harvest volumes are reduced by the project);
- increased investment in the project zone;
- decreased investment in the project zone; and
- alternative livelihood programs or other leakage prevention activities.

- 3) Subtract any likely project-related unmitigated negative offsite climate impacts from the climate benefits being claimed by the project and demonstrate that this has been included in the evaluation of net climate impact of the project (as calculated in **CL1.4**).

Findings from Field Audit		
The net climate impact of the project was estimated in terms of VCUs using the CDM methodology, one approach accepted by voluntary standards. The climate impact estimation approach was as follows: The long-term average calculation tables in the PD shows the total credits available each year in terms of VCUs after buffer stock. Buffer was estimated to be 10% of the expected total GHG benefit. On this calculation method, the PP has subtracted leakage (even when this is 0) before to subtract the buffer stock. This is in compliance with the AFOLU Requirements Section 4.7. Quantification of GHG emission reductions and removals.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.	

- 4) Non-CO₂ gases must be included if they are likely to account for more than a 5% increase or decrease (in terms of CO₂-equivalent) of the net change calculations (above) of the project's overall off-site GHG emissions reductions or removals over each monitoring period.

Findings from Field Audit		
Non-CO ₂ gases are neglected, and therefore estimated as zero in the net climate impacts of the project. The PP has demonstrated that these gases are insignificant.		
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/> N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.	

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 (within and outside the project boundaries) in project-related carbon pools, project emissions, and non-CO₂ GHG emissions if appropriate. The monitoring plan must identify the types of measurements, the sampling method, and the frequency of measurement.

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

Indicators

The project proponents must:

- 1) Develop an initial plan for selecting carbon pools and non-CO₂ GHGs to be monitored, and determine the frequency of monitoring. Potential pools include aboveground biomass, litter, dead wood, belowground biomass, wood products, soil carbon and peat. Pools to monitor must include any pools expected to decrease as a result of project activities, including those in the region outside the project boundaries resulting from all types of leakage identified in CL2. A plan must be in place to continue leakage monitoring for at least five years after all activity displacement or other leakage causing activity has taken place. Individual GHG sources may be considered 'insignificant' and do not have to be accounted for if *together* such omitted decreases in carbon pools and increases in GHG emissions amount to less than 5% of the total CO₂-equivalent benefits generated by the project.³⁶ Non-CO₂ gases must be included if they are likely to account for more than 5% (in terms of CO₂-equivalent) of the project's overall GHG impact over each monitoring period. Direct field measurements using scientifically robust sampling must be used to measure more significant elements of the project's carbon stocks. Other data must be suitable to the project site and specific forest type.

Findings from Field Audit		
The PP defines criteria and procedures for monitoring, and specifies the data and parameters to be monitored in Section 4 of the VCS PD. The following activities will be monitored: project boundary, plantation management (weed control, fertilization and amendments, pruning, harvesting), actual GHG benefits, and leakage if necessary, among others. The monitoring plan will be		

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

complemented with social/community and biodiversity indicators as part of the FSC standard requirements. As per the methodology requirements, the PP has established sampling design and stratification procedures. The stratification is first based on planting spacing, and then on number of culms per clump. Preliminary, five strata have been defined in total. It was estimated that 34 Permanent Sample Plots (PSP) will be established for the whole project area, according to the methodological tool. GIS software will be used to randomly locate the PSP within the project boundary. Data and parameters will be monitored periodically in the fields and before every verification event. Destructive sampling is also considered. Roles and responsibilities to implement the monitoring plan have been established. QA/QC procedures will be implemented to make sure the data consistency, correctness and completeness. Finally, the monitoring plan will aim at an estimation of the mean carbon stocks with a precision level of 10%, with 90% of confidence as per the methodology requirement.

Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 2) Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.

Findings from Field Audit			
The PP has developed already a monitoring plan. Details are shown in CL2.1 above.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

COMMUNITY SECTION

CM1. Net Positive Community Impacts - Required

Concept

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

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

Indicators

The project proponents must:

- 1) Use appropriate methodologies³⁷ to estimate the impacts on communities, including all constituent socio-economic or cultural groups such as indigenous peoples (defined in G1), resulting from planned project activities. A credible estimate of impacts must include changes in community well-being due to project activities and an evaluation of the impacts by the affected groups. This estimate must be based on clearly defined and defensible assumptions about how project activities will alter social and economic well-being³⁸, including potential impacts of changes in natural resources and ecosystem services identified as important by the communities (including water and soil resources), over the duration of the project. The 'with project' scenario must then be compared with the 'without project' scenario of social and economic well-being in the absence of the project (completed in G2). The difference (i.e., the community benefit) must be positive for all community groups.

Findings from Field Audit			
A rapid rural appraisal has been carried out in La Fonseca and Calderón (EIA Siquia and Kama, Fiallo Asociados). Socio-economic situation has been also presented in the Project Description. The main impact expected by the project is the creation of job opportunities. The project also expects to use 50% of carbon revenues to provide alternative development opportunities to communities. Given the scarcity of economic opportunities in the region, employment is for sure one on the biggest impacts on communities of the project. Together with training opportunities for young and women is contributing to the well-being of			

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

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

community members. Also, it has been verified that wage rates and fringe benefits exceeds the current standard in the project region. No further negative impact on ecosystem services affecting community is expected due to the restoring attributes of the plantation project. It has been clear from the field visit that the benefits to communities are positive.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
It has been defined that the natural forest identified as HCV areas do not provide environmental services, or basic needs to local communities. Moreover, the project activities will be done outside the natural patches of forest, without affecting them.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

CM2. Offsite Community Impacts - Required

Concept

The project proponents must evaluate and mitigate any possible social and economic impacts that could result in the decreased social and economic well-being of the main stakeholders living outside the project zone resulting from project activities. Project activities should at least 'do no harm' to the well-being of offsite stakeholders⁴⁰.

Indicators

The project proponents must:

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

Findings from Field Audit			
No negative offsite stakeholder impacts are anticipated with the implementation of the project activity. The audit team confirmed this statement through interviews with local religious leaders, mayors and neighbours.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
EcoPlanet Bamboo does not anticipate needing to mitigate offsite negative social and economic impacts. However, if such impacts occur throughout the lifetime of the project, the PP will undertake necessary measures to address these. As part of the FSC requirements, the PP will have to monitor all the potential impacts with respect to community and biodiversity.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
The implementation of the project activity is expected to result in positive impacts on all identified stakeholder groups.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

³⁹ **G1.8.4** Areas that provide critical ecosystem services (e.g., hydrological services, erosion control, fire control);
G1.8.5 Areas that are fundamental for the livelihoods of local communities (e.g., for essential food, fuel, fodder, medicines, or building materials without readily available alternatives); and,
G1.8.6 Areas that are critical for the traditional cultural identity of communities (e.g., areas of cultural, ecological, economic or religious significance identified in collaboration with the communities).

Note that High Conservation Values G1.8.1-3 that are more related to biodiversity conservation are covered in B1.

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

CM3. Community Impact Monitoring - Required

Concept

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

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

Indicators

The project proponents must:

- 1) Develop an initial plan for selecting community variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project's community development objectives and to anticipated impacts (positive and negative).⁴¹

Findings from Field Audit			
The project proponent presented an initial monitoring plan prioritizing socioeconomic issues such as unemployment, gender discrimination, lack of technological skills, capacity building, literacy levels, empowerment amongst women, community and workers, enterprise development. As part of the FSC certification, the PP has also developed a monitoring plan in which socioeconomic variables will be measured in order to establish the impacts of the project implementation of the project.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 2) Develop an initial plan for how they will assess the effectiveness of measures used to maintain or enhance High Conservation Values related to community well-being (G1.8.4-6) present in the project zone.

Findings from Field Audit			
It has been defined that the natural forest identified as HCV areas do not provide environmental services, or basic needs to local communities.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised		

- 3) Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.

Findings from Field Audit			
The project proponent expressed commitment to developing an annual report to show performance in relation to the project objectives to shareholders and investors. As part of the FSC requirements, the PP has designed a socioeconomic monitoring plan, and in order to meet the standard, periodic monitoring events will be done.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

BIODIVERSITY SECTION

B1. Net Positive Biodiversity Impacts - Required

Concept

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

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

Invasive species populations⁴² must not increase as a result of the project, either through direct use or indirectly as a result of project activities.

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

Indicators

The project proponents must:

- 1) Use appropriate methodologies⁴⁴ to estimate changes in biodiversity as a result of the project in the project zone and in the project lifetime. This estimate must be based on clearly defined and defensible assumptions. The 'with project' scenario should then be compared with the baseline 'without project' biodiversity scenario completed in G2. The difference (i.e., the net biodiversity benefit) must be positive.

Findings from Field Audit			
The project proponent hired Fiallo Consulting group to establish a methodology to estimate current biodiversity in the project area (biodiversity baseline). Fiallo supported their report with data on number of plant species, occurrence of fauna species and ecosystems in both Siquia and Kama farms. Once the project is FSC certified, the PP will implement a formal monitoring plan to estimate changes in biodiversity as a result of the project. Frequent reports will be generated.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 2) Demonstrate that no High Conservation Values identified in G1.8.1-3⁴⁵ will be negatively affected by the project.

Findings from Field Audit			
The project proponent has a clear and enforced policy to protect HCVs. This has been verified during the field visit. Fences, labels showing protected areas and prohibition of fishing and hunting are set along both farms Siquia and Kama. Stakeholders consulted during field interview are aware of such a policy and respect EcoPlanet actions on this matter. Therefore, it is expected HCVs will not be negatively affected.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

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

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

⁴⁵ **G1.8.1** Globally, regionally or nationally significant concentrations of biodiversity values, including protected areas, threatened species, endemic species and areas that support significant concentrations of a species during any time in their lifecycle(e.g., migrations, feeding grounds, breeding areas);
G1.8.2 Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance;
G1.8.3 Threatened or rare ecosystems.

Note that High Conservation Values G1.8.4-6 that are more related to community well-being are covered in CM1.

- 3) Identify all species to be used by the project and show that no known invasive species will be introduced into any area affected by the project and that the population of any invasive species will not increase as a result of the project.

Findings from Field Audit			
Species being used in EcoPlanet Bamboo is <i>Guadua aculeata</i> which belongs to Central American flora; it is actually a native species to Nicaragua. The project proponent has used local seed to produce seedlings and therefore no invasive species are expected to be introduced or increased as result of the project.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 4) Describe possible adverse effects of non-native species used by the project on the region's environment, including impacts on native species and disease introduction or facilitation. Project proponents must justify any use of non-native species over native species.

Findings from Field Audit			
The project proponent does not include any non-native species in its management plan.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised		

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

Findings from Field Audit			
The project proponent does not include the use of any GMOs in its management plan.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised		

B2. Offsite Biodiversity Impacts - Required

Concept

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

Indicators

The project proponents must:

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

Findings from Field Audit			
The implementation of the project does not predict any negative offsite biodiversity impacts. The bamboo plantations are established in degraded lands as defined by appropriate tools (CDM tools). Scattered trees are still standing; however, no significant biodiversity (fauna) can be found. This was confirmed by the audit team. Those trees will be protected even when the bamboo plantation reaches their height. Therefore, a mosaic of natural vegetation is expected to be created once the bamboo plantation reaches year 8.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
No negative offsite biodiversity impacts are expected due to the implementation of the project.			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 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 from Field Audit			
The PP states in the PD " <i>The project proponents believe that the biodiversity impacts from the proposed project activities are unilaterally positive</i> ". The audit team considers this statement as adequate. It was evident in the field visit that the implementation of the project will contribute in the region biodiversity scenario by promoting subsistence livelihoods. Illegal			

activities such as hunting or fishing will be under full control of the PP management team.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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 must identify the types of measurements, the sampling method, and the frequency of measurement.

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

Indicators

The project proponents must:

- 1) Develop an initial plan for selecting biodiversity variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project's biodiversity objectives and to anticipated impacts (positive and negative).⁴⁶

Findings from Field Audit			
The project proponent provided the methodology to estimate changes in biodiversity in the Environmental Impact Assessment (EIA) document (Fiallo y Asociados). The category of species, sampling sites, frequency and methods are described in the EIA. In the same document baseline data on presence of species in both Siquia and Rama farms is described. Note in the frequency of monitoring has been set to at least annual in most of the categories of species.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 2) Develop an initial plan for assessing the effectiveness of measures used to maintain or enhance High Conservation Values related to globally, regionally or nationally significant biodiversity (**G1.8.1-3**) present in the project zone.

Findings from Field Audit			
The project proponent presented an environmental monitoring plan as initial plan to assess the effectiveness of HCVs in the Project Description. With respect to HCVs, the PP has defined a monitoring plan starting with the establishment of a baseline. The following methodological steps will be followed: <ul style="list-style-type: none"> - Identify the activities or actions that adversely impact on the environment. - Analyze and predict how these actions can alter the various environmental components. - Assess the extent and intensity of each effect identified. Besides, as part of the FSC requirements, the PP will implement a formal monitoring plan for assessing the effectiveness of measures used to maintain the HCVs identified in the project zone.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 3) Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.

Findings from Field Audit			
The project proponent expressed commitment to developing an annual report to show performance in relation to the project objectives to shareholders and investors.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

GOLD LEVEL SECTION

GL1. Climate Change Adaptation Benefits - Optional

Concept

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

Indicators

The project proponents must:

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

Findings from Field Audit			
The PP based the identification of regional climate change and climate variability scenarios on the United Nations Development Program (UNDP), World Bank and the FAO. In summary, the following risks associated with the projected impacts for Nicaragua are outlined in the PD:			
<ul style="list-style-type: none"> • Anomalies in precipitation patterns; • Increase of sea level resulting in coastal flooding and associated health risks; • Increased intensity and frequency of extreme events; • Decrease agricultural productivity; • Insecurity in water resources; • The collapse of ecosystems. 			
Health, agriculture, water resources, coastal systems, ecosystems, and settlements are the expected climate change impacts in Nicaragua, according to UNDP. The PP explains each of this in the PD.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
The PP has identified the following as the risks to the project's objectives originating from climate change and climate variability impacts:			
<ul style="list-style-type: none"> • Decreased rainfall affecting the growth of <i>Guadua aculeata</i>, • Extreme events. 			
Both risks are considered by the audit team as feasible. The bamboo plantation activity itself is considered as a significant contribution to manage the risks.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

- 3) Demonstrate that current or anticipated climate changes are having or are likely to have an impact on the well-being of communities⁴⁸ and/or the conservation status of biodiversity⁴⁹ in the project zone and surrounding regions.

Findings from Field Audit			
With regards to the communities, the PP explains in the PD that the well-being of communities will be impacted mainly with respect to the levels of vulnerability, poor economic standing, lack of infrastructure and poor capacity to deal with change. Biodiversity can also be impacted by climate changes; the PP explains in summary the reasons, e.g. high levels of fragmentation, gradual loss of biodiversity.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

- 4) Demonstrate that the project activities will assist communities⁵⁰ and/or biodiversity⁵¹ to adapt to the probable impacts of climate change.

Findings from Field Audit			
The PD does not address GL1.4.			
Conformance	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	N/A.		

GL2. Exceptional Community Benefits – OPTIONAL

Concept

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

Indicators

Project proponents must:

- 1) Demonstrate that the project zone is in a low human development country OR in an administrative area of a medium or high human development⁵² country in which at least 50% of the population of that area is below the national poverty line.

Findings from Field Audit

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

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

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

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

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

The project proponent showed some information about human development of the Atlantic coast in the Project Description. It is shown high levels of illiteracy and high percentages of poverty. According with the data, around 70% of the people live in poverty in the region. The foundation website for the Development of the Atlantic Coast of Nicaragua (fadcanic.org.ni) was used to substantiate the statistics.

Conformance	Yes <input checked="" type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
The project proponent did not show any supporting data to demonstrate that at least 50% of households within the lowest category of well-being of the community are likely to benefit substantially from the project.			
Conformance	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	N/A		

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

Findings from Field Audit			
The PD outlines two major barriers that could prevent benefits going to poorer households:			
<ol style="list-style-type: none"> 1. Dissemination of information via local community leaders. 2. Implementation of a policy that enables any individual to approach the farm manager at any point in time and request employment opportunities. 			
It is common practice that the PP employs local people to work in the project, including women and disabled people.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
The proponent indicates a survey was developed to identify which negative impact people expect from the project implementation. Results of the survey are outlined in the PD along with a potential solution to mitigate negative impacts. Besides, it is mentioned that a series of educational workshops are carried out, and also a weekly radio show in which the audience is trained on the project activities.			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised.		

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

Findings from Field Audit			
The PD states the following: "During initial social monitoring it became clear that the most vulnerable and disenfranchised groups within the project area are women. The project proponents have worked hard to educate stakeholders as to the importance of enabling women". There is no clear evidence on how the social impact monitoring will meet the CCBA requirement GL2.5.			
Conformance	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	N/A		

GL3. Exceptional Biodiversity Benefits – OPTIONAL

Concept

All projects conforming to the Standards must demonstrate net positive impacts on biodiversity within their project zone. This Gold Level Exceptional Biodiversity Benefits criterion identifies projects that conserve biodiversity at sites of global significance for biodiversity conservation. Sites meeting this optional criterion must be based on the Key

Biodiversity Area (KBA) framework of vulnerability and irreplaceability.⁵³ These criteria are defined in terms of species and population threat levels, since these are the most clearly defined elements of biodiversity. These scientifically based criteria are drawn from existing best practices that have been used, to date, to identify important sites for biodiversity in over 173 countries.

Indicators

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

1) Vulnerability

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

Findings from Field Audit			
The project proponent presented a list of threatened species (according to the UICN). HCV assessment was used to substantiate the presence of Vulnerable Species (VU), Critically Endangered Species (CR), species in Danger of Extinction (DE), and species in Critical Conditions (CC) in both farms. Examples of these species are: <i>Caluromys derbianus</i> (Central American Wholly Opossum) <i>Ptychohyla hypomyker</i> (No common name/amphibian) Chaperno (<i>Lonchocarpus oliganthus</i>) Bimbayan (<i>Vitex guameri</i>)			
Conformance	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
NCR/OBS	No NCRs or OBS were raised		

Or,

2) Irreplaceability

- a. A minimum proportion of a species' global population present at the site at any stage of the species' lifecycle according to the following thresholds:⁵⁴
- b. Restricted-range species - species with a global range less than 50,000 km² and 5% of global population at the site; or
- c. Species with large but clumped distributions - 5% of the global population at the site; or
- d. Globally significant congregations - 1% of the global population seasonally at the site; or
- e. Globally significant source populations - 1% of the global population at the site;

Findings from Field Audit			
The PP has met GL3.1 only			
Conformance	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input checked="" type="checkbox"/>
NCR/OBS	N/A		

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

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