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Gold Standard Performance Certification

Report for:
Autoridad del Canal de Panamá

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Lead Auditor:	Klaus Geiger
Audit Team Member(s):	
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1 Introduction

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1.1 Objective

The purpose of this report is to document the conformance of the Sustainable Forest Cover Establishment Project with the requirements of the GS V0.9 AR Requirements. The project was developed by the Autoridad del Canal de Panamá (ACP), hereafter referred to as "Project Proponent", "ACP", or the "Panama Canal Authority". 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 Sustainable Forest Cover Establishment Project, a Reforestation project in Panama, against the GS V0.9 AR Requirements. The objectives of this audit included an assessment of the project's conformance with the standard criteria. The project covers an area of 2,458 ha. The eligible planting area of the project is 1940 ha which will be planted and evaluated in future monitoring certifications. The total project area including eligible and ineligible planting areas is 2,458. The land is both publically and privately owned. The project has a lifetime of 30 years, and has calculated a GHG reduction and/or removal of 340,559 tCO2e over the course of the project lifetime. Of this total, 132,246 tCO2e has been calculated as *ex post* verified CO2Certificates representing carbon already sequestered and verified during the field audit. The emissions reductions reported here are for these planting areas from the date of the project start through the 2016 Gold Standard Performance Certification audit. The remaining 208,313 tCO2e has been calculated as *ex ante* validated CO2 Certificates representing expected future sequestration of areas that were planted at the Initial Certification field audit. The developer holds the responsibility of allocating 20% of the validated and verified credits to the Gold Standard buffer, which can be allocated from this project or purchased from pre-existing projects. This requirement is verified by the Gold Standard Foundation and is outside the scope of this audit.

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

- GS V0.9 AR Requirements and associated guidance

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

1.3 Project Description

The project involves reforestation of give degraded agricultural properties in the Panama Canal Watershed of the Republic of Panama. Project plantings are mostly of native vegetation types including provenance seed collected from the project country as well as Laos. Seed and seedlings are planted with the design objective of establishing sustainable forest cover and securing fresh water resources within the watershed surrounding the fresh water-fed Panama Canal.

The project area properties are in the province Panama Oeste, just west Panama City and the Panama Canal, where most of the surrounding communities are farming settlements. The project area is situated along the South and Southwest boundaries of

the Panama Canal watershed. The project includes 24 modelling units from an original count of 31, with a current combined planting areas of 1940 ha, which were planted between 2006 and 2011. Plantings consist of mostly native tree species, but also employ teak.

1.4 Level of assurance

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

2 Audit Overview

Based on Project's conformance with audit criteria, the auditor makes the following recommendation:		
Final Report Conclusions		
☒	Performance Certification approved: *NCR(s) closed*	
☐	Performance Certification not approved: *Conformance with NCR(s) required*	
Draft Final Report Conclusions		
☐	Performance Certification approved: *NCR(s) closed*	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.
☒	Performance Certification not approved: *Conformance with NCR(s) required*	
Draft Report Conclusions		
☐	Performance Certification approved: *No NCRs issued*	The Project Proponent has 30 days from the date of this report to revise documentation and provide any additional evidence necessary to close the open Corrective Action Requests (CARs). If new material is submitted the auditor will review the material and add updated findings to this report and close CARs appropriately. If no new material is received before the 30-day deadline, or the new material was insufficient to close all open CARs the report will be finalized with the CARs open, and validation and/or verification will not be achieved. If all CARs are successfully addressed, the report will be finalized and proceed towards issuance of an assessment statement.
☒	Performance Certification not approved: *Conformance with NCR(s) required*	

2.1 Audit Conclusions

Verified CO2 Certificates	Validated CO2 Certificates	Total CO2 Certificates
132,246	208,313	340,559

ex post CO2 sequestration: 132,246 tCO2e
ex ante long-term CO2 sequestration: 340,559 tCO2e

The developer holds the responsibility of allocating 20% of the validated and verified credits to the Gold Standard buffer, which can be allocated from this project or purchased from pre-existing projects. This requirement is verified by the Gold Standard Foundation and is outside the scope of this audit.

2.2 Non-conformance evaluation

The Gold Standard A/R Requirements describe actual and potential non-conformances to the standard requirements as either Corrective Action Requests (CARs), Forward Action Requests (FARs), Non-Compliances (NCs), and Observations (OBSs).

CARs are used to identify areas where conformance with a standard requirement has not been demonstrated and the developer shall take corrective actions to demonstrate conformance.
FARs are used to identify issues which are not material in the current certification, are non-systematic, and are correctable within 5 years. FARs shall be corrected by the next certification.
OBSs are warnings and do not need to be formally corrected. They are non-material errors.
NCs are definite non-conformances where the developer has been unable to demonstrate corrective actions to close a CAR in the current certification, or where the developer is unable to close a FAR in a future certification audit.

CARs and NCs 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.

CAR#:	01/16
Standard & Requirement:	GS A/R Requirements Version 0.9, Section 2.1 – Key Project Information
Report Section:	Section 2.1
Description of Non-conformance and Related Evidence:	
The auditors were provided with a copy of the project's Key Project Information Documentation that covered elements a) – p) as required by GS. While the information provided was generally considered accurate, the GS requires that for Performance Certification audits, the "project owner shall provide any updates to the existing filled–in template "Key Project Information." Auditor review of the Key Project Information documentation provided for the Performance Certification found that the existing filled in template in place for the Initial Certification did not appear to be used by the project owner. As required by the GS, the existing filled in template used for the Initial Certification is to be used for the Performance certification with any relevant updates included.	
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 Performance Certification Approval
Evidence Provided by Organization:	Updated Document 192. ACP-PA-PC2016-01 Annual-Report
Findings for Evaluation of Evidence:	The project has submitted the completed template with all relevant information. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	None

CAR#:	02/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 2.1.3
Report Section:	2.1.3
Description of Non-conformance and Related Evidence:	
The project has not clearly marked the boundaries of the project areas and planting areas for all management types and modelling units.	
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:	Performance Certification Approval
Evidence Provided by Organization:	ACP_PA_PC2016_R01_ANEXO 5, licitación 110063 agro silvo, Cirí y Trinidad 2011 ACP_PA_PC2016_R02, informe de avance PFS, Septiembre 2011 ACP_PA_PC2016_R05, Informe de cierre, Cirí y Trinidad 2013 Document 117. ACP-PA-AR2015-04 anexo 1. Auditoría de cierre de FAR ACP_PA_PC2016_R03, Marcar Bordes en Conservación ACP_PA_PC2016_2ref_07 propuesta ACP Marcar Bordes Cons y Agro
Findings for Evaluation of	The project proponent responded that, for the agroforestry modalities of the project, the

Evidence:	contracted companies are required to construct fences around every reforested parcel when necessary in order to protect the plantation. The project makes reference to and provides an active contract in which it stipulates the same (Document 10a). However, the Gold Standard A/R Requirements v0.9 does not mandate the use of fences. The standard states: "Boundaries of the project area and the planting area shall be clearly distinguishable in the field." On many modelling units the project has provided barbed wire fencing, and signs are prominently displayed to identify the project, area, cooperating institutions, and landowner. These signs are typically posted near the entrance to a parcel. It is reasonably plausible that project boundaries can be distinguished based on differences in species composition between planted areas and non-planting areas. Nevertheless, the project has not demonstrated how all project area and planting area boundaries are clearly distinguishable in the field without fencing. The project has drafted an action plan detailing a timeline from October 2016 to July 2019 during which time the project proponent plans to identify project areas whose boundaries may need further identifying markers, such as signage, wire fencing, live fencing, or other means, and install them. The CAR is converted to FAR 07/16, as the issue prompting the CAR is immaterial to the project carbon stocks. Therefore, the effectiveness of the action plan shall be evaluated for the following Performance Certification audit. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	03/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3
Description of Non-conformance and Related Evidence:	
The project has incorrectly filled out the Do-No-Harm Assessment template. The type of certification for this audit is a Performance Certification, but the PP incorrectly checked the "New Area Certification" box.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment
Findings for Evaluation of Evidence:	The project has updated the Do-No-Harm Assessment template and correctly checked the 'Performance Certification' box. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	04/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3, (6)—(8) and (12)—(38)
Description of Non-conformance and Related Evidence:	

The project proponent has indicated on the Do-No-Harm Assessment template that none of the items 6)-12) are relevant, when in fact items 6)-8) and 12) are actually relevant and must be assigned a risk rating of low, medium or high.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment ACP_PA_PC2016_R04, Código de Conducta y Política PFS. ACP_PA_PC2016_R09, Código de Conducta PFS ACP_PA_PC2016_R10, Doc.auditoria.PFS
Findings for Evaluation of Evidence:	The project has made the following changes Item 3) now describes that there is no indigenous presence within the project area. Items 6)-8), 12) and 13)-18) checked box are relevant and assigned rating low. These boxes now also have descriptions that satisfy the GS AR requirements and were corroborated by visual inspection and on-site interview by the audit team. Items 9)-10) are not relevant. Items 11) modified checked box to not relevant and assigned risk not applicable, as not relevant. Item 19) modified risk to low. Item 20) modified box to relevant and risk low. Item 21) modified risk to low. Item 22) and 26 maintain not relevant and risk not applicable. Item 23) corrected an error of two boxes checked. Item 24 a) relevant and low. 24 b) not relevant and not applicable. Item 25) and 27) relevant and low. Item 28) not relevant and not applicable Item 29)-31) are relevant and risk low Item 32) modified relevant and risk low Item 33) relevant and low Item 34 a-d) relevant and low. 34 e) modified to relevant and low Item 35) not relevant and not applicable Item 36) modified to relevant and risk low Item 37a-c) relevant and low. 37d-e) checked relevant and risk low. 37f) modified, relevant and risk low. Item 38a-e) relevant and low. 38c) risk low The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	05/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.7
Description of Non-conformance and Related Evidence:	
Information provided by the PP for item 7) of the Do-No-Harm Assessment template does not address employee satisfaction or measures taken to remedy employee dissatisfaction.	

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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment ACP_PA_PC2016_R09, Código de Conducta PFS. ACP_PA_PC2016_R10, Doc.auditoria.PFS.
Findings for Evaluation of Evidence:	The project has updated the Do-No-Harm Assessment and provided additional documented evidence. One of the ACP's principal contractors, PFS, has developed a code of conduct that includes ethical and behavioral principles. The code is disseminated to PFS employees and PFS ensures its compliance. The code mandates that PFS provide uniforms for their workers, school vouchers, assist employees to obtain personal identity cards for those who do not have one, integrate employees in the financial sector by opening a bank account, regular days off so employees can visit their relatives, individual employment contracts, and a liability policy. The audit team was able to verify the above through direct interviews with field workers the working conditions, work camps, access to clean water, clean toilets, lighting and regular cleaning to ensure the welfare of workers and worker satisfaction. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	06/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.8
Description of Non-conformance and Related Evidence:	
The PP has not provided any information for item 8) in the Do-No-Harm Assessment template. The audit team was not shown examples of work agreements for individual PFS employees (such as for the field workers) or for the individual employees of other contracting organizations working on the project with the ACP.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment ACP_PA_PC2016_R10, Doc.auditoria.PFS.
Findings for Evaluation of Evidence:	The project has provided a document containing a sample of working agreements with individual workers for PFS. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	07/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.12
Description of Non-conformance and Related Evidence:	
The PP has not provided evidence that copies of the eight ILO Fundamental Conventions have been made available to all workers with the project.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment ACP_PA_PC2016_R11, Documentación solicitada a PFS. Pages 1-3 of 3 ACP_PA_PC2016_R10, Doc.auditoria.PFS. Pages 6-10 of 19
Findings for Evaluation of Evidence:	The project has provided a document containing a sample of confirmations of receipt of the ILO eight fundamental conventions signed by individual workers for PFS. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	08/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3
Description of Non-conformance and Related Evidence:	
The Do-No-Harm Assessment template has various comments from one ACP functionary to another that are not relevant or appropriate for the template.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment.
Findings for Evaluation of Evidence:	The irrelevant comments have been removed from the updated Do-No-Harm Assessment template. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	09/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment

Report Section:	3 (15)—(18)
Description of Non-conformance and Related Evidence:	
The PP has not provided any information for item 15)-18) in the Do-No-Harm Assessment template or made reference to any documentation that demonstrates compliance with this requirement.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment. Document 191 ACP-PA-PC2016 TDR Lote D ACP_PA_PC2016_R09, Código de Conducta PFS. ACP_PA_PC2016_R10, Doc.auditoria.PFS.
Findings for Evaluation of Evidence:	The project has updated the Do-No-Harm Assessment template to reference specific evidence now submitted by the project to the audit team. The new evidence provided describes the PFS Health & Safety Policy that addresses each of indicators listed under requirements 15-18 of the Do-No-Harm Assessment template. Supporting evidence was gathered by the audit team during the field component of the 2016 performance certification audit via interview with ACP and PFS employees, as well as direct observation of field and camp conditions. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	10/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.19
Description of Non-conformance and Related Evidence:	
The project does not discuss the suitability of the tree species utilized for the site conditions of the planting areas.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment. Document 12. PDD_ACP_CFS ACP_PA_PC2016_R28, Proceedings-HELP-2011. ACP_PA_PC2016_R06, TDR Reforestación PN Camino de Cruces, abril 2010. Document 77. 03-02-ACP-Agroforestry-Jul 2012 Document 85. 03-11-ACP-TDR-Anexo 1, licitación 128457 Agro Silvo Document 49. 02-31-ACP-Plan de Manejo 324 ha
Findings for Evaluation of Evidence:	The project has provided clarifying information for their discussion on the suitability of the tree species utilized for the site conditions of the planting areas.

	The project's CFS PDD lists the native species used for the project, with the stated intention of mimicking natural regeneration. Further, the diversity of the species selected for project use allow for resilience in the face of climate change. The project supplied the audit team with a study titled "Use of Native Species in Land Reforestation in the Panama Canal Watershed" that describes the process and progress of establishing and growing native tree plantations. The selection of native forest species was made according to the species existing around the planting area. Coffee seeds originating from individuals that exhibited good characteristics were selected for the project by MIDA, project beneficiaries and the ACP. Shade species used are of native timber varieties, and provide environmental services and fruit. The remaining studies and documents submitted by the project relate to and support the claims of the selected species' suitability for the planting activities. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	11/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.20
Description of Non-conformance and Related Evidence:	
The PP confuses the meanings of origin/distribution with provenance and as such as incorrectly described those characteristics of the species utilized by the project in the PDD.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment. Document 12. PDD_ACP_CFS ACP_PA_PC2016_R28, Proceedings-HELP-2011. ACP_PA_PC2016_R06, TDR Reforestación PN Camino de Cruces, abril 2010. Document 77. 03-02-ACP-Agroforestry-Jul 2012 Document 85. 03-11-ACP-TDR-Anexo 1, licitación 128457 Agro Silvo Document 49. 02-31-ACP-Plan de Manejo 324 ha
Findings for Evaluation of Evidence:	The project has not updated the PDD to address the CAR. Regardless, and unlike the CarbonFix Standard, there is no actual obligation under the GS A/R Requirements v0.9 to describe the origin and provenance of the seeds used. Further, the mistake in the PDD is immaterial. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	12/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3 (19) and (20)
Description of Non-conformance and Related Evidence:	

The PP has not indicated which species have actually been planted compared with which species the project was planning on using as stated in the PDD.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment. ACP_PA_PC2016_R27, procedencia de eucalipto. Documento 49. 02-31-ACP-Plan de Manejo 324 ha. Documento 12. PDD_ACP_CFS. ACP_PA_PC2016_R06, TDR Reforestación PN Camino de Cruces, abril 2010. ACP_PA_PC2016 2Ref_01_UM_Com Burunga ACP_PA_PC2016 2ref_02_UM Com Chagres. ACP_PA_PC2016 2ref_05_PROCEDENCIA DE SEMILLA
Findings for Evaluation of Evidence:	The project has submitted a note from the business Semillas Tropicales, of Honduras, on the origin and quality of seed eucalyptus offered. The ACP commercial modalities have mainly used teak species and the seed comes from the Cantonal Agricultural Center of Hoja Ancha, Costa Rica. For the establishment of the conservation parcels, native species local to the area are used. The evidence submitted by the project does not adequately identify the species used in the project. The PDD is a plan, not a report on actions taken. The receipt of purchase of eucalyptus seed does not provide additional information. The management plan referenced by the project describes management for only three tree species: *Tectona grandis, Terminalia amazonia,* and *Eucalyptus camaldulensis*. However, it was evident during the 2016 performance certification audit that more than three species were used. The project responded to this CAR with a note from seed provider Geo Forestal S.A. describing the origin of seed for the several species utilized in the commercial planting areas: teak (Tectona grandis), Eucalyptus (Eucalyptus camaldulensis), Amarillo (Terminalia amazonia), Zapatero (Hyeronima alchorneoides) and hawthorn Cesdro (Paquira quinata (Bombacopsis). This list is of all the species used in the project for which seed originates outside of the country; the remainder are native species with seed originating from within the country. See OBS 06/16. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	13/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.22
Description of Non-conformance and Related Evidence:	
The PP has not supplied any information regarding the origin of the seed, including whether they had been modified genetically or not.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment. Documento 12. PDD_ACP_CFS ACP_PA_PC2016_R06, TDR Reforestación PN Camino de Cruces, abril 2010. Documento 77. 03-02-ACP-Agroforestry-Jul 2012 Documento 85. 03-11-ACP-TDR-Anexo 1, licitación 128457 Agro Silvo Documento 49. 02-31-ACP-Plan de Manejo 324 ha.
Findings for Evaluation of Evidence:	The project has also updated the Do-No-Harm Assessment template to explicitly state that no genetically modified materials are used in this project. The project has submitted a note from the business Semillas Tropicales, of Honduras, on the origin and quality of seed eucalyptus offered. Teak seed comes from the Cantonal Agricultural Center of Hoja Ancha, Costa Rica. Agroforestry tree species seeds were selected by the Ministry of Agriculture, project beneficiaries, and the ACP. This corroborates answers given during field interviews, thereby demonstrating that no genetically modified organisms were used in the project. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	14/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3 (23) and (24)
Description of Non-conformance and Related Evidence:	
The project has not completed Item 23) of the Do-No-Harm Assessment.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment.
Findings for Evaluation of Evidence:	The project proponent has updated the Do-No-Harm Assessment template: Item 23) relevant and low. Item 24 a) relevant and low. 24 b) not relevant and not applicable. The template now describes how the project meets the biodiversity requirement #23 and may actually exceed the minimum required area by an additional 10%. The audit team visited conservation areas the project has established and can confirm an abundance of biodiversity is maintained in these modelling units. The agroforestry areas area also a vast improvement in terms of biodiversity over the baseline vegetation 'paja blanca'. Under Item 24 the project notes that existing patches of trees and individual stems were identified and protected. This was also evident in the field. The project states that there are no endangered species habitats in the project area. But by virtue of protecting the patches/stems the project is simultaneously protecting any potential endangered species habitat, and most

	effectively in the agroforestry and conservation modalities. The audit team concurs with this assessment. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	15/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.25
Description of Non-conformance and Related Evidence:	
The project has not adequately identified items 25) (a) – (d) in the Do-No-Harm Assessment template or described measures taken to protect them.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment. Document 49. 02-31-ACP-Plan de Manejo 324 ha. ACP_PA_PC2016_R12, plan-de-manejo-ciri-grande-2008. Document 26. 01-04-ACP-CCB Panama Canal Authority-March 2012.
Findings for Evaluation of Evidence:	The project has now identified items 25) (a) – (d) and described measures taken to protect them in the updated Do-No-Harm Assessment. The management plan referenced within the text (Document #49), with a stated objective of protecting against soil erosion, further characterizes the soil types present in the project area. The management plans for Ciri Grande and Rio Trinidad specify establishment of tree cover as being the principal mitigating measure against soil erosion, complemented by the use of organic inputs or limited use of chemical inputs and eliminating slash and burn monoculture practices. These efforts combined are expected to improve biotic communities and reduce soil compaction. The audit team agrees. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	16/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.25
Description of Non-conformance and Related Evidence:	
The internal road network for the commercial planting areas were observed to be subject to erosion and there were no mitigation measures in place to protect the soils.	
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:	Performance Certification Approval
Evidence Provided by Organization:	ACP_PA_PC2016_R17, propuesta ACP para mitigar y mejorar caminos
Findings for Evaluation of Evidence:	In response to this CAR the ACP presented a proposal for mitigation measures protecting soil in internal roads within the project's commercial plantations. The proposal's action items are the development and phased implementation of mitigation measures against the negative soil impacts from the internal roads. The proposal also contains a timeline of when the different project activities would begin, starting in January 2017. This is significant progress towards a meaningful solution, and the CAR may therefore be closed. A FAR (01/16) has been opened.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	17/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment, and Other Emissions
Report Section:	3.27 and 5.4
Description of Non-conformance and Related Evidence:	
The project proponent has not documented nor justified the use of all fertilizers within the project area.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Document 91. 03-17-ACP-PLAN DE MANEJO REF COMMERCIAL. ACP_PA_PC2016_R18, TDR Comercial Burunga, 2010. ACP_PA_PC2016_R13 plan-de-manejo-trinidad-2008. ACP_PA_PC2016_R06, TDR Reforestación PN Camino de Cruces, abril 2010. ACP_PA_PC2016_R01, ANEXO 5, licitación 110063 agro silvo, Cirí y Trinidad 2011. ACP_PA_PC2016_R15 Divulgar y documentar uso de fertilizantes.
Findings for Evaluation of Evidence:	In response to this CAR the project proponent has updated the Do-No-Harm Assessment and provides the following justification: "Soil tests in commercial plantation areas revealed acidic soils with low phosphorus content, so fertilizer application is recommended. It was recommended in commercial area mixing chemical fertilizers with organic matter at the bottom of the planting hole and buried. The Trinidad area has soils of low productive capacity. The use of land not in keeping with the natural ability, is generating negative impacts on the productive base and negative externalities such as erosion and loss of biodiversity. In consideration of soil protection, soil type, flora, fauna and soil, it is advisable to use fertilizers to improve productivity. The terms of reference indicate the mix of fertilizer with organic fertilizer in the bottom of the hole at planting and buried during maintenance in the early years, to increase their effectiveness and reduce leaching or volatilization loss." The project provided additional supporting documentation containing recommendations for various organic and chemical inputs for soil improvement. The documents describe fertilizer types to be used, the appropriate application methods, and a proposed frequency of

	application. Also, the ACP presented a proposal for documentation of fertilizer use. The proposal's action items are the development and phased implementation of data collection on fertilizer use. The proposal also contains a timeline of when the different project activities would begin, starting in January 2017. This is significant progress towards a meaningful solution, and the CAR may therefore be closed. A FAR (02/16) has been opened. Related CAR 36/16 is also now closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	18/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3 (27) and (28)
Description of Non-conformance and Related Evidence:	
The project proponent has not completed sections 27-28 of the Do-No-Harm Assessment template, nor has it assigned a risk score as required.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment.
Findings for Evaluation of Evidence:	The project has updated the template and assigned low risk scores. Item 27) relevant and low. Item 28) not relevant and not applicable. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	19/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3 (29)—(32)
Description of Non-conformance and Related Evidence:	
The project proponent has not documented nor justified the use of all chemical pesticides within the project area.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment. ACP_PA_PC2016_R14, control de maleza herbicida selectivo Ciudad Árbol Document 26. 01-04-ACP-CCB Panamá Canal Authority-March 2012.

	ACP_PA_PC2016_R15 Divulgar y documentar uso de fertilizantes. ACP_PA_PC2016_2ref_08 Divulgar y documentar fertilizantes y plaguicida. ACP_PA_PC2016_R15 Divulgar y documentar uso de fertilizantes. Ref. 10a ACP_PA_PC2016_R01_ANEXO 5, licitación 110063 agro silvo, Cirí y Trinidad 2011. Ref 15a. ACP_PA_PC2016_R06, TDR Reforestación PN Camino de Cruces, abril 2010 Ref 29a.ACP_PA_PC2016_R20, TDR Mantenimiento Comercial 2016 Ref 31aACP_PA_PC2016_R22, licitación Control Broca Ref 28 a.ACP_PA_PC2016_R19, EACM-sa-i-01 Control y manejo de plagas.
Findings for Evaluation of Evidence:	In response to the CAR the project proponent stated that the project does not apply chemical pesticide the project areas, nor did the audit team have reason to believe that pesticides were being used. There is a stated preference for methods of biological control, as outlined ACP's integrated pest management document. Each contract acknowledges the potential use of chemical pesticides, and in such situations the user shall receive training on proper use of, personal protection against, and disposal of the chemical. Similar to fertilizer use, the ACP presented a proposal for documentation of pesticide, the effectiveness and use of which shall be evaluated per FAR 08/16. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	20/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3 (29)—(32)
Description of Non-conformance and Related Evidence:	
The project proponent has not completed sections 29-32 of the Do-No-Harm Assessment template, nor has it assigned a risk score as required.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment.
Findings for Evaluation of Evidence:	The project has updated the template and assigned low risk scores. Item 29)-31) are relevant and risk low Item 32) modified relevant and risk low The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	21/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.33
Description of Non-conformance and Related Evidence:	
The project proponent has not completed section 33 of the Do-No-Harm Assessment template, nor has it assigned a risk score as required.	

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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment.
Findings for Evaluation of Evidence:	The project has updated the template and assigned low risk scores. Item 33) modified risk to low. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	22/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.33
Description of Non-conformance and Related Evidence:	
The project proponent stated during the 2016 field audit that a fungal spray (biomit?) had been applied to the coffee agroforestry areas in order to control a damaging beetle known locally as “broca”. The project proponent has not documented, described or justified the use of this biological control agent.	
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:	Performance Certification Approval
Evidence Provided by Organization:	ACP_PA_PC2016_R22, licitación Control Broca ACP_PA_PC2016_R23, Control de Broca con biológicos
Findings for Evaluation of Evidence:	In response to this CAR the project has provided description of the broca pest and biological control agents, as well as justification for their use. The broca beetle (*Hypothenemus hampei*) is reportedly the plague that causes the most economic damage to coffee (an important livelihood activity in rural Panama), attacking their fruit, causing substantial losses against which combat is very difficult. Since 2012, the beetle was detected in Ciri and Trinidad. From 2013, the ACP, in conjunction with MIDA, developed an Integrated Management Project of the beetle, with sprinklings of entomopathogens--biological agents such as fungi *Beauveria bassiana* and *Metarhizium anisopliae*, which only attack the insect, without damaging or affecting crops, animals or humans. The justification provided is adequate. However, the project must use minimal amounts of the control agents, the measurement of which could be facilitated by development of action plans to document the use of fertilizer and herbicide. The CAR is closed. A FAR (04/16) is opened.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	23/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.34

Description of Non-conformance and Related Evidence:	
Some of the project's planting areas are within 15 meters of temporary water bodies.	
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:	Performance Certification Approval
Evidence Provided by Organization:	ACP_PA_PC2016_R21, Protección Cursos de Agua 15 m, UM Comercial
Findings for Evaluation of Evidence:	The ACP presented a proposal to establish and/or maintain corridors of 15m with natural forests or plantations with native species along existing water courses in commercial plantations. The proposed actions would be implemented over the next 4 years, beginning in October 2016. This is significant progress towards a meaningful future solution, thus FAR 06/16 has been opened.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	24/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3 (34)—(36)
Description of Non-conformance and Related Evidence:	
The project has not filled out each of the sections for Items 34)-36) of the Do-No-Harm Assessment template. Also, sections are marked as 'not relevant' when in fact they are. Lastly, no risk score has been assigned to the relevant sections.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment.
Findings for Evaluation of Evidence:	The project has updated the template and assigned low risk scores. Item 34 a-d) relevant and low. 34 e) modified to relevant and low Item 35) not relevant and not applicable Item 36) modified to relevant and risk low The additional information adequately describes the field conditions for each of the Items and the project's management responses. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	25/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment

Report Section:	3 (37)—(38)
Description of Non-conformance and Related Evidence:	
The project proponent contracts a company to safely dispose of waste products, but has not provided documentation to the audit team identifying all sources of waste and waste products, and evidencing that this contract is in place and the proper disposal is being carried out.	
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:	Performance Certification Approval
Evidence Provided by Organization:	ACP_PA_PC2016_R10, Doc.auditoria.PFS
Findings for Evaluation of Evidence:	The supporting evidence provided by the project asserts that waste products in need of special disposal (e.g. agrochemical containers) are returned to the provider of the chemical products (AGROPRO) for them to dispose of them according to Panama's environmental regulation. Human waste products are disposed via septic tank. Combustibles are collected, transported, stored, and handled in approved containers, and PFS demonstrated use of an absorbent cloth for engine leaks and spills. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	26/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3 (37)—(38)
Description of Non-conformance and Related Evidence:	
The project has not filled out each of the sections for Item 37) and 38) of the Do-No-Harm Assessment template. Also, sections are marked as 'not relevant' when in fact they are. Lastly, no risk score has been assigned to the relevant sections.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document 194. ACP-PA-PC2016-03 Do-No-Harm Assessment.
Findings for Evaluation of Evidence:	The project has updated the template and assigned low risk scores. Item 37a-c) relevant and low. 37d-e) checked relevant and risk low. 37f) modified, relevant and risk low. Item 38a-e) relevant and low. 38c) risk low The audit team has reviewed responses for each Item and found them to be adequately justified, and congruent with the team's field observations. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	27/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 3.2.6 -- Local Stakeholder Consultation
Report Section:	3.2.6
Description of Non-conformance and Related Evidence:	
Project beneficiaries are generally unaware of the grievance mechanism.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Documento 180. ACP-PA-PC2016 Memoria reunión Consejo Consultivo Cirí y Trinidad 25 de feb 2016 ACP_PA_PC2016_R30 Promoción de consultas a Beneficiarios
Findings for Evaluation of Evidence:	The ACP presented a proposal for sensitization of the grievance mechanism. The proposal's action items are the development and phased implementation of a complaint registry. The proposal also contains a timeline of when the different project activities would begin, starting in January 2017. This is significant progress towards a meaningful solution, and the CAR may therefore be closed. FAR 05/16 has been opened.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	28/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 3.4.1 -- Sustainability Monitoring Plan
Report Section:	3.4.1
Description of Non-conformance and Related Evidence:	
The project has submitted the Sustainability Monitoring Plan template to the audit team for review, but the template is only partially completed.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Document 197. ACP-PA-PC2016-06 Sustainability Monitoring Plan
Findings for Evaluation of Evidence:	The project has submitted the updated Sustainability Monitoring Plan template to the audit team for review. The template contains information regarding the project such as the Project Title, GS ID, Type of Certification. The mitigation measures described—increasing forest cover, protection of existing forest, water and other natural resources, reduction of soil erosion, promotion of income generating activities amongst project beneficiaries—are all appropriate and sufficient for the selected parameters. The project has correctly completed the Do-No-Harm Assessment template, and as the project did not identify any medium or high risk elements, there are no additional potential mitigation measures generated in the Do-No-Harm Assessment template that must be integrated in to the Sustainability Monitoring Plan. The project demonstrates conformance.

	The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	29/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 3.4.2 -- Sustainability Monitoring Plan
Report Section:	3.4.2
Description of Non-conformance and Related Evidence:	
The project has not included all the mitigation measures as described in the Do-No-Harm Assessment template (which is incomplete), and the two monitoring indicators listed—biodiversity and socioeconomic improvement—are not fully described.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Document 197. ACP-PA-PC2016-06 Sustainability Monitoring Plan Documento 49. 02-31-ACP-Plan de Manejo 324 ha. ACP_PA_PC2016_R12, plan-de-manejo-ciri-grande-2008.
Findings for Evaluation of Evidence:	The project has updated the Sustainability Monitoring Plan to reflect the mitigation measures outlined in the completed Do-No-Harm Assessment template. The vast majority of the project area was without protective vegetation in the baseline scenario, and the planting area was 100% overrun by the introduced and invasive weed *Saccharum spontaneum* in the conservation and commercial reforestation areas. The soils of commercial areas were also covered by *Saccharum spontaneum*. The agroforestry areas did not meet the definition of forest, but had lower presence of *Saccharum spontaneum* nonetheless. Ciri Grande area has soils of low productive capacity. The use of land was not in sync with the land's natural ability, and was generating negative impacts on the productive base and negative externalities such as erosion and loss of biodiversity. The updated Sustainability Monitoring Plan outlines how biodiversity and socioeconomic improvement will be monitored, and these are discussed at greater length in the project's various management plans. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	30/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 3.5.2 a-e and 3.5.3 -- Legal Rights and Representation
Report Section:	3.5.2 a-e and 3.5.3
Description of Non-conformance and Related Evidence:	
The PP has not completed the "Project Participants & Secured Titles" GS template. Sections 2a, 2c, 2d, and 2e are all left blank, despite being required sections in the template. In boxes a, c, and d the ACP's usufruct control over the carbon rights, timber and non-timber forest products, necessary permitting are not discussed, despite the fact that ownership remains with the landowning farmers on whose property the project takes place. Indicator (e) relates to the source of financing of the project, which the PP does not describe in the template or make reference to any documents that discuss it.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated ACP-PA-PC2016-05 Project Participants & Secured Titles template ACP_PA_PC2016_R24, Contrato de usufructo firmado beneficiario. ACP_PA_PC2016_R01_ANEXO 5, licitación agro silvo, Cirí y Trinidad 2011
Findings for Evaluation of Evidence:	The project has updated the Project Participants & Secured Titles GS template to include discussion on Items A-E as required. The project has also submitted an example usufruct beneficiary agreement and a bidding form. In sum, the landowner expressly agrees to project intervention in the form of reforestation, agroforestry, or Silvopastoral modalities. Both the ACP and the owner agree expressly that the exclusive rights of environmental services, referred to in this contract, exclusive limited and specifically the ability to capture carbon generated from the activity or activities indicated. Therefore, GHG reductions resulting from this contract may be marketed by the ACP. The ACP will be responsible for the initial investments related to the establishment and maintenance of the planting areas. The ACP provides financial resources and hire companies to develop the work. All workers in the agroforestry modelling units are given an incentive for daily wage labor. The audit team has reviewed the new information provided and consider it sufficient to close the CAR. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	31/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 3.5.2.a -- Legal Rights and Representation
Report Section:	3.5.2.a
Description of Non-conformance and Related Evidence:	
The project has not submitted a sample of these signed contracts and/or another document to demonstrate that 100% of the project beneficiaries have signed the agreement.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated ACP-PA-PC2016-05 Project Participants & Secured Titles template ACP_PA_PC2016_R24, Contrato de usufructo firmado beneficiario.
Findings for Evaluation of Evidence:	The project has submitted a sample of the signed contracts between the project and beneficiaries. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	32/16
Standard & Requirement:	GS A/R Requirements v0.9 Section
Report Section:	3.5.2.b
Description of Non-conformance and Related Evidence:	
In the GS template the PP incorrectly suggests that the ACP is the owner of the land encompassing the project area—the box "N/A, this entity is also the project owner." was checked when it clearly should not be.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated ACP-PA-PC2016-05 Project Participants & Secured Titles template
Findings for Evaluation of Evidence:	The project has corrected the error. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	33/16
Standard & Requirement:	GS A/R Requirements v0.9 3.5.4 -- Legal Rights and Representation
Report Section:	3.5.4
Description of Non-conformance and Related Evidence:	
The project has not given explanation or justification why the GS Terms & Conditions did not need to be signed as the standard requires.	
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:	Performance Certification Approval
Evidence Provided by Organization:	ACP-PA-PC2016-11 terms_conditions_luf
Findings for Evaluation of Evidence:	The project has signed the terms and conditions. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	34/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 3.6 3.6 -- Risk Register
Report Section:	3.6 Financial Means
Description of Non-conformance and Related Evidence:	

The project has included incomplete text in to the 'Financial Means' section of the Risk Register that would otherwise describe the frequency of contract issuance and project monitoring.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Updated Document ACP-PA-PC2016-07 Risk Register ACP_PA_PC2016_R20, TDR Mantenimiento Comercial 2016 Documento 170. ACP-PA-PC2016 Informe_Conservación_enero2016 ACP_PA_PC2016_R14, control de maleza herbicida selectivo Ciudad Árbol
Findings for Evaluation of Evidence:	The project has updated the Risk Register to include complete information regarding the project's financial means. The new information includes: The Panama Canal Authority is the owner of the project and has the funds for the implementation of all stages of each project modality. Every five years monitoring or maintenance of projects in the commercial planting areas. For conservation planting areas, the status is monitored annually. For each modality, each stage activities are verified through a collaborator of the Division of Environment, which is the Contracting Officer Representative - ROC. According to the results of monitoring of conservation status, the ACP develops maintenance contracts to ensure growth and development of areas that require it. Project beneficiaries ensure the maintenance of areas coffee in agroforestry with an initial 32 months of support from the ACP. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	35/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 3.6 -- Risk Register
Report Section:	3.6 Water, Wind, Animals, Fire, Diseases, and Irregular resettlement or illicit crop production
Description of Non-conformance and Related Evidence:	
The project does not adequately justify the scores given for risk elements 'water', 'wind', 'animals', 'fire', 'diseases', or 'irregular resettlement or illicit crop production'. For these same elements, the project does not describe the measures needed and taken to ensure the survival and permanence of carbon stocks (in the plantations, agroforestry areas AND conservation Modelling Units) in planting areas that it will establish when the project eventually expands as intended. For the water risk element, the project does not present any information related to the water requirements of the projects' species composition. Furthermore, the seasonal monsoons may present a threat to the carbon permanence, as witnessed by a heavy storm the week of the 2016 field audit. In the PDD the project identifies several potential pests and diseases ("Corticium salmonicolor, Hypsipyla grandela, defoliation by leafcutter ants, wood infection by termites and followed by fungi") that could affect some of the thirty species utilized by the project. The PP does not discuss the incidence of these pests and how the project is effectively mitigating against the risk to permanence that they pose.	
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:	Performance Certification Approval
Evidence Provided by	Updated Document ACP-PA-PC2016-07 Risk Register

Organization:	ACP_PA_PC2016_R07, DIAGNOSTICO_TECA_2006 Documento 49. 02-31-ACP-Plan de Manejo 324 ha. Documento 49. 02-31-ACP-Plan de Manejo 324 ha. ACP_PA_PC2016_R01_ANEXO 5, licitación 110063 agro silvo, Cirí y Trinidad 2011 ACP_PA_PC2016_R02, informe de avance PFS, Septiembre 2011. ACP_PA_PC2016_R05, Informe de cierre, Cirí y Trinidad 2013. Documento 172. ACP-PA-PC2 Plan de prevención y control de incen forestales para Chilibre 324 Has Documento 175. ACP-PA-PC2016 Informe de Avance de Marzo para ACP_Burunga 111_2016 ACP_PA_PC2016_R06, TDR Reforestación PN Camino de Cruces, abril 2010
Findings for Evaluation of Evidence:	The project has updated the Risk Register risk description and score justification for elements water, wind, animals, fire, diseases, and irregular resettlement or illicit crop production. The water risk element notes damage of ten hectares, which the project states was replanted. There is brief mention that the 2016 monitoring activities revealed a loss of 1.3 hectares in Burunga 1 and 1.9 hectares in the Caribe commercial modelling units, owing to high soil moisture. The project has described the climate and annual precipitation patterns, including details on individual species requirements. The project will mitigate against loss of carbon stocks by replanting damaged areas. The wind risk element acknowledges the occasional risk posed and resulting damage caused by high winds, and the element is marked as a low risk. The project elaborates that since 1992 businesses have implemented reforestation activities in the watershed, and in 1998 ACP's reforestation projects began, and neither party or entities have reported damage to project interventions from wind. The project mitigates against potential damage from wind by maintaining forest vegetation around the project areas. This is congruent with audit team observation during the 2016 field audit. Animal risk is considered minimal. Producers and contractors must fence their planting units, except when adjacent to pre-existing forest cover, to protect the plantings. Fire is considered a medium-level risk to the commercial planting areas. As such, the project has engaged with SINAPROC for their aid in combating fires. The project proponent requires in its Terms of Reference for contracting companies to develop and maintain a fire management plan. Disease is considered a low-level risk to the project. Management plans and terms of reference all identify a potential for damage from disease and/or pest. Organic control methods are preferred, but do not preclude the use of chemical control agents. Since the project's inception there has been no economic damage to the planting areas from disease that is outside the expected margins of mortality. Irregular Settlement and Illicit Crop Production: The agroforestry areas are owned individually by farmers who maintain a high state of vigilance on their properties and will not allow irregular settlement and illicit crop production. The conservation areas are protected by the Ministry of Environment who also will not tolerate irregular settlement and illicit crop production. One commercial area was subject to irregular settlement, but the project proponent worked with the National Police to eject the squatters. This statement was corroborated by evidence gathered via interview during the 2016 field audit. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	36/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 5.3 -- Calculation of C02 Certificates and 5.4 Other Emissions
Report Section:	5.3 & 5.4
Description of Non-conformance and Related Evidence:	
The project fails to justify and describe the use of any nitrogen fertilizers that it employs, nor does the project discuss any reductions in the calculated CO2 certificates as a result of these emissions.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Document 12. PDD_ACP_CFS Document 92. ACP-07-01-project emissions calculation, Document 100. CFS y CCBs ACP Internet Updated on 4 August 2014 CERTIFICATION REPORT 102p
Findings for Evaluation of Evidence:	In response to the CAR, the project makes reference to several project documents related to the Initial Certification under CFS in 2013, clarifying that a total of 2,148 tCO2e originating from nitrogen fertilizers was calculated and deducted from the total emissions reductions. However, it was evident during the 2016 Performance Certification audit that nitrogen fertilizers had been used since the Initial Certification (i.e. 2014-2016). The project has provided the audit team with updated documentation per the CAR. As the project does not have a registry documenting the use of nitrogen fertilizers, the project made a conservative estimate of the amount of fertilizer applied since the last certification event and applied the appropriate corresponding emissions to the CO2 certificate calculations, which it will continue to do until the fertilizer use registry is effectively implemented. Using a factor of .005 tCO2e of emissions for each kilogram of nitrogen in the total estimated amount of fertilizer used, the project proponent calculates a total of 1,397 tCO2e emissions from nitrogen fertilizer across the entire 1940 ha project areas. The project has updated the carbon calculations with the new figure. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	37/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 5.3 -- Calculation of C02 Certificates and 5.7 -- CO2 Fixation
Report Section:	5.3 & 5.7.1-6
Description of Non-conformance and Related Evidence:	
The project has not submitted a completed GS 'CO2 Fixation' template for the audit team to review.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Document 204. ACP-PA-PC2016-Unidades de Manejo PIEA actualizado 2016 Document 12. PDD_ACP_CFS. Página 1 de 2 (página 41). 07 Project Emissions Document 92. ACP-07-01-project emissions calculation. Página 1 de 1 ACP-PA-PC2016 CO2 fix 30 years ex y post ACP-PA-PC2016 tCO2 UM TOTAL 2016
Findings for Evaluation of Evidence:	The project has submitted a GS 'CO2 Fixation' template for the audit team to review. The template is mostly complete. However, there are certain immaterial elements to the template that have not yet been completed. OBS 07/16 The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	38/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 5.7 -- CO2 Fixation and 6 – Carbon Performance
Report Section:	5.7 & 6
Description of Non-conformance and Related Evidence:	
It was not clear which of the dozen modelling spreadsheets the project proponent submitted was the most recent and up to date version. Also, the ACP was unable to explain how the carbon calculations have been modified based on monitoring of tree growth and the leakage that occurred prior to the Performance Certification audit. The audit team met with the one of the team members from the GIZ/SurAustral that reportedly adjusted the carbon projections, but this person was also unable to explain how the calculations had been adjusted based on the tree growth monitoring and leakage.	
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:	Performance Certification Approval
Evidence Provided by Organization:	Document 12. PDD_ACP_CFS. Document 92. ACP-07-01-project emissions calculation. Document 100. CFS y CCBs ACP Internet Updated on 4 August 2014 CERTIFICATION REPORT 102p.
Findings for Evaluation of Evidence:	The audit team met with a second individual from GIZ / SurAustral that was in fact the consultant responsible for adjusting the carbon calculations for the project. The consultant confirmed that leakage was accounted for in the carbon models and stated that reductions due to leakage were based on figures provided to the consultant by the ACP. The ACP provided the audit team with a document summarizing the origin of project leakage, including an explanation of why it has occurred, a quantification of the affected carbon stocks, and, where applicable, references to an action plan or mitigation measures that are or will be taken against the sources of leakage. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

CAR#:	39/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 6
Report Section:	6
Description of Non-conformance and Related Evidence:	
The project has not submitted a completed GS 'Carbon Performance' template for the audit team to review.	
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:	Performance Certification Approval
Evidence Provided by Organization:	ACP-PA-PC2016-10 carbon_performance Document 169. ACP-PA-PC2016 CO2 fixation 30 years actualizado Document 94. 06-18-ACP-FOFI-Growth model CO2 Actualizacion MG GS Document 210. BASE Resultados por Parcela PIEA (15-05-2016) Dev_P - Copy último
Findings for Evaluation of Evidence:	The project has submitted a completed GS 'Carbon Performance' template for the audit team to review. Findings related to the new documentation are detailed in Section 6 of this report, and any CARs or FARs raised therein. The CAR is closed.
CAR Status:	CLOSED
Comments (optional):	

2.3 Forward Action Requests (FARs)

26. **Forward Action Request (FAR)** I With a FAR, the auditor or The Gold Standard Secretariat requests appropriate action be taken to become fully compliant with a requirement.

    A FAR will be issued where the impact of the infraction is:
    (a) not material within the current certification, AND
    (b) unusual or non-systematic, AND
    (c) correctable in a specific timeframe less than 5 years.

    FARs can be closed by The Gold Standard Secretariat or an auditor.

FAR#:	01/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.25
Description of Forward Action Request and Related Evidence:	
The internal road network for the commercial planting areas were observed to be subject to erosion and there were no mitigation measures in place to protect the soils. The ACP presented a proposal for mitigation measures protecting soil in internal roads within the project's commercial plantations. The proposal's action items are the development and phased implementation of mitigation measures against the negative soil impacts from the internal roads. The proposal also contains a timeline of when the different project activities would begin, starting in January 2017.	

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 next performance certification
Evidence Provided by Organization:	PENDING
Findings for Evaluation of Evidence:	PENDING
FAR Status:	OPEN
Comments (optional):	

FAR#:	02/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment, and Other Emissions
Report Section:	3.27 & 5.4
Description of Forward Action Request and Related Evidence:	
The project provided additional supporting documentation containing recommendations for various organic and chemical inputs for soil improvement. The documents describe fertilizer types to be used, the appropriate application methods, and a proposed frequency of application. Also, the ACP presented a proposal for documentation of fertilizer use. The proposal's action items are the development and phased implementation of data collection on fertilizer use. The proposal also contains a timeline of when the different project activities would begin, starting in January 2017.	
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 next performance certification
Evidence Provided by Organization:	PENDING
Findings for Evaluation of Evidence:	PENDING
FAR Status:	OPEN
Comments (optional):	

FAR#:	03/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3 (29)—(32)
Description of Forward Action Request and Related Evidence:	
The project does not apply herbicide in agroforestry planting areas. For commercial and conservation planting areas, the contractor selectively applied a graminicide herbicide in a timely manner, following the product indications and ACP's guidance on Integrated Pest Management. The herbicide was used for weed control, specifically Saccharum spontaneum, which has led to the growth and development increased understory vegetation cover, reducing erosion and fire risk and enhancing biodiversity.	

Similar to fertilizer use, the ACP presented a proposal for documentation of herbicide use. The proposal's action items are the development and phased implementation of data collection on herbicide use. The proposal also contains a timeline of when the different project activities would begin, starting in January 2017. This is significant progress towards a meaningful solution, and the CAR may therefore be closed. A FAR has been opened.	
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 next performance certification
Evidence Provided by Organization:	PENDING
Findings for Evaluation of Evidence:	PENDING
FAR Status:	OPEN
Comments (optional):	

FAR#:	04/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 3.2.6 -- Local Stakeholder Consultation
Report Section:	3.2.6
Description of Forward Action Request and Related Evidence:	
The broca beetle (*Hypothenemus hampei*) is reportedly the plague that causes the most economic damage to coffee (an important livelihood activity in rural Panama), attacking their fruit, causing substantial losses against which combat is very difficult. Since 2013, the ACP, in conjunction with MIDA, developed an Integrated Management Project of the beetle, with sprinklings of entomopathogens--biological agents such as fungi *Beauveria bassiana* and *Metarhizium anisopliae*. The project must use minimal amounts of the control agents, the measurement of which could be facilitated by development of action plans to document the use of fertilizer and herbicide.	
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 next performance certification
Evidence Provided by Organization:	PENDING
Findings for Evaluation of Evidence:	PENDING
FAR Status:	OPEN
Comments (optional):	

FAR#:	05/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.33
Description of Forward Action Request and Related Evidence:	
The ACP presented a proposal for sensitization of the grievance mechanism. The proposal's action items are the development	

and phased implementation of a complaint registry. The proposal also contains a timeline of when the different project activities would begin, starting in January 2017.	
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 next performance certification
Evidence Provided by Organization:	PENDING
Findings for Evaluation of Evidence:	PENDING
FAR Status:	OPEN
Comments (optional):	

FAR#:	06/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3.34
Description of Forward Action Request and Related Evidence:	
The ACP presented a proposal to establish and/or maintain corridors of 15m with natural forests or plantations with native species along existing water courses in commercial plantations. The proposed actions would be implemented over the next 4 years, beginning in October 2016. This is significant progress towards a meaningful future solution, thus FAR 06/16 has been opened.	
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 next performance certification
Evidence Provided by Organization:	PENDING
Findings for Evaluation of Evidence:	PENDING
FAR Status:	OPEN
Comments (optional):	

FAR#:	07/16
Standard & Requirement:	GS A/R Requirements v0.9 Section 2.1.3
Report Section:	2.1.3
Description of Forward Action Request and Related Evidence:	
The project has drafted an action plan detailing a timeline from October 2016 to July 2019 during which time the project proponent plans to identify project areas whose boundaries may need further identifying markers, such as signage, wire fencing, live fencing, or other means, and install them. This is significant progress towards a meaningful future solution, thus FAR 07/16 has been opened, as the issue prompting the original CAR is immaterial to the project carbon stocks. Therefore, the effectiveness of the action plan shall be evaluated for the following Performance Certification audit.	
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 next performance certification
Evidence Provided by Organization:	PENDING
Findings for Evaluation of Evidence:	PENDING
FAR Status:	OPEN
Comments (optional):	

FAR#:	08/16
Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment
Report Section:	3 (29)—(32)
Description of Forward Action Request and Related Evidence:	
In response to CAR 19/16 the project proponent has drafted an action plan for the documentation of pesticide use. This is significant progress towards a meaningful future solution, and the effectiveness of the action plan shall be evaluated during the following Performance Certification audit.	
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 next performance certification
Evidence Provided by Organization:	PENDING
Findings for Evaluation of Evidence:	PENDING
FAR Status:	OPEN
Comments (optional):	

2.4 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.

OBS	01/16	Reference Standard & Requirement:	GS A/R Requirements v0.9 Section 2.1.1
Description of findings leading to observation:	The project proponent may have updated the project documentation in advance of the Performance Certification audit, but has not indicate what changes have or have not bene made.		
Observation:	The project proponent should indicate which sections of the Key Project Information Documentation have been updated or have not changed since the project's initial certification.		

OBS	02/16	Reference Standard & Requirement:	GS A/R Requirements v0.9 Section 2.1.3
Description of findings leading to observation:	The project has not discussed element 13b) and its relation to element 13a).		
Observation:	The PP should indicate under item 13b) that the discussion provided under 13a) also applies to this item.		

OBS	03/16	Reference Standard & Requirement:	GS A/R Requirements v0.9 Section 2.1
Description of findings leading to observation:	The grievance tracking sheet used by the project does not specify a date that the grievance has been resolved and as such cannot confirm that the grievance has in fact been resolved without further review of documents.		
Observation:	The PP has not selected the correct “Type of Certification” box in the Do-No-Harm Assessment template.		

OBS	04/16	Reference Standard & Requirement:	GS A/R Requirements v0.9 Section 5.3 & 5.4
Description of findings leading to observation:	The project did not burn biomass to prepare the sites for the project planting activities, but this is not discussed in the submitted GS ‘Other Emissions’ template.		
Observation:	The project should clarify in the ‘Other Emissions’ template that no biomass burning took place in the site preparation activities.		

OBS	05/16	Reference Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment 3.20
Description of findings leading to observation:	The PP confuses the meanings of origin/distribution with provenance and as such as incorrectly described those characteristics of the species utilized by the project in the PDD.		
Observation:	The project proponent should correct the PDD to accurately state the origin and provenance of the seeds used for the project.		

OBS	06/16	Reference Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment 3.20
Description of findings leading to observation:	The evidence submitted by the project partially identifies the species used in the project. The PDD is a plan, not a report on actions taken. The receipt of purchase of eucalyptus seed does not provide additional information. The management plan referenced by the project describes management for only three tree species: *Tectona grandis, Terminalia amazonia,* and *Eucalyptus camaldulensis*. However, it was evident during the 2016 performance certification audit that more than three species were used. The project responded to this CAR with a note from seed provider Geo Forestal S.A. describing the origin of seed for the several species utilized in the commercial planting areas: teak (Tectona grandis), Eucalyptus (Eucalyptus camaldulensis), Amarillo (Terminalia amazonia), Zapatero (Hyeronima alchorneoides) and hawthorn Cesdro (Paquira quinata (Bombacopsis). This list is of all the species used in the project for which seed originates outside of the country; the remainder are native species with seed originating from within the country.		
Observation:	The project should update project documentation to reflect which species are used in the with-project scenario as compared with the PD.		

OBS	07/16	Reference Standard & Requirement:	GS A/R Requirements v0.9 Do-No-Harm Assessment 3.20
Description of findings leading to observation:	The template is mostly complete. The project does not specify the time period (in years) until the years until the equilibrium or average stand biomass is reached in the conservation modelling units. Also, for Item 5, the project references a document instead of stating and justifying the survival rate used in the growth model. For Item 6, the project has submitted an incomplete description of how their forest inventory methods and protocol meet the minimum Standard-required confidence interval.		
Observation:	The project should complete the entirety of the template.		

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

Action Taken by Project Proponent following the issuance of the Draft Report		**Date**
Additional documents submitted to audit team (additional documents listed below)	☒ Yes ☐ No ☐ N/A	September 5, 2016 and September 9, 2016
Additional stakeholder consultation conducted (evidence described below)	☐ Yes ☒ No ☐ N/A	
Additional clarification provided	☒ Yes ☐ No ☐ N/A	September 5, 2016 and September 9, 2016
Documents revised (document revision description noted below)	☒ Yes ☐ No ☐ N/A	September 5, 2016 and September 9, 2016
GHG calculation revised (evidence described below)	☐ Yes ☒ No ☐ N/A	

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

Ref	**Electronic Filename**
1a	GS_CAR_FAR Response Form ACP, Septiembre 2016.docx
2a	Favor eliminar los documentos debido a que son borradores.docx
3a	ACP-PA-PC2016 Due¤o de la tierra del proyecto CAR32.xlsx
4a	ACP-PA-PC2016 tCO2 por UM inventario 2016.xlsx
5a	ACP-PA-PC2016 tCO2 UM TOTAL 2016.xlsx
6a	ACP-PA-PC2016 Unidades de Manejo PIEA actualizado 2016.xlsx
7a	02-07-ACP-Convenio ANAM ACP Monitoreo cuenca canal panama.pdf
8a	ACP-PA-PC2016 CO2 fix 30 years ex y post.xlsx
9a	ACP-PA-PC2016-09 CO2-fixation.docx
10a	ACP_PA_PC2016_R01_ANEXO 5, licitaci¢n agro silvo, Cirį y Trinidad 2011.pdf
11a	ACP_PA_PC2016_R02, Informe de avance PFS sep 2011.pdf
12a	ACP_PA_PC2016_R03, propuesta ACP Marcar Bordes en Conservaci¢n.docx
13a	ACP_PA_PC2016_R04, C¢digo de Conducta y Poli¡tica PFS.pdf
14a	ACP_PA_PC2016_R05, Informe de cierre, Cirį y Trinidad 2013.pdf
15a	ACP_PA_PC2016_R06, TDR Reforestaci¢n PN Camino de Cruces, abril 2010.doc
16a	ACP_PA_PC2016_R07, DIAGNOSTICO_TECA_2006.pdf
17a	ACP_PA_PC2016_R08, Cl usula 4_28_94, ACP sobre Pacto Global ONU.pdf
18a	ACP_PA_PC2016_R09, Codigo de Conducta PFS.pdf
19a	ACP_PA_PC2016_R10, Doc.auditoria.PFS.pdf
20a	ACP_PA_PC2016_R11, Documentaci¢n solicitada a PFS.pdf
21a	ACP_PA_PC2016_R12, plan-de-manejo-ciri-grande-2008.pdf
22a	ACP_PA_PC2016_R13, plan-de-manejo-trinidad-2008.pdf

23a	ACP_PA_PC2016_R14, control de maleza herbicida selectivo Ciudad Arbol.pdf
24a	ACP_PA_PC2016_R15, Divulgar y documentar uso de fertilizantes.docx
25a	ACP_PA_PC2016_R16, 10 porciento ecosistema nativo.xlsx
26a	ACP_PA_PC2016_R17, propuesta ACP para mitigar y mejorar caminos.docx
27a	ACP_PA_PC2016_R18, TDR Comercial Burunga, 2010.doc
28a	ACP_PA_PC2016_R19, EACM-sa-i-01 Control y manejo de plagas.pdf
29a	ACP_PA_PC2016_R20, TDR Mantenimiento Comercial 2016.pdf
30a	ACP_PA_PC2016_R21, Protecci¢n Cursos de Agua 15 m, UM Comercial.docx
31a	ACP_PA_PC2016_R22, licitaci¢n Control Broca.pdf
32a	ACP_PA_PC2016_R23, Control de Broca con biol¢gicos.docx
33a	ACP_PA_PC2016_R24, Contrato de usufructo firmado beneficiario.pdf
34a	ACP_PA_PC2016_R25 REGISTRO Y ATENCION DE DENUNCIAS.docx
35a	ACP_PA_PC2016_R26, manejo de agroquimicos PFS.pdf
36a	ACP_PA_PC2016_R27, procedencia de eucalipto.jpg
37a	ACP_PA_PC2016_R28, Proceedings-HELP-2011, p196_200.pdf
38a	ACP_PA_PC2016_R29 EACI002 Evaluaci¢n y seguimiento de denuncias, reclamos.pdf
39a	ACP_PA_PC2016_R30 Promoci¢n de consultas a Beneficiarios.docx
40a	ACP_PA_PC2016_R31, BASE Resultados por Parcela PIEA (15-05-2016) Dev_P.xlsx
41a	ACP_PA-PC2016-Comercial_UM12_Burunga_Actu2016.pdf
42a	ACP_PA-PC2016-Comercial_UM1_Burunga_Actu2016.pdf
43a	ACP_PA-PC2016-Comercial_UM2_San_Vicente_Actu2016.pdf
44a	ACP_PA-PC2016-Comercial_UM3 Chagres_Actu2016.pdf
45a	ACP_PA-PC2016-Comercial_UM4_Potabiliz_Actu2016.pdf
46a	ACP_PA-PC2016-Comercial_UM5_Caribe_Actu2016.pdf
47a	ACP_PA-PC2016_UM10-11_Ciudad del Arbol_Actu2016.pdf
48a	ACP_PA-PC2016_UM13_STRI_2009_Actu2016.pdf
49a	ACP_PA-PC2016_UM14_C_Cruces_2010_Actu2016.pdf
50a	ACP_PA-PC2016_UM6_Aguas _claras_2008_Actu2016.pdf
51a	ACP_PA-PC2016_UM7_Aguas _claras_2009_Actu2016.pdf
52a	ACP_PA-PC2016_UM8_Aguas _claras_2010_Actu2016.pdf
53a	ACP_PA-PC2016_UM9_Campin_Soberanıa_2010_Actu2016.pdf
54a	ACP-PA-PC2016-01 Annual-Report.docx
55a	ACP-PA-PC2016-01 Annual-Report.pdf
56a	ACP-PA-PC2016-02 Key-Project-Information.docx
57a	ACP-PA-PC2016-03 Do-No-Harm Assessment.docx
58a	ACP-PA-PC2016-04 List-of-Inputs-Grievances.docx
59a	ACP-PA-PC2016-05 Project Participants & Secured Titles.docx
60a	ACP-PA-PC2016-06 Sustainability Monitoring Plan.docx
61a	ACP-PA-PC2016-07 Risk Register.docx
62a	ACP-PA-PC2016-08 other-emissions.docx
63a	ACP-PA-PC2016-09 CO2-fixation.docx
64a	ACP-PA-PC2016-10 carbon_performance.docx
65a	ACP-PA-PC2016-11 terms_conditions_luf.pdf
66a	GS_CAR_FAR Response Form ACP, Septiembre 2016.docx
67a	ACP-PA-PC2016 CO2 fix 30 years ex y post.xlsx
68a	ACP-PA-PC2016 tCO2 por UM inventario 2016.xlsx
69a	ACP-PA-PC2016 tCO2 UM TOTAL 2016.xlsx
70a	ACP-PA-PC2016 Unidades de Manejo PIEA actualizado 2016.xlsx
71a	ACP-PA-PC2016-01 Annual-Report.docx
72a	ACP-PA-PC2016-01 Annual-Report.pdf
73a	ACP-PA-PC2016-02 Key-Project-Information.docx
74a	ACP-PA-PC2016-03 Do-No-Harm Assessment.docx

75a	ACP-PA-PC2016-04 List-of-Inputs-Grievances.docx
76a	ACP-PA-PC2016-05 Project Participants & Secured Titles.docx
77a	ACP-PA-PC2016-06 Sustainability Monitoring Plan.docx
78a	ACP-PA-PC2016-07 Risk Register.docx
79a	ACP-PA-PC2016-08 other-emissions.docx
80a	ACP-PA-PC2016-09 CO2-fixation.docx
81a	ACP-PA-PC2016-10 carbon_performance.docx
82a	ACP-PA-PC2016-11 terms_conditions_luf.pdf
83a	ACP_PA_PC2016 2Ref_01_UM_Com Burunga.xlsx
84a	ACP_PA_PC2016 2ref_02_UM Com Chagres.xlsx
85a	ACP_PA_PC2016 2ref_03_FF_5_Teca condiciones para su cultivo.pdf
86a	ACP_PA_PC2016 2ref_04_03116 09 09 Cultivo de Teca.pdf
87a	ACP_PA_PC2016 2ref_05_PROCEDENCIA DE SEMILLA.pdf
88a	ACP_PA_PC2016 2ref_06_genero-eucalipto.pdf
89a	ACP_PA_PC2016_2ref_07propuesta ACP Marcar Bordes Cons y Agro.docx
90a	ACP_PA_PC2016_2ref_08 Divulgar y documentar fertilizantes y plaguicida.docx
91a	ACP_PA_PC2016_R31, BASE Resultados por Parcela PIEA (15-05-2016) Dev_P.xlsx
92a	GS_CAR_FAR II Response Form ACP, Septiembre 2016 CORRECCIONES.docx
93a	kace_softwarelicensecompliance_bestpractices.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
Klaus Geiger	☒	☒	☒	☒	☒	☒	☒	☐
Janice O'Brien	☐	☐	☐	☐	☐	☐	☐	☒
Jeffrey Hayward	☐	☐	☐	☐	☐	☐	☐	☒

Auditor qualifications:

Auditor(s)	Qualifications
Klaus Geiger, Lead Carbon Auditor, Rainforest Alliance	Klaus Geiger is a forester with professional experience in Latin America. As Carbon Services Staff Auditor with Rainforest Alliance Klaus conducts and leads carbon field audits for projects under six different carbon standards, including AFOLU, REDD+, and the VCS Double Approval Methodology. Prior to working with Rainforest Alliance, Klaus researched Sri Lankan non-timber forest products by documenting species composition and mapping spatial distribution in traditional agroforestry gardens, co-managed the 8,000 acre FSC-Certified Yale School Forest, promoted sustainable agriculture techniques for 3.3 years with the Peace Corps in Panama within the Comarca Ngäbe-Buglé and on the national level. Among other experiences, cruised timber for the U.S. Forest Service in Tahoe National Park. Klaus received his Masters of Forestry degree from the Yale University School of Forestry and Environmental Studies, and holds a Bachelors of Forestry from University of Missouri-Columbia. Klaus is fluent in Spanish and conversational in Sinhala.
Janice O'Brien, Associate Manager, Rainforest Alliance Database Reviewer	Janice has a Master's Degree in Forest Conservation from the University of Toronto and has been with Rainforest Alliance for 7 years. Janice acts as both the Canadian Verification Services and Chain of Custody Coordinator. She is a carbon lead auditor, and has participated in 7 Carbon Validation and/or Verification Projects across multiple standards (VCS, CCB, CarbonFix) and geographic regions (Africa, India, Canada, US, Central America). She is the project manager for Canadian and Africa carbon work, and has managed multiple Carbon methodology assessments. Janice has completed a training program in GHG Accounting for Forests. Additionally, she has coordinated approximately 1000 FSC Chain of Custody audits and assessments, conducted approximately 50 assessments/audits, and participated in 1 Forest Management Audit. Prior to joining Rainforest Alliance, she worked in operational and financial risk management for 13 years.
Jeff Hayward, MSc., Rainforest Alliance Vice President, Landscapes and Livelihoods Senior Internal Reviewer	Based in Washington, DC, Hayward leads a global landscapes and livelihoods team responsible for design of Rainforest Alliance's worldwide field strategies for agriculture, forestry, climate change, education, finance, tourism, and other key practices. As global lead on climate at Rainforest Alliance, he oversees work that advances climate change mitigation and adaptation in the land sector by promoting best practice for climate smart agriculture, reducing emissions from deforestation and degradation (REDD+), and facilitating innovative landscape approaches that foster low carbon development. He has 25 years' experience working to advance sustainability in natural resource management, particularly through policy mechanisms that responsibly harness markets. Hayward is a member of several agriculture, forests and climate working groups,

	task forces, and committees, addressing both technical and policy concerns on climate change mitigation, adaptation and rights-based issues. He provides technical advice to carbon standards such as VCS, Climate, Community & Biodiversity (CCB) Standards, and the Gold Standard Foundation. He actively supports the REDD+ Social and Environmental Standards Initiative, which aims to provide safeguards for indigenous peoples, communities and biodiversity within national or sub-national REDD+ programs. He led the Rainforest Alliance's delegation at the annual Conference of the Parties to the United Nations Framework Convention on Climate Change from 2007 to 2015. For six years, he managed the Rainforest Alliance's forest certification programs in the Asia-Pacific region from Jakarta, Indonesia. In forest certification and carbon verification, he has conducted more than 100 assessments or audits. Hayward has been lead trainer for introductory and advanced forest carbon auditing courses and is a registered Agriculture, Forestry and Other Land Use (AFOLU) expert with the Verified Carbon Standard. Jeff earned an Msci in forestry from the University of British Columbia, and a Bachelor's degree in Latin American development with a specialization on forestry from the University of Washington.

3.2 Description of the Audit Process

The audit included both a desk based and field based assessment of the project's documentation and physical evidence. Upon receiving the project documents in June 2016, the lead auditor conducted a desk review in preparation of the field audit. A risk based sampling and audit plan was developed based on this review and submitted to the developer on July 5, 2016. The lead auditor spent four days at the project site as described below. Stakeholder consultation with various groups also took place throughout the course of the field audit. The lead auditor visited several of the participating towns and individual farmer properties as well as the project's independently managed commercial planting areas to verify project boundaries, confirm implementation status, assess tree health and planting locations, and gather supporting evidence through stakeholder interviews.

On 5 August 2016, the auditors submitted the draft Performance Certification audit report to the Panama Canal Authority. The draft report findings identified 39 CARs, and 4 OBS.

On September 5th, the project proponent submitted responses to the draft Performance Certification audit report. Review of the responses has reduced the number of open CARs to ten, while simultaneously opening six FARs.

On September 29th, the audit team submitted the final report.

Location/Facility	Date(s)	Length of Audit	Auditor(s)
Panama Canal Authority Head Offices	July 11, 2016	7 hours	Klaus Geiger
Panama Ministry of the Environment Head Offices	July 11, 2016	1 hour	Klaus Geiger
Local MIDA office – Nueva Arenosa, Capira	July 12, 2016	1 hour	Klaus Geiger
Five Agroforestry and Conservation Modelling Units	July 12, 2016	11 hours	Klaus Geiger
Three Commercial Planting Area Modelling Units	July 13, 2016	12 hours	Klaus Geiger
Panama Canal Authority Head Offices	July 14, 2016	8 hours	Klaus Geiger

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	CFS PDD 08 Baseline, ACP, 29 Sep. 2013	Baseline_ACP_CFS.pdf
2	ACP CFS Validation Certification Statement, RA, 16 December 2013	Certificación Carbon Fix
3	ACP CFS Certification Report, RA, 5 August 2014	CFS y CCBs ACP Internet
4	FSC and CCBS Combined Certification, 15 November 2011	cms combined certification.pdf
5	CFS PDD 06 CO2 Fixation, ACP, 6 September 2013	CO2_Fixation_ACP_CFS.pdf
6	CFS PDD 01 Eligibility, ACP, 09 September 2013	Eligibility_ACP_CFS.pdf
7	FSC and CCBS Combined Certification, 15 November 2011	Environmental_Aspects_ACP_CFS.pdf
8	CFS PDD 03 Forest Management, ACP, 06 September 2013	Forest_Management_ACP_CFS.pdf
9	CFS General Terms and Conditions, CFS, 13 May 2013	GTC_ACP_CFS General terms and conditions.pdf
10	CFS PDD 09 Leakage, ACP, 09 January 2013	Leakage_ACP_CFS.pdf
11	CFS Certificates and Management Units, ACP, 6 February 2014	Management-Units_ACP_CFS.pdf
12	CFS PDD, ACP,	PDD_ACP_CFS.pdf
13		Project_Emissions_ACP_CFS.pdf
14		ACP- CFS-Template-11-Land-and-CO2-Tenure.doc
15		ACP-CFS - Template - 02 Additionality3.doc
16		ACP-CFS - Template - 07 Project Emissions.doc
17		ACP-CFS -Template -08-Baseline.doc
18		ACP-CFS -Template-06-CO2fixation.doc
19		ACP-CFS-Eligibility template 01-Corrected.doc
20		ACP-CFS-Template - 03 Forest Management.doc
21		ACP-CFS-Template-09-Leakage.doc
22		ACP-CFS-Template-10-Capacities.doc
23		ACP-Corrective actions report-06.09.2013.doc
24		ACP-General terms.doc
25		Templates CF GS.doc
26		02-01-ACP-La Paja Blanca en Panam - Marzo 2010.pdf
27		02-02-ACP- Panama Law 21-Jul 1997.pdf
28		02-03-ACP-Panama Law 24-Nov 1992.pdf
29		02-04-ACP- Ecosystem services budget-Jul 2012.png
30		02-05-ACP-Legal aspects of reforestation-June 2012.doc
31		02-06-ACP-areas_protegidas-autoridad de turismo, jan 2013.pdf
32		02-07-ACP-Convenio ANAM ACP Monitoreo cuenca canal panama.pdf
33	ACP letter to Forest Finance and CO2OL Carbon Consulting regarding landowner contracts with the project proponent; 5 September 2012	02-08-ACP-Carta Carbon Fix.pdf
34		02-11-ACP-McKinsey AR_Slides.pdf
35		02-14-ACP-Ley agraria.pdf
36		02-15-ACP-PAE_FINAL_MARZO_JUNIO_2011.pdf
37		02-16-ACP-Panama agriculture, Sandra W.docx
38		02-17-ACP-Manpower intervie.pdf
39		02-18-ACP-Informe FAO.docx
40		02-19-ACP-Recursosforestalesenpanama.pdf
41		02-22-ACP-Baader_Produktdetails_(2013-01-29).pdf
42		02-23-ACP-Baader_Produktdetails_(2013-01-29) (1).pdf

43		02-24-ACP-Cbonds.pdf
44		02-25-ACP-ACUERDO ACP ANAM MIDA.pdf
45		02-26-ACP-Anexo 1, licitaci¢n 128457 Agro Silvo.pdf
46		02-28-ACP-contratos finales agro y silvo (2).doc
47		02-29-ACP Mecanismos de desarollo limpios 02022006.docx
48		02-30-ACP-PLAN DE MANEJO BURUNGA 111 HA - versi¢n 1 sin anexos.doc
49		02-31-ACP-Plan de Manejo 324 has (12-13 de abril).doc
50		02-33-ACPCooperativas de Ahorro y Cr,dito de Panam .pdf
51		02-34-ACP-FONDECOOP -.pdf
52		02-35-ACP- timber price sensitive analysis with carbon credit.xls
53		02-36-ACP-timber price Sensitive analysis without carbon credits.xls
54		02-37-ACP-Management costs with carbon credits.xls
55		02-38-ACP-Management costs without carbon credits.xls
56		02-39-ACP-Sensitive analysis-Carbon credits price.xls
57		08-01-ACP-Type of trees-Jul 2012.xlsx
58		08-02-ACP-List of tree species-Jul 2007.xls
59		08-04-ACP-Taza de incremento neto de biomasa-Orrego 2001.PDF
60		08-05-ACP-sensor remoting biomass determination .pdf
61		08-06 - V4_06_Ch6_Grassland-1-IPCC.pdf
62		01-01- ACP-Eligible area-Landsat 1986.tif
63		01-02- ACP-Land cover map 2008-Jan 2011.tif
64		01-03-ACP-Land cover map 1986-Jan 2011.tif
65		01-04-ACP-CCB Panama Canal Authority-March 2012.pdf
66		01-05-ACP-Project activities definitions-June, 2012.docx
67		01-06-ACP Management Units, 042012
68		01-06-ACP-Humedales_Fincas PIEA.jpg
69		01-07-ACP-Humedales_ACP watershed.jpg
70		01-10-ACP-Landsat images analisis
71		Adelaida Arias.jpg
72		dirlist.txt
73		Erasmo Gomez Rodriguez.jpg
74		Jose Abel herrera.jpg
75		Miguel Gonzales.jpg
76		03-01-ACP-Budget Forest management-Jul 2012.xlsx
77		03-02-ACP-Agroforestry-Jul 2012.doc
78		03-03-ACP-Comercial Forestry-Jul 2012.doc
79		03-04-ACP-Silvopasture-Jul 2012.doc
80		03-05-ACP-Teak expected yield-Jul 2012.docx
81		03-06-ACP-Ramsar-wetlands, Agu 2012.jpg
82		03-08-ACP-Teak fertilization-Jul 2012.docx
83		03-09-ACP-Manejo de la capa org nica del suelo PIEA.docx
84		03-10-ACP-Manejo de sombra PIEA.docx
85		03-11-ACP-TDR Anexo 1, licitaci¢n 128457 Agro Silvo.pdf

86		03-12-ACP-TDR -Plana menejo consevacion-Soberan¡a, A.pdf
87		03-13-ACP-Dise¤o-Redise¤o Sombra EdMSet11 CATIE.pdf
88		03-14-ACP-PLAN MANEJO FINCA AGROFORESTAL.doc
89		03-15-ACP-PLAN MANEJO FINCA SILVOPASTORIL.doc
90		03-16-ACP-PLAN DE MANEJO BURUNGA 111 HA - versi¢n 1.pdf
91		03-17-ACP-PLAN DE MANEJO REF COMMERCIAL.pdf
92		ACP-07-01-project emissions calculation.xls
93		07-08-landsat_03_1996.png
94		06-18-ACP-FOFI-Growth model CO2 Actualizacion MG GS.xls
95		CO2 fixation 25&30 years LKV.xls
96		CO2 fixation30 años-verificación-sin silvo.xls
97		Management-Units_ACP_GS tran30años.pdf
98		Certification _REPORT_ACP_CFS agosto 2014 Y DEC 16 2013,
99		Certification_Report_ACP_Gold-Standard-Transition.pdf
100		CFS y CCBs ACP Internet Updated on 4 August 2014 CERTIFI
101		PDD_ACP_CFS, iniciativa verde, carbon fix, 09 sep 2013,
102		PDD_ACP_Gold-Standard- Carbon Fix Transition.pdf
103		PDD_ACP_Gold-Standard-Transition 3p.pdf
104		02-07-ACP-Convenio ANAM ACP Monitoreo cuenca canal panama.pdf
105		02-25-ACP-ACUERDO ACP ANAM MIDA.pdf
106		02-28-ACP-contratos finales agro y silvo (2).doc
107		ACP-CFS-Template-09-Leakage.doc
108		Carta ANAM para registro_20140422.pdf
109		Carta designaci¢n de responsable de cuenta.pdf
110		ACP-PA-AR2015-05 Anexo II - Sistema de Monitoreo GS.pdf
111		ACP-PA-AR2015-01 Annual-Report.docx
112		ACP-PA-AR2015-01 Annual-Report.pdf
113		ACP-PA-AR2015-02 Key-Project-Information.docx
114		ACP-PA-AR2015-02 Key-Project-Information.pdf
115		ACP-PA-AR2015-03 List-of-Inputs-Grievances.docx
116		ACP-PA-AR2015-03 List-of-Inputs-Grievances.pdf
117		ACP-PA-AR2015-04 Anexo I Auditoria cierre FARs.pdf
118		ACP-PA-AR2015-05 Anexo II - Sistema de Monitoreo GS.docx
119		ACP-PA-AR2015-06 Nota de entrega de informes.docx
120		ACP-CFS-Template-09-Leakage.docx
121		Carta ANAM para registro_20140422.pdf
122		Carta designación de responsable de cuenta.pdf
123		5.4 - Template - Other Emissions.docx
124		5.7 - Template - CO2-Fixation.docx
125		6.1 - Template - Carbon Performance.docx
126		ACP-PA-PC2016-02 Key-Project-Information.docx
127		ACP-PA-PC2016-03 Do-No-Harm Assessment.docx

128		ACP-PA-PC2016-04 List of Inputs & Grievances.docx
129		ACP-PA-PC2016-05 Project Participants & Secured Titles.docx
130		ACP-PA-PC2016-06 Sustainability Monitoring Plan.docx
131		ACP-PA-PC2016-07 Risk Register.docx
132		Nota a contratistas - 8 Convenios OIT.docx
133		Lista de altamente peligrosos.pdf
134		Política.pdf
135		8 convenios de OIT.pdf
136		Camp conditions ILO.docx
137		Certification_Report_ACP_CFSagosto 2014.pdf
138		Certification_Report_ACP_Gold-Standard-Transition.pdf
139		CFS y CCBs ACP Internet.pdf
140		PDD_ACP_Gold-Standard-Transition.pdf
141		ACP Overview_Vision_Mission.pdf
142		Boleta de Pago Numero de RUC.pdf
143		Carta ANAM para registro_20140422.pdf
144		Carta anticorrupci¢n.pdf
145		Carta de manejo de la cuenta.pdf
146		Carta designaci¢n de responsable de cuenta.pdf
147		Certificaci¢n de AJ por asuntos de OIT.pdf
148		Certificaci¢n de la ACP.pdf
149		Estado de cuenta de la ACP.pdf
150		FW GS transition.msg
151		Gaceta Oficial Nø 23,309 Ley 19 Jun 11 1997.pdf
152		General Safety Standards.pdf
153		Mandatory Basic Safety Training Chart.pdf
154		Organic law.pdf
155		RE GS transition 2.msg
156		BAJO CHAGRES 1_13.pdf
157		BAJO CHAGRES 14-16.pdf
158		BAJO CHAGRES_2016.xls
159		PPM_Chagres_2016.jpeg
160		NUEVO CHAGRES.pdf
161		NUEVO CHAGRES_2016.xls
162		PPM_Caribe.jpeg
163		POTABILIZADORA.pdf
164		POTABILIZADORA_2016.xls
165		PPM_Potabilizadora_2016.jpeg
166		PPM_San Vicente_2016.jpeg
167		SAN VICENTE.pdf
168		SAN VICENTE_2016.xls
169		ACP-PA-PC2016 CO2 fixation 30 years actualizado.xls
170		ACP-PA-PC2016 Informe_Conservación_enero2016.pdf
171		ACP-PA-PC2 Plan de Prevenci¢n y Control de Incendio Burunga 111 (2016-2020).pdf
172		ACP-PA-PC2 Plan de prevenci¢n y control de incen forestales para Chilibre 324.pdf
173		ACP-PA-PC2016 Informe de Avance de Febrero para ACP_Burunga 285.pdf
174		ACP-PA-PC2016 Informe de Avance de Febrero para

		ACP_Chilibre 324_2016.pdf
175		ACP-PA-PC2016 Informe de Avance de Marzo para ACP_Burunga 111_2016.pdf
176		ACP-PA-PC2016 Informe de Avance de Marzo para ACP_Burunga 285_2016.pdf
177		ACP-PA-PC2016 Plan de Prevencion de Incendios Forestales. Burunga 285.pdf
178		ACP-PA-PC2016 Informe Aplicación Ficha ACACPA ROC final sep 2015.doc
179		ACP-PA-PC2016 Informe FODA final, ACACPA ROC ACC.doc
180		ACP-PA-PC2016 Memoria reunión Consejo Consultivo Cirí y Trinidad 25 de feb 2016.doc
181		ACP-PA-PC2016 Primera reunión y Present a Directiva de ACACPA y ASAMBLEA GENERAL.doc
182		ACP-PA-PC2016 BASE Resultados por Parcela PIEA (15-05-2016) Dev_P – Cop y £ltimo.xlsx
183		ACP-PA-PC2016 Informe_agrosilvo_mayo2015.pdf
184		ACP-PA-PC2016 Lista de asistencia julio 2016.pdf
185		ACP-PA-PC2016 Localizaci¢n de las Unidades de Manejo.pdf
186		ACP-PA-PC2016 Localizaci¢n_comerciales_conservaci¢n.pdf
187		ACP-PA-PC2016 Localizaci¢n_parcelas_agroforestales.pdf
188		ACP-PA-PC2016 TDR Anexo 1, Mantenimiento GENERAL.pdf
189		ACP-PA-PC2016 TDR Anexo 2, mat de 100 has Soberan¡a y C Cruces.pdf
190		ACP-PA-PC2016 TDR Lote A, 50 agro, 100 silvo y 15 reconversi¢n, Capira, A20F16.pdf
191		ACP-PA-PC2016 TDR Lote D, licitaci¢n Burunga 111 ha, AF2016.pdf
192		ACP-PA-PC2016-01 Annual-Report.docx
193		ACP-PA-PC2016-02 Key-Project-Information.docx
194		ACP-PA-PC2016-03 Do-No-Harm Assessment.docx
195		ACP-PA-PC2016-04 List-of-Inputs-Grievances.docx
196		ACP-PA-PC2016-05 Project Participants & Secured.docx
197		ACP-PA-PC2016-06 Sustainability Monitoring Plan.docx
198		ACP-PA-PC2016-08 other-emissions.docx
199		ACP-PA-AR2015-05 Anexo II - Sistema de Monitoreo GS.docx
200		ACP-PA-AR2015-05 Anexo II - Sistema de Monitoreo GS.pdf
201		ACP-PA-PC2016-BD INVENTARIO CCP. 2016.1 PIEA (15-05-2016).xlsx
202		ACP-PA-PC2016-DIGITACION INVENTARIO CCP 2016 1.xls
203		ACP-PA-PC2016-DIGITACION INVENTARIO II PARTE.xls
204		ACP-PA-PC2016-Unidades de Manejo PIEA actualizado 2016.xls
205		Comparación Ciudad del Árbol2005 – 2014.ppt
206		La Paja Blanca en Panamá Marzo 2010.pdf

207		Montagninietal2008reforestacionPanama.pdf
208		Jones_Wishnie_Deago_Sautu_and_Cerezo_2004.pdf
209		Auditoría de Desempeño RA GS, julio 2016
210		BASE Resultados por Parcela PIEA (15-05-2016) Dev_P - Copy último
211		BASE Resultados por Parcela PIEA (15-05-2016) Dev_P
212		Certification Report Inf contenido
213		Datos Solicitados RA Performance Certification
214		Informe_agrosilvo_mayo2015.pdf
215		Localización de las Unidades de Manejo.pdf
216		Localización_comerciales_conservación.pdf
217		Localización_parcelas_agroforestales.pdf
218		Informe de Avance de Abril para ACP_Burunga 111_2016.pdf
219		Informe de Avance de Abril para ACP_Burunga 285_2016.pdf
220		Informe de Avance de Abril para ACP_Chilibre 324_2016.pdf
221		Informe de Avance a Enero Chilibre 324_Enero 2016.pdf
222		Reporte de Enero, Burunga 285.pdf
223		Informe de Avance de Febrero para ACP_Burunga 285.pdf
224		Informe de Avance de Febrero para ACP_Chilibre 324_2016.pdf
225		Informe de Avance de Junio para ACP_Burunga 111_2016.doc
226		Informe de Avance de junio para ACP_Chilibre 324_2016.pdf
227		Informe de Avance de Marzo para ACP_Burunga 111_2016.pdf
228		Informe de Avance de Marzo para ACP_Burunga 285_2016.pdf
229		Informe de Avance de Marzo para ACP_Chilibre 324_2016.pdf
230		Informe de Avance de Mayo para ACP_Burunga 111_2016.pdf
231		Informe de Avance de Mayo para ACP_Burunga 285_2016.pdf
232		Informe de Avance de Mayo para ACP_Chilibre 324_2016.pdf

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	Affiliation
July 11, 2016	Arturo Cerezo	ACP
July 11, 2016	Angel Ureña	ACP
July 11, 2016	Samir de Leon	ACP
July 11, 2016	Martín E. Mitre	ACP
July 11, 2016	Alejandro Figueroa	ACP

July 11, 2016	Raúl Rivera	ACP
July 11, 2016	Angel Marín	ACP
July 11, 2016	Raul Martinez	ACP
July 11, 2016	Arturo Cerezo	ACP
July 11, 2016	Noel Trejos	Director of Watersheds, Ministerio del Ambiente, Gobierno de Panamá
July 12, 2016	Norberto Ribas	Coffee Program Coordinator in Panamá Oeste, MIDA – Nueva Arenosa, Capira
July 12, 2016	Clementina Martinez	Former President of the Consultative Council, now the Secretary to the "Local Committee"
July 12, 2016	Elsa Martinez	Former President of the Consultative Council, now Congresswoman to the Local Committee for Ciri Grande
July 12, 2016	Reyes Morán	President, Consultative Council
July 12, 2016	Máximo Nuñez Martinez	Beneficiary, Community of Gasparilla
July 12, 2016	Benito Juan Benitez and wife	Beneficiaries
July 12, 2016	Carlos Gimenez	Beneficiary, Community of El Cacao
July 13, 2016	Yaritza C. Cantillo C.	Assistant to the General Manger, PFS
July 13, 2016	Lesbia Ross	Coordinator of the Project in Burunga, PFS
July 13, 2016	José Miguel Robles	Equipment Operator and Burunga Camp Supervisor, PFS
July 13, 2016	Eduardo Bonilla R.	Field hand, PFS
July 13, 2016	Hector Camaño	Field hand, PFS
July 13, 2016	Ivan Oscar Amador	Field hand, PFS
July 13, 2016	Rubiel Caballero	Field hand, PFS
July 13, 2016	Camilo Carpintero	Field hand, PFS
July 13, 2016	Manuel Amador P.	Field hand, PFS
July 13, 2016	Milciades Salina	Field hand, PFS
July 13, 2016	Williams Miranda P	Equipment Operator and Chagres Camp Supervisor, PFS
July 14, 2016	Lisbeth Karina Vergara	Former Project Manager, now Environmental Protection Specialist, ACP
July 14, 2016	Leisa Jemmott	Grievance Mechanism Manager, ACP
July 14, 2016	Emilio Messina	Coordinator of Institutional Matters and Projects in the Environmental Department, ACP
August 1st, 2016	Michelle Szejner	Technical Consultant, GIZ Panama and SurAustral

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 3.2 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 3.2 of this report.

2. Key Project Information

2.1 Key Project Information

1. A general description shall be provided which includes all of the following items:
   (a) Project activities
   (b) Organisations that are involved in the project (project participants)
   (c) Communities involved in the project
   (d) Location of the project area and the planting area
   (e) Size of the project area and the planting area
   (f) Risk of the project area to change (during the crediting period)
   (g) Risk of the project activities to change (during the crediting period)
   (h) Timeframe for the project activities
   (i) Number of predicted CO_2-certificates
   (j) Land-use history and current situation of the project area
   (k) Socio-economic history and current situation
   (l) Forest management applied (past and future)
   (m) Forest characteristics (including main tree species planted)
   (n) Main social impacts (risks and benefits)
   (o) Main environmental impacts (risks and benefits)
   (p) Financial structure

Findings from Field Audit
The auditors were provided with a copy of the project's Key Project Information Documentation that covered elements a) – p) as required by GS; the information provided was generally considered accurate by the audit team based on review of the project documentation and on-site observation during the 2016 Performance Certification audit. a) Project activities – The project proponent has designed a carbon project involving assisted natural regeneration (the conservation planting areas) and reforestation (the commercial and agroforestry planting areas). The commercial planting areas are on government-owned land, whereas the agroforestry planting areas are found on local farmers' lands, and the conservation areas are a mix of both land ownership types. b) Project participants – The local consultative councils are key representatives of the local landowners and play an active role in stakeholder participation within the context of the project. Other groups include the local Coffee Producers' Association (ACACPA), the Ministry of the Environment, Ministry of Agricultural Development, the GIZ, Fundación Natura, CAF and FOMIN, the last three of whom have been involved in supporting the coffee producers in implementing sustainable natural resource management practices. c) Communities involved in the project – The communities involved in the project are: Santa Rosa, Trinidad, Cirí Grande, Cacao (Alto de las Minas, Arenosa, Bajo Bonito, Bella vista, Bonga Abajo, Bonga Centro, Chileno, Cirí de los Sotos, Cirí Grande, Ciricito, Ciricito Abajo, Ciricito Arriba, Clara Abajo, El Harino, El Limón, Faldares, Gasparillal, La Bonga, La Florida, las gaitas, Las Minas, las Negritas, Limón Raudal, Paraíso, Peñas Blancas, Santa Fe, Sigual, Teria, Teria Nacimiento, Vista Alegre. There are additional communities nearby the commercial and conservation planting areas in Chilibre, San Vicente, Parque Nacional Soberanía, Chagres and Burunga, but these communities are not involved in the project. d) Location of the project area and the planting area – The entirety of the project area is located within the Panama Canal Watershed. The sub-watersheds are: Cirí y Trinidad, Chilibre, San Vicente, Caribe, Potabilizadora, Parque Nacional Soberanía, Parque Nacional Camino de Cruces, Chagres y Burunga. e) Size of the project area and the planting area – The project area and planting area are 1,940 hectares.

f) Risk of the project area to change during the crediting period – The project proponent contracts companies for 5 years at a time in order to ensure proper management and maintenance of the project areas. Further, the agreements signed with local landowners stipulate the same.
g) Risk of the project activities to change during the crediting period – The project activities are continually being implemented and the project intends to expand the project and planting areas for future certification.
h) Timeframe for the project activities – The project will last 30 years.
i) Number of predicted CO2 certificates – The project estimates that there are 132,246 tCO2e of verifiable CO2 certificates at the time of the 2016 Performance Certification.
j) Land-use history and current situation of the project area – Slash and burn agriculture, followed by cattle grazing, has dominated the landscape. These land use practices continue outside of the project intervention.
k) Socio-economic history and current situation – The socio-economic context of the project area is comprised of poor rural subsistence farmers.
l) Forest management applied (past and future) – Past forest management has been a process of continual degradation from forested to agricultural and pasture lands. Current forest management under the project is fomenting sustainable land and forest management with the intent of increasing environmental services and reducing CO2 emissions.
m) Forest characteristics – Neither the pre-project land use nor the baseline scenario involve forest management, as the pre-existing forests are no more. The project describes the incorporation of various tree species in to the project landscape, principally depending on native species in the agroforestry and conservation planting areas, and teak/eucalyptus in the commercial areas.
n) Main social impacts – The project counts on an improvement of environmental services for the surrounding communities and the whole of the Panama Canal Zone and an increase in coffee-driven economic improvement to be the main social impacts of the project. The audit team agrees.
o) Main environmental impacts – The project expects the project's implementation will lead to an increase in forest cover will facilitate a biodiversity-rebound, advanced carbon sequestration and storage, and overall improvement of water quality and erosion reduction.
p) Financial structure – The project is funded primarily by the Panamanian government, supplemented by proceeds earned from the sale of CO2 certificates.

Where there have been no changes to information in the various elements of the Key Project Information documentation, such an indication would help clarify that the existing information still remains relevant. OBS 01/16.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	OBS 01/16 The project proponent should indicate which sections of the Key Project Information Documentation have not changed since the project's initial certification.		

2. The following information shall be clearly defined by the use of *shapefiles*:
   (a) Project area
   (b) Planting areas
   (c) Eligible planting area
   (d) Modelling Units
   (e) Infrastructure (roads, houses, etc.)
   (f) Water bodies
   (g) Sites with special significance for *indigenous people and local communities* - resulting from the Local Stakeholder Consultation (LSC)
   (h) Where *indigenous people and local communities* are situated
   (i) Where *indigenous people and local communities* have legal rights, customary rights or sites with special cultural, ecological, economic, religious or spiritual significance.

Findings from Field Audit
Shapefiles covering elements a) – f) were provided and reviewed by the auditors and confirmed through review, discussions with project staff, and direct observation to be accurate. The shapefiles provided by the project proponent are each components of the modelling units and are as described by the project proponent. With these shapefiles the PP has produced maps that have been submitted to the auditors which demonstrate the general location of the elements in question. Shapefiles covering elements g) – i) are not available nor are they necessary as it is apparent from discussions with project staff and participating landowners that there are no sites of special significance nor are there indigenous peoples in the region.

The project demonstrates conformance.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

3. Boundaries of the project area and the planting area shall be clearly distinguishable in the field.

Findings from Field Audit			
The PDD states that each of the properties included in the project area are demarcated with live fences, as well as fences with barbed wire. *Findings from the field:* Over the course of the field audit, the auditor visited no less than eight of the thirty modelling units that make up the Project Area. Boundaries as identified on the project maps were generally well aligned and consistent with on-site observations. The commercial planting areas were clearly demarcated with both live fences and barbed wire fences. However, the agroforestry and conservation areas are not treated in the same manner. These project areas may be bordered by a trail, vegetation heterogeneous to that of the planting area, or an adjacent property under a management regime different from the project. The project has provided barbed wire fencing for many agroforestry modelling units, and signs are prominently displayed to identify the project, area, cooperating institutions, and landowner. These signs are typically posted near the entrance to a parcel. It is reasonably plausible that project boundaries can be distinguished based on differences in species composition between planted areas and non-planting areas. Nevertheless, the project has not demonstrated how all project area and planting area boundaries are clearly distinguishable in the field without fencing. The project has drafted an action plan detailing a timeline from October 2016 to July 2019 during which time the project proponent plans to identify project areas whose boundaries may need further identifying markers, such as signage, wire fencing, live fencing, or other means, and install them. FAR 07/16 has been raised, as the effectiveness of the action plan shall be evaluated for the following Performance Certification audit.		
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	FAR 07/16 The project proponent has taken varying approaches toward clearly distinguishing project area boundaries in the field, some of which may be less effective than others. An action plan has been proposed, the effectiveness of which shall be evaluated during the following Performance Certification audit.		

3. Sustainability Requirements

Social Requirements

Indigenous Peoples and Local Communities

1. Sites with legal rights and customary rights of *indigenous people and local communities* shall be identified, known and respected by the workers.
2. Sites for special cultural, ecological, economic, religious or spiritual significance to the *indigenous people and local communities* shall be identified, known and respected by the workers.
3. The transfer of control of any activities from *indigenous people and local communities* to the project owner shall be documented.
4. The project shall not involve and shall not be complicit in the involuntary relocation of people.
5. On sites with significant disputes, all operations should be stopped until the disputes are resolved.

Findings from Field Audit			
Findings from the field: There are no indigenous peoples within the project area or in the surrounding area. The local communities surrounding the project areas identify as Latino.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

Working Conditions

6. Workers shall be able to establish and join labour organizations.
7. Workers and labour organizations shall be generally satisfied with their working agreements.
8. Working agreements with all individual workers shall be documented and implemented.
9. There shall not be forced labour, as defined by the *ILO Forced Labour Convention*[1].
10. There shall not be child labour, as defined by the *ILO Minimum Age Convention*[2].
11. If the host country did not ratify one or more of the 8 *ILO Fundamental Conventions*[3], the project owner shall provide a written affirmation to uphold them.
12. Copies of the 8 *ILO Fundamental Conventions* shall be available for workers.

Findings from Field Audit

Findings from the field: During the July field audit the audit team visited with beneficiaries of the ACP project and with PFS, the forest management company contracted by the PP to carry out management activities within the project's commercial planting modelling units. The project beneficiaries are largely expected to provide their own labor in the planting areas, though the PP did provide reimbursement to beneficiaries for work days and hired field laborers during the first three years of the project's implementation.

The auditors agree with the project's risk ratings for elements 6) – 12) under the GS Working Conditions requirements. As all risk ratings are considered "low" or deemed to be not relevant, no associated mitigation measures are required.

6. The project states that in the Terms of Reference for any contracting organization hired by the PP must not be in conflict with Panama's official Work Code, which adheres to the ILO Fundamental Conventions. Thus, workers are free to join any labor organization, and that the ACP does not place any restrictions on its employees in this regard. As the ACP is a government organization of Panama, it is also bound by the same Work Code it requires of its contractors. Evidence to the contrary was not brought to the attention of the audit team during interviews with all project staff.

7. Formal employment agreements are in place for all ACP staff, as confirmed with ACP staff interviewed during the audit. Included in these agreements is a right for the individual employee to raise issues or complaints. PFS employees including field workers confirmed general satisfaction with their work arrangements, and had no complaints they wished to share with the audit team. One of the ACP's principal contractors, PFS, has developed a code of conduct that includes ethical and behavioral principles. The code is disseminated to PFS employees and PFS ensures its compliance. The code mandates that PFS provide uniforms for their workers, school vouchers, assist employees to obtain personal identity cards for those who do not have one, integrate employees in the financial sector by opening a bank account, regular days off so employees can visit their relatives, individual employment contracts, and a liability policy. The audit team was able to verify the above through direct interviews with field workers the working conditions, work camps, access to clean water, clean toilets, lighting and regular cleaning to ensure the welfare of workers and worker satisfaction.

8. The PP has sufficiently addressed item 8) of the Do-No-Harm Assessment template. Also, the audit team was provided a sample of active work agreements for individual PFS employees (such as for the PFS field workers) working on the project with the ACP, supporting the PP claims that formal employment agreements are in place for all staff.

9. This element is deemed as not relevant. The auditors concur. Such forced labor is prohibited under Panamanian labor laws, which are respected by the PP. Staff voluntarily accept their employment agreement with the ACP with an understanding of their responsibilities and associated compensation.

10. This element is deemed as not relevant. The auditors concur. Such child labor is not permitted by the ACP.

11. This element is deemed as not relevant, as Panama ratified all eight of the ILO Fundamental Conventions. The auditors concur.

12.The PP has supplied the audit team with a general letter (Document #135) requesting contracted companies to make available copies of the eight ILO Fundamental Conventions to their respective employees, including field workers. The PP has demonstrated that this letter has been delivered to and received by the organizations, and that the respective companies have taken the appropriate actions and made texts of these conventions available to their employees. The project has provided a document containing a sample of confirmations of receipt of the ILO eight fundamental conventions signed by individual workers for PFS.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

No Discrimination

13. The project owner shall not be involved, and shall not be complicit, in any form of:
    (a) sexual harassment, AND
    (b) discrimination based on gender, race, religion, sexual orientation or any other basis.

Findings from Field Audit			
Under item 13a) of the Do-No-Harm Assessment template the PP states that the ACP has a no-discrimination policy and that this policy is also integrated in to all Terms of Reference for contractors. The audit team bore witness to this as the clause described by the PP was also within the contract the ACP required the VVB to sign prior to engaging in the audit. However, the PP has not stated under 13b) of the template that the item is discussed under item 13a). OBS 02/16			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	OBS 02/16 The PP should indicate under item 13b) that the discussion provided under 13a) also applies to this item.		

Anti-Corruption

14. The project owner shall not be involved and shall not be complicit in corruption. The project owner shall publicize a commitment not to offer or receive bribes in money or any other form of corruption. The project owner shall comply with anti-corruption legislation where this exists.

Findings from Field Audit			
The ACP has an Ethics Code and Contracting Regulation that is strictly anti-corruption. The ACP is a governmental organization and so must abide by all Panamanian laws including those regarding bribery or conflicts of interest. There are no records that indicate the ACP has engaged in corrupt behavior.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

Occupational Health & Safety

15. There shall be a 'Health & Safety Policy' that is documented, implemented and regularly updated. This policy shall include at a minimum:
    (a) provisions for first aid, AND
    (b) provisions for the safe transport of workers, AND
    (c) provisions for timely evacuation of workers to an adequately equipped medical facility in case of serious accident, AND
    (d) a health insurance scheme for workers who are impacted by workplace accidents AND
    (e) if workers stay in camps for a longer period of time, measures shall be provided to ensure that conditions for accommodation and nutrition comply at least with those specified in the *ILO Code of Practice on Safety & Health in Forestry*[4].
16. An individual shall be appointed to have overall responsibility for 'Health & Safety' at the worksite.
17. Workers shall have job-specific training and supervision to safely implement the project.
18. Workers shall have safe protective equipment, tools and machinery appropriate for their work.

Findings from Field Audit			
The project has completed the Do-No-Harm Assessment template to reference specific evidence submitted by the project to the audit team. The evidence provided describes the PFS Health & Safety Policy that addresses each of indicators listed under requirements 15-18 of the Do-No-Harm Assessment template. Supporting evidence was gathered by the audit team during the field component of the 2016 performance certification audit via interview with ACP and PFS employees, as well as direct observation of field and camp conditions. The project demonstrates conformance.			
Conformance	Yes ☒	No ☐	N/A ☐

NCR/OBS	None.

Environmental:

Tree species

19. The genotypes of the tree species planted shall be well-adapted to the site.
20. *Exotic tree species*[1] shall not be used, unless direct experience, or scientific research, demonstrate that there is, or can be, no invasiveness and no adverse impacts.

Findings from Field Audit
The PP states for item 19) that the species utilized in the planting areas meet the criteria that their genotype be well-adapted to the site, however there is no indication of the origin of the species, or any discussion of their suitability. The project has also provided supporting documentation for their discussion on the suitability of the tree species utilized for the site conditions of the planting areas. The project's CFS PDD lists the native species used for the project, with the stated intention of mimicking natural regeneration. Further, the diversity of the species selected for project use allow for resilience in the face of climate change. The project supplied the audit team with a study titled "Use of Native Species in Land Reforestation in the Panama Canal Watershed" that describes the process and progress of establishing and growing native tree plantations. The selection of native forest species was made according to the species existing around the planting area. Coffee seeds originating from individuals that exhibited good characteristics were selected for the project by MIDA, project beneficiaries and the ACP. Shade species used are of native timber varieties, and provide environmental services and fruit. The remaining studies and documents submitted by the project relate to and support the claims of the selected species' suitability for the planting activities. In the PDD, the species listed by the project for use in the planting areas describes the provenance (the source of the seeds used) for some of the trees as being from India, Laos, Australia, when in fact his may be the *origin and natural distribution* of the tree species. OBS 05/16. Under item 20), the PP states that the only exotic species used by the project is teak (*Tectona grandis*), which has been utilized in Panama for more than 30 years and has not exhibited characteristics of being an invasive species. The audit team concurs that teak is not considered an invasive species in Panama, nor is the other exotic species that may also be used by the project--eucalyptus (*Eucaliptus camaldulensis*). (Document 12 "PDD_ACP_CFS.pdf", pg 31 Section 03 Forest Management Item 3). In practice the project has only planted teak, but the PDD and supporting documentation have not been updated to reflect this. OBS 06/16

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	OBS 05/16 The PP confuses the meanings of origin/distribution with provenance and as such as incorrectly described those characteristics of the species utilized by the project in the PDD. OBS 06/16 The PP should indicate which species have actually been planted compared with which species the project was planning on using as stated in the PDD.		

Habitat connectivity

21. Through a smart mosaic of the planting areas, buffer zones and infrastructure habitat connectivity for flora and fauna should be enhanced.

Findings from Field Audit
One of the main goals of the project is to increase forest cover and forest connectivity within the Panama Canal watershed in order to protect hydrological resources that are vital to the proper functioning of the Panama Canal. As such, the vast majority of the project areas and planting areas are within the Panama Canal watershed. Some of the planting areas are directly adjacent to National Parks, whereas other sites were prioritized due to their proximity to important tributary rivers. Many of the project's modelling units (e.g. the agroforestry modalities) are not contiguous to either each other or to other forests (whether naturally occurring or man-made). This is owing to the fact that the land on which those instances of the project occur are privately owned and their participation is voluntary. Nevertheless, it is well within the project's objective and modus operandi to enhance habitat connectivity where possible.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

GMOs

22. *Genetically Modified Organisms (GMOs)*[2] as defined by FSC shall not be used.

Findings from Field Audit			
The project states that there is no use of GMOs by the project. The audit team did not witness any indication to the contrary. In the Do-No-Harm Assessment template to explicitly state that no genetically modified materials are used in this project. The project has submitted a note from the business Semillas Tropicales, of Honduras, on the origin and quality of seed eucalyptus offered. Teak seed comes from the Cantonal Agricultural Center of Hoja Ancha, Costa Rica. Agroforestry tree species seeds were selected by the Ministry of Agriculture, project beneficiaries, and the ACP. This corroborates answers given during field interviews, thereby demonstrating that no genetically modified organisms were used in the project. The project demonstrates conformance.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

Biodiversity

23. Minimum 10% of the project area shall be *identified* and *managed* to protect or enhance the *biological diversity*[3] of *native ecosystems*[4]. For this, the *HCV*[5] approach should be followed.

24. (a) Existing patches of trees or single solitary stems of *native tree species*[6], AND
    (b) habitats of *endangered species*[7]
    shall always be *identified* and *managed* to protect or enhance the *biological diversity*[3].

Findings from Field Audit			
23) The project's modelling units dedicated to assisted natural regeneration (i.e. conservation) amount to approximately 345 hectares. The total project area and planting area are 2,458 and 1940 hectares, respectively. Thus the conservation areas amount to ~12.3% and ~19% of the project and planting areas, respectively. The template describes how the project meets the biodiversity requirement #23 and may actually exceed the minimum required area by an additional 10%. The audit team visited conservation areas the project has established and can confirm an abundance of biodiversity is maintained in these modelling units. The agroforestry areas area also a vast improvement in terms of biodiversity over the baseline vegetation 'paja blanca'. 24) In practice the project has left standing native trees and endangered species habitat in the field where found. This was confirmed by the audit team via visual inspection of each of the modelling units visited during the field audit. The project states that there are no endangered species habitats in the project area. But by virtue of protecting the patches/stems the project is simultaneously protecting any potential endangered species habitat, and most effectively in the agroforestry and conservation modalities. The audit team concurs with this assessment.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

Erosion

25. To ensure healthy soils the following aspects shall be identified and appropriate measures shall be put in place to protect them:
    (a) soil types, AND
    (b) biota, AND
    (c) erosion, AND
    (d) compaction.
26. Ploughing on slopes with a gradient greater than 10% (5°) shall follow the land contour.

Findings from Field Audit
The project has identified items 25) (a) – (d) and described measures taken to protect them in the Do-No-Harm Assessment. The management plan referenced within the text (Document #49), with a stated objective of protecting against soil erosion,

further characterizes the soil types present in the project area. The management plans for Ciri Grande and Rio Trinidad specify establishment of tree cover as being the principal mitigating measure against soil erosion, complemented by the use of organic inputs or limited use of chemical inputs and eliminating slash and burn monoculture practices. These efforts combined are expected to improve biotic communities and reduce soil compaction. The audit team agrees.

During the July 2016 field audit, the audit team visited several commercial planting area modelling units. These planting areas had a network of dirt roads for the transportation of personnel and materials. During the rainy season these roads apparently can become channels for runoff, producing eroded soils and possibly leading to stream sedimentation. The roads did not have any improvement made to them to mitigate erosion, such as water bars, drainage ditches, or other such improvements.

In response to the 2016 Performance Certification audit the ACP presented a proposal for mitigation measures protecting soil in internal roads within the project's commercial plantations. The proposal's action items are the development and phased implementation of mitigation measures against the negative soil impacts from the internal roads. The proposal also contains a timeline of when the different project activities would begin, starting in January 2017. This is significant progress towards a meaningful future solution, thus FAR 01/16 has been opened.

Item 26) of the Do-No-Harm Assessment has been deemed irrelevant; the audit team concurs.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	FAR 01/16 The internal road network for the commercial planting areas were observed to be subject to erosion and there were no mitigation measures in place to protect the soils. The project has drafted an action and mitigation plan, the effectiveness of which shall be evaluated during the following Performance Certification audit.		

Fertilizers

27. Fertilizers shall be avoided, or their use shall be minimised and justified.
28. If the aerial application of fertilizer is used, then measures shall be put in place to prevent drift.

Findings from Field Audit

27) Relevant and low risk. During the first three years of a given instance of the project, the PP provides the beneficiary or the land manager with fertilizer to be applied to the planting area. The project proponent has provided the following justification:

"Soil tests in commercial plantation areas revealed acidic soils with low phosphorus content, so fertilizer application is recommended. It was recommended in commercial area mixing chemical fertilizers with organic matter at the bottom of the planting hole and buried.

The Trinidad area has soils of low productive capacity. The use of land not in keeping with the natural ability, is generating negative impacts on the productive base and negative externalities such as erosion and loss of biodiversity. In consideration of soil protection, soil type, flora, fauna and soil, it is advisable to use fertilizers to improve productivity.

The terms of reference indicate the mix of fertilizer with organic fertilizer in the bottom of the hole at planting and buried during maintenance in the early years, to increase their effectiveness and reduce leaching or volatilization loss." The project provided additional supporting documentation containing recommendations for various organic and chemical inputs for soil improvement. The documents describe fertilizer types to be used, the appropriate application methods, and a proposed frequency of application.

Some beneficiaries confirmed that they were using fertilizers that had not been given to them by the project proponent. The use of these fertilizers has not been documented nor justified by the project proponent. In response to the 2016 Performance Certification audit, the ACP presented a proposal for documentation of fertilizer use. The proposal's action items are the development and phased implementation of data collection on fertilizer use. The proposal also contains a timeline of when the different project activities would begin, starting in January 2017. This is significant progress towards a meaningful future solution, therefore FAR 02/16 has been opened.

28) Not relevant and not applicable. No aerial application of fertilizer is used.

Conformance	Yes ☐	No ☒	N/A ☐

NCR/OBS	FAR 02/16 The project has not fully documented fertilizer use in the project areas. An action plan has been drafted, the effectiveness of which shall be evaluated for the following Performance Certification audit.

Chemical pesticides

29. Chemical pesticides shall be avoided, or their use shall be minimised and justified.
30. Chemical pesticides shall be used in accordance with the *FSC Pesticides Policy*[1].
31. There shall be a 'Chemical Pesticides Policy' that is documented, implemented and regularly updated. This policy shall include at a minimum:
    (a) provisions for safe transport, storage, handling and application, AND
    (b) provisions for emergency situations.
32. In the case that chemical pesticides are used and two or more different chemical pesticides are equally effective, the least hazardous chemical pesticide shall be used.

Findings from Field Audit			
the project proponent stated that the project does not apply chemical pesticide the project areas, nor did the audit team have reason to believe that pesticides were being used. There is a stated preference for methods of biological control, as outlined ACP's integrated pest management document. Each contract acknowledges the potential use of chemical pesticides, and in such situations the user shall receive training on proper use of, personal protection against, and disposal of the chemical. Similar to fertilizer use, the ACP presented a proposal for documentation of pesticide, the effectiveness and use of which shall be evaluated in the following Performance Certification audit. FAR 08/16 The project has completed the template and assigned low risk scores. Item 29)-31) are relevant and risk low Item 32) relevant and risk low			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	FAR 08/16 The project proponent has proposed an action plan to document the use of all chemical pesticides within the project area, the use and effectiveness of which shall be evaluated in the following Performance Certification audit.		

Biological control agents

33. *Biological control agents*[2] shall be avoided, or their use shall be minimised and justified.

Findings from Field Audit			
The project has completed the template and assigned low risk scores. Item 33) Relevant and low risk. The project proponent stated during the 2016 field audit that a fungal spray (biomit?) had been applied to the coffee agroforestry areas in order to control a damaging beetle known locally as "broca". In response to the 2016 Performance Certification audit the project has provided description of the broca pest and biological control agents, as well as justification for their use. The broca beetle (Hypothenemus hampei) is reportedly the plague that causes the most economic damage to coffee (an important livelihood activity in rural Panama), attacking their fruit, causing substantial losses against which combat is very difficult. Since 2012, the beetle was detected in Ciri and Trinidad. From 2013, the ACP, in conjunction with MIDA, developed an Integrated Management Project of the beetle, with sprinklings of entomopathogens--biological agents such as fungi Beauveria bassiana and Metarhizium anisopliae, which only attack the insect, without damaging or affecting crops, animals or humans. The justification provided is adequate. However, the project must use minimal amounts of the control agents, the measurement of which could be facilitated by development of action plans to document the use of fertilizer and herbicide. FAR 04/16			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	FAR 04/16 The project proponent stated during the 2016 field audit that a fungal spray (biomit?) had been applied to the coffee agroforestry areas in order to control a damaging beetle known locally as "broca". The project proponent has not documented the use of this biological control agent, and shall be evaluated during the following Performance Certification audit.		

Water resources

34. On both sides of permanent or temporary *water bodies* (lakes, streams, rivers, wetlands, etc.) riparian buffer zones of 15 meters shall be implemented on each site. In these riparian buffer zones:
    (a) only *native tree species*[3] may be planted, AND
    (b) *invasive species*[4] shall be removed, AND
    (c) all existing vegetation shall be kept, AND
    (d) no timber harvesting activities shall take place, AND
    (e) no use of fertilizer or chemical pesticides.
35. The flows of *water bodies* shall not be blocked.
36. The groundwater in and around the planting area shall not be negatively affected by the project.

Findings from Field Audit
The project has completed the template and assigned low risk scores. Item 34 a-e) relevant and low risk. The project proponent accurately describes in the Do-No-Harm Assessment template for Item 34) (a) that there are few planting areas near to water bodies, and that where they do exist there is gallery forest. However, there are several temporary (ephemeral) waterways running through the commercial planting areas that do not have buffer zones of at least 15 meters. The project has teak (non-native) plantings that are within 15 meters, it appears some existing vegetation has been removed, and timber harvesting activities are planned for these areas when the trees mature and the rotation is complete. As a result of the 2016 Performance Certification audit, the ACP presented a proposal to establish and/or maintain corridors of 15m with natural forests or plantations with native species along existing water courses in commercial plantations. The proposed actions would be implemented over the next 4 years, beginning in October 2016. FAR 06/16 35) Not relevant and not applicable. No water flow was observed to be blocked during the July 2016 field audit. 36) Relevant and low risk. It is possible that groundwater may be affected by the use of agrichemicals by the project, but as the project has not documented, described or justified the use of said chemicals it is currently not possible to determine their effect on groundwater. The information adequately describes the field conditions for each of the Items and the project's management responses.

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	FAR 06/16 Some of the project's planting areas are within 15 meters of temporary water bodies. An action plan has been proposed, the effectiveness of which shall be evaluated during the following Performance Certification audit.		

Waste

37. All sources of waste and *waste products* shall be identified and classified. *Waste products* include amongst others:
    (a) chemical wastes, AND
    (b) containers, AND
    (c) fuels and oils, AND
    (d) human waste, AND
    (e) rubbish (including metals, plastics, organic and paper products), AND
    (f) abandoned buildings, machinery or equipment.
38. Measures for waste products and their spillage shall be in place for safe and environmentally appropriate:
    (a) collection, AND
    (b) transport, AND
    (c) storage, AND
    (d) handling, AND
    (e) disposal.

Findings from Field Audit

The project has completed the template and assigned low risk scores:

Item 37a-f) Relevant and low risk.
Item 38a-e) Relevant and low risk.

The project proponent contracts a company to safely dispose of waste products. The supporting evidence provided by the project asserts that waste products in need of special disposal (e.g. agrochemical containers) are returned to the provider of the chemical products (AGROPRO) for them to dispose of them according to Panama's environmental regulation. Human waste products are disposed via septic tank. Combustibles are collected, transported, stored, and handled in approved containers, and PFS demonstrated use of an absorbent cloth for engine leaks and spills. The documentation identifies all sources of waste and waste products, and evidences that this contract is in place and the proper disposal is being carried out.

The audit team has reviewed responses for each Item and found them to be adequately justified, and congruent with the team's field observations.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

3.2 Local Stakeholder Consultation:

1. The Local Stakeholder Consultation (LSC) shall be conducted in accordance with 'A/R Guidelines - LSC'.

Invitation of Stakeholders

2. The project owner shall proactively invite The Gold Standard Secretariat and the stakeholders, including all *Gold Standard NGO Supporters*[1] active in the host country of the project, to provide comments on the proposed project in accordance with the guidelines provided in 'A/R Guidelines - LSC'.

Notice to Designated National Authority and National Focal Point

3. The *Designated National Authority (DNA)*[2] or *National Focal Point*[3] shall be notified about the existence of the project.

12. **Stakeholders** | The stakeholders are persons, groups or entities that may be affected by the project and that show interest in the project.

The following are categories of stakeholders:

(a) Local people impacted by the project or their representatives
(b) Local policy makers and representatives of local authorities
(c) *Designated National Authority (DNA)*[1] and *National Focal Point*[2]
(d) Local NGOs working on topics relevant to the project
(e) The *Gold Standard Regional Manager*[3] located closest to the project
(f) *International Gold Standard NGO Supporters*[4] and *Gold Standard NGO Supporters*[5] located in the host country of the project.

Findings from Field Audit			
Conformance with the GS Local Stakeholder Consultation (LSC) requirements was demonstrated during the Initial Certification audit, and the associated audit findings are considered to still be relevant. Also, consistent with the GS LSC requirements (3.2); "For Performance Certification chapter 3.2 Local Stakeholder Consultation does not apply." During the field audit it was confirmed that the ACP maintains close contact with neighboring landowners regarding project implementation so they are kept appraised of ongoing activities that take place on beneficiary properties. Stakeholder interviews confirmed there is generally a neutral feeling about the project and its implementation, but in no cases did the auditor receive any indication of a negative view of the project by stakeholders.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

Timeline

4. The LSC should be conducted prior to the planting start date. If the LSC is conducted after the planting start date, the project owner shall provide further explanation of how comments received during the LSC are taken into account in the project.

Findings from Field Audit			
Conformance with the GS Local Stakeholder Consultation (LSC) requirements was demonstrated during the Initial Certification audit, and the associated audit findings are considered to still be relevant. Also, consistent with the GS LSC requirements (3.2); "For Performance Certification chapter 3.2 Local Stakeholder Consultation does not apply."			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

Public consultation meeting

5. The LSC shall include at least one public in-person meeting, which shall be open to anyone willing to attend and which shall be conducted in accordance with the guidelines provided in this document.

Findings from Field Audit			
Conformance with the GS Local Stakeholder Consultation (LSC) requirements was demonstrated during the Initial Certification audit, and the associated audit findings are considered to still be relevant. Also, consistent with the GS LSC requirements (3.2); "For Performance Certification chapter 3.2 Local Stakeholder Consultation does not apply."			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

Input & Grievance Mechanism

6. Projects applying The Gold Standard 'A/R Requirements' shall have a formal input and grievance mechanism in place in accordance with the chapter 'Input & Grievance Mechanism'. This mechanism shall be described during the LSC.

Findings from Field Audit
During the July 2016 field audit, the audit team met with Leisa Jemott, who manages the grievance mechanism. The project accepts grievances in a variety of forms: phone (few), email, written note, verbal (perhaps the most common). Upon receiving a grievance, each is given a number and a registry created. The grievance manager has 24 hours from receipt to call the person that submitted the grievance to notify them that the grievance has been received. The grievance mechanism manager then identifies which unit within the ACP the grievance is most relevant to, and passes the grievance to that department's manager so that they assign someone within that department to seek a resolution. Response from the ACP will typically be in the same form that it was received, and the ACP has created a tracking sheet to track the status of the grievance and ensure that it is closed within a reasonable amount of time. The grievance tracking sheet used by the project does not specify a date that the grievance has been resolved and as such cannot confirm that the grievance has in fact been resolved without further review of documents. OBS 03/16 The audit team was provided with copies of grievances that had been resolved, and were shown various binders that contain hard copies of the grievances as well as all of the steps taken to identify or resolve it. Comments made by the project beneficiaries visited by the audit team suggested that there were some minor complaints regarding the project, but were not aware of how to have them addressed by the project proponent. The grievance manager stated that the ACP has not received any grievances from the project beneficiaries, and conceded that it is possible that the participants are not aware of the grievance mechanism. In response to the 2016 Performance Certification audit the ACP presented a proposal for sensitization of the grievance mechanism. The proposal's action items are the development and phased implementation of a complaint registry. The proposal also contains a timeline of when the different project activities would begin, starting in January 2017. This is significant progress towards a meaningful future solution, thus FAR 05/16 has been opened.

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	OBS 03/16 The grievance tracking sheet should detail when the grievance has been resolved by the project to ensure timely completion. FAR 05/16 Project beneficiaries are generally unaware of the grievance mechanism. An action plan has been proposed, the effectiveness of which shall be evaluated during the following Performance Certification audit.		

Documentation

7. The LSC documentation shall be prepared using the 'LSC' template and in accordance with the guidelines provided in this document. The documentation shall include the outcome from the physical meeting(s) and feedback received via other means, and it shall be submitted for the Pre-Feasibility Assessment.

Findings from Field Audit			
Conformance with the GS Local Stakeholder Consultation (LSC) requirements was demonstrated during the Initial Certification audit, and the associated audit findings are considered to still be relevant. Also, consistent with the GS LSC requirements (3.2); "For Performance Certification chapter 3.2 Local Stakeholder Consultation does not apply."			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

Confidentiality

8. The LSC documentation shall be made publicly available on The Gold Standard Registry once the project is 'listed'. Prior to being 'listed', only The Gold Standard Secretariat and Technical Advisory Committee shall be able to access the documentation.

Findings from Field Audit			
Conformance with the GS Local Stakeholder Consultation (LSC) requirements was demonstrated during the Initial Certification audit, and the associated audit findings are considered to still be relevant. Also, consistent with the GS LSC requirements (3.2); "For Performance Certification chapter 3.2 Local Stakeholder Consultation does not apply."			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

Sustainable Development Assessment

9. Part of the LSC is the *Sustainable Development Assessment,* which makes use of the table below. This table, also called the 'SD Matrix', provides a general overview and a rating of the sustainability impacts of a project, together with a list of *mitigation measures* that relate to these impacts.

   The *Sustainable Development Assessment* shall show that the project, at a minimum, contributes positively to two of the three indicator categories (Environmental, Social Development, Economic & Technical Development) and is neutral in the third category. All individual indicators are given the same weight.

10. For each indicator describe briefly what the without project scenario (baseline scenario) would be and what the situation you aim for in the project is. Based on this description of the baseline and targeted values of your parameters, score each indicator 'negative (-1)', 'positive (+1)' or 'neutral (0)' in comparison with the baseline situation.

11. Negative (-1) indicators can potentially be 'neutralised' with *mitigation measures*. These *mitigation measures* shall then be monitored under the chapter '3.5 Sustainability Monitoring Plan'. All indicators that score positive (+1) or negative (-1) shall also be monitored.

Indicator	Description and Score	Mitigation measure
	• Negative impact: o score negative (-1) if the negative impact on the indicator is not fully mitigated o score neutral (0) if the impact on the indicator is or is planned to be fully mitigated • No change in impact: score neutral (0) • Positive impact: score positive (+1)	Where relevant, describe *mitigation measures* used to neutralise a negative (-1) score
Environment		
1. Air quality		
2. Water quality and quantity		
3. Soil condition		
4. Other pollutants		
5. Biodiversity		
Social Development		
6. Quality of employment		
7. Livelihood of the poor		
8. Access to affordable and clean energy services		
9. Human and institutional capacity		
Economic & Technical Development		
10. Quantitative employment and income generation		
11. Access to investment		
12. Technology transfer and technological self-reliance		

Findings from Field Audit			
For the Performance Certification chapter '3.2 Local Stakeholder Consultation' does not apply. The continuous dialogue is ensured through the requirements of chapter '3.3 Input & Grievance Mechanism' and the yearly reporting and regular certifications that include feedback from The Gold Standard NGO Supporters. Conformance with the GS Local Stakeholder Consultation (LSC) requirements was demonstrated during the Initial Certification audit, and the associated audit findings are considered to still be relevant.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

3.3 Inputs and Grievances:

1. The project owner shall establish an 'Input & Grievance Mechanism' in accordance with the 'A/R Guidelines - Input & Grievance Mechanism'.

Findings from Field Audit			
The project achieved Initial Certification under the CarbonFix Standard in 2014. Since then the project has submitted one annual report—for 2015. The Annual Report submitted by the project indicates that no grievances were received during the reporting year. Review of the grievance database by the audit team during the July 2016 field audit corroborates this assertion. Refer to Section 3.2.6 of this report for more discussion on the project's input and grievance mechanism.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

3.4 Sustainability Monitoring Plan

1. The project owner shall use the table below to define the monitoring for the *mitigation measures* identified in the chapters '3.1 Do-No-Harm Assessment' and '3.2 Local Stakeholder Consultation'.

Findings from Field Audit			
The project has submitted the completed Sustainability Monitoring Plan template to the audit team for review. The template contains information regarding the project such as the Project Title, GS ID, Type of Certification. The mitigation measures described—increasing forest cover, protection of existing forest, water and other natural resources, reduction of soil erosion, promotion of income generating activities amongst project beneficiaries—are all appropriate and sufficient for the selected parameters. The project has correctly completed the Do-No-Harm Assessment template, and as the project did not identify any medium or high risk elements, there are no additional potential mitigation measures generated in the Do-No-Harm Assessment template that must be integrated in to the Sustainability Monitoring Plan. The project demonstrates conformance.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

2. The selected parameters shall be practical to measure and be relevant to the *mitigation measure*.

The table format for the 'Sustainability Monitoring Plan' is provided below. A separate table should be prepared for each of the parameters to be monitored.

Sustainability Monitoring ID		
Indicator for		
Mitigation measure		
Chosen parameter		
Current situation of parameter		
Estimation of baseline situation of parameter		
Target for parameter		
Monitoring	How will it be monitored and documented?	
	Who is responsible for monitoring and documentation?	
	When will it be monitored (duration and frequency)?	

Findings from Field Audit			
The vast majority of the project area was without protective vegetation in the baseline scenario, and the planting area was 100% overrun by the introduced and invasive weed *Saccharum spontaneum* in the conservation and commercial reforestation areas. The soils of commercial areas were also covered by *Saccharum spontaneum*. The agroforestry areas did not meet the definition of forest, but had lower presence of *Saccharum spontaneum* nonetheless. Ciri Grande area has soils of low productive capacity. The use of land was not in sync with the land's natural ability, and was generating negative impacts on the productive base and negative externalities such as erosion and loss of biodiversity. The updated Sustainability Monitoring Plan outlines how biodiversity and socioeconomic improvement will be monitored, and these are discussed at greater length in the project's various management plans. The project demonstrates conformance.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

3.5 Legal Rights and Representation:

Secured Titles

1. For all project participants, the following information shall be provided:
   (a) Name and contact details
   (b) Each entity's legal registration number and documentation by the governing jurisdiction that proves that the entity is in good standing.

2. For the duration of the crediting period the project owner shall:
   (a) own the CO_2 user rights or carbon sequestration rights for the project area, AND
   (b) hold an uncontested legal land title for the project area, AND
   (c) own the rights for timber and non-timber forest products for the project area, AND
   (d) hold all necessary permits to implement the project (planting permits, infrastructure permits, harvesting permits, etc.), AND
   (e) participate in the financing of the project.

   If the project owner does not meet all of the above requirements, the persons or legal entities that do meet those respective requirements shall endorse the expected project being undertaken by the project owner through an agreement that aligns with the duration of the crediting period.

Findings from Field Audit
The project achieved a Gold Level CCBA validation on March 30, 2012. Following the combined certification procedures, the CFS recognized the certification as replacement of the criteria contained in 'Land & CO2 Tenure" chapter requirements for the project's initial certification. As this is a performance certification for the project areas that were already initially certified under CFS, there are no updates for the PP to provide in the GS templates. Nevertheless, the project proponent has provided the audit team with the "Project Participants & Secured Titles" Gold Standard template, which we evaluate here: 1: (a) The PP identifies itself as the Legal Project Owner and provides its name and mailing address. ACP functionary Angel Ureña is identified in the template as the primary contact for the project. (b) The PP contends that the Panama Canal Authority does not have a legal registration number, and that the transition from CFS to GS was successfully completed in 2014, at which time the appropriate documentation was submitted. The project has included discussion on Items A-E as required. The project has also submitted an example usufruct beneficiary agreement and a bidding form. In sum, the landowner expressly agrees to project intervention in the form of reforestation, agroforestry, or Silvopastoral modalities. Both the ACP and the owner agree expressly that the exclusive rights of environmental services, referred to in this contract, exclusive limited and specifically the ability to capture carbon generated from the activity or activities indicated. Therefore, GHG reductions resulting from this contract may be marketed by the ACP. The ACP will be responsible for the initial investments related to the establishment and maintenance of the planting areas. The ACP provides financial resources and hire companies to develop the work. All workers in the agroforestry modelling units are given an incentive for daily wage labor. 2: (a) Gathering information from the Project Participants & Secured Titles template and the project's CFS PDD, the initial certification report, and additional documentation provided by the PP, the PP has entered in to a usufructuary agreement with the landowners, granting the ACP rightful use over the carbon sequestration rights in the project area. As evidence that the contracts have been signed by both landowners and the ACP the PP submitted a letter to the companies it was consulting with for technical expertise on the project—Forest Finance and CO2OL Carbon Consulting—stating that all the beneficiaries have signed the contract (Document #33). The project has submitted a sample of these signed contracts to demonstrate that 100% of the project beneficiaries have signed the agreement.

(b) According to the 2012 CCB validation report, the ACP has worked with the national ANATI authority to obtain land titles for prospective project participants prior to integration in the project. It is clear that the ACP does not hold the land title for the majority of the project area (MUs XX-XX are on government-owned land). During the July 2016 field audit, the audit team confirmed with the landowners interviewed that obtaining a legal title to their land was a prerequisite to participation in the project, and that they had entered in to an agreement with ACP granting them the carbon rights and usufruct rights over the timber and non-timber forest products and general management over the land.

(c) Non-timber forest products will continue to belong to the project beneficiaries on their respective land. The carbon stocks, and therefore the timber rights, effectively belong to the ACP as communicated through the agreements between the project proponent and the project beneficiaries. As per the 2013 CFS Initial Certification Report and the 2012 CCB Validation report, the project has previously demonstrated conformance to the criteria also applicable to the GS requirements, and the audit team confirmed there is no change in this aspect of the project from the initial certification to the performance certification.

(d) No permits were required for planting or small scale infrastructure, save for approbation by the landowners. Harvesting permits will be obtained jointly by the project and the beneficiaries in the year or so leading up to the first harvest, and are not necessary nor appropriate to seek until such time has arrived. As per the 2013 CFS Initial Certification Report and the 2012 CCB Validation report, the project has previously demonstrated conformance to the criteria also applicable to the GS requirements, and the audit team confirmed there is no change in this aspect of the project from the initial certification to the performance certification.

(e) The project has detailed that the ACP will fund the project throughout its duration. As per the 2013 CFS Initial Certification Report and the 2012 CCB Validation report, the project has previously demonstrated conformance to the criteria also applicable to the GS requirements, and the audit team confirmed there is no change in this aspect of the project from the initial certification to the performance certification.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

Project Representatives

3. The project owner shall define the authorities of all project participants with respect of:
   (a) instructing The Gold Standard secretariat, AND
   (b) requesting or communicating the addition or edits of project participants, AND
   (c) receiving all information from The Gold Standard Secretariat on matters related to the project.

Findings from Field Audit

The project has provided the completed Project Participants & Secured Titles GS template, with discussion on Items A-E as required. The project owner and primary representative is the ACP. The project has also submitted an example usufruct beneficiary agreement and a bidding form.

In sum, the landowner expressly agrees to project intervention in the form of reforestation, agroforestry, or Silvopastoral modalities. Both the ACP and the owner agree expressly that the exclusive rights of environmental services, referred to in this contract, exclusive limited and specifically the ability to capture carbon generated from the activity or activities indicated. Therefore, GHG reductions resulting from this contract may be marketed by the ACP. The ACP will be responsible for the initial investments related to the establishment and maintenance of the planting areas. The ACP provides financial resources and hire companies to develop the work. All workers in the agroforestry modelling units are given an incentive for daily wage labor.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

Terms & Conditions and Cover Letter

4. The project owner shall sign The 'Gold Standard Terms & Conditions' and the declarations of the 'Cover Letter'.

Findings from Field Audit

The project has submitted a scanned copy of the signed General Terms & Conditions for the project under CFS, as well as the "GS Terms & Conditions" for GS. The project has signed the GS Terms & Conditions form as the standard requires.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

3.6 Risk Register:

Process for Initial Certification

- For the Initial Certification each of the following risks shall be assessed on their relevance to the project.
- If not relevant; the project owner shall provide a description of the non-relevance.
- If relevant; the project owner shall score the risk with regard to the viability of the project during the crediting period into the category ***low***, ***medium***, or ***high***. The scoring shall be based on the likelihood of the risk occurring and the impact of that occurrence on the project during the crediting period.
- If the rating is ***medium*** or ***high*** the mitigation measure shall be described and implemented.

For the documentation, the project owner shall use the template 'Risk Register'.

The table format for the 'Risk Register' is provided below with risk topics.

Risk Topics	Risk score, based on likelihood and impact on the project	Mitigation measure
	high (+) medium (0) low (-) not relevant (/)	
Management qualifications in forestry, operations, finance, legal		
Workers qualifications in the technical implementation		
Technical equipment		
Financial means: complete and realistic income streams (investment, funding, co-funding, sales, etc.) and expenditure (administration, infrastructure, machines, labour, audits, unexpected expenditures, etc.)		
Water: drought, flood, hail, snow, heavy rains		
Wind: heavy wind, storms		
Animals: domestic, wild		
Fire: natural fires, fire management		
Diseases: insects, bacteria, viruses		
Temperatures: frost, heat		
Irregular resettlement or **illicit crop production**		
Exploitation of underground resources: mining, water, etc.		

Findings from Field Audit
As per the 2013 CFS Initial Certification Report and the 2012 CCB Validation report, the project has previously demonstrated conformance to the criteria also applicable to the GS requirements. The project has submitted a completed Risk Register template (Document #131) for the audit team to review. • Management qualifications (-) – The ACP contracts with PFS, formerly "Panama Forest Service" to conduct forest management activities for the project within the plantation areas. The agroforestry and conservation areas are managed by either project beneficiaries or the ACP, depending on the modelling unit. The project beneficiaries are largely lifelong subsistence farmers with deep experience in natural resource management, whereas the ACP leverages its relationships with partnering governmental entities such as the Ministry of the Environment (ME) and the Ministry of Agricultural Development (MIDA) to conduct stakeholder trainings and other technical oversight. The ACP has been recognized as one of the best-organized governmental entities in Panama, and has a rigorous finance and contracting structure, which the audit team witnessed during the field audit. The 'low' risk score is justified. • Workers qualifications (-) – The ACP awards contracts to entities and simultaneously obliges them to comply with minimum worker technical experience for the duties detailed in the contract. The audit team has reviewed ACP contracts and found this to be true. Also, the audit team interviewed landowners, ACP, and PFS employees and found them to be generally competent in the necessary fields. The 'low' risk score is justified. • Technical equipment (-) – Provision of technical equipment by the contractors is a component of the contracts the ACP issues, and skilled personnel are the users as confirmed by the audit team. The 'low' risk score is justified.

- Financial means (-) – The Panama Canal has more than 10,000 employees and is a massive source of revenue for the country and national government. The government-funded ACP developed the project to protect hydrological resources indispensable to the canal, and as such is a well-funded. The 'low' risk score is justified. The project has, in the Risk Register, included complete information regarding the project's financial means and describes the frequency of contract issuance and project monitoring. The information includes: The Panama Canal Authority is the owner of the project and has the funds for the implementation of all stages of each project modality. Every five years monitoring or maintenance of projects in the commercial planting areas. For conservation planting areas, the status is monitored annually. For each modality, each stage activities are verified through a collaborator of the Division of Environment, which is the Contracting Officer Representative - ROC. According to the results of monitoring of conservation status, the ACP develops maintenance contracts to ensure growth and development of areas that require it. Project beneficiaries ensure the maintenance of areas coffee in agroforestry with an initial 32 months of support from the ACP.
- Water (-) – The project has described the climate and annual precipitation patterns, including details on individual species requirements. The project claims that there are 10 hectares of project land that are located in sites susceptible to flooding, but does not describe the location/MU of these areas or what mitigation measures are being implemented to ensure the permanence of the carbon stocks in these areas. There is brief mention that the 2016 monitoring activities revealed a loss of 1.3 hectares in Burunga 1 and 1.9 hectares in the Caribe commercial modelling units, owing to high soil moisture. The PP also claims that the age of the trees themselves is an effective mitigation against drought, which are seasonal. The project does not present any information related to the water requirements of the projects' species composition, nor does it describe measures needed and taken to protect young trees (in the plantations, agroforestry areas AND conservation Modelling Units) in planting areas that it will establish when the project eventually expands as intended. Furthermore, the week of the field audit there were substantial rain storms that broke branches from trees of significant size (larger than the current teak size) and also caused wind-throw. Although the audit team did not observe any damage to the planting units, the seasonal monsoons may present a threat to the carbon permanence. The project will mitigate against loss of carbon stocks by replanting damaged areas. The 'low' score is justified.
- Wind (-) – The project responds that Panama has low incidence of heavy wind. As is noted above, storms may be heavy enough to damage trees, and the wind risk element acknowledges the occasional risk posed and resulting damage caused by high winds, but yet the element is still marked as 'not relevant'. The project elaborates that since 1992 businesses have implemented reforestation activities in the watershed, and in 1998 ACP's reforestation projects began, and neither party or entities have reported damage to project interventions from wind. The project mitigates against potential damage from wind by maintaining forest vegetation around the project areas. This is congruent with audit team observation during the 2016 field audit. The 'low' score is justified.
- Animals (-) – Animal risk is considered minimal. The PP states that the age of the trees themselves is an effective mitigation against potential damage from animals. The project describes fencing as the measure needed and taken to protect young trees from potential animal damage (in the plantations, agroforestry areas AND conservation Modelling Units) in planting areas that it will establish when the project eventually expands as intended. Producers and contractors must fence their planting units, except when adjacent to pre-existing forest cover, to protect the plantings. Although the audit team did see barbed wire fences and living fences around some of the planting areas, effectively protecting the stand from domestic animals, some project beneficiaries did not have fences around their planting areas. See FAR 07/16
- Fire (0) – The project recognizes that fire is considered a medium-level risk to the commercial planting areas. As such, the project has engaged with SINAPROC for their aid in combating fires. The project proponent requires in its Terms of Reference for contracting companies to develop and maintain a fire management plan.
- Diseases (-) – Disease is considered a low-level risk to the project. The project asserts that the tree species selected and age render the trees resistant to disease, and that there have not been reports of pests in Panama to the species selected. However, in the PDD the project identifies several potential pests and diseases ("Corticium salmonicolor, Hypsipyla grandela, defoliation by leafcutter ants, wood infection by termites and followed by fungi") that could affect some of the thirty species utilized by the project. Management plans and terms of reference all identify a potential for damage from disease and/or pest. Organic control methods are preferred, but do not preclude the use of chemical control agents. Since the project's inception there has been no economic damage to the planting areas from disease that is outside the expected margins of mortality.
- Temperatures (/) – The PP notes that Panama is not subject to extreme temperatures and therefore the risk element is not relevant. The auditors agree.
- Irregular resettlement or illicit crop production (-) – The agroforestry areas are owned individually by farmers who maintain a high state of vigilance on their properties and will not allow irregular settlement and illicit crop production. The conservation areas are protected by the Ministry of Environment who also will not tolerate irregular settlement and illicit crop production. One commercial area was subject to irregular settlement, but the project proponent worked with the

National Police to eject the squatters. This statement was corroborated by evidence gathered via interview during the 2016 field audit. The 'low' score is justified. • Exploitation of underground resources (/) – The project is not aware of any aquifers or subterranean mineral resources in the project area. Further, any exploitation of mineral resources within the Panama Canal watershed would require the approval of the ACP, which it does not intend to give. The risk score 'not relevant' is justified.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	See FAR 07/16		

4.0 Additionality:

Option 1 - A/R CDM Tools

1. The project shall meet the additionality requirements of the latest version of the A/R CDM '*Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities*'.
   Link: http://cdm.unfccc.int/methodologies/ARmethodologies/tools/

   The CDM specific terms of the A/R CDM additionality tool (tCERs, A/R CDM project, etc.) shall be interpreted within The Gold Standard context.

   The '*Guideline on the assessment of investment analysis*' and the '*Guidelines for objective demonstration and assessment of barriers*' can be used.
   Link: http://cdm.unfccc.int/Reference/Guidclarif/index.html

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the template 'Additionality'.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

Option 2 - Positive List

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the template 'Additionality'.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

Retroactive submission

3. If the submission to the Pre-Feasibility Assessment was after the planting start, the project owner shall demonstrate that
   (a) the revenues from CO_2-certificates were seriously considered in the decision to implement the project, AND
   (b) there was continuous interest in CO_2-certificates for the project in parallel with its implementation.

   Evidence to support this can include: contracts, draft versions of project information, correspondence with financial institutions or other stakeholders, minutes and notes of meetings, agreements or negotiations with auditors, publications in newspapers.

   For Option 1, this replaces requirement 7 of the '*Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities*'.

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the template 'Additionality'.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

No Deforestation

4. The planting area shall not have been *forest*[3] for at least 10 years prior to the planting start, OR

   If the planting area was deforested during the 10 years prior to the planting start, the eligibility of the project shall be determined by The Gold Standard Secretariat. This will be done as part of the Pre-Feasibility Assessment.

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the template 'Additionality'.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

5. Methodology

5.1 Applicability

The project area shall meet all of the requirements below for this methodology to be applicable for the calculation of CO_2-certificates from the project.

1. Areas shall not be on *wetlands*[1].
2. Areas with *organic soils* shall not be drained or irrigated (except for irrigation for planting).
3. Soil disturbance (through ploughing, digging of pits, stump removals, infrastructure, etc.) on *organic soils*[2] shall be in less than 10% of the area that is submitted to certification (not 10% of the entire project area).
4. The most likely scenario without the project (baseline scenario) shall be defined for the project area. This scenario shall not show any *significant*[3] increase of the Baseline biomass ('tree' and 'non-tree').

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the template 'Applicability'.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

5.2 Conversion Factors:

1. *Conversion factors* shall be determined at the level of a Modelling Unit:
   (a) Wood Density
   (b) Biomass Expansion Factor
   (c) Root-to-Shoot ratio

   All factors shall be based on the best available scientific sources.

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the conversion factors.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

Conservative Approach

2. When aggregated together, the factors shall lead to a conservative calculation approach. This means that in the consideration and calculation of uncertainties:
   (a) the CO_2-Fixation shall not be overestimated, AND
   (b) the Baseline and Leakage shall not be underestimated.

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the conversion factors.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None		

Default Factors

3. The following *default factors* shall be used for all conversions:
   (a) 0.5 [tC/tdm] as the 'Carbon fraction' for 'tree biomass'
   (b) 0.4 [tC/tdm] as the 'Carbon fraction' for 'non-tree biomass'
   (c) $^{44}/_{12}$ [tCO_2/tC] is used to convert 'C to CO_2'

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the conversion factors.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None		

4. The following *default factors* shall be used when no rigorous scientific information is available:

   For the parameters of CO_2-Fixation:
   (a) 0.3 [tdm/m^3] Wood density
   (b) 1.1 [ ] BEF
   (c) 0.2 [ ] Root-to-Shoot ratio for 'tree biomass'

   For the parameters of Baseline or Leakage:
   (d) 0.7 [tdm/m^3] Wood density
   (e) 3.5 [ ] BEF
   (f) 0.8 [ ] Root-to-Shoot ratio for 'tree biomass'
   (g) 4.0 [ ] Root-to-Shoot ratio for 'non-tree biomass'

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the conversion factors.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

5.3 Calculation of C02 Certificates

1. The number of CO_2-certificates is determined for every year (t) of the crediting period using the following formula.

$$\text{CO}_2\text{-certificates} = (\text{CO}_2\text{-Fixation} - \text{Baseline} - \text{Leakage} - \text{Other Emissions}) * \text{Eligible planting area}$$

[tCO_2] of every MU [tCO_2/ha] [ha]

Findings from Field Audit
The project has submitted a completed GS 'Other Emissions' template and submitted it to the audit team for review. The project did not burn biomass to prepare the sites for the project planting activities, but this is not discussed here. OBS 04/16

Based on the above equation, the project estimates that there are 132,246 tCO2e of verifiable (ex-post) CO2 certificates at the time of the 2016 Performance Certification prior to the buffer contribution.

The project makes reference to several project documents related to the Initial Certification under CFS in 2013, clarifying that a total of 2,148 tCO2e originating from nitrogen fertilizers was calculated and deducted from the total emissions reductions. However, it was evident during the 2016 Performance Certification audit that nitrogen fertilizers had been used since the Initial Certification (i.e. 2014-2016). As the project has not yet implemented a fertilizer-use tracking sheet or registry, the project has conservatively assumed emissions from nitrogen fertilizer use between 2014-2016 to be 1,397 tCO2e.

The project has provided the audit team with updated documentation per CAR 36/16. As the project does not currently have a registry documenting the use of nitrogen fertilizers, the project made a conservative estimate of the amount of fertilizer applied since the last certification event and applied the appropriate corresponding emissions to the CO2 certificate calculations, which it will continue to do until the fertilizer use registry is effectively implemented. Using a factor of .005 tCO2e of emissions for each kilogram of nitrogen in the total estimated amount of fertilizer used, the project proponent calculates a total of 1,397 tCO2e emissions from nitrogen fertilizer across the entire 1940 ha project areas. The project has updated the carbon calculations with the new figure.

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	OBS 04/16 The project should clarify in the 'Other Emissions' template that no biomass burning took place in the site preparation activities.		

Carbon Pools:

For the calculation of the parameters CO_2-Fixation, Baseline and Leakage, the following carbon pools shall be assessed:

Carbon Pools		Includes	CO_2-Fixation	Baseline	Leakage
Tree biomass	Aboveground	Stem, branches, bark	Yes	Yes	Yes
	Belowground	Tree roots	Yes	Yes	Yes
Non-tree biomass	Aboveground	Grass, herbs, etc.	No	Yes	No
	Belowground	Roots of grass, herbs, etc.	No	Yes	No
Soil		Organic material	No	No	No
Harvested wood (timber & energy wood)		Furniture, construction material, etc.	No	No	No
Litter & Lying dead-wood		Leaves, small fallen branches, lying dead wood	No	No	No

Standing dead-wood is part of the carbon pool 'tree biomass'.

Positive leakage as well as *market* leakage shall not be accounted for under this methodology.

Findings from Field Audit			
The project has correctly considered the tree biomass (aboveground and belowground) and non-tree biomass (aboveground and belowground) carbon pools as required by the GS for the quantification of the baseline scenario carbon stocks. Tree biomass was the only carbon pool assessed for the CO2 fixation and leakage components.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

5.4 Other Emissions

Site preparation

1. Where existing 'tree' and 'non-tree' biomass of the Baseline is burned for the purpose of land preparation, an additional 10% of the Baseline shall be deducted. This is to account for the non-CO_2 green-house-gas emissions (N_2O and CH_4) that are released during the burning process.

Fertilizer

0.005 tCO_2 per kg of nitrogen (N) fertilizer shall be deducted. No differentiation is made between synthetic and organic fertilizer.

Combustion of fossil fuel

2. Non-CO_2 green-house-gas emissions caused by the use of fossil fuel from project activities (flights, management operations, etc.) are insignificant and may therefore be neglected.

N-fixing trees

3. Non-CO_2 green-house-gas emissions caused by the use of N-fixing species may be conservatively assumed to be zero.

Findings from Field Audit
The project has submitted a completed GS 'Other Emissions' template and submitted it to the audit team for review. The project did not burn biomass to prepare the sites for the project planting activities, but this is not discussed here. See OBS 04/16 The project argues that the fertilizer element of the 'Other Emissions' template is irrelevant as the plantations were established prior to the Initial Certification under CFS in 2011. The project proponent has provided the following justification in the Do-No-Harm Assessment template: "Soil tests in commercial plantation areas revealed acidic soils with low phosphorus content, so fertilizer application is recommended. It was recommended in commercial area mixing chemical fertilizers with organic matter at the bottom of the planting hole and buried. The Trinidad area has soils of low productive capacity. The use of land not in keeping with the natural ability, is generating negative impacts on the productive base and negative externalities such as erosion and loss of biodiversity. In consideration of soil protection, soil type, flora, fauna and soil, it is advisable to use fertilizers to improve productivity. The terms of reference indicate the mix of fertilizer with organic fertilizer in the bottom of the hole at planting and buried during maintenance in the early years, to increase their effectiveness and reduce leaching or volatilization loss." The project provided additional supporting documentation containing recommendations for various organic and chemical inputs for soil improvement. The documents describe fertilizer types to be used, the appropriate application methods, and a proposed frequency of application. Also, the ACP presented a proposal for documentation of fertilizer use. The proposal's action items are the development and phased implementation of data collection on fertilizer use. The proposal also contains a timeline of when the different project activities would begin, starting in January 2017. This is significant progress towards a meaningful solution, and the CAR may therefore be closed. A FAR (02/16) has been opened. Further, the project has made a conservative estimate of reductions in the calculated CO2 certificates as a result of these emissions, amounting to 1,397 tCO2e during the period 2014-2016.

Conformance	Yes ☐	No ☒	N/A ☐

NCR/OBS	See OBS 04/16 FAR 02/16 The project has not fully documented fertilizer use in the project areas. An action plan has been drafted, the effectiveness of which shall be evaluated for the following Performance Certification audit.

5.5 Baseline

1. The Baseline shall be determined by estimating the 'tree' and 'non-tree' biomass that is present in the eligible planting area just prior to the planting start.

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the template 'Baseline'.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

2. To determine the Baseline of the eligible planting area the land shall be
   (a) stratified according to its vegetation types (grassland, bushland, etc.), AND
   (b) for each of these strata scientifically based *project-specific*[1], regional or national *default values* shall be found which state 'tree' and 'non-tree' biomass of these vegetation types.

   International default values[2] from the IPCC shall only be used if no other values are available.

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the template 'Baseline'.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

3. The Baseline shall be determined on a Modelling Unit (MU) level using the following formula:

   Baseline $_{MU,t}$ [tCO_2/ha]
   = Baseline **Eligible planting area** [tCO_2] / **Eligible planting area** [ha]

   The Baseline is deducted in the first year (t=1).

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the template 'Baseline'.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

4. The Baseline is not subject to monitoring.

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the template 'Baseline'.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

5.6 Leakage

Leakage are emissions that occur due to a *shift of activities* from the inside of a project area to the outside of a project area.

These *shifts of activities* can cause four different categories of Leakage by:
(a) collection of wood (for firewood, charcoal, etc.)
(b) timber harvesting
(c) agriculture (crop cultivation, shrimp cultivation, etc.)
(d) livestock.

These four categories are used in the formulas below.

Note that only the 'tree biomass' affected by these activity shifts shall be considered.

2. Leakage shall be determined on a Modelling Unit (MU) level using the following formula:

Leakage MU,t [tCO_2/ha]
= Leakage **Project area** [tCO_2] / **Eligible planting area** [ha]

Leakage is deducted in the first year (t=1).

Findings from Field Audit			
For the Performance Certification the project owner is not required to update the template 'Leakage'.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	None.		

5.7 CO_2 Fixation

1. The yearly (t) CO_2-Fixation is determined at the level of Modelling Unit (MU) during the crediting period.

Findings from Field Audit
It was found during the project's Initial Certification under CFS that the Forest Finance model that the developer uses estimates the CO2-fixation by each project activity (Commercial, Conservation, Agroforestry, and Silvopastoril [the last of which has been eliminated from the planting areas]) and then multiplies this estimated CO2 fixation per hectare by the area of each specific Management Unit. This met the CarbonFix requirements. The developer provides all sources for the model. The Initial Certificatoin audit team reviewed the source data, including wood density, root to shoot, and Biomass Expansion Factor (BEF) values. All values reviewed and used in the model had been cited accurately from the literature source they are derived from.

Input values are primarily from published literature, or for less common species, IPCC default data is used (for example for the Mean Annual Increment for native species in the Conservation Management Units.) Acceptable sources were used for the growth models. During the July 2016 Performance Certification audit the audit team observed several instances of mortality or imminent elimination of trees from the project's planting areas. The audit team met with an ACP functionary who managed the GIS database for the project and who was also able to produce a spreadsheet containing examples of hectares no longer considered as planting areas (e.g. the underperforming silvopasture modality). The CO2 removals generated by these eliminated planting areas are no longer counted in the CO2 Fixation modelling spreadsheets.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

2. For every MU a growth-model and *conversion factors* (see chapter '5.2 Conversion Procedure') shall be determined.

Findings from Field Audit
The project's growth model and application of the appropriate conversion factors was approved during the Initial Certification audit. The CO2 Fixation documentation as well as supporting information on the project's growth model provided for the Performance Certification, reconfirmed that the growth model is varied and tailored to each of the project's MUs, and use the appropriate conversion factors.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

3. The *conversion factors* allow the conversion of the 'Stem volume', which is normally measured in cubic meters [m^3] during the *forest inventories*, to 'tree biomass' with the unit tCO_2. For the conversion the chapter '5.2 Conversion Procedure' shall be followed.

   The *conversion factors* are not subject to monitoring.

Findings from Field Audit
Conformance with the GS CO2 Fixation requirements (5.7.3) was demonstrated during the Initial Certification audit under the purview of the CarbonFix Standard, and the associated audit findings are considered to still be relevant to this Performance Certification audit.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

4. Existing 'tree biomass' from the carbon stock of the Baseline that is not removed shall be reflected in the growth-model.

Findings from Field Audit
Conformance with the GS CO2 Fixation requirements (5.7.4) was demonstrated during the Initial Certification audit, and the associated audit findings are considered to still be relevant to this Performance Certification audit. Existing tree biomass was excluded from the baseline, as confirmed in discussions with the project proponent and review of project documentation.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

5. A realistic survival-rate shall be reflected in the growth-model.

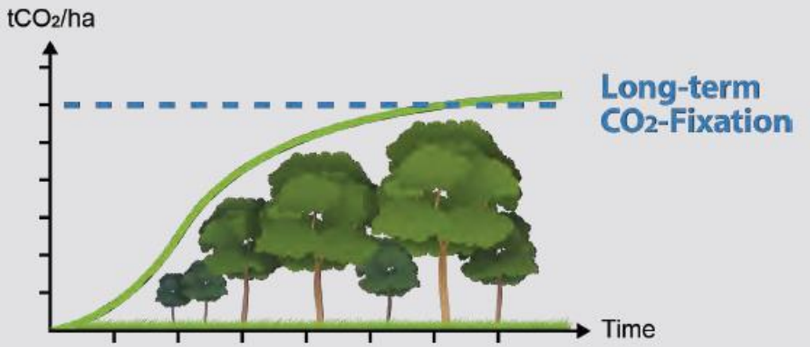
Findings from Field Audit			
The project's survival-rate is based on project sampling data, thus making it realistic, and is reflected in the growth model, as found in document BASE Resultados por Parcela PIEA (15-05-2016) Dev_P - Copy último. STOCK CO2.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

6. The *long-term CO2-Fixation* shall be determined depending on the *silvicultural method* applied / envisioned (see options below).

Option 1 - Selective harvesting or Conservation forest

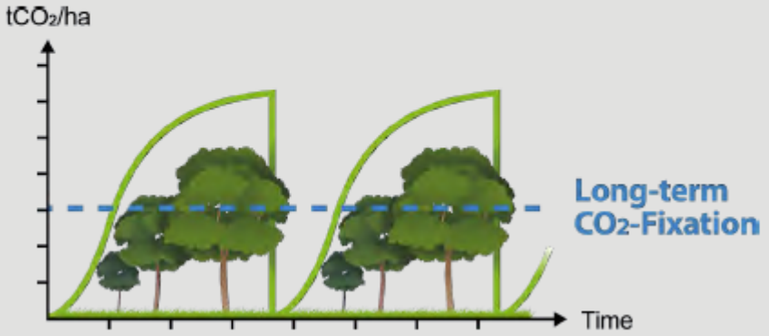
If the silvicultural method applied/envisioned is *selective harvesting*[1] or *conservation forest*[2], the *long-term CO2-fixation* is determined by the 'tree biomass' when a MU reaches its equilibrium.

If the 'tree biomass' is still increasing at the end of the crediting period, the *long-term CO2-Fixation* is determined by the 'tree biomass' of a MU in the year the crediting period ends.



Option 2 - Rotation forestry

If the silvicultural method applied/envisioned is 'rotation forestry', the *long-term CO2-Fixation* is the average 'tree biomass' of a MU during the planting start and the end of the crediting period.



$$CF_{MU,\,long_term} = \frac{\sum_{t=1}^{T} CF_{MU,\,t}}{T}$$

$CF_{MU,\,long\text{-}term}$	= [tCO2/ha]	Long-term CO2-fixation of a MU
$CF_{MU,\,t}$	= [tCO2/ha]	CO2-fixation of a MU in year t
T	= [ ]	Number of years between the planting start and the end of the crediting period
t	= 1, 2, 3, ...	Years

Findings from Field Audit			
Conformance with the GS Long-Term CO2 Fixation requirements was demonstrated during the Initial Certification audit, and the associated audit findings are considered to still be relevant to this Performance Certification audit. The project employs both Option 1 and Option 2 as the project is a conservation forest project combined with commercial forest plantation project areas, as confirmed by onsite field audit work and review of the project documentation. No harvesting is planned in the conservation and agroforestry areas as the project serves to restore native vegetation biodiversity, whereas harvesting is planned to occur in the commercial forestry modelling units.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

Carbon Performance

1. At any time during a crediting period, the project owner shall ensure that the quantity of the *validated* and *verified* CO_2-certificates with respect to the project is less than or equal to the project's expected carbon stocks (*validated* CO_2-certificates) and actual carbon stocks (*verified* CO_2-certificates).

2. Incidents, or events, that effect compliance with requirement 1 shall be reported to The Gold Standard Secretariat. If they occur outside a certification process, the incidents or events shall be reported to The Gold Standard Secretariat no more than 30 days after their discovery. The template 'Carbon Performance' shall be used for this reporting.

3. If compliance with requirement 1 is not maintained, the project owner shall demonstrate to The Gold Standard Secretariat how the project will realistically recover appropriate levels of carbon stocks to comply with requirement 1.
   The project owner shall use one or more of the following approaches:
   (a) retiring/locking of CO_2-certificates from the project which are not yet transferred or retired/locked
   (b) purchasing of CO_2-certificates from any other Gold Standard certified projects (these can also be from other project types such as renewable energy)
   (c) replanting of an appropriate planting area and recovery of the project carbon stocks over time
   (d) planting of new areas to generate further CO_2-certificates

   During the period where the project owner is not in compliance with requirement 1, an equal number of CO_2-certificates from The *Gold Standard Compliance Buffer* will be put 'on-hold'.

4. Further CO_2-certificates shall only be issued for the project after the project owner has complied with requirement 1.

If the project owner after 5 years cannot demonstrate that compliance with requirement 1 will occur, the project owner shall follow the Non-Compliance (NC) process as outlined in section '8. Non-Compliance'.

Findings from Field Audit			
The project has submitted a completed GS 'Carbon Performance' template for the audit team to review. In the template the project proponent describes challenges posed to the success of the project by depending on project beneficiaries to faithfully and successfully manage their planting areas exactly according to the PDD. However, these challenges have not led to a discrepant surplus in the validated and verified CO2 certificates, compared with the actual carbon stocks. The project is in conformance.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	None.		

APPENDIX B: Organization Details

Contacts

Primary Contact for Coordination with Rainforest Alliance

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