Validation Report

AgriGeorgia LLC

VALIDATION OF THE CARBONFIX-PROJECT: AFFORESTATION WITH HAZELNUT PLANTATIONS IN WESTERN GEORGIA

REPORT NO. 1484934

28 January 2011

TÜV SÜD Industrie Service GmbH
Carbon Management Service
Westendstr. 199 - 80686 Munich – GERMANY

Industrie Service

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Subject: Validation of a CarbonFix Project	
Accredited TÜV SÜD Unit: TÜV SÜD Industrie Service GmbH Certification Body “climate and energy” Westendstr. 199 80686 Munich, Germany	**TÜV SÜD Contract Partner:** TÜV SÜD Industrie Service GmbH Carbon Management Service Westendstr. 199 80686 Munich, Germany
Project Participant: AgriGeorgia LLC	**Project Site(s):** The project area consists of 251 Parcels in 4 units covering a total area of 2.401 ha, located in the district Samegrelo in Western Georgia The PDD includes information on geographic boundary. Digital boundary files are provided jointly with this report.
Project Title: Afforestation with Hazelnut Plantations in Western Georgia	
Applied Methodology / Version: CarbonFix Standard version 3.0	
First PDD Version: Date of issuance: 25 June 2010	**Final PDD version:** Date of issuance: 13 January 2010
Estimated Total Emission Reduction:	**550,272 t CO_2-e**
30% CarbonFix risk buffer:	**165,082 t CO_2-e**
Assessment Team Leader: Sebastian Hetsch **Assessment Team Members:** Martin Schröder Martin Seitz Volodymyr Ilchenko	**Technical Reviewer:** Robert Scharpenberg **Certification Body responsible:** Thomas Kleiser

Summary of the Validation Opinion:

☒ The review of the project design documentation and the subsequent follow-up interviews have provided TÜV SÜD with sufficient evidence to determine the fulfilment of all stated criteria. In our opinion, the project meets all relevant requirements for the CarbonFix Standard. Hence TÜV SÜD is recommending the project for registration by the CarbonFix Standard organisation.

☐ The review of the project design documentation and the subsequent follow-up interviews did not provide TÜV SÜD with sufficient evidence to determine the fulfilment of all stated criteria. Hence TÜV SÜD will not recommend the project for registration by the CarbonFix standard organisation and will inform the project participants and the CarbonFix organisation on this decision.

Abbreviations

CAR	Corrective Action Request
CB	Certification Body
CDM	Clean Development Mechanism
CFS	CarbonFix Standard
CR	Clarification Request
DOE	Designated Operational Entity
EIA	Environmental Impact Assessment
FAR	Forward Action Request
FSC	Forest Stewardship Council
GHG	Greenhouse Gas(es)
GIS	Geographic Information System
GPG	Good Practice Guidance
GPS	Global Positioning System
IPCC	Intergovernmental Panel on Climate Change
IRL	Information Reference List
IRR	Internal Rate of Return
LULUCF	Land-Use, Land-Use Change and Forestry
MP	Monitoring Plan
NGO	Non Governmental Organisation
PDD	Project Design Document
PP	Project Participant
TÜV SÜD	TÜV SÜD Industrie Service GmbH
UNFCCC	United Nations Framework Convention on Climate Change
VER	Voluntary Emission Reduction Unit (equals 1 metric tonne of CO_2 equivalent)
VVM	Validation and Verification Manual

Industrie Service

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INTRODUCTION

1.1 Objective

The validation objective is an independent assessment by a Third Party, a Designated Operational Entity (DOE) of a proposed project activity against all defined criteria set forth by the CarbonFix Standard. Validation is part of the project cycle and will finally result in a conclusion by the executing DOE whether a project activity is valid and should be submitted for registration to the CarbonFix Standard Organisation. The ultimate decision on the registration of a proposed project activity rests at the CarbonFix Organisation.

The project activity covered by this validation report was submitted under the project title “Afforestation with Hazelnut Plantations in Western Georgia”.

1.2 Scope

The scope of any assessment is defined by the underlying legislation, regulation and guidance given by relevant entities or authorities. In the case of a CarbonFix project the scope is set by:

- the CarbonFix Standard version 3.0;
- Guidance documents provided by the CarbonFix Standard;
- Management systems and auditing methods;
- Environmental issues relevant to the applicable sectoral scope;
- Applicable environmental and social impacts and aspects of CarbonFix project activity;
- Sector specific technologies and their applications;
- Current technical and operational knowledge of the specific sectoral scope and information on best practice.

The validation is not meant to provide any consulting towards the project participant (PP). However, stated requests for clarifications, corrective actions, and/or forward actions may provide input for improvement of the project design.

The purpose of a validation is to demonstrate compliance or non-compliance of the project with all stated and valid Carbon Fix requirements. Additionally, the purpose of validation is to enable the registration of Carbon Fix projects, which is only a part of the total Carbon Fix project cycle. Therefore, TÜV SÜD cannot be held liable by any party for decisions made, or not made, based on the validation opinion that go beyond this purpose

2 METHODOLOGY

The project assessment applies standard auditing techniques to assess the correctness of the information provided by the project participants. The work starts with the appointment of the team covering the technical scope, technical area and relevant host country experience for evaluating the project activity. Members of the audit team carry out the desk review, follow-up actions, resolution of issues identified, and finally preparation of the validation report. The prepared validation report and other supporting documents then undergo an internal quality control by the CB “climate and energy” before submission to the CarbonFix Standard Organisation.

In order to ensure transparency in the validation process, assumptions are clearly and explicitly stated and background material is clearly referenced. TÜV SÜD developed methodology-specific checklists and protocol customised for the project (see annex 1). The protocol shows, in

a transparent manner, criteria (requirements), the discussion of each criterion by the assessment team, and the results from validating each relevant criterion.

The validation protocol serves the following purposes:

- To list the details of requirements which a CarbonFix project is expected to meet and provide of clarifications on the requirements if needed;
- To elucidate how a particular requirement has been validated as well as to document the results of the validation and any adjustments made to the project design document.

The validation protocol consists of three tables. The different columns in these tables are described in the figure below.

Validation Protocol Table 1: Conformity of Project activity and PDD				
Checklist Topic / Question	**Reference**	**Comments**	**PDD in GSP**	**Final PDD**
The checklist is organised in sections following the arrangement of the applied PDD version. Each section is then subdivided. The lowest level constitutes a checklist question / criterion.	*Gives reference to documents where the answer to the checklist question or item is found in case the comment refers to documents other than the PDD.*	*The section is used to elaborate and discuss the checklist question and/or the conformance to the question. It is used to explain the conclusions reached. In some cases sub-checklist are applied indicating yes/no decisions on the compliance with the stated criterion. Any* ***Request*** *has to be substantiated within this column*	*Conclusions are presented based on the assessment of the first PDD version. This is either acceptable based on evidence provided (☑), or a* ***Corrective Action Request (CAR)*** *due to non-compliance with the checklist question (See below).* ***Clarification Request (CR)*** *is used when the validation team identified a need for further clarification.* ***Forward Action Request (FAR)*** *to highlight issues related to project implementation that requires review during the first verification.*	*Conclusions are presented in the same manner based on the assessment of the final PDD version and further documents including assumptions presented in the documentation.*

Validation Protocol Table 2: Compilation and Resolutions of CARs, CRs and FARs			
	Comments and Results	Ref	Conclusion and IRL
Issue	*Corrective Action, Clarification or Forward Action Requests.*	*Reference to the checklist question number in Table 1*	*Final conclusions and relevant references.*
Response	*The responses given by the client or other project participants during communication with the validation team.*		
Assessment	*Summary of the discussion and revision of project documentation together with the validation team's responses*		

In case of a denial of the project activity more detailed information on this decision will be presented in Table 3. Table 3 is also used for listing of any Forward Action Request.

Validation Protocol Table 3: Unresolved Corrective Action, Clarification Requests, Forward Action Requests		
Clarifications Request, Corrective Action Request, Forward Action Request	**Id. of CAR / CR / FAR**	**Explanation of the Conclusion for Denial, or Background of Forward Action Request**
Referenced request if final conclusions from table 2 resulted in a denial.	*Identifier of the Request.*	*Detailed explanation of why the project is considered non-compliant with a criterion and a clear reference to the criterion*

The completed validation protocol is enclosed in Annex 1 to this report.

2.1 Appointment of the Assessment Team

According to the technical scopes and experiences in the sectoral or national business environment TÜV SÜD composed a project team in accordance with the appointment rules of the TÜV SÜD certification body “climate and energy”. The composition of an assessment team has to be approved by the Certification Body (CB) to assure that the required skills are covered by the team. The CB TÜV SÜD operates five qualification levels for team members that are assigned by formal appointment rules:

- Assessment Team Leader (ATL)
- Greenhouse Gas Validator (Validator)
- Greenhouse Gas Auditor Trainee (T)
- Experts (E)
- Technical Reviewer (R)

It is required that the sectoral scope linked to the methodology has to be covered by the assessment team.

Assessment Team:

Name	Qualification	Coverage of scope	Coverage of technical area	Host country experience
Sebastian Hetsch	ATL	☑	☑	
Martin Schröder	Validator	☑	☑	
Martin Seitz	Trainee	☑	☑	
Volodymyr Ilchenko	Trainee			☑

Sebastian Hetsch is a forestry expert and appointed as Assessment Team Leader and GHG-Validator by the certification body "climate and energy". Mr Hetsch holds a university degree in forest science. He passed extensive training on auditing of GHG projects. Before joining TÜV SÜD he worked for several years in the field of international forest policy and management.

Martin Schröder is appointed as Assessment Team Leader and GHG-Validator by the certification body "climate and energy". He holds a Masters degree in forestry and passed successfully internal training schemes in the field of auditing as well as the technical features of landfill and energy related projects. Before entering the company, he worked in the field of development

projects in the Amazon Region and managed forestry based carbon offset projects. He left TÜV SÜD in August 2010.

Martin Seitz is a forestry expert and appointed as Greenhouse Gas Auditor Trainee by the CB “climate and energy”. Mr. Seitz holds a university degree in forest engineering. He passed intensive training on auditing GHG projects. He is self employed and has been working in forest management nationally and internationally since 1998. Mr. Seitz works for the TÜV SÜD on project level.

Dr. Volodymyr Ilchenko is a trainee for GHG auditing at the department “TÜV Carbon Management Service” in the head office of TÜV SÜD Industrie Service GmbH in Munich, Germany. He holds a M.Sc. degree in electrical engineering and has PhD in mechanical engineering. He has received training on the contents and objectives of GHG auditing for climate change projects and is responsible in his current position for the validation/determination and verification audits for JI, CDM and VCS projects. Before joining TÜV SÜD he worked as development engineer in the field of energy systems.

2.2 Review of Documents

The first PDD was submitted to the audit team in June 2010. This PDD version and additional background documents related to the project design and baseline were reviewed to verify the correctness, credibility, and interpretation of the presented information. As a further step of the validation process, information provided by the PP was cross-checked with information from other sources (if available). A complete list of all documents and proofs reviewed is attached as Annex 2 to this report.

2.3 Follow-up Interviews

On 19-22 July 2010, TÜV SÜD performed interviews with project stakeholders and physical site inspection to confirm relevant information, and to resolve issues identified in the first document review. The table below provides a list of all persons interviewed in this context.

Persons Interviewed:

Name	Organisation
Michele Pisetta	Ferrero
Geza Toth	Project Manager/Get Carbon
Lela Grasalia	Ministry of environment & natural resources
Kethevan Lataria	Ministry of environment & natural resources
Merab Chitanava	Lawyer of Agrigeorgia
Alessandro Bocardo	Head of Agrigeorgia
Nana Mazrishvili	Responsible for stakeholder survey implementation
Claudiu Dinu	Engineer/Ferrero
Dr. Davit Gwianidze	Associated Prof of Batumi State University
Francesco N. Tubiello	Chief of Science & Technology, Get Carbon

Martin Schröder and Martin Seitz went to Georgia for discussions with PPs and stakeholders and for physical site inspections to confirm relevant information and to resolve issues identified in the first document review. A detailed list of all persons interviewed during this process is provided in Annex 2

2.4 Cross-check

During the validation process the team made reference to available information related to similar reforestation projects. The documentation was also reviewed against the approved methodology applied to confirm the appropriateness of formulae and correctness of calculations.

2.5 Resolution of Clarification and Corrective Action Requests

The objective of this phase of the validation is to resolve the requests for corrective actions, clarifications, and any other outstanding issues which need to be clarified for TÜV SÜD`s conclusion on the project design. The CARs and CRs raised by TÜV SÜD are resolved during communication between the client and TÜV SÜD. To guarantee the transparency of the validation process the concerns raised and responses that were given are documented in more detail in the validation protocol in Annex 1.

The final PDD version submitted in December 2010 served as the basis for the final assessment presented. There were significant changes in the size of the project area.

2.6 Internal Quality Control

Internal quality control is the final step of the validation process and is conducted by the Certification Body (CB) “climate and energy” who checks the final documentation, which includes the validation report and annexes. The completion of the quality control indicates that each report submitted has been approved either by the head of the CB or the deputy. In projects where either the Head of the CB or his/her deputy is part of the assessment team, the approval is given by the one not serving on the project team. A reviewer appointed by the CB carried out the technical review.

After confirmation of the PP, the validation opinion and relevant documents are submitted to the CarbonFix Standard Organisation.

3 SUMMARY

The assessment work and the main results are described below. The reference documents indicated in this section and Annex 1 are listed in the Information Reference List (IRL) in Annex 2.

3.1 Approval by CFS Technical Board (Pre-validation)

The project was pre-validated by the Technical Board of the Carbon Fix Standard. The respective report was issued on 11 June 2010 (IRL 75).

3.2 Project design document

The PDD complies with the relevant form and guidance provided by CarbonFix. Version 3.0 of the PDD template was used. TÜV SÜD considers that the guidelines for the completion of the PDD in their most recent version were followed. Relevant information was provided by the participants in the applicable PDD sections. Completeness was assessed through the checklist included in Annex 1 of this report.

3.3 Project description

The following description of the project as per PDD was validated during the on-site audit:

The project area covers a total of 2401 ha in the western part of Georgia close to the city of Zugdidi. AgriGeorgia LLC, a daughter company of Ferrero SPA, purchased the land directly from the Government of Georgia.

2148 ha of eligible planting area have been afforested with hazelnut (Corylus avellana) plantations since project start in 1. May 2007. This area was deforested in the 1950s and intensively used as tea plantations during the soviet regime to the early 1990.

In absence of the project activity the land would have been subject to ongoing degradation due to anthropogenic pressure (over grazing, unsustainable cultivation practices and refuse dumping among others).

The information presented in the PDD on the technical design is consistent with the actual planning and implementation of the project activity as confirmed by:

- Review of data and information (see Annex 2), which was verified with other sources if available.
- An on-site visit was performed and relevant stakeholder and personnel with knowledge of the project were interviewed. If doubts arose, further investigations and additional interviews were conducted
- Finally, information related to similar reforestation projects were used (if available) to confirm the accuracy and completeness of the project description.

In conclusion, TÜV SÜD confirms that the project description, as included to the PDD, is sufficiently accurate and complete in order to comply with the requirements of the CarbonFix Standard.

3.4 Eligibility

The **project boundary** was assessed through physical site inspection based on maps, satellite images and digital boundary files (IRL 78) submitted to the audit team, as well as cross-references to aerial photographs (IRL 80).

The project area covers 2401 ha; it consists of 251 parcels, located in the district of Samegrelo in Western Georgia (IRL 86).
2148 ha are eligible planting area under the CarbonFix Standard, 253 ha are nature conservation area.
The boundary as defined in the field was found to be consistent with the indications in the PDD.
In the field, the boundary delineation was cross-checked by the audit team with GPS. The parcels afforested with Hazelnut were all fenced and therefore clearly marked and visible.
The most relevant documents assessed in order to confirm the project boundary are the following:

- Digital boundary files in a Geographic Information System (GIS) (IRL 78);
- High resolution satellite images (Landsat TM4 and TM5 images (1998) IKONOS (2001) (IRL 80);
- Field sheets including coordinates obtained from GPS point documenting the assessment of the audit team during the onsite visits (IRL 61);

The boundaries were validated during the validation process using standard audit techniques, details of all observations are presented in the Annex 1. TÜV SÜD confirms that the identified boundaries as documented in the PDD and attached documents are adequately defined for the project activity.

In regard to **eligibility of lands**, the project area fully complies with the requirements of the CarbonFix Standard. Among others, the assessment of the compliance was based on the following evidence:

- Analysis of high resolution aerial photograph from 2001 (IRL 80)
- Analysis of low resolution aerial photograph from 1987/89/91/98 (IRL 110)
- Stakeholder survey (IRL 4, 13, 14)
- Field assessment of the audit team (IRL 16).

No forest had been on the eligible planting area prior 10 years of the project commences, as documented in the analysis of high resolution aerial photograph from 2001 (IRL 80), of the low resolution Landsat images from 1987/89/91/98 (IRL 110), of the stakeholder survey (IRL 4, 13, 14) and of the field assessment of the audit team (IRL 16). These and additional relevant documents (IRL 5, 19, 21, 70, 71) were reviewed by the audit team. Vegetation at the time of the project start was assessed and characterized as mosaic of low productive grassland and abandoned tea plantations with a maximum height of woody vegetation of 0,8 m. According to the UNFCCC minimum forest threshold it does not qualify as forest. Georgia has not yet decided on a forest definition according to the UNFCCC. This assessment was reviewed by the audit team through a field visit of the project area. Based on the field assessment it was confirmed that no forest was on the eligible planting area at project start.

3.5 Additionality

The additionality of the project was presented in the PDD using following option 1: Evidence is given by an analysis according to the UNFCCC CDM guidelines:

Based on the aforementioned approach, TÜV SÜD confirms that the documentation provided is appropriate for this project. Further analysis of the additionality is summarized in the sections below (3.5.1 – 3.5.3).

In essence, the project is considered additional. The project area would have continued to degrade as the proposed project activity without the additional benefit of generating carbon credits is prevented by an investment barrier, socio-economic barrier and barrier due to prevailing practice. Early consideration of carbon credits prior to project start is proven by several documents (IRL 53, 60, 62, 79, 86) and assessed by the audit team.

3.5.1 Start date and prior consideration of the CDM

The project started on 1 May 2007 (IRL 86). The starting date of the project activity is determined by the service agreement with the local contractor to start with land preparation activities (IRL 60, 62). In order to confirm the starting date the assessment team reviewed these documents. The audit team furthermore visited planting and nature conservation areas during the onsite visit (IRL 61). The age and condition of the plantation was consistent with the records.

The carbon finance consideration prior to project start was documented through minutes of the FERRERO Board of Directors meeting, dated 3. May 2007. Although these official board meeting took place three days after official project start it can be assumed that carbon finance was also considered prior to project start. The document states that the Board of Directors agreed to the development of the Hazelnut Afforestation Project in combination with the development of carbon offsets. The project therefore complies with the requirement of prior carbon finance consideration.

3.5.2 Identifications of alternatives

Relevant alternatives (baseline scenario) were identified in the context of the additionality test:

(1) Continuation of the pre-project land use (continued degradation due to abandonment, slash and burn clearing, overgrazing and refuse dumping)

(2) Implantation of the Project without being registered under CFS (without benefits of the Carbon credits)

The presented alternatives include all plausible scenarios taking into account local and sectoral circumstances. Hence the list of alternatives is considered to be complete.

Based on the evidence provided and the discussion held with the project participants during the onsite visit, it is clear that the continuation of the current and historical land use is the most likely scenario in the absence of the project activity.

3.5.3 Barrier analysis

The PP had chosen the barrier analysis to demonstrate additionality. Three barriers, not specific to the PP, were identified that prevent the proposed project from being carried out without the benefits of the carbon credits:

1. Investment barrier: The PP demonstrated by an official letter from a bank (Bank Republic, IRL 24) that there is no depth funding or credit available in Georgia for this kind of project. Attracting foreign investment was difficult due to political instability resulting in armed conflicts in August 2008 (IRL 22, 23) and agricultural investments in Georgia were affected by high lending rates (IRL 111, 112, 113). AgriGeorgia managed to overcome this barrier by including a carbon finance component to reduce project risk and therefore convince FERRERO to provide funding for the project (IRL 73, 79). Relevant documents have been provided and were assessed by the audit team.
2. Socio-economic barrier: Georgia’s agricultural areas in the Samegrelo district are under high pressure of degradation due to improper agricultural practices, lack of technical knowledge and the vicinity to the conflict zone of Abkhazia (IRL 3, 18, 19, 20, 21, 22, 23,). This presents a high risk potential to large scale agricultural projects. The benefit of the carbon credits helps to overcome this potentially high risk (IRL 53, 54)
3. Barriers due to prevailing practice: The proposed project is the first of its kind. Although hazelnut cultivation is common in the region on small scale, the associated risks to large scale plantations are described among others as responsiveness of local workforce, adaptability of machinery and the unknown performance of newly introduced hazelnut cultivars. Spreading the risk due to carbon credits enables the establishment of the project (IRL 7, 20, 21, 86).

The result of this assessment shows that the barriers presented in the PDD are real. These barriers prevent the project activity from being implemented while it would not prevent at least the baseline of the project. This was confirmed based on the documentation review, interviews and local and sectoral expertise of the assessment team. The latter was e.g. confirmed by the interviewed stakeholders (IRL 1, 42).

3.5.4 Common practice analysis

The region for the common practice analysis was defined as the geographical area of the Samegrelo district in Western Georgia. The assessment team reviewed the approach presented in the PDD and can confirm that relevant parameters such as location, ecological conditions, economical situation, and development were taken into account in order to define the region (IRL 86). The chosen region has unique characteristics in regard to climate conditions and agri-

cultural structure. Therefore, the presented approach can be considered appropriate for the common practice analysis.

Other hazelnut plantations are present in the area as confirmed by the Deputy Governor of State representative (IRL 81). However these plantations show essential differences, as they are “limited exclusively to household-scale or small-scale orchards (typically less than a few ha”, as confirmed by the afore mentioned source (IRL 81).

Therefore, it can be confirmed that the proposed Carbon Fix activity is not a common practice in the defined region. At the contrary, the project contains many elements of a “first-of-its-kind” project as no indications was received by the audit team that other larger scale reforestation project comparable to the present project are in the region.

3.6 Forest Management

The plantation establishment and management of Nature Conservation Areas is adequately presented in the PDD. The planting area covers 2401 ha, the nature conservation area 253 ha (IRL 76, 82, 83, 84, 85, 86, 87). The description of management units and management of nature conservation areas is in compliance with the CarbonFix Standard as assessed in details in annex 1.

3.7 Environmental Aspects

The land use classes in the project area are described according to the requirements of the CFS. CarbonFix requirements regarding environmental aspects are described appropriately in the PDD, as presented in annex 1.

Documents including a biodiversity study conducted by a local expert are analysing environmental impacts according to the requirements of the CarbonFix Standard (IRL 28, 29, 30, 77, 82, 83). Activities for mitigation of identified negative impacts are described in the PDD and in Standard Operating Procedures (IRL 86, 88, 89, 84, 85). Red List Species were identified only in the nature conservation areas. The assessment team carried out a document review of the information presented. In essence, the audit team concluded that by mitigating the negative impacts net positive environmental impacts are expected. This conclusion was also sustained by the results of the field visit of the audit team.

3.8 Socioeconomic Aspects

The PP undertook an analysis of socio-economic impacts according to the requirements of the CarbonFix Standard. The socio-economic aspects of the projects are appropriately presented in the PDD. Details are assessed in annex 1.

The assessment team carried out a document review of the information presented (IRL 4, 10, 11, 12, 13, 14, 31, 32, 33, 34, 35, 36, 55, 56, 57, 91, 93, 94). In essence, the audit team concluded that when mitigation of identified negative impacts is implemented net positive socio-economic impacts are expected. This conclusion was also sustained by the results of the field visit of the audit team as well as mainly positive comments on the project by the consulted stakeholders.

Standard Operating Procedures have been developed in compliance with CFS in order to assure compliance with socio-economic aspects (IRL 90, 92, 95, 100)

3.9 Future CO_2-Fixation

3.9.1 Net anthropogenic greenhouse gas removals by sinks

The future CO_2-Fixation is calculated in compliance with the CarbonFix Standard as detailed in annex 1.

The future CO_2-Fixation is based on the one stratum described in the PDD (IRL 96). The input parameters (Multi-Stem-Factor (MSF = 1.66 (IRL 38), Wood Density (0.57 (IRL 37)), Carbon Fraction (0.5) and Root-to-Shoot ratio (0.3)) is presented in the PDD (IRL 86, 96). The audit team assessed the sources for this input parameter, the justification of the newly developed growth model (IRL 38) and confirms that the values chosen are conservative and based on available scientific data.

The estimates on the expected anthropogenic removals which are likely to be achieved by the envisioned afforestation under the project scenario are based on growth estimates from scientific publications (IRL37, 38, 40, 41, 96, 98).

Total net anthropogenic removals of 550’272t CO_2-e are expected (IRL 96) according to the CarbonFix calculations. The actual calculations of future CO_2-Fixation are compiled automatically by CarbonFix Standard software and additionally provided as an excel sheet (IRL 96). TÜV SÜD confirms that all input parameter are based on scientific literature, conservative and in compliance with CarbonFix requirements.

As per calculation of CarbonFix, the final amounts of ex-ante $VER_{futures}$ generated are 385’190 taking the 30% CarbonFix buffer (165,082 t CO_2) into account.

3.9.2 Project emissions

Project emissions are calculated automatically by the CarbonFix software (default of 0.5% of future CO_2 fixation for fossil fuel emissions). In addition an excel sheet is provided with all relevant calculations (IRL 96).

Further, the automatic calculations of VERs by Carbon Fix deduct 0.005 t CO_2 per kg of nitrogen contained in fertilizer used in the project. The estimated amount of fertilizer to be used in the project is presented in the PDD (IRL 88). In accordance to the CarbonFix Standard no further sources of emissions are considered.

3.10 Baseline stocks and greenhouse gas removals by sinks

Only one baseline strata is determined for the project area, which is considered acceptable under the homogenous conditions of the project area as documented through the land use and eligibility assessment (degraded tea plantation with a mixture of 30% grassland and 70% teabushes).

Baseline stocks were calculated by estimating the biomass in reference to similar vegetation, based on studies of biomass in healthy tea plantations in neighbouring Turky (IRL 42, 43, 44) and studies of above ground biomass of shrubland in southern Spain (IRL 41). A value of 10 t DM/ha was determined. For the calculations a carbon fraction of 0.5 and a Root-to-Shoot of 0.8 were assumed (CFS-values) and a value of 33 t CO_2/ha computed. The choice of data sources is considered adequate.

Baseline carbon stocks were discounted in the overall calculations of net anthropogenic removals. As required by the CarbonFix Standard baseline GHG removal does not have to be considered.

In summary the calculation of the baseline stocks and GHG removals are considered correct.

3.11 Leakage

Potentially relevant sources of leakage in this project are collection of firewood and displacement of livestock grazing. No other sources of leakage as per Carbon Fix methodology is likely to occur.

Leakage due to firewood collection of deadwood only has been set 0 according to CFS (IRL 45). Livestock assessments have been carried out (IRL 46, 97) resulting in conservatively calculated (IRL 47, 96) and up rounded value of 1 tCO_2/ha. Respective evidence was reviewed and confirmed by the audit team (IRL 1).

3.12 Capacity

3.12.1 Management capacity

The PP presented the management capacity of the project in the PDD (IRL 86). The assessment team carried out a document review of the information presented (IRL 48, 49, 64, 65, 66, 99, 105). In essence, the audit team concluded that the management capacity is in compliance with the requirements of the CarbonFix Standard (see annex 1). This conclusion was also sustained by the results of the field visit and respective interviews of the audit team (IRL 1).

3.12.2 Financial capacity

The financial capacity of the project is described in the PDD and further supportive references and evidences were provided to the audit team (IRL 67, 79, 105). The assessment team carried out a document review of the information presented. In essence, the audit team concluded that the management financial is in compliance with the requirements of the CarbonFix Standard (see annex 1). This conclusion was also sustained by the results of the field visit and interviews carried out by the audit team with relevant stakeholders (IRL 1).

3.12.3 Technical capacity

The technical capacity of the project is presented in the PDD (IRL 86) and in Standard Operating Procedures (IRL 84, 85). The assessment team carried out a document review of the information presented. In essence, the audit team concluded that the technical capacity is in compliance with the requirements of the CarbonFix Standard (see annex 1). This conclusion was also sustained by the results of the field visit and respective interviews of the audit team (IRL 1).

3.12.4 Protective capacity

The PP presented the protective capacity of the project in the PDD (IRL 86, 100) and in Standard Operating Procedures (IRL 102, 103). The assessment team carried out a document review of the information presented. In essence, the audit team concluded that the protective capacity is in compliance with the requirements of the CarbonFix Standard (see annex 1). This conclusion was also sustained by the results of the field visit and respective interviews of the audit team (IRL 1).

3.13 Secure Land Tenure

It is confirmed that at time of validation the company “AgriGeorgia LLC” is the owner of the project area (IRL 50, 51, 58, 59, 69, 107, 108, 109) AgriGeorgia is a 100% subsidiary company of FERRERO TRADING LUX and therefore of FERRERO SPA. Respective evidences (IRL 105) were reviewed by the audit team.

The corresponding documentation was reviewed, considered authentic and in compliance with Carbon Fix requirements (see annex 1).

3.14 Monitoring plan

No monitoring plan and sampling design is required by the CarbonFix Standard version 3.0 at the time of validation. Future inventories shall be carried out according to the CarbonFix Inventory Guideline.

4 VALIDATION OPINION

TÜV SÜD performed a validation of the following proposed CarbonFix project activity “Afforestation with Hazelnut Plantations in Western Georgia”.

Standard auditing techniques have been used for the validation of the project. A methodology-specific protocol for the project has been prepared to conduct the audit in a transparent and comprehensive manner.

The review of the project design documentation, subsequent follow-up interviews, and further verification of references have provided TÜV SÜD with sufficient evidence to determine the fulfilment of stated criteria in the protocol. In the opinion of TÜV SÜD, the project meets all relevant CarbonFix Standard requirements if the underlying assumptions do not change. TÜV SÜD recommends the project for registration by the CarbonFix Standard organisation.

An analysis, as provided by the applied methodology, demonstrates that the proposed project activity is not a likely baseline scenario. GHG removals attributable to the project are additional to any that would occur in the absence of the project activity. Given that the project is implemented as designed, the project is likely to achieve the estimated amount of GHG removals as specified in the final PDD version.

The validation is based on the information made available to TÜV SÜD, as well as the engagement conditions detailed in this report. The single purpose of this report is its use during the registration process as part of the CarbonFix project cycle. TÜV SÜD cannot be held liable by any party for decisions made, or not made, based on the validation opinion beyond this purpose.

Munich, 28 January 2011

Thomas Kleiser
Certification Body “climate and energy”
TÜV SÜD Industrie Service GmbH

Munich, 28 January 2011

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Table 1: Requirement Checklist of the CarbonFix Standard, Version 3.0

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
A. Preconditions				
1. Eligibility				
1.1. Is a description of the historical and current situation of the project area given for the last 50 years and does it include the development of its socioeconomic settings, its change of land use and change of property rights?	2,3,4,13,14,19,20,21,22,23	The project area had been used for tea plantations until 1990 and then been abandoned. The land was property to the Georgian government; however there were no clear rights for common use by local populations, leading to degradation of the land. AgriGeorgia started purchasing the project area from the Georgian government since 2007.	☑	☑
1.2. Is evidence given about the date of project start? Planting area is only eligible, if the land: a. Has not been forest within the last 10 years prior to project start OR Evidence is given that absolutely no relation of the project stakeholders to the cause of deforestation exists (e.g. that the forest destruction was caused by force majeure) b. Is planted with trees c. Is planted with trees that will create a forest Is evidence given on above mentioned issues, for 1.2.a by the interpretation of satellite images, aerial photographs, official maps or land use records?	2, 3, 4, 13, 14, 15, 16, 17, 37, 61, 62, 76	Starting day of the Project is 01 May 2007. This is the date of the start of planting activities. This date has been proven by a Service Agreement issued on 30 April 2007 between Agrigeorgia LTD and Agroservice 2007 LTD. It includes land preparation activities to be executed from first week of May 2007 onwards. a. Eligible planting areas are degraded tea - plantations left abandoned since 1990. Presently they are partly used by farmers for very extensive cattle grazing. The present woody vegetation does not extend the height of 0.8 m. The forest was cut down in the 1950s for establishment of the tea-plantations. This is demonstrated by • Detailed Ikonos satellite photographs, dated 2001 • Landsat images dated 1987/89/91/98 • Stakeholder survey During the onsite visit areas with patches of forest cover (nature Conservation Area) and buildings were found in the eligible planting area. Therefore a reassessment of the Project area had to be carried out. The reassessment of eligible planting area and nature conservation	**CAR 1** **CR1** **CR 2**	☑

Ref. = Reference as included to Information Reference List; MoV = Means of verification (Document Review: DR; Interview: IV; Field visit: FV)

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CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		areas has been carried out, differences in size recalculated and chances documented (IRL 76). Project area: 2401ha, eligible planting area: 2148ha, all of it already planted with trees. During the field visit no indications could be found that areas already planted with hazelnut had been forest within the last 10 years. High resolution Ikonos Images dating before 1. May 1997 are not available but due to stakeholder information, historic use of the area and the onsite inspection of the audit team sufficient evidence of eligibility of the project area is provided. The Landsat images/maps were provided by APLR (Tbilisi) that also checked on eligibility. b. The species planted is Corylus avellana (Hazelnut), which qualifies as a tree according to CFS, because of a main tree trunk that increases its circumference due to secondary growth (University of Padova, IRL 37) c. The project activity is to establish a Hazelnut plantation on 2,539 ha. 667 trees will be planted per ha in a 3 x 5 m spacing. This should lead to a crown cover of more than 30%. Expected height of the trees is 3 m and higher. The Georgian DNA has not yet decided on a forest definition according to UNFCCC. Therefore the project opted to meet the minimum UNFCCC definition of forest which is: Crown cover >10 % Height > 2 m Area > 0.05 ha		

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CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		Corrective Action Request 1. **Site visit has shown that some smaller forest patches, a plantation base and a privately used agricultural plot have been included as eligible planting area.** **Further needs to be clarified what area has already been planted with trees. Only this area is eligible.** **Area needs to be adapted.** **Clarification Request 1.** **Confirmation of date of Ikonos/Landsat images has to be given. Provide geo-referenced high resolution images as overlay with the updated files of project boundary.** **Clarification Request 2.** **Host party has not yet issued a forest definition. Justify the use of the current forest definition and compliance with the CarbonFix Standard.**		
1.3. Planting area is not eligible, if the land: a. Was deforested to generate CO2-certificates b. Is wetland c. Is situated on ground that is permafrost d. Is agriculture farming land and threatens the local production on staple food with its conversion to forest. Is evidence provided on these issues?	2, 3, 4, 5, 13, 14, 16, 17, 61, 70, 78	a. The eligible planting area was deforested in the 1940ties under the soviet regime and thereafter intensive used as tea plantations till 1990. Since 1990 these lands are abandoned, as shown in the stakeholder survey (IRL 13). Land was not deforested to create CO_2-Certificates, as proven in the stakeholder survey and on satellite images (ILR 4, 13, 80, 110). The project area does not contain any wetland as proven by soil maps (IRL 70) and the land use classes (IRL 78). b. Project area is not permafrost as shown in soil maps and by climate diagrams for the region. c. Land was used for tea production that did not contribute to staple food. The project area before project start was	☑	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		abandoned land and state owned property. It was only partly used for grazing and some minor agricultural activities by nearby villagers. There are small scale agricultural sites around houses used for staple food production and there are still enough abandoned areas that could be used for food production. Interviews held with local farmers confirmed stakeholder survey data that local population is not in need of project land for staple food production.		
1.4. Is evidence given that in case of any agricultural of silvo-pasture activities taking place on the project area, they contribute to the aim of creating a forest.	2,	The project will establish a hazelnut plantation for the use of the nut and possible in future to produce wood pellets. No silvo-pastural system is planned.	☑	☑
1.5. Is evidence given that the project activity will not lead to a long term increase of emissions within the carbon pool ‘soil’?	2, 49, 62	By using the CDM tool “Procedure to determine when accounting of the soil organic carbon pool may be conservatively neglected in CDM A/R project activities” (EB 33 Annex 15), the project developer demonstrates, that the project activity will not lead to a long term increase of emissions within the soil carbon pool. • Project areas do not include organic soil nor wetlands • There is removal of vegetation from project area during preparation, especially the rootstocks of the tea plants. • Initial soil preparation leads to disturbance on surface soil layer of a depth of 40cm of nearly 100% of the eligible planting area. It is argued, that soil carbon emissions will not lead to an increase over baseline level within the next five years due to the baseline scenario of continued land degradation with increased carbon losses created by grazing, soil erosion, burning, and other anthropogenic pressure, but it is further evidence required on these issue. Contrary the project activity will increase soil organic carbon by increase of vegetation inputs to the soil and	**CR 3**	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		stopping degradation activities. • Plowing activities during land preparation follow the land contours • Fine litter (leaves, barks, etc.) will be left on the project area. **<u>Clarification Request 3.</u>** **Impact of land preparation on soil carbon in abidance with standard compliance needs to be further sustained.**		
2. Additionality				
Option 1.				
2.1. Is evidence given by an analysis according to the UNFCCC guidelines?	2, 17, 21, 22, 23, 24, 51, 53, 58, 59, 61, 79,73, 80, 81,	The “Tool for Demonstration and Assessment of Additionality in A/R CDM Project Activities” VS 02 CDM EB 35, Annex 17. Applicability: a. There is not any law that would prevent forestation of the project area as confirmed by an interview with chief of the regional department of the ministry. Indeed it is mentioned in the contract of purchase of land with the Government of Georgia, Agrigeorgia has to establish hazelnut plantations within a certain time on the purchased land. b. The project is not a small scale-afforestation project, as it is not developed or implemented by low income communities. Step 0: preliminary screening Starting date of the Project is 1 May 2007. Minutes of a meeting from 18 Apr 2007 were provided to	**CR 4** **CR 5** **CAR 2** **CAR 3**	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		the audit team during onsite visit that mention the consideration of carbon credits. Due to same carbon aspect there was e-mail correspondence with Ferrero energy department and a article of agreement for Agrigeorgia mentioned to the DOE. **<u>Clarification Request 4.</u>** **Provide further evidence to prove that carbon credits were seriously considered before project start.** Step 1. Substep 1a. Six land use scenarios are considered: 1. Continuation of pre project land use 2. Implementation of the project without the afforestation project in compliance with CFS requirements 3. Natural forestation of at least a part of the land within the project boundary of the proposed afforestation project 4. Plantation of trees other than hazelnut (perennial species, mainly fruits) by private sector having higher carbon sequestration potential 5. Land use by local communities for agriculture 6. Land use by private sector for intensive agriculture Only scenario 1 and 2 are to be considered credible. Substep 1b. 1. Continuation of pre project land use 2. Implementation of the project without the afforestation project in compliance with CFS requirements		

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		Step 3, Barrier analysis Following barriers were identified: 1. Investment barrier: according to the PDD there is no possibility to obtain financial support neither internationally nor nationally due to low IRR in agric investments in Georgia. This is demonstrated by a letter of Bank Republic in Tbilisi. According to Agrigeorgia the IRR for the project is very low. Therefore the Project could only be established with the strong financial backup by Ferrero Spa. 2. Socio-economic barrier: Samegrelos agricultural areas are under a high pressure of degradation due to improper agricultural practices, lack of knowledge, close distance to the conflict zone of Abkhazia. This is a risk for investments in large scale agricultural projects. 3. Barriers due to prevailing practices: The proposed project is the first of its kind in Georgia. Hazelnut cultivation is common in the region but only in a very small scale (rarely bigger than 2 ha). Associated risks among others are described as responsiveness of local workforce, adaptability of machinery and unknown performance of newly introduced hazelnut cultivars under local growing conditions. This prevents projects of being implemented without spreading the risks due to carbon credits. **Corrective Action Request 2.** **Provide evidence sustaining the prohibitive character of a barrier or exclude it.** **Barriers on continued grazing to be included in the PDD**		

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CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		Step 4. Common Practice analysis There is no forestation activity similar in similar scale in the geographical region. **Clarification Request 5.** **Provide official information / evidence of afforestation rates within the region (common practice).** There was confirmation given in the interview that there are no afforestation projects in similar scale in the region. Further evidence is needed by an official statement from the authorities. To fortify additionality the audit team had a phone conference with Alessandro Bocardo from Ferrero SPA in Italy who is responsible for financial analysis. **Corrective Action Request 3.** **Provide evidence for the input parameter and the actual calculations of the investment analysis leading to the decisions for carbon credits:** • **Provide the actual calculations from 2007 including specification on costs for land preparation, fencing and machinery. Furthermore evidence on capital and loan from Ferrero and consistence of 30 years calculation with project implementation timeframe. Impact of carbon finance on IRR to be demonstrated.** • **The CDM “Guidelines on the Assessment of Investment Analysis” (EB 51, Annex 58) shall be followed. In case a benchmark analysis is carried out provide evidence for the benchmark as well as the**		

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		IRR calculation and evidence for all relevant input parameters.		
2.2. Option 2. Is evidence given by: a) An official statement of the bank which states that the project would not be feasible without the additional financial means from the sale of CO2-certificates + b) Evidence that no similar project without CO2-certificates is being implemented in the surrounding areas + c) Evidence, that the project was planned from the beginning (even before project start)with the aim of generating CO2-certificates + d) An official statement from a state authority that the planned project is mandatory by any law or legislation OR If it is mandatory, by evidence that these laws or regulations are not systematically enforced.		Not applicable.		
2.3. Is a description about the most likely without-project-scenario of the project area given?	2, 4, 61	The most likely without-project-scenario of the project area is the continuation of the pre project land use. This means that the land will be object to further degradation. Existing abandoned tea plantations will be destroyed and natural tree regeneration is not expected to occur due to grazing, firewood collection and burning. The land will furthermore be used as refuse dump.	☑	☑
2.4. Is evidence given that the most likely without- project-scenario would not lead to an increase of woody biomass on the eligible planting areas?	2, 4, 14, 61	Natural regeneration was not being observed during onsite visit on planting areas and on similar areas in the surrounding due to serious land degradation, intensive grazing activities, illegal fire wood collection and burning of bushes. There is no governmental or private policy to afforest the land other than very small scale activities or to protect the	☑	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		land from the above described use. The without- project-scenario would not lead to an increase of woody biomass on the eligible planting areas. Evidence is given due to comments in the stakeholder survey by photo documentation and during the onsite visit. In an interview with members of the Department of agriculture /Ministry of Environment it was confirmed that there are no other afforestation projects in similar scale in the region; only private small scale activities are observed.		
2.5. Is evidence given that the project contributes to a more sustainable development than the most likely without-project-scenario in short- mid and long term?				
Short-term (1-2 years)	2, 4, 14, 18, 61, 63	There will be rehabilitation of infrastructure such as roads used also by the local population. Job opportunities and thus income in the region will be created. Already the project employs over 150 persons permanently and up to 600 temporarily. Improvement of biodiversity is created by rehabilitation and establishment of buffers along waterways and by forests managed as nature conservation areas. On abandoned land degradation is mitigated due to development activities. There is on job training and sharing of know-how with local population Clearing up tank mines and bombs contributes immediately to safety of the population	☑	☑
Mid-term (2-5 Years)	2, 14, 61,	The plantation will be established by a team of professional technicians and agronomists insuring environmental sustainable development. Soil management and anti erosion techniques will be implemented. Development of infrastructure and socio-economic im-	☑	☑

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CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		provements in the surrounding communities will continue.		
Long-term (>5 years)	2, 14, 63	Several 100 local persons will be employed as agricultural, management and office workers, as shown in the (IRL 63). Technology transfer is stated as a significant long term sustainability element. This includes among others promotion of local hazelnut varieties, advanced production and land preparation techniques as well as land management and planting methods and new harvesting techniques. Students from university are involved in the project with research studies on biomass production and CO_2 sequestration and students from local schools are planned to become involved in several development activities. There is also significant interest in expanding the project model and its carbon and environmental benefits to larger areas as well as in other community based development activities. Introduction of marketing elements in connection to the products supply and demand dynamics are expected to contribute to a sustainable economic development in the Samegrelo region.	☑	☑
3. Forest Management				
3.1. Are the project´s silvicultural objectives described clearly?	2, 49, 61	The owner established a sustainable long term production of Hazelnut for the cash crop market on the eligible planting area. This is done by an even aged, monoculture hazelnut plantation. Planting will be done in autumn with a planting spacing of 5x3 m i.e. a density of 667 trees/ha. Weed and sucker control will be done during plantation establishment. Expected lifetime of the plantation-trees is 45 – 55 years. Trees will be harvested selectively in respect of productivity and replaced within this 10 years period. A sustainable CO_2 sequestration on eligible areas and con-	**CAR 4**	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		servation of biodiversity in buffers and NCAs are further objectives as well as the improvement of the economical situation of the surrounding villages. A management plan for the NCAs inclining buffers does not exist. Windbreakers with one row of one species (Populus) cannot be included in the NCA as it is not a natural ecosystem. **<u>Corrective Action Request 4.</u>** **Provide further details about silvicultural objectives in nature conservation areas und buffers.** **Standard operating Procedure (SOP) on forest management shall be elaborated and provided to the audit team.**		
3.2. Are the borders of the project area, planting area, (eligible and non-eligible) management units and nature conservation area clearly defined and visible in the field?	2, 16, 17, 61, 76, 77, 82, 83	Borders between eligible planting area and nature conservation area are defined with coordinates and visible on maps generated from GIS analysis. Fences clearly mark the borders between planting areas, management units and nature conservation areas. However the audit team found during the field visit that some NCAs and areas for houses/ buildings are included in the area of eligible planting area on the maps. The borders of buffers along water bodies and rivers are not clearly defined in the field and some do not match the 15m requirement of CFS. All areas were reassessed and buffers implemented were needed. **<u>Corrective Action Request 5.</u>** **Inconsistence of field conditions with GIS data was detected. Water bodies and nature conservation areas need to be redefined and implementation of buffers needs to be assured. Exclude construction sites and**	**CAR 5**	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		NCA from eligible planting area.		
3.3. Is a detailed description of the following tree characteristics given: a. Origin and distribution of the tree species including indication native or not. b. Provenance of seeds c. Main purpose, use of trees d. Possible pests und insects e. Time, when forest products are foreseen to be used?	2, 25, 34, 37, 49, 61,	a. On the eligible planting area only the species corylus avellana is planted. 50 % of the saplings are cultivars from Italy and indicated as not native while 50 % are cultivars from Georgia and indicated as native. Note: species of corylus avellana is native to Georgia b. 50% of the seeds are from Italy, 50% from Georgia. c. The main use is the agricultural cash crop production of hazelnut, further trees are used carbon sequestration and brunches will be most likely used for pellet production in the future. d. There is a detailed description of possible pests. e. Hazelnut crops will be harvested annually, the timber after 45-50 years. Pruning is planned to be done on a yearly base.	☑	☑
3.4. Is sufficient evidence given that 10% of the project area is managed as nature conservation area?	2, 16, 17, 61, 76,77,	The total project area is 2401 ha. Nature conservation area is 253 ha, which is 10,6% and therefore in compliance with the standard. Information is provided by analysis of satellite images. Nature conservation areas split in: • 212 ha are existing natural forests in Akhali Kibula and Veditkari sites, • 8 ha added up from 15 m buffer zones along temporary and permanent water courses within the plantation • 10,5 ha are added up by specially designed wind breaker lines with a crown cover of 3-5m (min 3 m), providing ecosystem corridors along management units (lengths: 35 km). As already mentioned above, newly planted windbreakers as seen during the onsite visit cannot be include to the NCA as there is no conformity with CFS. Therefore a reassessment of the areas has to be done.		☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		During reassessment all windbreakers were taken out of NCA. In lieu thereof 34 ha of abandoned tea and grassland was added as NCA, being managed by succession and natural regeneration. **See CAR 5 and CAR 6**		
3.5. Is the defined nature conservation area protected or managed in a way that for the area typical natural ecosystems are established or reestablished?	2, 16, 17, 61, 76, 77, 84,	1. Existing forests will be protected to enhance natural regeneration in order to maintain the existing natural ecosystem, 2. Along watercourses in the buffers the existing vegetation will be protected and eventually enrichment planting with native tree species executed, 3. In abandoned tea plantations and low productive grasslands natural regeneration and succession will slowly transform these into the local natural ecosystem. The NCAs will be frequently monitored. None of the above mentioned actions have been implemented at the time of the onsite visit. The CFS defines natural ecosystem as “a unit of plants, animals, water and soil which would have occurred in case of no human intervention.” **<u>Corrective Action Request 6.</u>** **NCR needs to be revised. Include a management plan for the NCAs and explain in detail conformity with CFS requirements. Windbreakers considered NCA do not comply with the requirements of natural ecosystem and have to be excluded.**	**CAR 6**	☑
3.6. Are key figures on the following parameters provided? a. Project area b. Foreseen planting area c. Eligible area within the foreseen planting area d. Nature conservation area	2, 16, 17, 61,	There is a table that describes the sizes in ha of the mentioned parameters in the four different project sites. The number of management units per site is also stated.	**CAR 7**	☑

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<table>
<tr><th>CHECKLIST QUESTION</th><th>Ref.</th><th>COMMENTS</th><th>Draft Concl</th><th>Final Concl</th></tr>
<tr><td></td><td></td><td><u>Corrective Action Request 7.</u>
Correct table in section 3.6 line c: percentage on b. not on a. and revise table due to changes in project area.
Indicate in detail (for each parcel) which areas are already planted.</td><td></td><td></td></tr>
<tr><td>3.7. Is information answering on the following questions submitted through the ClimateProjects websystem for each management unit:
• When did the planting start?
• What tree species were planted?
• How large is the planting area?
• How large is the eligible planting area?</td><td>2, 76, 78, 85, 86,</td><td>There is no detailed list for every management unit submitted according to the CFS requirements.

<u>Corrective Action Request 8.</u>
Submit required information for forest management according to CFS. Information shall be management units specific.
See also CAR 5</td><td>CAR 8</td><td>☑</td></tr>
<tr><td>4. Environmental aspects</td><td></td><td></td><td></td><td></td></tr>
<tr><td>4.1. Is there a description of the different land use classes of the project area give and is this documented by pictures? In case significantly different land use classes are bordering the project area: are they also described?</td><td>2, 61, 76, 80, 86</td><td>There is a detailed description about the eligible planting area is given. In a table the land use classes, their size and whether they are eligible or not are itemized as follows:
<table>
<tr><th>Land use class</th><th>eligibility</th><th>size</th><th>pictures</th></tr>
<tr><td>Natural forest</td><td>Non eligible</td><td>212 ha</td><td>yes</td></tr>
<tr><td>Mixed tea (abandoned bush) and grassland</td><td>eligible</td><td>2,148 ha</td><td>yes</td></tr>
<tr><td>Buffer area along water</td><td>Non eligible</td><td>8 ha</td><td>yes</td></tr>
<tr><td>abandoned tea/Grassland</td><td>Non eligible</td><td>34 ha</td><td>yes</td></tr>
<tr><td>Wetland</td><td>Non eligible</td><td>0 ha</td><td>no</td></tr>
</table>
There is no description about areas bordering the project area.
Table has to be revised. See CARs above.</td><td></td><td>☑</td></tr>
</table>

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
4.2. Is there evidence given, that the project has net-positive ecological impact on soil, water, biodiversity and climate? Is described how positive and negative impacts on these aspects are handled?	2, 5, 7, 50, 61, 70, 71, 77, 86		**CAR 9**	☑
• Soil – nutrients and erosion		The three dominant soils are described as: • Subtropical Podzols • Yellow Podzolised soils • Alluvial Acid soils (dominant on abandoned tea plantations. Furthermore: • Subtropical Gley – Podzols • Yellow soils • Subtropical Orstein Podzols occur on peripheral plantation areas and nature conservation areas. Most podzol soils in Georgia are poor soils for cereals due to relatively high sandy fraction. A detailed digital actual soil map of the project area is provided. Soil condition will be enhanced by: • Mitigating soil erosion processes due to elimination of burning and grazing activities and in addition increasing of soil water retention capacity by the root system of trees, the natural grass cover in-between plantation lines and the reduction of existing drainage channels • Halting of compaction due to grazing activities • Halting of soil pollution due to illegal waste dumping • Improving soil fertility naturally by deposition of vegetation dry matter on surface and root exudates and by management via use of fertilizers in a sustainable manner Identified negative or potential negative aspects:		

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		Soil disturbances will occur during plantation establishment activities due to deep plowing. After plantation establishment no plowing will be carried out and grass cover in-between planting rows will protect the soil. Other plantation management operations such as spraying, pruning and harvesting may have negative effect by soil compaction and disturbance. These operations will be carried out mainly by hand or by using light weight machinery. Harvesting and pruning will be done once a year. Spraying with water guns and occasionally spraying with leave fertilizers will only be carried out from an inner network a roads.		
• Water – quality and quantity		The project activity will have several positive aspects on water resources: Implementation of the forest plantation, windbreakers and buffers alongside waterways will lead to a reduction of water runoff, as the soil will be able to retain more water. In addition project activities will end anthropogenic activities on project sites relating to soil erosion and waste dumping. This will significantly improve the quality of water runoff from plantation sites and its negative impact on water streams. Further, the project owner is working together with local authorities to establish official dumping sites in the region that will also help to reduce polluted runoff. Due to sufficient precipitation (1800mm) in the project region there will no irrigation be needed and therefore no negative impacts on water quantity can be found. Possible negative impacts: It is recognized that intensive use of fertilizers and herbicides can have a negative impact on water quality. Therefore the project will limit the use of fertilizer and herbicides		

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		and closes to us environmental friendly products. Foliar applications will be preferred to limit impact of runoff.		
• Biodiversity – flora and fauna		Eligible planting areas have been subject to degradation and abandonment for the last 20 years (IRL 77). This is caused by uncontrolled anthropogenic pressure such as burning, deforestation, waste dumping and related pollution. Flora: A list of reduced or extinguished grass species is provided. Fauna: The above mentioned anthropogenic pressure resulted in a poor fauna. Next to domestic animals like cows, pigs and water-buffalos, a variety of other mammals, amphibians, reptiles, birds and insects are found. A list of it is provided in the PDD. Positive aspects of the project implementation are: • Re-establishment on permanent forest cover on project area will improve habitats of flora and fauna. Fencing, will only affect grazing animals and wild boar • Halting pre-project anthropogenic use on land and water like grazing, burning, deforestation, refuse dumping. • Rehabilitation and conservation management in the nature conservation areas of the project including buffer zones as eco corridors will improve biodiversity. Negative aspects on Flora + Fauna and how they will be mitigated: • Hazelnut specific insects and pests might occur in nurseries and on plantation side due to monocultural stands. Mitigation is done by spreading risk over 13 different cultivars and the establishment of the buffers and windbreakers.		

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		• Herbicide Roundup (glyphosat) will mainly be used periodically on roads outside project area. Use of Roundup was discovered to clean strips for windbreakers. • Spraying with herbicides and pesticides is not foreseen on plantation sides. Monoculture plantation will most likely have a negative aspect on biodiversity. This is not described adequately. **Corrective Action Request 9.** **Demonstrate whether there is a net positive impact on** • **Soil** • **Water** • **Biodiversity**		
• Climate – temperature and rain		The replacement of degraded agricultural land by forest vegetation cover is supposed to improve atmospheric functions over the project area. No negative aspects on climate are identified.	☑	☑
4.3. Are all endangered and critically endangered species of the IUCN Red List within the project area identified and is evidence given that appropriate activities are put into place to protect these?	2, 14, 30, 77,84, 86	According to the PDD there are potential only two endangered plant species in the lowlands of Samegrelo. V. vinifera L. can be found in Samegrelo forests H. mantegazzianum can be found on forest margins and river banks. Due to the fact that existing forests are conserved within project area and buffer zones line waterways and rivers, appropriate protection is assured. There is no detailed list of identified red list species. **Corrective Action Request 10.** **Please provide evidence to the audit team on how red list species were identified in the project area and what kind of measures are taken to protect these.**	**CAR 10**	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
4.4. Is evidence given that use of chemical products is minimized in application?	2, 61, 86, 88, 89	No herbicides and insecticides are supposed to be used on planted areas. As mentioned above, use of Roundup was detected on windbreaker lines. **<u>Corrective Action Request 11.</u>** **Define for procedures for the use of chemicals include indications of how requirements of 4.4 – 4.7 are covered and how this is implemented. Provide respective documents to the audit team.**	**CAR 11**	☑
4.5. Is evidence given that application of chemical products is documented?	2, 61, 86, 89	Any use of herbicide and insecticide will be documented through the bookkeeping of the project owner.		☑
4.6. Is evidence given that sufficient training and appropriate equipment is provided when chemicals are used to minimize environmental impacts?	2, 61, 86, 89	Until an internal work code is developed for the project, an international work code accepted by EU is presently in use. It includes safety and training requirements for workers. Spraying equipment is imported and complies with EU safety regulations. During the onsite visit a list of workers that are allowed using chemicals was provided. These workers had received a special training.		☑
4.7. Is evidence given that waste is disposed in environmentally appropriate way?	2, 86	The project owner is collaborating with the local government to close down illegal refuse dumps and establish a suitable landfill on land provided by the project owner. For project level, waste is separated into biodegradable and non biodegradable. Biodegradable waste will be disposed in project owned compost sites that will be established in the near future. Meanwhile some pruning material is interred on plantation side. It is also planned on the long term to establish a biomass pellet production and a small biogas plant in collaboration with the local government.		☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		Non degradable waste is supposed to be disposed of into the official waste disposal areas.		
4.8. Is evidence provided that 15 meter wide buffer strips along permanent or temporary water courses (streams, rivers, wetlands) are implemented. There buffer strips must be ○ part of the nature conservation area OR ○ managed according ’06 CO_2-fixation –option 1b) conservation forest’?	2, 16, 17, 61, 69, 77, 76, 78, 80, 83, 82, 84, 86,	During onsite visit it was not always clear what is a watercourse and what is a drainage channel. The implementations of the 15 meter wide buffers alongside watercourses therefore were not always that clear and the 15m distance not always reached. Permanent and temporary watercourses must be clearly defined on the maps. A reassessment of the buffers has to be done, hazelnut plants planted within the buffer to be removed as mentioned before. Buffers are part of nature conservation areas. **<u>Corrective Action Request 12.</u>** **Establish/reestablish buffers along watercourses according to CFS.**	**CAR 12**	☑
○ Is evidence provided, that only native tree species are planted in these buffers?	2, 86, 84	There is a list provided in 3.10. describing the species to be planted in these buffer zones as native. **<u>Clarification Request 6.</u>** **Provide evidence, that tree species used for planting in the buffers are native.**	**CR 6**	☑
4.9. Is evidence given that no flooding irrigation, regular irrigation or drainage is introduced on the project side?	2	As stated in the PDD, no flooding irrigation, regular irrigation or drainage is introduced on the project side. Drainage channels existing on project land were established in the 1950 for the tea-plantations. Some of them were filled up during preparation phase of the project.		
4.10. Is evidence provided that in case of forest operations like thinning, pruning, harvesting of timber or non-timber products soil disturbance is minimized?	2, 49, 84, 86,	Most plantation activities will be done by hand. For pruning a light-weight tractor is required to collect the cut down branches once a year. Harvesting will be carried out by light- weight vacuum harvesters. No detailed de-	**CR 7**	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		scription on how to mitigate soil disturbance due to machinery use other than using light weight tractors. **<u>Clarification Request 7.</u>** **Please provide further information on how soil disturbances are minimized.**		
4.11. Is evidence provided that no area-wide ploughing is applied and that mechanical pluoghing is limited to the purpose of planting?	2, 49, 61, 84, 86,	Area wide ploughing is only applied to prepare initially the planting area. This is necessary to create the needful biophysical conditions. Furthermore, there will be no mechanical ploughing. Planting will be done manually. **<u>Clarification Request 8.</u>** **Please provide further information on initial land preparation.**	**CR 8**	☑
4.12. Is evidence given that the species used are not **g**enetically **mo**dified (GMO)?	2	The species planted is Corylus avellana L. with 13 natural cultivars. All of them are GMO free. The owner of the plantation does not allow GMO use for its products.	☑	☑
4.13. Is evidence given, that the project management is planting native species in mixed stands and in case the timber of the forest is being used, selective harvesting management is applied? Otherwise, the project must justify under environmental aspects why its ○ Choice of tree species ○ Silvicultural system ○ Harvesting method?	2, 37, 61	Corylus avellana is native Georgia. Hazelnut plantations are typically established in monoculture as no other crop is suitable to establish mixer stands. To mitigate the monoculture, 13 different cultivars from Georgia and Italy are planted. Due to nature of the nut and fruit orchards plantations are established at once and therefore create eve aged stands. Provision for selective harvesting will be established. Replacement of old hazelnut tree will be carried out gradually after 40 – 45 years over a period of several years.	☑	☑
4.14. Is evidence given that all species are side adapted under changing climate condtions?	2, 74	The PDD states that according to the IPCC fourth assessment report Caucasian region will very likely face greater of much greater rise in temperature than the global average.	☑	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		According to a study the selected cultivars con cope well with elevated temperatures and heavy rainfall.		
5. Socioeconomic aspects				
5.1. Is evidence given that the project has net-positive socio-economical impacts?				
5.1.a. Are positive socio-economic aspects enhanced and descriptions given of the following aspects? • Creation of employment • Capacity building • Welfare activities	2, 4, 13, 14, 18, 27, 31, 36,	• Creation of employment The project affects a large number of people due to its size. As 50-60% of the population of Georgia lives below the poverty line, the jobs created by the project offer a good opportunity to increase local employment situation. About 1,000 people found a job so far, about 20 % out of them full time the others on temporary base. This supports reliable income situation on the long term and through the availability of diverse jobs to an increase of technical and farming knowledge in the communities. The entire employment situation improved significantly compared to pre-project situation on short, mid and long term. A list of more than 150 permanent workers is provided to the DOE for confirmation. • Capacity building The project owner provides training for management staff, the agronomy team, mechanics and contractors by professionals. This is done on site and in workshops. Furthermore hands-on training to improve work safety and increase work efficiency are organized on demand. In the different organizational departments new workers receive basic training project related issues as well as social and legal framework. Contractors are encouraged to join the training sessions for the employees and receive one by one training by management staff. The employees find their training useful for their own	☑	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		household or community, too and expressed the wish for further training. Well trained workforce is encouraged to transfer knowledge and technology to the communities. The importance of local capacity and the potential of improved skills are recognized by the plantation owner. Together with the world bank a rural development project was initiated in 12 villages developing hazelnut demo projects that introduce improved agricultural practices. • Welfare activities So ensure sustainability of the project on long term, the owner recognizes the importance of involvement of the local communities. Therefore several welfare activities were established: ○ encouragement of local workforce to form a community based association ○ future development of community -based projects hazelnut projects given inter alia the incentive of carbon funding ○ Enhancement of income diversification ○ Planning to train local farmers on sustainable agriculture and forest management ○ Creating awareness for villagers on ecological harmful practices like refuse dumping, burning etc. ○ Endorsement of a “energy from biomass waste” project that gives further job opportunities ○ Support of socially important places, schools and communities by providing machinery, workforce, material, transportation and infrastructure services. ○ Support of actually five students for scientific training studies; this activity is supposed to increase significantly in future ○ Construction of buildings to supply workers with tem-		

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		porary living quarters and for project demonstration or social activities.		
5.1.b. Are negative or potentially negative socio-economic impacts mitigated, respectfully avoided and are descriptions given of the following aspects? • Stakeholder involvement prior to project start • Displacement of people • Spiritual, religious, or other similar important places influenced by the project activities?	2, 4, 13, 14, 18, 27, 31, 36, 86	• There was no structured stakeholder consultation done prior to project start. Stakeholders became involved gradually, starting 2007 with ministries and DNA. First stakeholder meeting with the communities was held in Nov. 2009. • Displacement of people was neither planned nor necessary • Results of the stakeholder survey indicate that none of these places are negatively influenced by project activities. **Corrective Action Request 13.** **Discuss negative socio-economic impacts in the PDD.**	**CAR 13**	☑
5.2. Is further evidence given that a stakeholder consultation takes place during the field visit of the certification process and is evidence given, that all stakeholders will be invited • With appropriate means • Sufficient information, and • At least 2 weeks prior to field visit To join stakeholder consultation?	2, 4, 13, 14, 18, 27, 31, 36,	The project entity invited a comprehensive group of stakeholders, following the guidelines of CDM on Stakeholder Consultations. Two consultations took place in Nov. 2009 and March 2010. Project/Planting start was in May 2007. A comprehensive PDD in English and in Georgian language was made available three weeks in advance. As the person responsible for the survey confirmed in a discussion, there were more stakeholders in the meetings than expected. Stakeholders were invited by appropriate means like local newspaper, TV, direct invitation and more.	☑	☑
5.3. Is evidence given, that first aid kits are reasonable accessible for the working stuff?	2, 61, 86, 90	First aid kits are commonly available on every car and at the base station of each project site. This was confirmed during onsite visit in the base in Akhali Khibula. The “logistic person” is responsible for this. **Corrective Action Request 14.**	**CAR 14**	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		Develop procedures on requirements as stipulated in section 5.3, 5.5, 5.6 of the standard. (Safety- procedure). Provide documents to the audit team.		
5.4. Is evidence given that working staff is able to organize itself and voluntarily negotiate with their employers?	2, 86, 91	There is no workers association established yet, but an informal assembly of all working staff is called in regularly every Monday address their concerns. Liaison-officers/brigadiers bring the issues up to the management. See also CAR 15 above **Clarification Request 9.** **Provide minutes of meetings of the workers as seen on site to the audit team.**	**CR 9**	☑
5.5. Is evidence given that all equipment (tools, Machinery, etc.) of the working staff are in save working conditions?	2, 86, 90	Protective parts of machinery are continuously checked by mechanics. Workers are not allowed to use equipment that is not set in safe mode. Equipment seen during onsite visit was in general in very good condition. See CAR 15		☑
5.6. Is evidence given that proper protective equipment and training of working staff is enforced – especially when chemicals are used?	2, 86, 90	Workers must use rubber-boots or solid working shoes during working hours. Special safety equipment and training is provided to working staff using chemicals. A list of the workers allowed using chemicals were shown to DOE during onsite visit. The use of chemicals is controlled and supervised by the plantation See CAR 15		☑
5.7. Is evidence given that no children under the age of 16 are working for the project?	2, 55, 86, 92	No evidence was found that children under age of 16 work for the project. **Corrective Action Request 15.** **Develop a procedure on requirements as stipulated in**	**CAR 15**	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		section 5.7, 5.8, 5.9, of the standard. (employment- procedure)		
5.8. Is evidence given that contracts are clearly defined by the following aspects? For employees: a. Working hours and leave of absence (holiday, sickness and pregnancy) b. Duties c. Salary d. Modalities of health insurance e. Modalities of termination of the contract For contractors a. Tasks (quantity, quality, time) b. Payment c. Modalities of termination of the contract	2, 32, 55, 86, 92, 93, 94	A copy of a signed contract is provided to the DOE. In this contract not all required aspects are clearly defined like working hours, leave and health insurance. Another template provided involves the health insurance already. **<u>Clarification Request 10.</u>** **Provide evidence that contracts are changed to a new version in accordance to CFS.**	**CR 10**	☑
5.9. Is evidence given that the working stuff is preferably employed from areas close to the project.	2, 63, 86, 92,	Up to 500 workers will be hired annually explicitly from surrounding villages once all 4 projects sites are established. For the permanent workers a list was provided showing their addresses.		☑
5.10. Is evidence given, that stakeholders are able to address their concerns to the management staff throughout the project activity?	86, 95	Stakeholders can address their concerns directly to the local representative of the project owner. Workers can address concerns to the brigadier that acts as liaison to the management. **<u>Corrective Action Request 16.</u>** **Provide procedure on 5.10 and 5.11 on stakeholder involvement and evidence on implementation.**	**CAR 16**	☑
5.11. Is evidence given that throughout the project activity any concern of stakeholders are recognized and appro-	86, 95,	The project owner is very much interested in a constructive dialog with neighboring communities and other stakehold-		☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
priate responded by the management stuff?		ers to assure the sustainability of the project. Therefore it was clearly stated in the already held stakeholder meetings that the project owner is available to discuss and respond to any concern that may rise up in future.		
6. CO_2 - Fixation				
6.0. Is an overview on the results of the analysis of the CO2 –fixation given according to the template?	2, 86,	An overview on the results is given only on the four project sites but not detailed on each management unit. The updated total eligible planting area is 2,148 ha. **<u>Corrective Action Request 17.</u>** **Please update the calculations of VERs in the Excel sheet: project area and BEF need to be updated.** **Ensure that the average volume of CO_2 sequestered in the plantation is in compliance with Carbon Fix requirements.**	**CAR 17**	☑
6.1. Is sufficient evidence given to the certification body to be able to confirm that the growth-models used are based on credible scientific information and site-adaption factors and is this done on a conservative approach?	2, 15, 16, 37, 38, 39, 40, 41, 43, 44, 46, 47, 86, 96, 98	A growth-model was developed by the University of Padova in collaboration with Get Carbon to estimate biomass accumulation and carbon sequestration for hazelnut plantation in the Samegrelo region of Georgia. The model is based on allometric equations and has a yearly time step with annual growth increments derived from empiric data. The parameters of the growth curve are determined by observed data from a hazelnut plantation in Chile. Application of this simple model to Caucasus condition is justified as: • the model has been evaluated under similar plantation regime; • Same type of cultivars • The climatic regime in this project is similar compared to the original model location, only the precipitation is higher in this project	☑	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		Therefore model estimates can be considered realistic due to higher precipitation in the project area and higher tree density (667 trees/ha in Georgia compared to 400 trees/ha in Chile). The value for future CO_2-fixation of 306 tCO_2/ha is obtained by subtracting the total loss due to prunings from the natural growth. The amount of biomass prunings is obtained from estimates on project owners experience in the hazelnut plantation in Chile where the data for the model was observed. Values used for the calculations: • Carbon fraction: 0.5 (CFS-value) • C to CO_2 factor: 44/12 (CFS-value) • Root to shoot ratio: 0.3 based on a Portuguese study that related aerial parts with the root system of Corylus avellana (IRL 52, 38) As the calculation is based on a single stem and hazelnut has up to 9 stems, a Multi Stem Index (MSI) was developed to adapt this calculation (MSI = 1,66) The MSI is based on a study from Padova University (IRL37). It was found to be a reliable estimate to use the MSI to adapt the calculation to the multi-stem habit of the hazelnut tree. There are emissions calculated for pruning that is conservative.		
6.2. Once the average tree height within a management unit exceeds 3 meters: Is the present CO2-fixation determined and is the guideline ‘forest inventory’ applied?		N/A		
6.3. Is evidence given that the used growth models (respectively the amount of the future CO2-fixation) are being adjusted according to the latest information gained through the assessment of the present CO2 fixation?	2, 37, 38, 86	The growth model used was developed by the University of Padova in collaboration with Get Carbon. Databases are agronomic estimates from a hazelnut plantation in Chile.	☑	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		This is done on a conservative approach. There is no adjustment through an assessment of a present CO_2 fixation yet.		
6.4. Option 1. What category of calculation is used?		Option 1a, Selected harvesting is used	☑	☑
6.5. What is the time period until the equilibrium stand volume is reached?	2, 38, 39, 86, 96	The time period until equilibrium stand volume is reached: 47 years	☑	☑
6.6. Option 2. Rotation forestry: Is the future CO_2-fixation based on the mean stand volume during the first rotation period?		N/A		
7. Project emissions				
7.1. To account for project emissions, have 0.5% of the projects CO2-fixation been deducted due to the use of fossil energy within the project (machines, flights, etc.)?	2, 39, 86, 96,	Project emissions are calculated with 0.5% of projects CO_2-fixation deduction. Emissions from pruning are deducted too as a conservative approach.	☑	☑
7.2. In case fertilizer is used, have 0.4 tCO_2 per kg of nitrogen (N) been deducted?	2, 39, 86, 88, 89,	For the use of fertilizer 0.4 tCO_2 per t of N have been deducted in the calculation. The amount of fertilizer used in the plantation has not been confirmed. Between 40 and 70 kg of nitrogen are and will be used as fertilizer per year and ha **Clarification Request 11.** **Please provide evidence on amount of fertilizer used.**	**CR 11**	☑
7.3. in case biomass of the baseline is burned on the field for the purpose of land preparation: Have an additional 10% of the baseline emissions been accounted for?		N/A		
8. Baseline				
8.1. Which approach is used to calculate the baseline? a. By executing field measurements? b. By estimating the biomass in reference to similar		Option b is chosen.		

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
areas?				
By choosing a) Is the forest inventory guideline applied?				
By choosing b) Have the woody and non-woody living biomass values been determined according to the best available scientific references? Do they follow the following order? 1) local default values 2) national default values 3) international default values	2, 86	The values for woody biomass were determined from two different studies. • Above ground woody biomass based on a study from healthy tea plantations with a height of plants of 1.5 to 2.0 m →13.64 tDM/ha (IRL 43) • Dry biomass on bush-land with a height of 1.5 to 2.5 m → about 10tC/ha based on a study from shrubland in Spain (IRL 41). The value of 10t DM/ha was determined due to the fact that project area of degraded tea plantation is a estimated mixture of 30 % grassland 70 % tea-bushes (IRL 80) with a height of 0.4 – 0.8 m (IRL 44). To be on the conservative side, the PP considered 100% of the area as stocked with tea bushes at a height of 0.8 m and adapted the value from the study in healthy tea plantations with a height of 1.5 – 2.0 m. Root to Shoot factor CFS-value: 0.8 Calculations of total baseline CO_2 stock value from above and below ground woody biomass add up to 33 t CO_2/ha (IRL 96 -Baseline).	☑	☑
8.2. For the conversation of default values into tCO2 has been used the ‘Conversion Procedure’ and ‘Conservative Approach’?	2, 86	A conservative approach is considered.	☑	☑
9. Leakage				
9.1. Has the project owner justified his selection of leakage emissions from the following categories: a) fuel wood use b) charcoal burning c) timber harvesting	2, 86	All project area was considered. Two leakage categories have been found applicable: • Fuel wood use • Livestock grazing	☑	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
d) agricultural farming e) resettlement f) livestock grazing				
• According to leakage by a),b) or c) has been used the right formula to calculate the leakage?	2, 45, 86	Leakage due to fuelwood collection has been set 0 as defined by CFS as wood collected is dead wood only.	☑	☑
• According to leakage by d) or e) has been used the right formula to calculate the leakage?		Not applicable		
• According to leakage by f) has been used the right formula to calculate the leakage?	2, 39, 45, 46, 47, 86, 97	Leakage due to grazing: Displacement of grazing activities is expected to happen on similar lands as described in the baseline.. The number of 0.1 cow/ha has been confirmed by a field assessment of the PP according to the SOP (IRL 97). Leakage is calculated in Excel with input from stocking rates based on data from Ireland and the Pantanal, as local data is not available, (IRL 47, 86) according to CFS and rounded up to 1 tCO2/ha. . **<u>Corrective Action Request 18.</u>** **Provide evidence on leakage due to livestock grazing (reassessment of number of animals in baseline conditions).**	**CAR 18**	☑
10. Compensation Activities	2	Not applicable		
11. Capacities				
11.1 Is a list of the management staff included to the document that does it include following information? - Educational level - Work experience - Duties	2, 65, 66, 86, 99	A detailed list of information on project management including qualifications etc. is provided in the PDD, but it needs to be updated. The CVs of two members of the management staff have been provided to the DOE during the onsite visit.	**CAR 19**	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
- Type of employment - Title - GPS and GIS know-how		**Corrective Action Request 19.** **Provide management procedure on 11.1-11.5. to the audit team and evidence on its implementation.**		
11.2. Is evidence given that management staff decisions are taken by a joint process:	2, 64, 86, 99	Management structure as described in the PDD is sufficient and an organizational chart is included. Minutes of the regular meeting of the Management staff are provided to DOE.	☑	☑
11.3. Is evidence given that management staff is working with an internal quality control system?	2,48, 86, 99	The project owner developed its own internal quality control standard for risk, data, services, promotions management and the underlying legal requirements.	☑	☑
11.4. is evidence given that the project works with other institutions to continuously expand the management staff´s qualifications?	2,48, 86, 99	The project owner cooperates with the University of Padova and internal FERRERO R&D teams. The PP participates in workshops and conferences.	☑	☑
11.5. Is evidence given that suitable knowledge transfer within the management staff is ensured over time?	2,48, 86, 99	The project owner is a 100% subsidiary of FERRERO SPA with a long term experience in sustainable project management.	☑	☑
11.6. Is evidence given by the cash flow requirements of chapter ’02 Additionality’ that sufficient financial means are available to sustainability finance the project?	2, 67, 86, 104, 105,	The barrier approach was used in the PDD. Nevertheless, full financial backing to the project activity was guaranteed by FERRERO. A contract on long term financing Agrigeorgia needs to be provided to the DOE. **Clarification Request 12.** **Provide evidence on financial capacity (see also section 11.7, so far only figures of 2009 have been received).**	**CR 12**	☑
11.7. Is evidence given on the health of project financier by providing: • Financial reports from the last three years • In case the project has not yet existed that long, by	2, 73, 86, 104, 105,	See CR above Links on financial health to Ferrero have been provided (IRL 104).	**CR**	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
an official statement from a bank.				
11.8. Is evidence provided that the project has technical capacities to ensure the sustainable implementation and management of the project? Are technical descriptions of the following activities given? • Nursery • Land preparation • Planting • Beating up (replacement of dead seedlings) • Maintenance • Pruning • Thinning • Harvesting	2, 86,	There are adequate descriptions of the demanded activities given in the PDD. During onsite visit the certification team visited the plantation sites and the technical areas. Sufficient machinery and equipment is provided in a very good shape. The technical capacity is considered as high.	☑	☑
11.9. Is evidence given that risks which endanger the permanence of the project are mitigated and is an evaluation of the following risks provided? a. Water b. Wind c. Animals d. Fire e. Diseases f. Temperatures g. Encroachment of people h. Others Are descriptions given of how the project protects itself against possible risks and which activities are implemented to mitigate them?	2, 86, 102, 106,	There is a detailed list provided in the PDD describing and evaluating the risks. During onsite visit several activities mitigating the different risks could be observed like: • Establishment of windbreakers • Fire extinguisher in the bases • Maintenance of old drainage channels against flood • Fencing against animals • Education and employment of neighboring people against encroachment of people During onsite visit it was mentioned that there was a risk analysis done by Ferrero. **<u>Clarification Request 13.</u>** **Please provide results of risk analysis of the project (internal by FERRERO)**	**CR 13** **CAR 20**	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
		Corrective Action Request 20. **Provide standard operational procedure for risk management, as required by CFS in section 11.9 and evidence on implementation.**		
11.10. In case of a risk of fire: is there a fire management plan providing information on the following: a. Fire awareness b. Fire prevention c. Fire equipment d. Fire detection e. Fire suppression f. Fire damage rehabilitation?	2, 68, 86, 103,	There is no significant risk of fire on the project area. But there is a suitable fire management plan developed with expert involvement. This fire management plan is provided to certification team. **Clarification Request 14.** **Clarify which elements of the fire management plan will be implemented.** **Provide evidence on implementation of the fire management plan including responsibilities.**	**CR 14**	☑
12.Land and CO2 Tenure				
12.1. Is evidence given that the project area has long-term secured land tenure.	2, 51, 58, 59, 69, 86, 107, 108, 109,	Project land is fully owned by Agrigeorgia that purchased the land directly from the Georgian government in mid 2007. Therefore Agrigeorgia is also the owner of the CO_2 rights. Agrigeorgia is fully owned by FERRERO TRADING LUX and therefore by FERRERO SPA. A real estate purchase and sale agreement is provided to the audit team proving ownership of a certain number of parcels/land. **Clarification Request 15.** **Provide evidence about land tenure contracts in general and for the list of parcels visited in specific.**	**CR 15**	☑
12.2. Is evidence provided that permits which are necessary for the projects implementation and management (planting	2, 58, 59,	Long-term agreements between Agrigeorgia, Ferrero and the government of Georgia to insure the permission to all	☑	☑

CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
permits, harvesting permits, infrastructure permits, etc. are secured over the long-term?	86,	plantation activities are in place. It is also stated in the Real Estate Purchase and Sale Agreement that Agrigeorgia has to establish hazelnut plantation on the area. It was confirmed by an interview with members of the Ministry of Environment/Agric department that there is no permission needed for establishing and running the plantation.		
12.3. Is evidence provided that the project developer is a. The owner of the land b. Owner of the timber c. Owner of other resources (within project area)	2, 58, 59, 86, 79, 105	Agrigeorgia is the owner of the land including rights on resources such as timber and carbon rights. See also above. **<u>Clarification Request 16.</u>** **Evidence to be provided with the contract of establishing Agrigeorgia that there is a financial commitment to fully support AgriGeorgia from the Ferrero side. It should be also bear information on:** • **Early consideration of carbon finance** • **100% ownership of AgriGeorgia by Ferrero** • **AgriGeorgia fully owns the land with no restrictions concerning carbon, timber and other resources** **Provide evidence that the land owner is also the legal owner of the carbon.**	**CR 16**	☑
In case the land owner is not all of the above: Is a written approval given, that respective owners agree with the foreseen project activity over the long term?		No applicable		
12.4. In case the ownership of CO_2 from the project developer consists of multiple individuals: Is evidence for authorization for the administration and sale of CO_2-certificates given to the project Developer by a written		Not applicable		

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CHECKLIST QUESTION	Ref.	COMMENTS	Draft Concl	Final Concl
approval?				

Table 2: Summary of Requests and Responses of Project Developer

Draft report clarifications and corrective action requests by validation team	Ref. to PDD	Summary of project owner response	Validation team conclusion
Corrective Action Request 1. Site visit has shown that some smaller forest patches, a plantation base and a privately used agricultural plot have been included as eligible planting area. Further needs to be clarified what area has already been planted with trees. Only this area is eligible. Area needs to be adapted.	1.2.	We have thoroughly checked and updated the project's GIS files against field conditions. Previous errors were linked to reporting mistakes during land acquisition and project establishment. All parcels on the project's four management sites have been re-assessed for eligibility, in addition to those noted in this CAR. A detailed list of changes, with indication of associated GIS operations completed, is attached as support documentation: 01-24_update_parcels_08.2010.xls. In particular: - 6.1 ha of forest area in 2 parcels that had been indicated as eligible plating area have been reclassified as nature conservation areas; - 34 ha of abandoned tea-grassland mix in 5 parcels –that had been indicated as eligible planting area-- have been re-classified as nature conservation areas; - 4.6 ha in 3 parcels used by locals have been eliminated from eligible planting area; - 8 ha in 2 parcels with construction areas, including those containing a plantation base, have been eliminated as eligible areas; and	There have been significant changes concerning project area. A detailed list of parcels, old and new is provided. Changes have been documented. 69 ha of new eligible planting areas have been included. 27 ha of Buffer areas have been reclassified as eligible planting area. 244 ha have been removed as the parcels have not been planted yet. All areas classified as eligible planting area have already been planted with trees. CFS clarified that planting area is only eligible, if the land is planted with trees.

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- 27 ha buffers in 12 parcels –previously indicated as nature conservation area— have been re-classified as eligible planting area;

Furthermore, we have eliminated 244 ha of eligible planting area in 23 parcels that were not yet planted at the time of the site visit. At the same time, we have now included 69 ha eligible planting areas in 5 parcels that were already planted, but had not been included in original GIS maps by mistake.

As a result of the above corrections, we have recalculated total project land into 251 parcels over 2401 ha. Of these, 133 parcels cover 2148 ha of eligible planting area, while 28 parcels cover 253 ha of nature conservation area.

An overview of old and new management unit size values is shown in the table below:

		old (ha)	**new (ha)**	difference (ha)
Total project area		2821	**2401**	-420
Planting area		2539	**2148**	-391
Conservation area	Buffers	35	**8**	-27
	Forest	237	**212**	-25
	Windbreakers*	10	**0**	-10
	Land cover mosaic**	0	**34**	34
	Total	282	**253**	-28
	% Share	10.1%	**10.6%**	

* Wind breakers are established, but have been eliminated from nature conservation areas, as per observation made at site-visit. No carbon sequestration is claimed from windbreakers.

** Abandoned tea plantations and low-productive grassland mix

These updated figures have been included in the revised PDD (see Eligibility, pg.1, 5-6 and Forest Management, pg. 7).

Provide more detailed information of how watercourses and drainage channels were differentiated. Provide evidence on establishment of buffers along watercourses.

		In particular, all 233 parcels of eligible planted area have been planted in the two-year period between September 2007 and December 2009. We note that CFS provided further clarification that eligible planting area may include parcels not already planted. We have chosen to eliminate parcels not already planted.	
		Current buffers along water courses were reduced to 8 ha, from the previous 34 ha that also included large drainage channels. Criteria for establishing buffers along watercourses were in accordance with CFS, however additional verbal clarifications were needed, since the current standard lacks clarity in terms unambiguously defining "watercourses" for the purpose of buffer establishment. To this end, Moriz Vohrer, Head of Technical Board of CFS, clarified in recent conversations with us the following criteria: *"Evidence must be given, that 15 meter wide buffer strips along permanent or temporary watercourses (streams, rivers, wetlands) are implemented.",* meaning that the applicable watercourse must be of natural origin and it must fall under the description of a river, stream or wetland. We therefore asked an ecology and biodiversity expert from Batumi University to perform a site visit to the project’s natural conservation areas, to assess compliance of buffer establishment with the above-stated criteria (see 04_09_Biodiversity_Study_extended, pg. 7). The expert confirmed that the project's buffers were in accordance with points i) and ii) above. In particular, the expert visited specific drainage channels in parcels 138-139, 142, 143, 148, 149 and 154, as explicitly requested by the validation team, with the following findings (from the extended biodiversity report, pg. 7 paragraph 2):	Detailed local expertise provided (04_09_Biodiversity_Study_extended, pg. 7) shows consistency of selection of buffers along waterways with CF Standard. Buffers are established alongside natural waterways with a direct connection to another natural watercourse. Drainage channels, even if partly of natural watercourses, do not need a buffer when not connected to other natural watercourses and therefore do not fall under the CFS definition of rivers, streams or wetland. **CAR closed**

		"Due to intensive landscape restructuring and planning during tea plantation establishment in previous decades (i.e., since 1950s), the channels have no direct connection to a natural watercourse." This assessment confirms that the channels investigated do not fulfill the criteria for the requirement of buffer establishment, and therefore that the project activity is in line with CFS to this end.	
Clarification Request 1. Confirmation of date of Ikonos/Landsat images has to be given. Provide geo-referenced high resolution images as overlay with the updated files of project boundary.	1.2.	We received recent clarification that the high-resolution IKONOS images provided to the certification body during the site visit, were relative to the year 2001. Therefore we submit additional information in the form of Landsat images relative to the period 1987-1991, and 1998 –some16 and 9 years prior to project start. Due to a Landsat image gap for the project area between 1992 and 1997, Landsat images for 1997 were not available, while IKONOS only began in the year 2000. Information on the dates of IKONOS and Landsat images provided is in document: 01_23_IKONOS_Landsat.pdf. Discussion of these images has been added to the revised PDD (Eligibility section, pg. 6)	Geo-referenced high resolution images as overlay with the updated files of project boundary have been provided, but it is not clear to the DOE, what date each image has as there are more than 1 mentioned on it. ***Provide separate sets of satellite images from 1993, 1998 and 2001 as overlay with revised shape-files. Prove consistence in labeling of the images.***
		In addition to the Ikonos images provided earlier as an overlay to the Management Units (see 01_20_aerial_photos_revised.zip folder), two sets of geo-referenced Landsat satellite images are provided in the 01_28_Landsat.zip folder: - early Landsat images from 1987,1989,1991; - Landsat images from 1998; As noted in our previous clarifications, there are no Ikonos nor Landsat images for this region for 1993. In fact, further conversations we had with the validation team confirmed that images from 1993 were not needed.	Separate sets of the requested satellite images form 1998 and 2001 have been provided. **CR closed**
Clarification Request 2. Host party has not yet issued a forest definition. Justify the use of the current forest definition and compliance with the CarbonFix	1.2.	Although the Georgian DNA has not issued a definition of forest for CDM afforestation projects, the Forestry Department of the Georgian Ministry for the Environment to Agrigeorgia informed us that "forest" in Georgia is defined as:	According to the new Carbon Fix Standard the definition of the host country is sufficient.

Standard.		• a land area of minimum 0.1 ha • a tree crown cover greater than 30% • a mean tree height greater than 2 m The proposed project activity fits this forest definition. Attached Documents: 01_26_FD_Minstry_Env_EN_GE.pdf: Letters from the Forestry Department of the Georgian Ministry for the Environment to Agrigeorgia This national forest definition has been included in the revised PDD (Eligibility section, pg. 12, criterion 2c)	**CR closed**
Clarification Request 3. Impact of land preparation on soil carbon in abidance with standard compliance needs to be further sustained.	1.5.	We have revised the PDD by including a more thorough demonstration that no long-term soil C losses are generated by the project activity, compared to the baseline case of degradation. First we argue this by first principles; second we provide the opinion of a local ecologist who has visited the project lands to assess project impacts on ecology and biodiversity; third, we apply CDM methodology AR-ACM0001 vs. 04—rather than the more generic CDM tool previously used. With respect to the latter point, the revised PPD (Eligibility template) shows that the proposed project is eligible under AR-ACM0001 vs04, since: **a)** It is established on degraded land. The fact that the lands are degraded is confirmed via several means accepted by the CDM "Tool for the identification of degraded or degrading lands for consideration in implementing CDM A/R project activities" as follows: i) Results of stakeholder survey; ii) Technical report on biodiversity; ii) Visual reconnaissance. **b)** Degradation is ongoing and would not stop without human intervention; trees would not encroach the area naturally	The project developer applied CDM methodology AR-ACM0001 vs04 Considering the evidences provided by the PP, it can be concluded that the planting area is degraded land and degradation is ongoing, as per AR-CDm tool. According to CFS area wide ploughing is accepted for the purpose of planting for eligibility of planting area. **CR closed**

		This is confirmed by: i) Results of stakeholder survey; ii) Technical report on biodiversity, documenting ongoing pollution and anthropogenic pressures in the baseline scenario; **c)** Project does not apply flooding irrigation; **d)** Project is not implemented on organic soils; and **e)** Project does not diminish availability of fuel wood. Under AR-ACM0001 vs04, it is conservatively assumed that soil C does not decrease compared to the baseline scenario due to the project activity. Hence, it is proven via an appropriate CDM A/R methodology that the proposed project will not lead to long-term increases in emissions from the carbon pool "soil", compared to the baseline. We have included this discussion of AR-ACM0001 vs04 in the revised PDD (Eligibility section, pg. 13).	
Clarification Request 4. Provide further evidence to prove that carbon credits were seriously considered before project start.	2.1.	We have provided minutes of the board of Agrigeorgia that clearly indicates that the decision to proceed with carbon credits was made prior to project start. We further attach an extract of minutes from Agrigeorgia's mother company Ferrero spa, proving that consideration of carbon credits was indeed considered essential for project implementation (see 02_12_Ferrero_Board_CONFIDENTIAL.pdf). We note the Ferrero minutes are dated May 03 2007, i.e., two days later than what the PDD indicates as the project start date. We submit that Agrigeorgia, a full subsidiary of Ferrero spa, obviously made its mid-April decision to proceed with project implementation with Ferrero's approval; the latter was however only formalized two few weeks later, depending on Ferrero's internal schedule.	Minutes of the board of directors meeting are dated the 3.5.2007, Project Start date is 1.05.2007. The minutes of the meeting clearly indicate that carbon finance was considered prior to the date of project start. **CR closed**
Corrective Action Request 2. Provide evidence sustaining the prohibitive character of a barrier or exclude it.	2.1.	We have revisited the barriers included in the PDD under barrier analysis, and have edited the text to make it clearer how these barriers prevented implementation the project activity. The following changes have been included in the revised PDD:	The barriers have been revised and further evidence provided. The investment barrier has been strengthened by statements of the Bank of Georgia

Barriers on continued grazing to be included in the PDD		*Investment Barriers*: we have expanded the discussion of investment barriers by adding information that supports the benchmark IRR indicated in the PDD, with regards to a slew of financial indicators relevant to business investment in Georgia in 2007, i.e., at the time of decision making (see also CAR3). Based on these documents, we have conservatively revised the previous value of IRR benchmark from 20% to 16%. *Socio-economic Barriers*: we have improved language to explicitly indicate that these barriers prevented project implementation. *Barriers due to prevailing practice*: we have tightened the discussion therein, including information on current land use as well as extent and mode of hazelnut cultivation practices in the region. *Barrier due to Land Tenure*: although we believe these barriers are real, we could not demonstrate in explicit detail how these prevented the proposed project. Thus we eliminated this barrier. For all the barriers, the PDD discussion now more clearly focuses on how they prevented the type of proposed project in the area, as well as we provide more details of how these could be overcome by the PPs, since based on carbon credits consideration they could access additional funding support from the mother company (see also CR4). In particular, continued grazing is part of the alternative scenario “continuation of pre-project activities,” which we demonstrated to be the baseline. As such, it does not face any of the barriers discussed in the context of the project activity. For completeness, we have made explicit references to grazing in discussing the alternative scenarios and the baseline (Additionality section, sub-step 3b).	(02_14_Bank_Georgia_2007_AR, pg. 74) and (02_15_Bank_Georgia_2007_MS, pg. 68 and 81). It is also a first of its kind project of this size in Georgia. ***Provide evidence on detailed IRR figures (FERRERO) used or exclude it.***
		In line with the fact that the PDD uses barrier analysis, within its demonstration of additionality using CDM requirements, we have excluded from the text of the PDD specific IRR figures, while maintaining the point that significant financial barriers existed	PDD has been revised. Significance of the financial barrier is visible now. **CAR Closed**

		due the difficult investment environment in Georgia and low returns associated to agricultural projects, compared to national benchmarks.	
Clarification Request 5. Provide official information / evidence of afforestation rates within the region. (common practice)	2.1.	Publicly available official figures regarding the afforestation rates within the region do not exist. Nonetheless, we have modified language in a revised PDD –so that it is clearer that no other similar activity is being developed in Samegrelo or in Georgia. We further provided evidence that in the region where the project is taking place, the afforestation rate is virtually zero, since: a) The land area is still degrading, with continuous loss of biomass from ongoing anthropogenic pressures; and b) Hazelnut plantations established in the area—household gardens and small orchards —have not increased significantly in areal extent over the last decade. The above two points are supported by statements of a leading ecologist at the University of Batumi (see expert opinion in: 04_07_Biodiversity_Study.pdf, pg. 2, paragraph 2), as well as by the Deputy Governor of State Representative of eight municipalities located in the region where the project is being developed (02_09_Regional_Officer_CP_Declaration).	Information on regional afforestation rates has been provided by statements of the regional authority and a scientist from the University of Batumi. ***Provide original documents 02_09 and 04_07 Biodiversity Study including date, signature and contact detail of the authors.***
		We have provided the original documents with date, signature and contact detail of the author in Georgian language, as follows: 02_16_Regional_Officer_CP_Declaration_Georgian.pdf 04_11_Biodiversity_Study_Nov.2010_Georgian.pdf In particular, the Biodiversity report has been extended to more clearly address requests from the validation team (see CAR1)	Documents have been provided as required. **CR closed**
Corrective Action Request 3. Provide evidence for the input parameter and the actual calculations of the investment analysis leading to the decisions for carbon credits:	2.1.	We provided new evidence concerning input data relative to the financial calculations that were made for the project's original 2007 IRR analysis (02_08_Ferrero_Board_CONFIDENTIAL.pdf). The new evidence indicates that the input values into the 2008 Financial analysis provided during site visit (and discussed by the validation team with Mr. A. Boccardo), were exactly those considered	The project proponent does not apply an investment analysis but further sustained the investment barrier. Nevertheless data out of an internal IRR analysis is used to strengthen the argument of the barrier. See also CAR 2.

• Provide the actual calculations from 2007 including specification on costs for land preparation, fencing and machinery. Furthermore evidence on capital and loan from Ferrero and consistence of 30 years calculation with project implementation timeframe. Impact of carbon finance on IRR to be demonstrated. • The CDM “Guidelines on the Assessment of Investment Analysis” (EB 51, Annex 58) shall be followed. In case a benchmark analysis is carried out provide evidence for the benchmark as well as the IRR calculation and evidence for all relevant input parameters.		in early 2007 when decision to proceed with the project were made. Furthermore: 1. With regards to how we determined the appropriate benchmark IRR, we believe this was done in line with the CDM additionality tool (paragraph 19; third bullet) and EB guidance (paragraph. 6). In particular, we have produced a letter with expert opinion of a lead banker in Georgia, stating that investment returns need to be at least 20% in order to be financed (see. 02_07_Bank_Statement.pdf). Indeed, documents from the CIA factbook (02_11_Georgia_Indicators_2007.pdf, pg 1,3) reveal that commercial prime lending rates in Georgia in 2007 were consistently higher than 20% in 2007. However, official reports of the National Bank of Georgia indicated that prime commercial lending rates in Georgia were 16% and higher in 2007 (02_15_Bank_Georgia_2007_MS, pg. 68 and 81). We have edited the PDD, revising the original figure of the IRR benchmark from 20% to the more conservative 16%, with references. 2. The CDM additionality tool only requires that, within the option “financial analysis,” the PPs show that, without carbon credits, the project finances are not attractive –i.e., impact of carbon finance on IRR does not need to be demonstrated. The financial analysis shows that the project IRR (6%) is well below the appropriate national benchmark IRR (>16%)—the latter having been determined as per communications with national bankers in Georgia and other supporting evidence. 3. Finally, we wish to point out that we are disclosing project financial information in good faith, with the precise aim of further supporting the statements made under “investment barriers” in the PDD. We note that the PDD demonstrates additionality via barrier analysis, not through financial analysis—so following the full EB guidance on financial analysis is not required, although we have shown consistency between our analyses and	**CAR closed**

		EB recommendations.	
Corrective Action Request 4. Provide further details about silvicultural objectives in nature conservation areas und buffers. Standard operating Procedure (SOP) on forest management shall be elaborated and provided to the audit team	3.1.	Silvicultural objectives for in nature conservation areas and buffers were discussed in clearer detail in the revised PDD (Forest Management section, pg. 5). SOPs for forest management on nature conservation area addressing both natural forests and buffers have been elaborated and are hereby attached: 03_08_SOP#2_Conservation_Area.pdf 03_07_SOP#1_Plantation_Management.pdf	Following SOP's are provided as requested and contain sufficient information: 03_07_SOP#1_Plantation_Management_signed 03_08_SOP#2_Conservation_Area ***Supporting Document "03_01_Resume planting operations" needs to be updated*** ***Wrong definition in 03_07_SOP_1 forest management page 5, 1.1.*** ***See CAR 6***
		The SOPs provided as support documentation were implemented by Agrigeorgia in order to establish state-of-the-art management practices. Therefore a more universal definition of nature conservation areas was used, one however that also fulfils CFS requirements. Nonetheless, SOP 03_07_SOP_1 has been updated with explicit reference to the CFS NCA definition, as requested by the validation team. In addition, the document: 03_01_Resume planting operations.pdf has been updated with exact planting operation dates at all sites.	Documents "03_01_resume planting operations VAL 2" and "03_07_Forest Management VAL 2" have been updated. **CAR closed**
Corrective Action Request 5. Inconsistence of field conditions with GIS data was detected. Water bodies and nature conservation areas need to be redefined and implementation of buffers needs to be assured. Exclude	3.2.	We have thoroughly checked GIS data against conditions in the field (See also responses to CAR1). Water bodies and nature conservation areas have been redefined as per observations made during the site visit—Previously some large drainage channels had been erroneously catalogued as rivers. Likewise, implementation of buffers has been re-assessed. The	Revised maps have been provided showing the changes made on project area. A detailed management plan for the NCAs is provided "03_08_SOP_#2_Conservation_Area" ***There is still need of further evidence***

construction sites and NCA from eligible planting area.		revised PPD updates this information to 12 parcels over 8 ha, whereas the old area was 35 ha (see Eligibility section). Implementation of buffers within nature conservation areas has been included in standard operating procedures, which prescribe establishment of sign- posts to mark their boundaries. (see: 03_08_SOP_#2_Conservation_Area document, chapter 2.2).	***on consistence of field conditions with GIS data, especially for the buffers/drainage channels.*** **See CAR 1**
		A set of updated coordinates and photos have now been provided for those drainage channels that were identified by the validation team. This information was collected in addition to the visit by the expert discussed above (see04_13_Field conditions_assessment.zip).	**CAR closed**
<u>Corrective Action Request 6.</u> NCR needs to be revised. Include a management plan for the NCAs and explain in detail conformity with CFS requirements. Windbreakers considered NCA do not comply with the requirements of natural ecosystem and have to be excluded.	3.5.	We have revised NCRs according to comments during the site visit and CFS requirements. Furthermore, windbreakers are no longer part of the nature conservation area. Furthermore, they do not contribute to the project's carbon sequestration efforts. Specifically, the revised PDD more clearly explains that nature conservation areas within the project area are established to maintain local flora and fauna in their natural habitat, preserving biodiversity and structural diversity of ecosystems (Forest Management section of PDD). Three types of nature conservation areas are defined within the project boundaries: 1. Natural forests; 2. Buffers along temporary and permanent water courses; and 3. Abandoned tea plantations and low-productive grassland. *Natural forests* already exist within the project area. They will be protected with the objective of maintaining the existing natural environment, eliminating previous anthropogenic pressures like timber harvesting and felling activities. *Buffers* will be created by protecting existing vegetation along watercourses and introducing native trees. Buffers have the objective of protecting natural vegetation and ecosystem health near and around the project's forested areas.	NCR's have been revised and a detailed management plan "03_08_SOP_#2_Conservation_Area.pdf" is provided. Windbreakers were taken out of Nature Conservation Area. But there is still a need to prove consistence of all types of NCAs management and development concerning the requirements of "natural ecosystem of the area" with CFS. (Define what the natural ecosystem of each area is and how this it can be developed/conserved) Include outcomes in SOP #2. ***Further explanation on NCAs conformity with CFS requirements is required.***

		Finally, *abandoned tea plantations and low-productive grasslands* form a natural land cover mosaic within the project area. These areas are found in the vicinity of eligible planting areas, and include a mix of grass and tea bushes in patches. The project will protect this previously degrading area with the objective of facilitating the natural regeneration of its flora and fauna, eliminating anthropogenic pressures leading to the previous degradation, such as slash and burn activities, grazing, waste dumping.	
		As per preliminary discussions with the validation team, there was a need to further clarify how the CFS definition of nature conservation area could be applicable to the "abandoned tea bushes and low-productive grassland mosaic" component of the project's NCAs--the other category of project NCAs being conserved natural forest. Specifically, it was questioned whether the abandoned tea plants would overgrow beyond current dimensions and in fact prevent other natural vegetation to be re-established. We asked a biodiversity expert to assess the above hypothesis. The result of this assessment (04_07_Biodiversity_Study_revised_Nov.2010, pg. 6) is that there is no possibility for the abandoned tea plants to overgrow beyond their current dimensions. First, these are dwarf varieties that do not grow beyond current heights of about 80 cm. Second, without the proper fertilizer applications and crop management that was typical during the soviet times, tea plants are likely to be overtaken by local bush and thorn species, and thus diminish in extension, rather than overtake local vegetation. In fact, additional photos taken of areas near the project sites demonstrate that this degrading process is already taking place. Specifically the expert assessment confirmed that the project provides sufficient ecological protection of the nature conservation areas, as described in the document 03_08_SOP#2_Conservation_Area.pdf. Hence the proposed type of NCA is in line with CFS criteria, i.e., it will promote re-establishment of the natural ecosystem.	Detailed explanation is provided (04_07_Biodiversity_Study_ revised_Nov.2010, pg. 6 and 03_08_SOP#2_ Conservation_Area VAL 2) to show consistency with CFS. NCAs will be managed mainly by protection to reach the natural ecosystem by natural regeneration/succession. This process is monitored on a regular base and action taken according to the expert recommendations. **CAR closed**
Corrective Action Request 7.	3.6.	Section 3.6, line c, has been corrected, as per CAR request.	The table is revised and all parcels al-

Correct table in section 3.6 line c: percentage on b. not on a. and revise table due to changes in project area. Indicate in detail (for each parcel) which areas are already planted.		All eligible planting area in the revised PDD has already been planted; see CAR1.	ready planted. **CAR closed.**
Corrective Action Request 8. Submit required information for forest management according to CFS. Information shall be management units specific. See also CAR 5	3.7.	We have clarified management unit-specific forest management objectives within the Eligibility section, pg. 7. Some specific language used is as follows: The project area comprises 2401 ha land on four geographically distinct sites located in: Chitaskari, Akhali Khibula, Gejeti and Vediktari-Martvili. There are 251 parcels divided into seven management units: • Four management units of eligible planting areas on a total of 2148 ha land: - MU#1 consists of 676 ha eligible planting area on 75 parcels located at Chitaskari site; - MU#2 consists of 437 ha eligible planting area on 49 parcels located at Akhali Khibula site; - MU#3 consists of 337 ha eligible planting area on 39 parcels located at Gejeti site; - MU#4 consists of 698 ha eligible planting area on 60 parcels located at Vediktari-Martvili site; • Three management units of nature conservation areas on a total of 253 ha land: - MU#5 consists of ha natural forest on 19 parcels located at Akhali Khibula and 1 parcel located at Vediktari Martvili sites; - MU#6 consists of 8 ha buffers along water courses located at Chitaskari, Akhali Khibula	Information as required in 3.7. by the CF Standard has to be provided in detail in this section of the PD, also if available in other sections of the PD **Include the required information in this section of the PD.**

		- and Vediktari-Martvili sites; - MU#7 consists of 34 ha abandoned tea plantations and low-productive grasslands on 8 parcels located at Akhali Khibula and Vediktari Martvili sites All parcels are physically separate with visible borders; fencing delineates eligible planting areas. Their geographic position and boundaries are individually recorded in our GIS dataset. All 223 parcels on eligible planting area correspond to one single baseline land cover stratum: a land cover mosaic characterized by a mix of abandoned tea plantations and open patches of low-productive grassland. These parcels of eligible planting area were grouped into four distinct management units in four geographically distinct plantation sites. They nonetheless represent the same land cover stratum and the same forest management practice.	
		The PDD has been updated accordingly (see PDD Forest Management chapter, pg. 7).	The required information is included in the updated version of the PDD. Relevant information of section 3.7 is provided on the “CFS climateprojects web-system “ and in 01_24_update_parcels (IRL 76). **CAR closed**
Corrective Action Request 9. Demonstrate whether there is a net positive impact on • Soil • Water • Biodiversity	4.2.	Clearer language in the revised PDD now explicitly explains that there are net positive impacts of the project activity on soil, water, biodiversity. In response to this CAR, we commissioned a report by a prominent ecologist from the University of Batumi (Near Zugdidi), which demonstrates the existence of net benefits of the project activity on these three key ecosystem components. Attached document: 04_07_Biodiversity_Study.pdf	The ecological assessment provided describes the net positive impact of the project activity concerning soil, water and biodiversity. 04_07_Biodiversity_Study.pdf is called 04_09 in supporting documents. This has to be changed. Provide contact details of the author. **See also CR 5.**
		Erroneous naming convention has been corrected and contact details of the author have been added (see 04_07_Biodiversity_Study_revised_Nov.2010.pdf, pg 8).	Contact details have been provided. **CAR closed**

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Corrective Action Request 10. Please provide evidence to the audit team on how red list species were identified in the project area and what kind of measures are taken to protect these.	4.3.	Red list species in the project area were identified with the help of a prominent local University ecologist (and director of the Batumi Botanical Garden), who surveyed the project area and mapped flora and fauna species against official Government documentation. The official documents used were those specified in decree #303 of the President of Georgia –providing the full list of IUCN endangered species extended with species identified by experts of the Georgian Ministry for the Environment in Samegrelo Region (01_26_FD_Minstry_Env_English.pdf, pg. 2-13, 04_08_Red_List_approved.pdf). The study commissioned to the ecologist indicated that no negative effects of the project activity on rare and endangered plants and animals exist—quite the contrary in fact, given that the project halts ecosystem degradation from anthropogenic pressure and increases the extent of protected areas in the region. Standard operating procedures (SOP) were provided to describe protective measures undertaken by the project. These include dissemination of information on rare species among workers and locals, and procedures to report observed events internally within Agrigeorgia, as well as to local ecologists. Attached documents: 04_08_Red_List_Approved.pdf 03_08_SOP#2_Conservation_Area.pdf	Red List species on the Project area were assessed by Dr. Davit Gwianidze, who visited the project area and conducted the above mentioned "Biodiversity study". He stated that "The rare species red list would need more detailing and in situ comparison." Therefore more detailed information is needed to ensure identification of all IUCN red list species within the project boundary including appropriate protection activities. ***Provide further scientific based evidence on identification of all IUCN red list species within the project boundary and include appropriate protection activities.***
		We have asked for additional clarifications from the biodiversity expert to this end. In statements which are now part of an amended Biodiversity Report (04_07_Biodiversity_Study_revised_Nov.2010.pdf pages 7-8), the expert explains that the presence of IUCN species in the project area and its surrounding regions were assessed on the base of all available literature and research experience in the area (the expert is the director of the Botanical Garden of Batumi University, a major city near the project sites). He further adds that the list provided by the government of Georgia is exhaustive to this end. Finally, we have agreed with the professor to conduct periodic assessments to monitor rare species on project	As stated in the biodiversity study and confirmed by Dr. Davit Gwianidze by phone (16.12.2010) there are no red list species identified on the plantation areas (expert knowledge). Red list species (Fauna) were only found in the relict forests that are part of the Nature Conservation Areas. Within these areas the species are protected and monitored as described in the 03_08_SOP#2_Conservation_Area for NCAs.

		areas in the future.	**CAR closed**
Corrective Action Request 11. Define for procedures for the use of chemicals include indications of how requirements of 4.4 – 4.7 are covered and how this is implemented. Provide respective documents to the audit team.	4.4.	Standard operating procedures for the storage and use of chemicals on project land were elaborated, including training of dedicated staff. Attached document: 04_09_SOP#5_Chemicals.pdf	There is a signed and detailed SOP provided, covering all aspects required by CFS. **CAR closed**
Corrective Action Request 12. Establish/reestablish buffers along watercourses according to CFS.	4.8.	As outlined in our response to CAR1, water bodies and nature conservation areas were re-assessed and redefined as per observations made during the site visit. Previously, some large drainage channels had been erroneously catalogued as rivers. This was corrected and the implementation of the remaining buffers included protective measures as outlined in SOP#1 (see CAR 4). Furthermore, shapefiles of the project's revised management units and buffers were updated. Attached documents: 01_24_update_parcels_08.2010.xls. 01_19_HAP_shapefiles_revised.zip	Boundaries of buffers along temporary and permanent waterways were revised according to CFS. This is documented in the revised shapefiles. The treatments of the buffers are described in the SOP 1. ***Nevertheless more detailed maps with numbered parcels of the buffers and consistency with the management of the buffers and the CFS criteria of natural ecosystem needs to be provided to the auditors.*** **See also CAR 1 and 5.**
		Shapefiles layers of buffers now re-submitted contain corresponding numbering in the layer information and can be viewed by switching on the ""Label features. This type of numbering has been applied for all seven types of MUs. We submit pdf prints of the four sites where buffers appear with numbering of buffers visible as additional support documentation (see 04_14_buffers numbering.zip).	Detailed maps with numbered buffer areas have been provided. Consistency with CFS criteria is provided by an eternal expertise (04_07_Biodiversity_Study_ revised_Nov.2010). **CAR closed**
Clarification Request 6. Provide evidence, that tree species used for planting in the buffers are native.	4.8.	As per observation made during site visit by the certification body, the project owner revised the list of tree species planned in the buffer area. We note at the outset that for the most part, the redefined and redesigned buffers will largely consist of protected native bushes and grassland patches, which will undergo re-growth and re-establishment during the lifetime of the project.	According to the SOP for Nature Conservation Areas only Corylus avellana will be planted in the buffer zones. Consistency with the CFS concerning re-establishment of natural ecosystem within the buffer zones has to be pro-

		Trees will be planted mostly to serve pollination purposes for the nearby plantation as well as protection from erosion. These trees will consist of cultivars of the local native hazelnut tree (*Corylus aveliana)*: *Anakliuri, Gulshishvela, Dedopolis titi, Hogi* (see PDD Forest Management section 4, pg. 4). Trees will be planted at low densities (no more than one plant every 10 meters along buffer length).	vided. **Include a list of native trees to be planted in the SOP for NCAs.**
		No trees will be planted in the NCAs except for native hazelnut species (Corylus *avellana*) in the buffer areas. As indicated in the biodiversity study (04_07_Biodiversity_Study_revised_Nov.2010, pg. 6-7), no special management intervention is required to ensure re-establishment of the natural ecosystem of the land-cover mosaic areas, and likewise forested areas are in no need of additional planting.	As natural regeneration/succession is used to manage the NCAs no replanting of trees is planned but only Corylus avellana (native species) in the buffers. **CR closed**
Clarification Request 7. Please provide further information on how soil disturbances are minimized.	4.10.	Attached SOPs on spraying, pruning and harvesting describe in more details how soil disturbance will be minimized during annual operations. Attached documents: 03_07_SOP#1_Plantation_Management.pdf	Sufficient measures to minimize soil disturbances due to forest operations are described in the SOP 1. **CR closed**
Clarification Request 8. Please provide further information on initial land preparation.	4.11.	We attached a detailed list of land preparation activities within SOP#1 on plantation management (see CR7).	Initial land preparation is described in the SOP 1. It includes area wide ploughing for the primary preparation of the planting area. The planting of the trees is done by hand. **CR closed**
Corrective Action Request 13. Discuss negative socio-economic impacts in the PDD.	5.1.b.	We included more explicit language in the revised PDD ("Socio-Economic Template, pg. 5-6), showing that there are no negative impacts of the project activity on socio-economic, cultural or welfare issues in the region. Specifically, we better addressed specific topic highlighted by the CarbonFix Standard, i.e., displacement of people and places of social, cultural or religious importance. We have highlighted that the project owner consulted a number	Potential and actual negative socio-economic impacts of the project are discussed in detail in the PD. Minor negative impacts where identified and measures to mitigate were implemented. Stakeholders were involved, socially important places were not negatively affected and there is no replacement of

		of government and NGO stakeholders prior to project start, to insure that the process of land transfer from the government to Agrigeorgia would not generate problems. We also highlighted that one negative comment was aired at the first stakeholder meeting (displacement of grazing), and specified that in response to this comment, a first assessment on displacement of grazing livestock was made by the project owner, indicating that there was ample land in the vicinity to accommodate displaced livestock.	people. **CAR closed**
Corrective Action Request 14. Develop procedures on requirements as stipulated in section 5.3, 5.5, 5.6 of the standard. (Safety-procedure). Provide documents to the audit team.	5.3.	We submit SOPs for employment at Agrigeorgia (05_07_SOP#4_Work_Safety.pdf), and SOP#3 on the Use of Chemicals (03_09_SOP#3_Chemicals) highlighting that: a) First aid kits are reasonably accessible for all staff - PDD Chapter 5.3, described in SOP#4: Paragraph 1.3; b) All equipments of the working staff are in safe working mode – PDD Chapter 5.5 described in SOP#4: Paragraph 3.1 – 3.5; c) Protective equipment and training for working staff is enforced – PDD Chapter 5.6 described in SOP#4: Paragraph 2, furthermore in SOP#3: Paragraph 1.3.3 and in Annex 1-4. We have made a reference to these SOPs in the revised PDD (pages 6-7)	SOPs concerning working safety are provided. During onsite visit machinery and equipment were found in very good condition. First Aid kits was requested for in the base of Akhali Khibula and presented to the DOE. **CAR closed**
Clarification Request 9. Provide minutes of meetings of the workers as seen on site to the audit team.	5.4.	See attached document: 05_11_Weekly_Minutes_30.08.2010.pdf	Minutes of a weekly meeting are provided. **CR closed**

Corrective Action Request 15. Develop a procedure on requirements as stipulated in section 5.7, 5.8, 5.9, of the standard. (employment- procedure)	5.7.	We submit SOPs on employment at Agrigeorgia (05_07_SOP#8_Employment.pdf), highlighting: a) No children are hired - PDD Chapter 5.7, described in SOP#8: Paragraph 1.2.1; b) Tasks on employment selection – PDD Chapter 5.8 described in SOP#8: Paragraph 1.3.2; c) Geographic location of employees – PDD Chapter 5.9 described in SOP#8: Paragraph 1.2.2; We included explicit reference to these SOPs in the revised PDD (Socioeconomics chapter, pg.8-10).	SOP regarding the requirements of the Carbon Fix Standard is provided to the DOE. Employees are preferably chosen from the surrounding villages of the project area. ***Add the requirement to preferably employ stuff from the close to the project area.***
		The PDD and relevant SOPs have been updated accordingly: SOP - 05_07_SOP#8_Employment.pdf, Paragraph 1.2.3;, PDD - Socioeconomics chapter, page 10, criterion 9.	The requirement to employ preferably personal from the vicinity of the project areas has been included. **CAR closed**
Clarification Request 10. Provide evidence that contracts are changed to a new version in accordance to CFS	5.8.	We attached a sample of the new standard employment contract, which is in accordance with the CFS (see 05_02_Labor_Contract_Sample).	A template of the new version of contract considering all requirements of the CF Standard is provided. ***Provide further evidence that the old contract is actually replaced by the new version.***
		We provide an official statement from the Head of Agrigeorgia's Human Resources Department, with the confirmation of the date when the new contracts entered in force. Furthermore, we submit a sample contract of an Agrigeorgia worker issued recently according to the new contract conditions. See 05_14_Agrigeorgia_HR_Declaration.pdf and 05_02_Labor_Contract_Sample_new.pdf	***In the new contract sample provided modalities of health insurance are missing. These were included in the old version.*** ***Further evidence is needed that old existing contracts are being replaced by the new version that includes detailed modalities of health insurance.***
Corrective Action Request 16. Provide procedure on 5.10 and 5.11 on stakeholder involvement and evidence on implementation.	5.10.	We submit SOPs on stakeholder involvement at Agrigeorgia (11_06_SOP#7_Stakeholder_Involvement.pdf) highlighting that: a) Stakeholders are able to address their concerns to the management staff throughout the project - PDD Chapter 5.10, described in SOP#7: Paragraph 1.1.2; b) Stakeholder comments are recognized and appropriate-	A SOP concerning stakeholder involvement is provided. Implementation is proved by signature of the manager. **CAR closed**

		ly addressed by the management staff – PDD Chapter 5.5 described in SOP#7: Paragraph 1.3 and 1.4; We have made a reference to these SOPs in the revised PDD (pg. 10)	
Corrective Action Request 17. Please update the calculations of VERs in the Excel sheet: project area and BEF need to be updated. Ensure that the average volume of CO2 sequestered in the plantation is in compliance with Carbon Fix requirements.	6.0.	We have modified calculations of VERs as requested: i) Project area was updated, as per information given above (CAR 1); and ii) BEF was modified in line with discussions during site visit. Specifically, we substituted BEF with a new factor, the multi-stem index (MSI), needed in the case of Hazelnut trees—due to the documented presence in this trees species of several "main branches" or suckers—to expand initial biomass estimates made with standard allometric equations. Using observed data used in the University of Padova Study (Anfodillo et al., 2010), we determined the MSI value by computing the ratio of observed total above-ground tree biomass to single trunk above-ground biomass derived via allometric equations. The value of MSI chosen for the Hazel-GRO model, MSI=1.66, was chosen conservatively, as the minimum value of the 95% confidence interval computed from the observed data. With these modifications, we submit that the average volume of CO2 sequestered in the plantation is in compliance of Carbon Fix requirements. We submit as documentation a revised Hazel-GRO model (vs. 2.0; see 06_02_Hazel-GRO_model_revised.pdf); a revised University of Padova Study including Hazel-GRO vs. 2.0 as Annex 4 (06_01_Anfodillo_et.al_Padova.pdf, pg 40-52); and a revised excel spreadsheet with revised CO2 calculations, inclusive of changes in project area (06_03_Calculations_revised.xls). These documents show that the revised estimates of biomass growth and C sequestration made with our model are consistent, indeed conservative, with regards to observed data.	An updated calculation is provided. Project area has been adapted. BEF is modified to MSI 1,66. Nevertheless there is still inconsistence with area data. Data of leakage due to grazing and use of fertilizer has to be confirmed. ***Data concerning project area and leakage need to be consistent with all documents provided.***
		Small errors (not larger than 0.4%) in reporting of area extent of individual parcels were due to rounding errors, depending on the	**Consistence of data concerning area, leakage and carbon sequestration**

		methods used to determine such areas. Method 1 is based on GIS shapefiles, consistent with purchase and sell agreement documents--resulting in a total planted area of 2148 ha. Method 2 is based on internal Agrigeorgia estimates, based on tree counting within each parcel divided by the known average planting density (667 trees/ha)--resulting in total planted area of 2152.5 ha. We clarify that all computations in the PDD, including carbon sequestration estimates, were and are based on Method 1, i.e., they consider the smaller of the two area estimate figures. Indeed, area extent data from Method 2 were not used for any computation in the PDD, and only appeared in one MS Excel file, provided to the validation team. To recall, this MS Excel table was submitted to in the course of validation, to clarify land acquisition and project establishment data (01_24_update_parcels_08.2010.xls). In order to insure full consistency of data, and given that all PDD computations are based on figures from Method 1, we have modified accordingly the information on the .xls file provided by using parcel area figures from Method 1 (01_24_update_parcels_11.2010.xls)	**have been provided.** **Eligible planting: 2148 ha** **Total net project sequestration: 550'272 t CO_2**
<u>Clarification Request 11</u> **Please provide evidence on amount of fertilizer used.**	7.2.	We received from the project owner a revised plan of Fertilizer use, specifying types of fertilizer and recommending application rates of 40-70 kg N/ha, depending on plantation age (see attached, 04_10_Fertilizer_Use.xls; as well as SOP#3 03_09_SOP#3_Chemicals_SEP_19.pdf, pg. 3). The revised N fertilizer figures are maximum allowable amounts—indeed, as per conversations with M. Pisetta, manager of the plantation, fertilizer N applied this year was in amounts of 33 kg N/ha, i.e., 17.5% lower than prescribed. Finally, the revised application rates have been used to compute revised project emission rates in 06_03_Calculations_revised.xls.	A list with the planned use of fertilizer is provided. Max N input is 70 kg/ha. (06_03_ Calculation revised – Project emissions) ***Show evidence on use of fertilizer by providing documentation sheets according to SOP#3***
		SOP#3 on the use of chemicals is in use at the Agrigeorgia plantations only since 24th of September, 2010. No application of fertilizer was necessary since adoption of the SOP, hence no	Information according to SOP#3 is not available for former years as it was established in 2010 only.

		filled-in forms can be shown (chemical storage registration sheets were not stored by the warehouse manager prior to SOP adoption). Instead, as evidence of amounts used so far, in line with the N application table that we provided in the course of the previous validation round, we now provide invoices of fertilizer purchased in 2009, which indicate about 20 kg/ha Nitrogen used on one to two year old plantations (04_12_Fertilizer_Use_2009.pdf). This value is half the one estimated in our CO2 calculations spreadsheet and the SOP. Mr. Pisetta, responsible for the afforestation project, furthermore confirms that plans are for usage of N fertilizer at levels no higher than those indicated in the SOP.	Invoices for fertilizer provided show the amount of fertilizer purchased (43,04t in 2008/09). **CR closed**
Corrective Action Request 18. Provide evidence on leakage due to livestock grazing (reassessment of number of animals in baseline conditions).	9.1.	Livestock grazing numbers were re-assessed, with the new analyses confirming results of earlier estimates (see 09_05_SOP#5_Livestock_Assessment.pdf). Furthermore, these procedures have been standardized, i.e., they will be followed by Agrigeorgia for all newly acquired land.	The SOP is provided. During onsite visit herds of horses were observed next to project areas. Are other animals like horses accounted for? Adapt no. of supporting Documents. ***Provide further detailed scientific based evidence on leakage due to livestock grazing.***

		The preliminary on-site assessment that was already performed at the project sites--providing a basis for the PDD calculations of leakage from displaced grazing animals--all animals, i.e. cows, pigs, horses, buffaloes were considered, although only cows were observed on abandoned areas representative of baseline conditions for the project. More specifically, pigs and horses were observed, but they were in villages, grazing grass patches along roads. Buffaloes sightings were rare, as these animals tend to be present near large pools of standing water that are not found on project lands. Indeed, local owners of grazing animals confirmed during the site-assessment (see 09_04_SOP#5_Livestock_Assessment_VAL2.doc, page 5 paragraph 1-2), there are pigs, buffaloes, donkeys or horses grazing in gardens and a very limited number of these are grazing on unused land in the direct vicinity of the houses. Precipitation levels provide rich and sufficient vegetation in the vicinity of houses, therefore and in fact, very few animals graze on abandoned areas. Nonetheless, we acknowledge that the original SOP on livestock assessment we provided did not list animal species separately. We therefore updated the SOP to provide more explicit information for similar assessments in the future (see 09_04_SOP#5_Livestock_Assessment_VAL2.pdf, pages 4-5). In closing, we note that the values currently used in the PDD for leakage were rounded up significantly, i.e., from a computed value of 0.73 tCO2/ha to the actual value of 1 tCO2/ha, the latter already used in CO2 calculations. This higher value, already used is conservative: it is very unlikely, given the above facts on grazing animals, that future assessments that would determine baseline leakage values from displaced livestock higher than 1 tCO2/ha.	The SOP#5 Livestock grazing has been adapted to include different types of grazing animals. Nevertheless no other animals have been recognized during the first assessment. During reassessment according to the new SOP a similar number of 1 cow per 10 ha and no other animals were counted (IRL 97). In the absence of more detailed data and due to the fact that the computed value for leakage has been conservatively rounded up from 0.73 tCO_2/ha to 1 tCO2/ha. These data can be accepted. **CAR closed**
Corrective Action Request 19. Provide management procedure on 11.1-11.5. to the audit team	11.1.	Internal management structure and procedures were formalized in new relevant standard operating procedures, which are now referenced to in the revised PDD (see Capacities chapter,pg. 2-4	A signed SOP as requested is provided. **CAR closed**

and evidence on its implementation.		and 11_05_SOP#6_Internal_Management). These SOPs detail Agrigeorgia's internal quality control systems and include relevant procedures for knowledge transfer, training and research activities, in line with CFS Criteria 11.1-11.5.	
Clarification Request 12. Provide evidence on financial capacity (see also section 11.7, so far only figures of 2009 have been received).	11.6.	Financial figures providing evidence of solid financial capacity for 2007, 2008 and 2009 were provided (11_09_Financial_Health_2007_2010)	Evidence on the financial health of FERRERO is provided by the company's web page. ***Provide evidence on sustainable financial support of the Project.*** ***See CR 16***
		We now provide the official charter document of Agrigeorgia's establishment, as evidence of the availability of sustainable financial support for the company. See 11_10_Agrigeorgia_Charter.pdf	The charter provides evidence that Agrigeorgia LLC is fully owned by FERRERO TRADING LUX SA which is part of the FERRERO Group with an actual yearly turnover of 6.2 Billion Euro (www.ferrero.com). Sustainable financial support can therefore be considered as sustainable. CR closed
Clarification Request 13. Please provide results of risk analysis of the project (internal by FERRERO)	11.9.	Considerations of risk were made, appropriately, by Agrigeorgia LLC, as a legal entity registered in Georgia (see also CR4). We further attach an Excel sheet, which, albeit rather concise, is evidence of project risk analysis for Georgia, made by Ferrero for Agrigeorgia. 05_13_Risk_Assessment_Agrigeorgia.xls. Additional risk analysis considerations were not made explicitly in company documents, but rather served as a basis for elaboration of specific risk procedures (see SOP#9 below). They are summarized in the PDD (pg. 7-8).	FERRERO Internal risk analysis provided is rather concise. Nevertheless risk analysis provided in the PD is in line with the standard. **CR closed**
Corrective Action Request 20. Provide standard operational procedure for risk management, as required by CFS in section 11.9 and evidence on implementation.	11.9.	We submitted standard operating procedures (11_07_SOP#9_Risk_Management), in line with CFS Criteria 11.9. The revised PDD references these SOPs explicitly (PDD, pg. 7-8).	SOP for risk management is provided. **CAR closed**

Clarification Request 14. Clarify which elements of the fire management plan will be implemented. Provide evidence on implementation of the fire management plan including responsibilities.	11.10.	We submitted fire risk management procedures (11_06_SOP#10_Fire_Risk_Management.pdf), together with a revised fire management plan (FMP), implemented by the project owner in full.	Signed SOP Fire Management is provided. **CR closed**
Clarification Request 15. Provide evidence about land tenure contracts in general and for the list of parcels visited in specific.	12.1.	General Land tenure contract and ownership confirmation with cadastral registration maps were provided as attachments for the 25 sample parcels identified by the certification body. Attached documents: 12_4_Land_Tenure_Contracts 12-02_Purchase_and_Sale_02122008.pdf	Land tenure contracts are not attached. ***Provide detailed and traceable evidence about land tenure contracts for the parcels visited.***
		Evidence of land ownership can be traced for each of the 25 sample parcels by the following simple steps: 1. Shapefiles of each parcel provide the exact location, size of the parcels and numbering. 2. The 12_4_Land_Tenure_Contracts folder contains two files for each selected parcel, named after the numbering of the parcel. Cadastral map and reg. number for e.g. Chitaskari site, parcel#8 can be found in *8.pdf*, and reg. number with ownership confirmation can be found in the 8_reg.pdf. folder. 3. A scanned copy of a sample registration sheet (Chitaskari parcel#8) with indication of registration number, name of owner Agrigeorgia spelled in Georgian language is provided in the 12_03_Cadastral_sheet_Chitaskari#8.pdf document.	Detailed cadastral maps and documents were provided for the parcels visited. **CR closed**

Clarification Request 16. Evidence to be provided with the contract of establishing Agrigeorgia that there is a financial commitment to fully support AgriGeorgia from the Ferrero side. It should be also bear information on: • Early consideration of carbon finance • 100% ownership of AgriGeorgia by Ferrero • AgriGeorgia fully owns the land with no restrictions concerning carbon, timber and other resources Provide evidence that the land owner is also the legal owner of the carbon.	12.3.	Agrigeorgia LLC is fully owned by Ferrero Spa. The latter, as a best practice accepted worldwide, may provide its daughter companies with start-up capital and, if available, investment and operational capital. We have already shared available information demonstrating support by Ferrero Spa to Agrigeorgia LLC in Agrigeorgia's decision to implement the proposed project activity based on carbon considerations (see CR 4). In particular, the minutes of Ferrero shown in the context of CR4 clearly indicate that decisions to link Agrigeorgia's activities with carbon considerations were made early, in 2007. Regarding the third bullet and final request, we submit a statement representing the legal opinion by a Georgian Lawyer—i.e., confirming that in Georgia ownership of land carries no restriction as to full ownership and rights of sale of any resource below and above it.	Early consideration on carbon finance is proven by the minutes of Ferrero Board of directors meeting dated 3. May 2007. Concerning ownership of carbon rights a statement is provided by a Georgian lawyer confirming no restrictions to carbon rights. Ownership and sustainable financial support of Agrigeorgia by Ferrero need to be evidenced. ***Provide contract of establishing Agrigeorgia with detail on ownership and financial support by FERRERO***
		We provide the official charter document of Agrigeorgia's establishment, as evidence of ownership and the availability of sustainable financial support by Ferrero. See 11_10_Agrigeorgia_Charter.pdf	The charter provides evidence that Agrigeorgia LLC is fully owned by FERRERO TRADING LUX SA which is part of the FERRERO Group with an actual yearly turnover of 6.2 Billion Euro (www.ferrero.com). Sustainable financial support can therefore be considered as sustainable. **CR closed**

Table 3: Unresolved CAR / CR / FAR

Forward Action Requests
n/a

Annex 2: Information Reference List

<table>
<tr><td>0.</td><td>Carbonfix Webpage</td><td>“Project title ”, project documentation accessed at http://www.climateprojects.info/GE-HAP/</td><td></td><td></td></tr>
<tr><td>1.</td><td></td><td>Onsite interview (19.07.2010 – 22.07.1010) carried out by TÜV SÜD:
Validation Team: Martin Seitz, Martin Schröder
Interviewed Persons:
<table>
<tr><th></th><th>Name</th><th>Organisation</th></tr>
<tr><td>1</td><td>Michele Pisetta</td><td>For project owner Ferrero</td></tr>
<tr><td>2</td><td>Geza Toth</td><td>Project Manager/Get Carbon</td></tr>
<tr><td>3</td><td>Lela Grasalia</td><td>Ministry of environment & natural resources</td></tr>
<tr><td>4</td><td>Kethevan Lataria</td><td>Ministry of environment & natural resources</td></tr>
<tr><td>5</td><td>Merab Chitanava</td><td>Lawyer of Agrigeorgia</td></tr>
<tr><td>6</td><td>Alessandro Bocardo</td><td>Head of Agrigeorgia (by phone)</td></tr>
<tr><td>7</td><td>Nana Mazrishvili</td><td>Responsible for stakeholder survey implementation</td></tr>
<tr><td>8</td><td>Claudiu Dinu</td><td>Engineer/Ferrero</td></tr>
<tr><td>9</td><td>Dr. Davit Gwianidze</td><td>Associated Prof of Batumi State University (16.12.2010 by phone)</td></tr>
<tr><td>10</td><td>Francesco N. Tubiello</td><td>Chief of Science & Technology Get Carbon</td></tr>
</table></td><td></td><td></td></tr>
<tr><td>2.</td><td>Agrigeorgia</td><td>PDD – Afforestation with Hazelnut Plantation in Western Georgia</td><td>08 Jun 2010</td><td></td></tr>
<tr><td>3.</td><td>International Committee of the Red Cross (ICRC)</td><td>Farming through conflicts</td><td>Sep 2007</td><td>1 Eligibility</td></tr>
<tr><td>4.</td><td>Get Carbon</td><td>Survey_Assessment_report</td><td>Dec 2009</td><td>1 Eligibility</td></tr>
<tr><td>5.</td><td>Michael C. Schäfer</td><td>Klimazonierung von Georgien/Wissenschaftliche Hausarbeit,</td><td>Oct 2003</td><td>1 Eligibility</td></tr>
<tr><td>6.</td><td>Maurizio Cortese</td><td>request_forest_definition_DNA/Letter</td><td>23 Apr 2009</td><td>1 Eligibility</td></tr>
<tr><td>7.</td><td>Ministry of Envi-</td><td>Third National Report of Georgia</td><td>May 2006</td><td>1 Eligibility</td></tr>
</table>

	ronment Protection and Natural Resources of Georgia	On The Implementation of the UN Convention to Combat Desertification		
8.		2003-2032 caucasus scenarios		1 Eligibility
9.	Agrigeorgia	Clarification request to DNA/Letter	2009	1 Eligibility
10.	Nana Shvangiradze	Survey Minutes Technical Summary		1 Eligibility
11.	Get Carbon	Survey presentation-English	28 Nov 2009	1 Eligibility
12.	Get Carbon	Survey presentation-Georgian	28 Nov 2009	1 Eligibility
13.	Get Carbon	Survey results 52 questionnaires		1 Eligibility
14.	Get Carbon	Survey STATS report		1 Eligibility
15.	Get Carbon	GIS report	Jan 2009	1 Eligibility
16.	Get Carbon	HAP shape files	Feb 2010	1 Eligibility
17.	Get Carbon	Aerial photos (_Akhali_Khibula_layout, _Chitaskari_layout, _Gejeti_layout, _Vediktari-Martvili_layout	5 Oct 2010	1 Eligibility
18.	Jani LTD	Report Mine removal	Jun 2009	2 Additionality
19.	Gov. of Georgia	Russian invasion of Georgia - Facts 2008	Dec 2008	2 Additionality
20.	ENVSEC	Poster Caucasus degradation		2 Additionality
21.	Renee Giovarelli David Bledsoe	FAO paper Land Reform	Oct 2001	2 Additionality
22.	The Economist	TheEconomist_1	Feb 2010	2 Additionality
23.	The Economist	TheEconomist_2	Feb 2010	2 Additionality
24.	Ivane Japaridze	Bank statement	10 May 2010	2 Additionality
25.	Agrigeorgia	Resume Planting Operations – excel sheet		3 Forest Management
26.	Agrigeorgia	Cadastral maps nursery	Jun 2010	3 Forest Manage-

				ment
27.	Michele Pisetta	Agrigeorgia labor guiding principle	Jun 2010	4 Environm. Aspects
28.	Michele Pisetta	Illegal activities	Jun 2010	4 Environm. Aspects
29.	Agrigeorgia	Climate template	Jun 2010	4 Environm. Aspects
30.		REC biodiversity fauna	Jun 2010	4 Environm. Aspects
31.	EU	Work code template	June 1989	5 Socio-econ. Aspects
32.	Agrigeorgia	Labor Contract Sample	14 Apr 2010	5 Socio-econ. Aspects
33.	Georgian Agriculture Development Projects Coordination Center	Letter of intent-World Bank	Feb 2010	5 Socio-econ. Aspects
34.	Maurizio Cortese	Letter of intent UN biomass pellets	23 Sep 2009	5 Socio-econ. Aspects
35.		Problem areas support activities	Apr 2010	5 Socio-econ. Aspects
36.	Get Carbon	Stakeholder consultation AR	Apr 2010	5 Socio-econ. Aspects
37.	Della_Valle_et. al	DEFINITION OF ALLOMETRIC EQUATIONSFOR ESTIMATION OF CARBON STORED IN HAZELNUT PLANTATIONS	Sep 2010	6 CO2 Fixation
38.	Get Carbon	Hazel-GRO model	Sep 2010	6 CO2 Fixation
39.	Get Carbon	Calculations		6 CO2 Fixation
40.	Bradshaw	Physiological aspects of corylus avellana associated with the French black truffle fungusTuber melanosporum and the consequence for commercial production of black truffles in Western Australia	Jan 2005	6 CO2 Fixation
41.	Navarro-Blanco	Estimation of above-ground biomass in shrubland ecosystems of southern Spain	2006	6 CO2 Fixation

42.	www.teebuch.de	About tea		8 Baseline
43.	Dr. Turan Yuksek	Rize Correspondance	4 Feb 2010	8 Baseline
44.	Michele Pisetta	Tea height Agrigeorgia estimate	Jun 2010	8 Baseline
45.	Moriz Vohrer	CFS clarification1	7 Apr 2010	9 Leakage
46.	Michele Pisetta	Grazing displacement	8 Mar 2010	9 Leakage
47.		Curtins cow-stocking rates	24 Nov 2009	9 Leakage
48.	Ferrero	ICS Manual	Dec 2005	11 Capacities
49.	Ferrero	Development handbook	2009	11 Capacities
50.	Michele Pisetta	Statement illegal activities	Jun 2010	12 Land CO2 Tenure
51.	Michele Pisetta	Land tenure	11 Feb 2010	12 Land CO2 Tenure
52.	P. Leme, A. Assuncao	Relationship between the Above and Underground Parts of the Hazelnut Variety .‘Tonda Di Giffoni.’	2005	6 CO2 Fixation
53.	Agrigeorgia	MINUTES OF THE MEETING ON April 18th 2007	18 Apr 2007	2 Additionality
54.	Agrigeorgia	MINUTES OF THE MEETING ON December 22nd 2007	22 Dec 2007	2 Additionality
55.	Agrigeorgia	EMPLOYMENT AGREEMENT - “AgriGeorgia”	1 Jul 2009	5 Socio-econ. Aspects
56.	Agrigeorgia	Health insurance agreement	1 Mar 2010	5 Socio-econ. Aspects
57.	Agrigeorgia	Personal Life and Personal Accident insurance	1 Mar 2010	5 Socio-econ. Aspects
58.	Ministry of Economic Development of Georgia	Real Estate Sale and Purchase Agreement	25 Dec 2009	12 Land CO2 Tenure
59.	Ministry of Economic Development of Georgia	Real Estate Sale and Purchase Agreement	2 Dec 2008	12 Land CO2 Tenure
60.	Agrigeorgia	Timetable Project		2 Additionality

61.	Martin Seitz, Martin Schröder	Field Sheets	21 Jul 2010	
62.	Agrigeorgia	Service Agreement	30 Apr 2010	2 Additionality
63.	Agrigeorgia	List of permanent employees	21 Jul 2010	5 Socio-econ. As-pects
64.	Agrigeorgia	Minutes of coordination meeting - Monday meeting	19 Jul 2010	11 Capacities
65.	Levan Dadiani	CV of Levan Dadiani	Jul 2010	11 Capacities
66.	Fabio Piretta	CV of Fabio Piretta	Jul 2010	11 Capacities
67.	Ferrero Trading LUX	Minutes of “Board of Directors meeting”	8 Feb 2007	11 Capacities
68.	Get Carbon	Fire Management Plan	Jun 2010	11 Capacities
69.	National Agency of Public Registry Georgia	Cadastral Map of parcels	22 Jul 2010	12 Land CO2 Tenure
70.	Ministry of Agri-culture of Geor-gia	Soil Maps 1:9.000/1:10.000	Jun 2010	3 Forest Manage-ment
71.	Laboratorio regionale analisi terreni	Soil analysis	26 Apr 2007	3 Forest Manage-ment
72.	Agrigeorgia	Photo documentation	2009/2010	
73.	Alessandro Bocardo	IRR bus case SA Model Agrigeorgia EXCEL Sheet	Jul 2010	2 Additionality
74.	IPCC	IPCC fourth assessment report	Jun 2010	
75.	Moritz Vohrer CFS	Pre Validation Report	11 Jun 2010	
76.	Get Carbon	01_24_update_parcels_08.2010	24 Sep 2010	1 Eligibility
77.	Dr. Davit Gwianidze	04_07_Biodiversity_Study_ revised_	Nov 2010	4 Environm. Aspects
78.	Get Carbon	HAP shapefiles revised	28 Sep 2010	1 Eligibility

79.	Ferrero Int. SA	Ferrero Board of Directors meeting, minutes - CONFIDENTIAL -	03 May 2007	2 Additionality
80.	Get Carbon	Aerial photos VAL 2(_Akhali_Khibula_layout_VAL2, _Chitaskari_layout_VAL2, _Gejeti_layout_VAL2, _Vediktari-Martvili_layout_VAL2)	30 Aug 2010	2 Additionality
81.	Dep. Governor of State	Regional Officers CP Declaration	30 Aug 2010	2 Additionality
82.	AgriGeorgia	Field Condition Assessment 4_11	26 Nov 2010	3 Forest Management
83.	Get Carbon	Maps – Buffer numbering – (Buffers_AK, Buffers_Chitaskari, Buffers_Gejeti_Vediktari-Martvili)	27 Nov 2010	3 Forest Management
84.	Get Carbon	03_08_SOP#2_Conservation_Area_VAL2-2	20 Aug 2010	3 Forest Management
85.	Get Carbon	03_07_SOP#1_Plantation_Management_VAL2	28 Aug 2010	3 Forest Management
86.	AgriGeorgia	HAP_PDD_VAL2	13 Dec 2010	
87.	AgriGeorgia	03_01_Resume_Planting_Operations_VAL2	4 Nov 2010	3 Forest Management
88.	AgriGeorgia	04_12_Fertilizer_Use_2009	26 Nov 2010	4 Environm. Aspects
89.	AgriGeorgia	03_09_SOP#3_Chemicals_signed.	24 Sep 2010	4 Environm. Aspects
90.	AgriGeorgia	05_07_SOP#4_Work_Safety_signed.	24 Sep 2010	5 Socio-econ. Aspects
91.	AgriGeorgia	05_11_Weekly_Minutes_30.08.2010	30 Aug 2010	5 Socio-econ. Aspects
92.	AgriGeorgia	05_07_SOP#8_Employment_VAL2	26 Nov 2010	5 Socio-econ. Aspects
93.	AgriGeorgia	04_12_Labor_Contract_Sample_Dec.2010-1	20 Dec 2010	5 Socio-econ. Aspects
94.	AgriGeorgia	Replacement of old contracts statement	21 Dec 2010	5 Socio-econ. Aspects
95.	AgriGeorgia	11_06_SOP#7_Stakeholder_signed.	24 Sep 2010	5 Socio-econ. Aspects

96.	Get Carbon	06_03_Calculations_revised	8 Oct 2010	6 CO_2 - Fixation
97.	AgriGeorgia	09_04_SOP#5_Livestock_Assessment_VAL2	6 Oct 2010	9 Leakage
98.	Leme/Assunção	06_05_Assuncao_Leme_on_RTS_ratio	2005	6 CO_2 - Fixation
99.	AgriGeorgia	11_05_SOP#6_Internal_Management	6 Oct 2010	11 Capacities
100.	AgriGeorgia	11_04_Fire_Management_Plan_revised	24 Sep 2010	11 Capacities
101.	AgriGeorgia	11_06_SOP#7_Stakeholder_signed.	24 Sep 2010	11 Capacities
102.	AgriGeorgia	11_07_SOP#9_Risk_Management_signed	24 Sep 2010	11 Capacities
103.	AgriGeorgia	11_08_SOP#10_Fire_Risk_signed.	24 Sep 2010	11 Capacities
104.	FERRERO	11_09_Financial_Figures_2007_2010	21 Sep 2010	11 Capacities
105.	FERRERO TRADING LUX SA	11_10_Agrigeorgia_Charter	08 Feb 2007	11 Capacities
106.	AgriGeorgia	05_13_Risk_Assessment_Agrigeorgia	24 Sep 2010	11 Capacities
107.	Ministry of Economic Development of Georgia	12-02_Purchase_and_Sale_02122008	2 Dec 2008	12 Land CO2 Tenure
108.	Cadaster	12_03_Cadastral_sheet_Chitaskari#8	31 May 2010	12 Land CO2 Tenure
109.	Cadaster	12_04_Land tenure contracts	21 May 2010	12 Land CO2 Tenure
110.	Get Carbon	Landsat Images 1987, 1989, 1991, 1998	Nov 2010	1 Eligibility
111.	National Bank of Georgia	02_14_Bank_Georgia_2007_AR	2007	2 Additionality
112.	National Bank of Georgia	02_15_Bank_Georgia_2007_MS	2007	2 Additionality
113.	The World Fact Book	02_11_Georgia_Indicators_2007	2007	2 Additionality