



ENVIRONMENTAL SERVICES, INC.

Climate, Community, and Biodiversity Alliance Project Validation Report

Bull Run Overseas Ltd. Forest Carbon Project Phase I

15 March 2012

Project No. VO11083.00

Validation Conducted by:

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ANSI ACCREDITED PROGRAM
GREENHOUSE GAS
VALIDATION AND VERIFICATION
0800



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Introduction

This report presents the findings of an audit conducted by Environmental Services, Inc., (ESI) to validate the claims made by Forest Carbon Offsets, LLC that their Bull Run Overseas Ltd. Forest Carbon Project Phase I conforms to the Climate, Community, and Biodiversity Project Design Standards (Second Edition- December 2008). ESI is accredited by the American National Standards Institute (ANSI) under ISO 14065:2007 for Greenhouse Gas Validation and Verification Bodies and is approved by the Climate, Community, and Biodiversity Alliance (CCBA) to perform such validations.

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Validation Details

Validation Standard	Climate Community and Biodiversity Standard (Second Edition – December 2008)
Validation Criteria	The criteria will follow the validation guidance documents provided by CCBA located at www.climate-standards.org. These documents include the following: a) <i>Project Design Standards (Second Edition, December 2008)</i> b) <i>Rules for the use of the Climate, Community, & Biodiversity Standards, Version June 21, 2010.</i>
Level of Assurance	The level of assurance was used to determine the depth of detail that the validator placed in the validation plan to determine if there were any errors, omissions, or misrepresentations (ISO 14064-3:2006). ESI selected samples of data and information to be validated, to provide <i>reasonable assurance</i> .
Validation Scope	The scope of the validation included the review of all project documentation provided by the project developer and the appropriate level of fact finding by the validator during the on-site visit. The validator used evidence such as, but not limited to, interviews with stakeholders and project proponents, review of supporting records and reports.
Validation Date(s)	November 18, 2011 – 9 March 2012 (ESI's validation dates)
Materiality	Materiality is a concept that errors, omissions and misrepresentations could affect the project design assertions and influence the intended users. CCB does not specifically outline a materiality threshold; however, ESI used a 5% threshold for evidence. If a non-conformance was discovered, the project developer was given the opportunity to correct the non-conformity to the project design document within a reasonable timeframe (within 30 days).
Site Visits	19-21 December 2011
Final Documents from Client	• BRO CCB PDD Final Ver 3-2 (2).docx
Timeline	• PDD previously submitted to CCB by another validation entity • 11 November 2011 – Project Development Document - ESI received • 18 November 2011 - Opening Meeting • 18-7 November 2011 – First internal review of PDD identifying required revisions • 19-21 December 2011 – On-site inspection, including stakeholder meetings • 7 January 2012 – 1st round of NCRs/OFIs, produced and submitted • 13 January 2012 - 1st responses received from client • 13-23 January 2012 -ESI review of 1st round responses • 23 January 2012- 2nd round of NCRs/OFIs, produced and submitted



	• 25 January 2012 – 2nd responses received from client • 1 March 2012 – Receive protective covenants and filing receipts • 1 – 9 March 2012 - ESI review of final materials and report preparation • 12 March 2012 – Draft validation report submitted to client • 15 March 2012 – Closing meeting • 15 March 2012 – Final validation report complete and submitted to CCBA
Public Comment Period Number of Comments Received	• 24 February- 23 March 2011 • 12 Public comments received

Project Summary

The Bull Run Overseas property (“Project”) encompasses 4,650 ha of tropical pine forests, grasslands, and mature humid broadleaf forest in the Cayo District of Belize, Central America. The 30-year project plan, from 2009 to 2038, produces climate benefits by avoiding emissions from deforestation. Biodiversity benefits are produced by virtue of habitat protection. Community benefits are produced by providing educational opportunities to the children of BRO staff and providing several types of support to the general community in the area. Of the total 4,650 ha property, 666.3 ha (the project area) are slated for conversion to agricultural uses in the absence of carbon financing. The baseline scenario for the tropical hardwood component is conversion to coffee.

Executive Summary of Validation Results

	Criterion	Required/ Optional	Conformance Y/N N/A
G1	Original Conditions in the Project Area	Required	Yes
G2	Baseline Projections	Required	Yes
G3	Project Design and Goals	Required	Yes
G4	Management Capacity and Best Practices	Required	Yes
G5	Legal Status and Property Rights	Required	Yes
CL1	Net Positive Climate Impacts	Required	Yes
CL2	Offsite Climate Impacts (“Leakage”)	Required	Yes
CL3	Climate Impact Monitoring	Required	Yes
CM1	Net Positive Community Impacts	Required	Yes
CM2	Offsite Stakeholder Impacts	Required	Yes
CM3	Community Impact Monitoring	Required	Yes
B1	Net Positive Biodiversity Impacts	Required	Yes
B2	Offsite Biodiversity Impacts	Required	Yes
B3	Biodiversity Impact Monitoring	Required	Yes
GL1	Climate Change Adaptation Benefits	Optional	N/A



GL2	Exceptional Community Benefits	Optional	N/A
GL3	Exceptional Biodiversity Benefits	Optional	Yes

Validation Findings

G1 Original Conditions in the Project Area

Indicator G1.1 – The location of the project and basic physical parameters (e.g. soil, geology, climate).	PDD gives description of soils, climate, project area, shows maps and gives lat and long. PDD describes “666.3 ha are available for conversion to agricultural uses in the absence of finance from carbon finance” and goes on to describe buffer zones along water ways as being excluded.
Evidence Used to Assess Conformance:	PDD and site visit.
Findings:	Validation findings confirm compliance with indicator.
Clarification:	Discussions with the project proponent during the site visit indicated that there would be two separate CCB project for the coffee and improved forest management (pine) projects. Is the project area of 4,650 ha accurate?
Date issued	6 January 2012
Project proponent response/actions and date	19 January 2012 The project area is accurate. The balance of the property will be included in a second CCB project and a second VCS project.
Evidence used to close CAR	PDD and discussions with client.
Date closed	19 January 2012

Indicator G1.2 – The types and condition of vegetation within the project area.	PDD gives detailed description of vegetation types, and management compartments.
Evidence Used to Assess Conformance:	PDD and site visit.
Findings:	Validation findings confirm compliance with indicator.
Indicator G1.3 – The boundaries of the project area and the project zone.	PDD offers a basic definition of the project area and project zone, along with a map. Information is not consistent
Evidence Used to Assess Conformance:	PDD and site visit.
Findings:	Total boundary 4,650 ha is not consistent with boundary listed in VCS documents.
Non-Conformity Report (NCR) to address non-conformance:	Please confirm the total boundary and the CCB project size – see clarification G1.1.
Date issued	6 January 2012



Project proponent response/actions and date	12 January 2012 PDD states that the project area is 666.3 ha that is slated for conversion. The project zone is listed as 66,645 Ha.
Evidence used to close CAR	PDD and site visit
Date closed	20 January 2012

Indicator G1.4 - Current carbon stocks within the project area(s), using stratification by land-use or vegetation type and methods of carbon calculation (such as biomass plots, formulae, default values) from the Intergovernmental Panel on Climate Change's 2006 Guidelines for National GHG Inventories for Agriculture, Forestry and Other Land Uses (IPCC 2006 GL for AFOLU) or a more robust and detailed methodology.	PDD lists "measuring carbon stocks in the Project area is based upon the Sourcebook for Land Use, Land-Use Change and Forestry Projects (Pearson et al 2005). These methods comply with the Intergovernmental Panel on Climate Change's 2006 Guidelines for National GHG Inventories for Agriculture, Forestry and Other Land Use". PDD selects above ground and below ground carbon stocks as being included. Carbon equations are from Appendix C of referenced document. Stocks are stratified appropriately.
Evidence Used to Assess Conformance:	PDD table 1, table 2, figure 7a and 7b, Sourcebook for Land Use, Land-Use Change and Forestry Projects (Pearson et al 2005), and site visit
Findings:	The PDD does not specify the actual onsite carbon stocks in this section.
Non-Conformity Report (NCR) to address non-conformance:	Please reiterate in this section the actual carbon stocks within the project area.
Date issued	6 January 2012
Project proponent response/actions and date	12 Jan 2012 Total project estimate for C in the aboveground and below ground pools is added to the revised PDD. PDD states 90,986 tons of C on page 14.
Evidence used to close CAR	Page 14 of PDD
Date closed	12 January 2012

Indicator G1.5 - A description of communities located in the project zone, including basic socio-economic and cultural information that describes the social, economic and cultural diversity within communities (wealth, gender, age, ethnicity etc.), identifies specific	PDD lists very few communities as being involved or concerned by this project. PDD lists several part time inhabitants of the various organizations and lodges in the area. PDD gives no indication of age, cultural diversity, social, or economic status. PDD does not list any indigenous people's information. PDD gives gender information for the entire Coyo District (table 4). ESI did receive "Community Analysis BRO.docx"; however it is not referenced in this
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groups such as Indigenous Peoples ⁸ and describes any community characteristics.	section.
Evidence Used to Assess Conformance:	PDD, Table 1, Figure 4.
Findings:	PDD gives no indication of cultural diversity, social, or economic status. PDD does not list any indigenous people's information.
Non-Conformity Report (NCR) to address non-conformance:	Please expand the description (wealth, age, ethnicity, etc.) of the few communities that do exist within the project area including the part time residents, whose livelihoods depend on the lodges and organizations within the project zone. Also please reference the "Community Analysis BRO.docx" in this section.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 PDD now describes some basic information regarding the workers at the project site, their wages and gender. Reference is made to a "stakeholder analysis" which was provided in the Audit Materials File provided to ESI. Please note the file is named Community Analysis BRO.docx
Evidence used to close CAR	PDD, Community Analysis BRO.docx, site visit
Date closed	20 January 2012

Indicator G1.6 - A description of current land use and customary and legal property rights including community property in the project zone, identifying any ongoing or unresolved conflicts or disputes and identifying and describing any disputes over land tenure that were resolved during the last ten years (see also G5).	PDD describes current property ownership and states a lack of conflict over land use or ownership. PDD describes transfer of previously held property to the Government of Belize.
Evidence Used to Assess Conformance:	PDD and site visit.
Findings:	PDD does not describe current land use.
Non-Conformity Report (NCR) to address non-conformance:	Please describe current land use in this section.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 PDD describes activities occurring on surrounding properties



	in the project zone.
Evidence used to close CAR	PDD
Date closed	20 January 2012

Indicator G1.7 - A description of current biodiversity within the project zone (diversity of species and ecosystems) and threats to that biodiversity, using appropriate methodologies, substantiated where possible with appropriate reference material.	PDD lists several plant and animal species that have been documented to occur in the project zone. PDD describes threats to biodiversity.
Evidence Used to Assess Conformance:	PDD and site visit.
Findings:	PDD does not contain any reference to ecoregions, habitat types or biotic communities. PDD makes reference to Means 1997; however that paper is not available in entirety on line. PDD does not reference methodology for determining threats to biodiversity.
Non-Conformity Report (NCR) to address non-conformance:	Please provide validator with referenced white paper (Means 1997). Please provide reference material to support threats to biodiversity. Please discuss habitat types, biotic communities and ecoregions.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 PDD lists key biodiversity areas, ecosystems and biotic types, and provides reference material to support threats to biodiversity. PDD makes reference to names of authors for reference materials as well as listing references in PDD. The paper by Means has been provided.
Evidence used to close CAR	PDD, Means (1997), referenced material online
Date closed	20 January 2012

Indicator G1.8 - An evaluation of whether the project zone includes any of the following High Conservation Values (HCVs) and a description of the qualifying attributes. Indicator 8.1 - Globally, regionally or nationally significant	PDD lists information pertaining to 8.1-8.5 as having some part of the project zone.
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concentrations of biodiversity values: a. protected areas b. threatened species c. endemic species d. areas that support significant concentrations of a species during any time in their lifecycle (e.g. migrations, feeding grounds, breeding areas). Indicator 8.2 - Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance. Indicator 8.3 Threatened or rare ecosystems. Indicator 8.4 - Areas that provide critical ecosystem services (e.g., hydrological services, erosion control, fire control). Indicator 8.5 - Areas that are fundamental for meeting the basic needs of local communities (e.g., for essential food, fuel, fodder, medicines or building materials without readily available alternatives). Indicator 8.6 - Areas that are critical for the traditional cultural identity of communities (e.g., areas of cultural, ecological, economic or religious significance identified in collaboration with the communities).	
Evidence Used to Assess Conformance:	PDD (Page 21-22, Table 7) and site visit.



Findings:	All references to descriptions of items are adequate, with the exception of 8.5.
Non-Conformity Report (NCR) to address non-conformance:	Please include more description to justify why activities under 8.5 are fundamental to meeting the basic needs of local communities (food, fodder, building materials, etc.) without readily available alternatives. Alternatively 8.5 could be dropped as other HCV's exist.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 8.5 is now adequately addressed in PDD.
Evidence used to close CAR	PDD
Date closed	20 January 2012

G2 Baseline Projections

Indicator G2.1 - Describe the most likely land-use scenario in the absence of the project following IPCC 2006 GL for AFOLU or a more robust and detailed methodology, describing the range of potential land use scenarios and the associated drivers of GHG emissions and justifying why the land-use scenario selected is most likely.	PDD uses the "VT0001 Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities" PDD describes several options available as alternative land uses. PDD selects conversion to agriculture as the most probable in the project area.
Evidence Used to Assess Conformance:	Page 22-24, "VT0001 Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities"
Findings:	Use of the tool has been validated as part of the VCS project validation/verification. Investment/analysis has been reviewed.
Opportunity for Improvement	To be consistent with this project's VCS PDD it is suggested that language in this section is updated to reflect that in the VCS PDD.
Date issued	20 January 2012

Indicator G2.2 - Document that project benefits would not have occurred in the absence of the project, explaining how existing laws or regulations would likely affect land use and justifying that the	PDD describes the determining factors associated with the project proponents desire to use carbon crediting as an alternative to conversion to coffee plantations. Financial plans have been made available to the auditor.
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benefits being claimed by the project are truly 'additional' and would be unlikely to occur without the project.	
Evidence Used to Assess Conformance:	PDD (Page 24-, G5.1), interviews, site visit.
Findings:	PDD does not include demonstration that provides credible and well documented analysis.
Non-Conformity Report (NCR) to address non-conformance:	Please provide the process and results of the <i>VT0001 Tool for the Demonstration and Assessment of Additionality in VCS Agriculture</i> in this section.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 VT0001 analysis is presented in G2.1 and is adequate to meet this NCR.
Evidence used to close CAR	PDD
Date closed	20 January 2012

Indicator G2.3 - Calculate the estimated carbon stock changes associated with the 'without project' reference scenario described above. This requires estimation of carbon stocks for each of the land-use classes of concern and a definition of the carbon pools included, among the classes defined in the IPCC 2006 GL for AFOLU. The timeframe for this analysis can be either the project lifetime (see G3) or the project GHG accounting period, whichever is more appropriate. Estimate the net change in the emissions of non-CO₂ GHG emissions such as CH₄ and N₂O in the 'without project' scenario. Non-CO₂ gases must be included if they are likely to account for more than 5% (in terms of CO₂-equivalent) of the project's overall GHG impact over each monitoring period. Projects whose activities are designed to avoid GHG emissions (such as those reducing emissions	PDD describes common practice for clearing land for coffee plantations. PDD describes using C stocks estimations based on coffee plantations in Costa Rica, due to lack of available info in Belize. PDD discusses omission from analysis of leave trees and forest growth. No calculations are included in PDD.
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from deforestation and forest degradation (REDD), avoiding conversion of non-forest land, or certain improved forest management projects) must include an analysis of the relevant drivers and rates of deforestation and/or degradation and a description and justification of the approaches, assumptions and data used to perform this analysis. Regional-level estimates can be used at the project's planning stage as long as there is a commitment to evaluate locally-specific carbon stocks and to develop a project-specific spatial analysis of deforestation and/or degradation using an appropriately robust and detailed carbon accounting methodology before the start of the project.	
Evidence Used to Assess Conformance:	Page 24, 25, PDD.
Findings:	PDD contains a simple discussion of the elements needed to meet this indicator. The PDD shows no calculations, nor a timeframe.
Non-Conformity Report (NCR) to address non-conformance:	Please confirm ha relative to the required one chain buffer around stream zones. Please show analysis for biomass burning and determination for de minimis. Please provide all calculations and assumptions that were used in the analysis discussed in this indicator. Please confirm project time frame.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 The 666.3 ha excludes the stream buffers. See attached spreadsheet for biomass burning calculation and all other calculations. Time frame is 30 years from 2009 to 2038.
Non-Conformity Report (NCR) to address non-conformance:	The PDD needs to list the estimated total carbon stock changes in this section as well as the time frame referenced and include a reference the calculations file in the PDD. Please include the response provided in this section of the PDD.
Date issued	20 January 2012
Evidence used to close CAR	27 January 2012



	Client added carbon offsets and total carbon stock changes.
Date closed	27 January 2012

Indicator G2.4 - Describe how the 'without project' reference scenario would affect communities in the project zone, including the impact of likely changes in water, soil and other locally important ecosystem services.	PDD describes negative impacts to local residents and staff due to the without project scenario. PDD states that several things would happen, including more trash, lack of training, trespassing, fires, fertilizer and pesticide inputs, negative water quality impacts and possible impacts to coral reefs.
Evidence Used to Assess Conformance:	Page 26, interviews and site visit.
Findings:	Validation findings confirm compliance with indicator.

Indicator G2.5 - Describe how the 'without project' reference scenario would affect biodiversity in the project zone (e.g., habitat availability, landscape connectivity and threatened species).	PDD states that "biodiversity loss will be substantial in the tropical hardwood compartment in the without-Project scenario. Clearing the tropical hardwood compartment will result in significant landscape level fragmentation and habitat loss".
Evidence Used to Assess Conformance:	PDD (Page 26) and site visit.
Findings:	PDD lacks any references.
Non-Conformity Report (NCR) to address non-conformance:	Please expand description and supply adequate references for support.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 No change, nothing additional added to PDD
Non-Conformity Report (NCR) to address non-conformance:	Please expand description and supply adequate references for support.
Date issued	20 January 2012
Project proponent response/actions and date	25 January 2012 IUCN 2012 reference added as well as additional text describing this indicator.
Evidence used to close CAR	PDD
Date closed	25 January 2012

G3 Project Design and Goals

Indicator G3.1 - Provide a summary of the project's major climate, community and biodiversity	PDD describes objectives for climate, community and biodiversity.
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objectives.	
Evidence Used to Assess Conformance:	Page 27 PDD and site visit.
Findings:	Validation findings confirm compliance with indicator.

Indicator G3.2 - Describe each project activity with expected climate, community and biodiversity impacts and its relevance to achieving the project's objectives.	PDD provides a brief outline of activities and relative positive impacts for each of climate, community and biodiversity objectives. PDD describes that financial stability provided by the project will insure sustainability.
Evidence Used to Assess Conformance:	Page 27, Table 26, CM3.1, and site visit.
Findings:	PDD does not include a statement that addresses the relevance of each activity.
Non-Conformity Report (NCR) to address non-conformance:	Please include a statement that addresses the relevance of each activity.
Date issued	6 January 2012
Project proponent response/actions and date	20 January 2012 PDD now lists benefits to community and climate as well as added community benefits from staff training.
Evidence used to close CAR	PDD
Date closed	20 January 2012

Indicator G3.3 - Provide a map identifying the project location and boundaries of the project area(s), where the project activities will occur, of the project zone and of additional surrounding locations that are predicted to be impacted by project activities (e.g. through leakage).	PDD provides maps that adequately detail project activities and project zone.
Evidence Used to Assess Conformance:	Page 29 PDD, Figure 7 and site visit.
Findings:	PDD does not show additional surrounding locations that are predicted to be impacted by project activities through leakage.
Non-Conformity Report (NCR) to address non-conformance:	Please describe any additional surrounding locations that are possibly impacted by project activities through leakage or state why this requirement is not applicable in the PDD.
Date issued	6 January 2012
Project proponent response/actions	12 January 2012



and date	Off -site leakage has been addressed at the country level and a deduction in climate benefits calculated utilizing the methodology REDD Methodological Module “Estimation of emissions from activity shifting for avoided planned deforestation” – LK-ASP Version –April 2010.
Non-Conformity Report (NCR) to address non-conformance:	As required by the indicator for G3.3 please “Provide a map...of additional surrounding locations that are predicted to be impacted by project activities (e.g. through leakage).
Date issued	20 January 2012
Evidence used to close CAR	25 January 2012 PDD, Leakage module used to determine no offsite leakage, therefor current maps are appropriate. Offsite leakage was addressed using the REDD Methodology module for that purpose. The PDD is edited to reflect this.
Date closed	25 January 2012

Indicator G3.4 - Define the project lifetime and GHG accounting period and explain and justify any differences between them. Define an implementation schedule, indicating key dates and milestones in the project’s development.	PDD details a general timeframe over 20 years, starting in 2009 and through 2029. PDD states project started in 2003, but lack of financing stalled the project. PDD offers a project timeline.
Evidence Used to Assess Conformance:	Page 29 of PDD, Table 27.
Findings:	General timeline is adequate for conformance with indicator; however clarification is being requested.
Clarification:	As the project period is listed to be 10 years shorter than the VCS project, please confirm the 20 year project period for CCB.
Date issued	20 January 2012
Project proponent response/actions and date	12 January 2012 Time frame of 30 years confirmed in the PDD.
Evidence used to close CAR	PDD
Date closed	20 January 2012

Indicator G3.5 - Identify likely natural and human-induced risks to the expected climate, community and biodiversity benefits during the project lifetime and outline measures	PDD outlines risks that include Government instability, oil or gas development, hurricanes, and illegal logging.
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adopted to mitigate these risks.	
Evidence Used to Assess Conformance:	Page 29-30, PDD and site visit.
Findings:	PDD does not list any measures adopted for mitigation of listed risks. PDD does not list fire as a possible risk.
Non-Conformity Report (NCR) to address non-conformance:	Please list any measures adopted for mitigation of listed risks. Wildfire appears to be a natural risk in the area.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 Mitigation measures have been added for fire.
Evidence used to close CAR	PDD
Date closed	20 January 2012

Indicator G3.6 - Demonstrate that the project design includes specific measures to ensure the maintenance or enhancement of the high conservation value attributes identified in G1 consistent with the precautionary principle.	PDD states “the primary strategy for maintaining High Conservation Values is protection through patrolling and managing the property for existing high quality habitats with no reduction in forest cover. No enhancement of HCVs is required or anticipated.”
Evidence Used to Assess Conformance:	PDD page 30
Findings:	While patrolling may allow minimization of illegal logging, PDD does not demonstrate any other measures.
Non-Conformity Report (NCR) to address non-conformance:	Please add additional description how patrols will maintain the HCV’s associated with the project and describe additional measures to maintain HCVs.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 Patrols will prevent illegal hunting by preventing incursions from xate (desirable plant) hunters. Maintaining habitat will prevent the loss of HCVs by maintaining the landscape components necessary for each species to complete its life cycle.
Evidence used to close CAR	PDD
Date closed	20 January 2012

Indicator G3.7 - Describe the measures that will be taken to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime.	PDD describes how the project will be accepted and seen in the local area and within Belize.
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Evidence Used to Assess Conformance:	PDD and site visit.
Findings:	PDD does not list specific measures to meet this indicator.
Non-Conformity Report (NCR) to address non-conformance:	Please list specific measures that will be taken to maintain benefits beyond the project lifetime.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 PDD lists specific measures that will be taken.
Evidence used to close CAR	Page 31 of PDD
Date closed	20 January 2012
Indicator G3.8 - Document and defend how communities and other stakeholders potentially affected by the project activities have been identified and have been involved in project design through effective consultation, particularly with a view to optimizing community and stakeholder benefits, respecting local customs and values and maintaining high conservation values. Project developers must document stakeholder dialogues and indicate if and how the project proposal was revised based on such input. A plan must be developed to continue communication and consultation between project managers and all community groups about the project and its impacts to facilitate adaptive management throughout the life of the project.	PDD discusses current identified stakeholder groups and plans for how these groups will be engaged in the project and plans for updating, informing and receiving feedback from BRO staff.
Evidence Used to Assess Conformance:	PDD, interviews, and site visit.
Findings:	More robust description is needed on this indicator.
Non-Conformity Report (NCR) to address non-conformance:	Please provide a description of the current enacted policy to seek stakeholder consultation whenever possible. Please provide how stakeholders have been identified; please provide documentation of stakeholder dialogues.
Date issued	6 January 2012
Project proponent response/actions	20 January 2012



and date	All elements have been addressed.
Evidence used to close CAR	PDD as well as CCB Audit zip file provided to ESI.
Date closed	20 January 2012

Indicator G3.9 - Describe what specific steps have been taken, and communications methods used, to publicize the CCBA public comment period to communities and other stakeholders and to facilitate their submission of comments to CCBA. Project proponents must play an active role in distributing key project documents to affected communities and stakeholders and hold widely publicized information meetings in relevant local or regional languages.	PDD describes several ways that the project information was made available to neighbors and locals.
Evidence Used to Assess Conformance:	Page 31, PDD and site visit.
Findings:	Details of two public meetings and advertising methods used are not available.
Non-Conformity Report (NCR) to address non-conformance:	Please provide detail/evidence of the two public meetings held and the advertising methods used (i.e. agendas, attendee list, copy of invitations, etc.).
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 Agendas and attendee lists provided for public meetings in CCB Audit materials zip file and photo graphic evidence provided in G3.8 of the PDD.
Evidence used to close CAR	PDD and Information provided in above referenced files.
Date closed	20 January 2012

Indicator G3.10 - Formalize a clear process for handling unresolved conflicts and grievances that arise during project planning and implementation. The project design must include a process for hearing, responding to and resolving community and other stakeholder grievances within a reasonable time period. This grievance process must	PDD describes a process for handling disputes and includes a 3 rd party (BAPPA) for this purpose.
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be publicized to communities and other stakeholders and must be managed by a third party or mediator to prevent any conflict of interest. Project management must attempt to resolve all reasonable grievances raised, and provide a written response to grievances within 30 days. Grievances and project responses must be documented.	
Evidence Used to Assess Conformance:	Pages 31 and 32 of PDD.
Findings:	PDD does not detail how entities who wish to register complaints will be able to contact the appropriate party. PDD does not identify the complete name of BAPPA. PDD lists an inadequate time frame for resolving disputes.
Non-Conformity Report (NCR) to address non-conformance:	Please describe how the BAPPA will handle disputes within the 30 day time frame, please list how information on who to register disputes with will be advertised to the community.
Date issued	6 January 2012
Project proponent response/actions and date	20 January 2012 PDD offers an adequate description of this process and advertisement. Text is revised to address how BAPPA will handle disputes and how the stakeholders will be informed of the grievance procedure.
Evidence used to close CAR	PDD
Date closed	20 January 2012
Indicator G3.11 - Demonstrate that financial mechanisms adopted, including projected revenues from emissions reductions and other sources, are likely to provide an adequate flow of funds for project implementation and to achieve the anticipated climate, community and biodiversity benefits.	PDD states “Primary expenses are to pay for patrols, and pay for biodiversity, carbon sequestration, and community monitoring expenses. A complete financial plan was made available to the auditor during the validation audit.”
Evidence Used to Assess Conformance:	Page 32 PDD,
Findings:	Financial plan that would demonstrate this indicator is not available.



Non-Conformity Report (NCR) to address non-conformance:	Please make the financial plan available and insure that it provides a clear demonstration for this indicator.
Date issued	19 Nov 2011
Project proponent response/actions and date	12 January 2012 Financial plan provided in CCB Audit zip file.
Evidence used to close CAR	Financial plan
Date closed	20 January 2012

G4 Management Capacity and Best Practices

Indicator G4.1 - Identify a single project proponent which is responsible for the project's design and implementation. If multiple organizations or individuals are involved in the project's development and implementation the governance structure, roles and responsibilities of each of the organizations or individuals involved must also be described.	PDD describes the roles and responsibilities of the project proponent and supporting organizations.
Evidence Used to Assess Conformance:	Page 32 of PDD and site visit.
Findings:	PDD provides adequate description to meet indicator, but needs to provide supporting documents.
Non-Conformity Report (NCR) to address non-conformance:	Please provide the supporting documents referenced in the PDD.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 Agency agreement and BRO org chart are provided.
Evidence used to close CAR	Materials provided in Audit Materials file.
Date closed	20 January 2012

Indicator G4.2 - Document key technical skills that will be required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills. Document the management team's expertise and prior experience implementing land management projects at the scale of	PDD lists skills and experience for the BRO, FCO and Conservation Management Institute.
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this project. If relevant experience is lacking, the proponents must either demonstrate how other organizations will be partnered with to support the project or have a recruitment strategy to fill the gaps.	
Evidence Used to Assess Conformance:	Page 33 of PDD, biographies, and site visit.
Findings:	Validation findings confirm compliance with indicator.
Indicator G4.3 - Include a plan to provide orientation and training for the project's employees and relevant people from the communities with an objective of building locally useful skills and knowledge to increase local participation in project implementation. These capacity building efforts should target a wide range of people in the communities, including minority and underrepresented groups. Identify how training will be passed on to new workers when there is staff turnover, so that local capacity will not be lost.	PDD lists training subjects and types of employee roles at BRO. PDD describes that measures will be taken to not lose local capacity and skills.
Evidence Used to Assess Conformance:	Page 33 and 34 of PDD, and site visit.
Findings:	PDD does not include a plan for training, nor does it include any information regarding increasing local participation or info regarding minority or underrepresented groups. PDD does not describe measures that will be taken to not lose local capacity and skills.
Non-Conformity Report (NCR) to address non-conformance:	Please include a training plan, including any information regarding increasing local participation and info regarding minority or underrepresented groups. Please detail what actions will be taken to not lose local capacity and skills.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 Training plan integrated into PDD. Text added to address minority and underrepresented groups. Text added to address



	potential loss of local capacity and skills.
Evidence used to close CAR	PDD
Date closed	20 January 2012
Indicator G4.4 - Show that people from the communities will be given an equal opportunity to fill all employment positions (including management) if the job requirements are met. Project proponents must explain how employees will be selected for positions and where relevant, must indicate how local community members, including women and other potentially underrepresented groups, will be given a fair chance to fill positions for which they can be trained.	The Project employs individuals from the local communities patrolling and monitoring the Project area. Employment opportunities will be advertised. Employment at BRO will follow Belize labor law and codes. Women and underrepresented minorities will be encouraged to apply for the positions. Staff will be chosen based on capacity to meet the needs of BRO so that BRO can perform its business mission.
Evidence Used to Assess Conformance:	Page 34 of PDD and site visit.
Findings:	Validation findings confirm compliance with this indicator.
Indicator 5 - Submit a list of all relevant laws and regulations covering worker's rights in the host country. Describe how the project will inform workers about their rights. Provide assurance that the project meets or exceeds all applicable laws and/or regulations covering worker rights and, where relevant, demonstrate how compliance is achieved.	PDD provides a list of relevant labor laws and describes how workers are made aware of their rights, how they are paid, and provides assurance that these laws are being followed.
Evidence Used to Assess Conformance:	Page 34 and 35 PDD and site visit.
Findings:	Validation findings confirm compliance with this indicator.
Indicator G4.6 - Comprehensively assess situations and occupations that pose a substantial risk to worker safety. A plan must be in place to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be	PDD describes training that employees have received and lists in table format the various hazards and safety strategies and equipment needed for employees.



guaranteed, project proponents must show how the risks will be minimized using best work practices.	
Evidence Used to Assess Conformance:	Pages 34-35 and Table 28 of PDD.
Findings:	Validation findings confirm compliance with this indicator.

Indicator G4.7 - Document the financial health of the implementing organization(s) to demonstrate that financial resources budgeted will be adequate to implement the project.	PDD describes the corporate status of FCO and states that BRO will be funded from carbon financing to pay for management and monitoring.
Evidence Used to Assess Conformance:	Page 36 of PDD.
Findings:	Additional review of financial documents needed as stated in PDD.
Non-Conformity Report (NCR) to address non-conformance:	Please provide financial documents that show financial ability to implement the project. Please remove the reference to SCS in this section.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 Financial plan is attached. All references to SCS removed.
Evidence used to close CAR	PDD and financial plan
Date closed	20 January 20, 2012

G5 Legal Status and Property Rights

Indicator G5.1 - Submit a list of all relevant national and local laws and regulations in the host country and all applicable international treaties and agreements. Provide assurance that the project will comply with these and, where relevant, demonstrate how compliance is achieved.	PDD lists laws and acts that are relevant to the project. PDD describes how an EIA would be prepared and submitted for the project if lands were cleared for agriculture.
Evidence Used to Assess Conformance:	Pages 37-38 of PDD and site visit.
Findings:	Validation findings confirm compliance with this indicator.
Non-Conformity Report (NCR) to address non-conformance:	Please provide more detail on the laws that have no description in the PDD (eg. The Forest Fire Protection act, Water Industry Act, Timber Industries Act, etc.).



Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 Brief descriptions have been added to all laws reviewed.
Evidence used to close CAR	PDD
Date closed	20 January 20, 2012

Indicator G5.2 - Document that the project has approval from the appropriate authorities, including the established formal and/or traditional authorities customarily required by the communities.	PDD states that all actions and documentation for the project establishment as a carbon sequestration Project have and will be met. Private legal documents have been shared with the auditor upon the auditor's request. Deeds have been reviewed and read by the auditor. The property is privately held and no approvals are required from the Government of Belize or the local communities other than compliance with the Environmental Impact Assessment (Amendment) Regulations 2007 discussed in section G5.1.
Evidence Used to Assess Conformance:	Page 38 PDD and site visit.
Findings:	PDD adequately describes compliance with this indicator, deeds/titles reviewed; however, the private legal documents have not been provided.
Non-Conformity Report (NCR) to address non-conformance:	Please provide a copy of the executed "private legal document". ESI was unable to locate if previously sent.
Date issued	6 January 2012
Project proponent response/actions and date	Agency agreement between BRO and FCO attached.
Non-Conformity Report (NCR) to address non-conformance:	A "Carbon Management and Agency Agreement" has been provided, however it is not executed. As FCO is listed as the project developer, please provide the executed agreement.
Date issued	20 January 2012
Evidence used to close CAR	25 January 2012 Signed, executed agreement provided
Date closed	25 January 2012

Indicator G5.3 - Demonstrate with documented consultations and agreements that the project will not encroach uninvited on private property, community property, or government property and has obtained the free, prior, and informed consent of those whose rights will be affected by the project.	PDD describes ownership of BRO property as fee simple. PDD describes that there are no other types of property ownership in project area. PDD states that there is no historical context of other communities living in the Mountain Pine Ridge area. Project is only slated to take place on BRO owned property.
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Evidence Used to Assess Conformance:	Page 38 of PDD and site visit.
Findings:	Validation findings confirm compliance with indicator.

Indicator G5.4 - Demonstrate that the project does not require the involuntary relocation of people or of the activities important for the livelihoods and culture of the communities. If any relocation of habitation or activities is undertaken within the terms of an agreement, the project proponents must demonstrate that the agreement was made with the free, prior, and informed consent of those concerned and includes provisions for just and fair compensation.	PDD states that FCO has verified by direct observation that the Project site does not have human inhabitants besides farm laborers, management, owners, and their families. Moreover, FCO has observed that the Project does not involve the relocation or inward migration of any people. If immigration were to occur, the Project's monitoring teams will work with all stakeholders using appropriate tools to engage towards a resolution.
Evidence Used to Assess Conformance:	PDD page 39 and site visit.
Findings:	Validation findings confirm compliance with indicator.

Indicator G5.5 - Identify any illegal activities that could affect the project's climate, community or biodiversity impacts (e.g., logging) taking place in the project zone and describe how the project will help to reduce these activities so that project benefits are not derived from illegal activities.	Project will include regular patrols to address illegal hunting, timber poaching, or wood gathering.
Evidence Used to Assess Conformance:	Page 38 of PDD and site visit.
Findings:	Validation findings confirm compliance with this indicator.

Indicator G5.6 - Demonstrate that the project proponents have clear, uncontested title to the carbon rights, or provide legal documentation demonstrating that the project is undertaken on behalf of the carbon	PDD describes having a legally binding agreement between FCO and BRO that outlines obligations and responsibilities.
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owners with their full consent. Where local or national conditions preclude clear title to the carbon rights at the time of validation against the Standards, the project proponents must provide evidence that their ownership of carbon rights is likely to be established before they enter into any transactions concerning the project's carbon assets.	
Evidence Used to Assess Conformance:	Page 39 of PDD, site visit, discussions with project proponent.
Findings:	PDD describes but does not demonstrate compliance.
Non-Conformity Report (NCR) to address non-conformance:	Please resend a copy of the legally binding agreement for review.
Date issued	6 January 2012
Project proponent response/actions and date	Agency agreement between BRO and FCO attached.
Non-Conformity Report (NCR) to address non-conformance:	A "Carbon Management and Agency Agreement" has been provided, however it is not executed. As FCO is listed as the project developer, please provide the executed agreement.
Date issued	20 January 2012
Evidence used to close CAR	25 January 2012 Signed, Executed agreement provided
Date closed	25 January 2012

CL1 Net Positive Climate Impacts

Indicator CL1.1 - Estimate the net change in carbon stocks due to the project activities using the methods of calculation, formulae and default values of the IPCC 2006 GL for AFOLU or using a more robust and detailed methodology. The net change is equal to carbon stock changes <i>with</i> the project minus carbon stock changes <i>without</i> the project (the latter having been estimated in G2). This estimate must be based on clearly defined and defensible assumptions about how	PDD states a change in carbon stocks due to prevented deforestation to be 166,000 tCO ₂ e. Some areas excluded from this calculation. PDD states that there is no significant change in carbon stocks through time due to the forest being in climax stage.
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project activities will alter GHG emissions of carbon stocks over the duration of the project or the project GHG accounting period.	
Evidence Used to Assess Conformance:	Table 25 PDD, and site visit.
Findings:	PDD presents a table showing yearly emissions reductions and claims a total, but does not show any calculations, nor does the table include a total that matches the claimed amount of 166,000 tCO ₂ e. The table also reflects a 30 year project period, but earlier in the PDD it states the CCB project timeframe is only 20 years.
Non-Conformity Report (NCR) to address non-conformance:	Please provide/detail in PDD methodology used, carbon calculations, etc. as detailed in the associated VCS project. Please clearly indicate what methodology was used and please reconcile the yearly emissions reductions with claimed deductions in the PDD. Please also clarify the time period.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 Time period is 30 years. Carbon calculations are in attached model spreadsheet. Methodology is described in new text in the PDD. Emissions reductions are reconciled in the revised PDD attached.
Evidence used to close CAR	PDD and BRO VCS Carbon Database 2011 ver 4
Date closed	20 January 2012
Indicator CL1.2 - Estimate the net change in the emissions of non-CO ₂ GHG emissions such as CH ₄ and N ₂ O in the <i>with</i> and <i>without</i> project scenarios if those gases are likely to account for more than a 5% increase or decrease (in terms of CO ₂ -equivalent) of the project's overall GHG emissions reductions or removals over each monitoring period.	PDD describes that fertilizer use from the without project scenario would be in excess of 32,000tCO ₂ e and this figure is based on the UNFCCC A/R tool for estimation of direct nitrous oxide emissions from nitrogen fertilization.
Evidence Used to Assess Conformance:	Page 42 PDD and table 25, site visit and discussions with project proponent.
Findings:	PDD does not offer a detailed calculation nor does it take into account or mention the emissions from avoided biomass burning.



Non-Conformity Report (NCR) to address non-conformance:	Please discuss/provide the calculations that show this conclusion. Please discuss why emissions from biomass burning were not included in this indicator.
Date issued	6 January 2012
Project proponent response/actions and date	Calculations are provided in attached spreadsheet. Biomass burning is included in the revised text of the PDD.
Evidence used to close CAR	20 January 2012 PDD text and spreadsheet provided in Audit Materials.
Date closed	20 January 2012

Indicator CL1.3 - Estimate any other GHG emissions resulting from project activities. Emissions sources include, but are not limited to, emissions from biomass burning during site preparation, emissions from fossil fuel combustion, direct emissions from the use of synthetic fertilizers, and emissions from the decomposition of N-fixing species.	All other project GHG emissions were analyzed and considered de minimis. Emissions from equipment use are considered de minimis and excluded from both the project and baseline scenarios.
Evidence Used to Assess Conformance:	Page 41, PDD, discussions with project proponent.
Findings:	PDD needs to show calculations or tools used that support a de minimus finding.
Non-Conformity Report (NCR) to address non-conformance:	Please discuss/provide analysis/calculations/tools used that support a de minimus finding.
Date issued	6 January 2012
Project proponent response/actions and date	20 January 2012 Calculations spreadsheet is attached. The only other pool analyzed was the long-lived wood products pool. That pool only changes in the baseline scenario, so the reference in the text to other pools is removed.
Evidence used to close CAR	BRO VCS Carbon Database 2011 ver 4
Date closed	20 January 2012

Indicator CL1.4 - Demonstrate that the net climate impact of the project is positive. The net climate impact of the project is the net change in carbon stocks plus net change in non-CO ₂ GHGs where appropriate	According to Sections CL1.1 and CL1.2 the contribution of the Project toward climate change mitigation by GHG emission reduction is evident by virtue of avoiding emissions from land clearing and avoided emissions attributable to fertilizer use.
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minus any other GHG emissions resulting from project activities minus any likely project-related unmitigated negative offsite climate impacts (see CL2.3).	
Evidence Used to Assess Conformance:	PDD, site visit, and VCS project validation/verification.
Findings:	Validation findings confirm compliance with this indicator.

Indicator CL1.5 - Specify how double counting of GHG emissions reductions or removals will be avoided, particularly for offsets sold on the voluntary market and generated in a country with an emissions cap.	PDD states that emissions reductions will be registered and held by an independent 3 rd party to avoid double counting.
Evidence Used to Assess Conformance:	PDD. Discussions with project proponent.
Findings:	3 rd - party is not identified.
Non-Conformity Report (NCR) to address non-conformance:	12 January 2012 Please provide the name of the anticipated independent 3 rd party registry so this can be confirmed in future verifications.
Date issued	6 January 2012
Project proponent response/actions and date	20 January 2012 Markit Environmental Registry is added to the text.
Evidence used to close CAR	Section CL1.5 of PDD
Date closed	20 January 2012

CL2 Offsite Climate Impacts ("Leakage")

Indicator CL2.1 - Determine the types of leakage that are expected and estimate potential offsite increases in GHGs (increases in emissions or decreases in sequestration) due to project activities. Where relevant, define and justify where leakage is most likely to take place.	PDD states "market effects are hypothetically possible since potential lands that could be converted to agriculture will no longer be available during the timeframe of the project. Since the property has been in family ownership since 1959, it has for a generation at least been unavailable to the wider agricultural industry for conversion".
Evidence Used to Assess Conformance:	Page 41 PDD, site visit, discussions with project proponent.
Findings:	PDD gives a cursory explanation for leakage.
Non-Conformity Report (NCR) to	Please give a more robust and detailed explanation of



address non-conformance:	potential future leakage due to this property being taken out of possible agricultural production, explaining the types of leakage that are possible. Please show that other types of leakage were explored. Please expand upon why future impacts are not foreseen.
Date issued	6 January 2012
Project proponent response/actions and date	20 January 2012 The section is rewritten to correspond with the VCS PDD section on leakage.
Evidence used to close CAR	PDD
Date closed	20 January 2012

Indicator CL2.2 - Document how any leakage will be mitigated and estimate the extent to which such impacts will be reduced by these mitigation activities.	PDD states “there are no foreseen direct negative offsite climate impacts as a result of the project. Since this project is on private land and leakage would presumably also occur on private land, there are no opportunities for leakage mitigation”.
Evidence Used to Assess Conformance:	Page 41 of PDD, site visit and discussions with project proponent.
Findings:	PDD equates no leakage to any need to mitigate. Validation findings confirm compliance with this indicator.

Indicator CL2.3 - Subtract any likely project-related unmitigated negative offsite climate impacts from the climate benefits being claimed by the project and demonstrate that this has been included in the evaluation of net climate impact of the project (as calculated in CL1.4).	A market leakage analysis was performed using Approved VCS Module VMD0009 Version 1.0 REDD Methodological Module: Estimation of emissions from activity shifting for avoided planned deforestation (LK-ASP) Sectoral Scope 14. A leakage deduction of approximately 25,000 mtCO ₂ e was applied. Additionally, leakage was calculated only on fertilizer use on (assumed) coffee plantations elsewhere.
Evidence Used to Assess Conformance:	Page 42 PDD, site visit and discussions with project proponents.
Findings:	PDD gives a description and a calculated amount of leakage which it previously determines to be nonexistent.
Non-Conformity Report (NCR) to address non-conformance:	Please explain the discrepancy between the leakage assessments for the VCS and CCB projects. Specifically, the VCS project indicates the REDD module referenced was applied and no leakage deductions were appropriate, while the CCB project states that the REDD module was applied and a leakage deduction of 25,000 mtCO ₂ e was appropriate.



	Please provide the step by step analysis of leakage under the REDD module referenced, showing assumptions, calculations and outcomes.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 The text in the PDD is corrected to match the VCS PDD. Reference to CL2.1 which lists the steps applied in the methodology.
Evidence used to close CAR	Indicator CL2.1 and LK-ASP module.
Date closed	20 January 2012

Indicator CL2.4 - Non-CO ₂ gases must be included if they are likely to account for more than a 5% increase or decrease (in terms of CO ₂ -equivalent) of the net change calculations (above) of the project's overall off-site GHG emissions reductions or removals over each monitoring period.	The PDD states it has no unmitigated direct negative offsite non-CO ₂ climate impacts. The leakage calculation includes non-CO ₂ gas emissions from likely fertilizer use on lands where leakage might take place.
Evidence Used to Assess Conformance:	Page 42 of PDD.
Findings:	PDD offers no evidence of calculations.
Non-Conformity Report (NCR) to address non-conformance:	Please provide calculations and source of the included calculations.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 The fertilizer calculations are included the attached spreadsheet. The methodology limits leakage issues to lands owned by the project proponent.
Evidence used to close CAR	BRO VCS Carbon Database 2011 ver 4
Date closed	20 January 2012

CL3 Climate Impact Monitoring

Indicator CL3.1 - Develop an initial plan for selecting carbon pools and non-CO ₂ GHGs to be monitored, and determine the frequency of monitoring. Potential pools include aboveground biomass, litter, dead wood, belowground biomass, wood products, soil carbon and peat. Pools	The PDD describes two objectives for the monitoring plan- 1: Biomass Monitoring and 2: Activity Shifting and Market Effects Leakage. PDD describes monitoring every 5 years and explains what carbon pools will not be monitored as part of the plans.
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to monitor must include any pools expected to decrease as a result of project activities, including those in the region outside the project boundaries resulting from all types of leakage identified in CL2. A plan must be in place to continue leakage monitoring for at least five years after all activity displacement or other leakage causing activity has taken place. Individual GHG sources may be considered ‘insignificant’ and do not have to be accounted for if together such omitted decreases in carbon pools and increases in GHG emissions amount to less than 5% of the total CO ₂ -equivalent benefits generated by the project. Non-CO ₂ gases must be included if they are likely to account for more than 5% (in terms of CO ₂ -equivalent) of the project’s overall GHG impact over each monitoring period. Direct field measurements using scientifically robust sampling must be used to measure more significant elements of the project’s carbon stocks. Other data must be suitable to the project site and specific forest type.	
Evidence Used to Assess Conformance:	Page 42 of PDD and site visit.
Findings:	PDD does not list any tool use for determining if certain carbon pools are insignificant.
Non-Conformity Report (NCR) to address non-conformance:	Please include a plan for selecting carbon pools and non-GHG’s that will be monitored. Please show how it was determined that any omitted pools are insignificant.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 “In table 1 three pools are included aboveground biomass, belowground biomass, and fertilizer. All the excluded pools are conservative omissions allowed by the methodology with



	the exception of long-lived wood products which was analyzed and found to be de minimis. All included pools are monitored. The text is adjusted to also commit to monitoring emissions from wildfire and/or fuelwood collection.”
Non-Conformity Report (NCR) to address non-conformance:	Please include this statement in the PDD.
Date issued:	20 January 2012
Project proponent response/actions and date	25 January 2012 In table 1 three pools are included aboveground biomass, belowground biomass, and fertilizer. All the excluded pools are conservative omissions allowed by the methodology with the exception of long-lived wood products which was analyzed and found to be de minimis. All included pools are monitored. The text is adjusted to also commit to monitoring emissions from wildfire and/or fuelwood collection.
Evidence used to close NCR	PDD
Date closed	25 January 2012

Indicator CL3.2 - Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.	PDD states that PP is committed to creating a full detailed monitoring plan within 12 months of validation.
Evidence Used to Assess Conformance:	Page 45 of PDD, site visit and discussions with project proponent.
Findings:	This section of the PDD does not list how this information will be made available to the public.
Non-Conformity Report (NCR) to address non-conformance:	Please discuss how the monitoring information will be made available to the stakeholders, with emphasis on local community members who may not have access to the internet.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 The monitoring plan will be made public on the CCBA web



	site, the FCO web site, and will be delivered in hardcopy form to all the stakeholders who request a copy after being informed of its availability by personal contact, email, or phone. Likewise monitoring information will be made available in the same manner as it becomes available
Evidence used to close CAR	PDD
Date closed	20 January 2012

CM1 Net Positive Community Impacts

Indicator CM1.1 - Use appropriate methodologies to estimate the impacts on communities, including all constituent socio-economic or cultural groups such as indigenous peoples (defined in G1), resulting from planned project activities. A credible estimate of impacts must include changes in community well-being due to project activities and an evaluation of the impacts by the affected groups. This estimate must be based on clearly defined and defensible assumptions about how project activities will alter social and economic well-being, including potential impacts of changes in natural resources and ecosystem services identified as important by the communities (including water and soil resources), over the duration of the project. The 'with project' scenario must then be compared with the 'without project' scenario of social and economic well-being in the absence of the project (completed in G2). The difference (i.e., the community benefit) must be positive for all community groups.	PDD discusses and lists several positive impacts to the BRO staff and local communities and adjacent landowners from the project.
Evidence Used to Assess Conformance:	Pages 43 and 44, site visit and discussion with project proponents.
Findings:	PDD does not compare with project and without project



	impacts.
Non-Conformity Report (NCR) to address non-conformance:	Please use appropriate methods, as listed in the CCB guidelines, to show a comparison between impacts with project and without project.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 The section is rewritten to follow the format found in the methodology at http://www.icmm.com/page/629/community-development-toolkit-c
Evidence used to close CAR	PDD
Date closed	20 January 2012

Indicator CM1.2 - Demonstrate that no High Conservation Values identified in G1.8.4-6 will be negatively affected by the project.	PDD states “The two community HCVs identified, Eljio Panti National Park and 1000’ Foot Falls National Park are identified as important for local tourism. Managers of both sites have been invited to participate as stakeholders. No impact to either site is anticipated by the project”.
Evidence Used to Assess Conformance:	Page 45 of PDD, site visit and discussions with project proponent, Indicator G1.8.
Findings:	While the PDD lists National Parks as benefitting from the project, neither of them were identified previously as having a community benefit, nor does the PDD identify that any of the previously identified HCV’s will be affected or not.
Non-Conformity Report (NCR) to address non-conformance:	Please revise the indicator to demonstrate that no High Conservation Values identified in G1.8.4-6 will be negatively affected by the project.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 G1.8 modified to remove references to community HCVs PDD now states that no community NCV’s are projected to be impacted by the project.
Evidence used to close CAR	PDD
Date closed	20 January 2012

CM2 Offsite Stakeholder Impacts

Indicator CM2.1 - Identify any potential negative offsite stakeholder impacts that the project activities are likely to cause.	The Project is not expected to have any negative offsite impacts.
Evidence Used to Assess Conformance:	Page 45 PDD and site visit.



Findings:	Validation findings confirm compliance with indicator.
Indicator CM2.2 - Describe how the project plans to mitigate these negative offsite social and economic impacts.	If any negative impact is identified, the BRO team and its community representatives will address such problems. The issue will be discussed and mitigation actions will be designed.
Evidence Used to Assess Conformance:	Page 45 PDD, discussions with project proponent and site visit.
Findings:	Validation findings confirm compliance with indicator.
Indicator CM2.3 - Demonstrate that the project is not likely to result in net negative impacts on the well-being of other stakeholder groups.	No unmitigated social or economic impacts are expected from the Project.
Evidence Used to Assess Conformance:	Page 45 of PDD and site visit including discussion with project proponents and staff.
Findings:	Validation findings confirm compliance with indicator.

CM3 Community Impact Monitoring

Indicator CM3.1 - Develop an initial plan for selecting community variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project's community development objectives and to anticipated impacts (positive and negative).	PDD lists monitoring of training days and paying for educational expenses for employees children, and measuring satisfaction of non-BRO community members.
Evidence Used to Assess Conformance:	Page 46 PDD.
Findings:	PDD does not address the need to develop an initial community monitoring plan. PDD does list two metrics that may be included in an initial plan; however, the PDD does not include any other details that would include positive or negative variables, timelines, frequency or reporting.
Non-Conformity Report (NCR) to address non-conformance:	Please redraft this section to follow the CCB guidelines
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 Text in PDD is revised to detail frequency, key variables that are linked to project benefits.
Evidence used to close CAR	PDD



Date closed	20 January 2012
Indicator CM3.2 - Develop an initial plan for how they will assess the effectiveness of measures used to maintain or enhance High Conservation Values related to community well-being (G1.8.4-6) present in the project zone.	PDD states “no impact to HCVs is anticipated. Both property managers will be invited to participate in the monitoring efforts’.
Evidence Used to Assess Conformance:	Page 46 of PDD. Site visit and discussion with project proponent.
Findings:	The PDD states that there will be no impacts; however, in G1.8 the PDD states that there will be positive impacts to the HCV’s.
Non-Conformity Report (NCR) to address non-conformance:	Please revise this indicator to satisfy the CCB Guidelines for developing a plan to assess the effectiveness of measures used to maintain or enhance HCV’s related to community well-being.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 PDD changed to reflect that no HCV’s for G1.8.4-6 have been identified. This is consistent with the other relevant items that relate to this indicator.
Evidence used to close CAR	PDD
Date closed	20 January 2012
Indicator CM3.3 - Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.	Within twelve months of Project validation a monitoring plan will be developed and implemented according to metrics listed in CM3.1
Evidence Used to Assess Conformance:	Page 46 PDD, site visit and discussion with project proponent.
Findings:	Plans to develop a full monitoring plan assure conformance with the indicator.



B1 Net Positive Biodiversity Impacts

Indicator B1.1 - Use appropriate methodologies to estimate changes in biodiversity as a result of the project in the project zone and in the project lifetime. This estimate must be based on clearly defined and defensible assumptions. The ‘with project’ scenario should then be compared with the baseline ‘without project’ biodiversity scenario completed in G2. The difference (i.e., the net biodiversity benefit) must be positive.	PDD describes several comparative aspects of the before and after project scenarios and lists possible positive impacts from the “with” project scenario and negative impacts to the “without” project scenario.
Evidence Used to Assess Conformance:	Table, PDD, and site visit.
Findings:	PDD does not list what methodology was used to estimate changes in biodiversity.
Non-Conformity Report (NCR) to address non-conformance:	Please discuss the appropriate methodology used for this analysis.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 Methodology is based on best available scientific information from IUCN and professional judgment by certified wildlife biologist. Justification for the use of camera traps follows Waldon, Miller, and Miller (2011). The reference given is for the use of camera traps, which are part of the monitoring process. This indicator focusses on the estimation of changes to biodiversity.
Non-Conformity Report (NCR) to address non-conformance:	Please use one of the appropriate methodologies or similar (See appendix A of CCB Standards, Potential Tools and Strategies) to conduct an estimation of changes in biodiversity as a result of the project in the project zone and in the project lifetime. This estimate must be based on clearly defined and defensible assumptions. Reference is given in the ‘without-project scenario’ to one of the listed appropriate tools.
Date issued	20 January 2012
Evidence used to close CAR	PDD
Date closed	25 January 2012



Indicator B1.2 - Demonstrate that no High Conservation Values identified in G1.8.1-3 will be negatively affected by the project.	PDD lists that regular patrols and protection of habitat will maintain existing HCV's.
Evidence Used to Assess Conformance:	Page 47 PDD and Table 7 and site visit.
Findings:	Validation findings confirm compliance with indicator.
Indicator B1.3 - Identify all species to be used by the project and show that no known invasive species will be introduced into any area affected by the project and that the population of any invasive species will not increase as a result of the project.	No species are being used by this Project since it is a natural native forest. All vegetation in the Project area is natural regeneration.
Evidence Used to Assess Conformance:	Page 47 PDD, general project description, and site visit.
Findings:	Validation findings confirm compliance with indicator.
Indicator B1.4 - Describe possible adverse effects of non-native species used by the project on the region's environment, including impacts on native species and disease introduction or facilitation. Project proponents must justify any use of non-native species over native species	There are no exotic species used in the Project area.
Evidence Used to Assess Conformance:	Page 47 of PDD and site visit.
Findings:	Validation findings confirm compliance with indicator.
Indicator B1.5 - Guarantee that no GMOs will be used to generate GHG emissions reductions or removals.	The Project will not use any genetically modified organisms in its operations.
Evidence Used to Assess Conformance:	Page 47 and 48 PDD, interviews with staff and site visit.
Findings:	Validation findings confirm compliance with indicator.



B2 Offsite Biodiversity Impacts

Indicator B2.1 - Identify potential negative offsite biodiversity impacts that the project is likely to cause.	The Project does not anticipate any offsite negative biodiversity impacts. Offsite impacts will be positive since larger habitat and forest areas will improve the long-term viability of populations offsite through connectivity of off-site habitats on surrounding conservation lands.
Evidence Used to Assess Conformance:	Page 48 of PDD and site visit.
Findings:	Validation findings confirm compliance with indicator.

Indicator B2.2 - Document how the project plans to mitigate these negative offsite biodiversity impacts.	If any negative impact is identified, the BRO team and the stakeholder representative will address such problems with fast and effective solutions. The issue will be discussed and mitigation actions will be designed.
Evidence Used to Assess Conformance:	Page 48 PDD and site visit.
Findings:	Validation findings confirm compliance with indicator.

Indicator B2.3 - Evaluate likely unmitigated negative offsite biodiversity impacts against the biodiversity benefits of the project within the project boundaries. Justify and demonstrate that the net effect of the project on biodiversity is positive.	The Project does not anticipate any offsite negative biodiversity impacts.
Evidence Used to Assess Conformance:	Page 48 PDD and site visit.
Findings:	Validation findings confirm compliance with indicator.

B3 Biodiversity Impact Monitoring

Indicator B3.1 - Develop an initial plan for selecting biodiversity variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project's biodiversity objectives and to anticipated impacts (positive and negative).	PDD lists survey of mammal species and opportunistic observations, as well as possible methods for sampling.
Evidence Used to Assess Conformance:	Page 48 and 49 PDD, Table 29.



Findings:	PDD lacks any detail for frequency of monitoring as well as links to the HCV's identified earlier. PDD does not include the geographic scale for the monitoring plan.
Non-Conformity Report (NCR) to address non-conformance:	Please include frequency and geographic scale for monitoring plan.
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 Monitoring will occur in conjunction with each verification event and no less frequently than every 5 years. Monitoring will occur in a scientifically representative manner for the project area. At least 15 camera trap sites will be used for monitoring. A complete list of camera trap sites will be included in the monitoring plan.
Evidence used to close CAR	PDD
Date closed	20 January 2012

Indicator B3.2 - Develop an initial plan for assessing the effectiveness of measures used to maintain or enhance High Conservation Values related to globally, regionally or nationally significant biodiversity (G1.8.1-3) present in the project zone.	PDD states "The primary strategy used to maintain the biodiversity HCVs is to protect the property through patrols and avoid conversion to agriculture. The monitoring metric is presence/absence of the biodiversity HCVs. Loss of an IUCN species is not necessarily considered a failure of the Project if that loss is not linked to anthropomorphic factors like hunting. Maintenance of forest cover (as determined by permanent plots and satellite imagery) and the habitats within the forest is the responsibility of the Project. Monitoring of selected biodiversity HCVs will be conducted and is expected to be 100% effective at determining presence/absence of those HCVs.
Evidence Used to Assess Conformance:	Page 49 PDD, discussion with project proponent.
Findings:	PDD does not develop a plan.
Non-Conformity Report (NCR) to address non-conformance:	Please describe the initial plan for assessing the effectiveness of the measures that will maintain HCV's, specifically 8.1.b threatened species (i.e. how will the presence be confirmed).
Date issued	6 January 2012
Project proponent response/actions and date	12 January 2012 PDD text is modified to link effectiveness with the methods proposed.
Non-Conformity Report (NCR) to address non-conformance:	20 January 2012 PDD does not present a plan for evaluation of effectiveness. A statement of expected effectiveness is OK, but what will be the plan for evaluation of the methods presented? Wildlife



	biology is not an exact science and methods are constantly adjusted (placement of camera stations/ bait types, seasons etc. all change based on results and conditions). Please indicate how the plans for patrols and biologic surveys will be evaluated as they proceed.
Date Issued	20 January 2012
Project proponent response/actions and date	25 January 2012 PDD text is modified to link effectiveness with the methods proposed.
Evidence used to close CAR	PDD
Date closed	25 January 2012

Indicator B3.3 - Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.	A full monitoring plan as described in section B3.1. Biodiversity Impact Monitoring Plan will be initiated within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring. This monitoring plan will be made publicly available on the internet and shared with stakeholders for public comment. Once approved, the plan will be executed on BRO for the initial monitoring period. The same repeatable methodologies will be followed up again at least every five years by qualified trained biologists from the date of registration with the CCBA.
Evidence Used to Assess Conformance:	Page 49 PDD, discussion with project proponent.
Findings:	Validation findings confirm compliance with indicator.

Gold Level Section

GL1 Climate Change Adaptation Benefits Not Applicable

GL2 Exceptional Community Benefits Not Applicable

GL3 Exceptional Biodiversity Benefits

Indicator 1 – Vulnerability Regular occurrence of a globally threatened species (according to the IUCN Red List) at the site: 1.1 - Critically Endangered (CR) and Endangered (EN) species - presence of at least a single individual; or	The Project site has a documented history of Baird's tapir (<i>Tapirus bairdii</i>) onsite (Table 6). The Baird's tapir is listed as IUCN-EN with declining populations (Davis, Kelly & Stauffer 2010). Images (Davis, Kelly & Stauffer 2010) for IUCN species from onsite camera traps have been reviewed by the auditors.
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1.2 - Vulnerable species (VU) - presence of at least 30 individuals or 10 pairs.	
Evidence Used to Assess Conformance:	Page 50 PDD, Table 6, discussion with project proponent, and site visit.
Findings:	PDD addresses the indicator, and during site visit a tapir was seen onsite.

Public Shareholder Comments

The PDD public comment period for this project was held 24 February- 23 March 2011. As part of the validation process, ESI confirmed that all comments received by the CCBA concerning the project during the public comment period were addressed by the project proponent. CCBA received 12 comments during the public comment period. Only one of these comments was critical of the project plans. This comment outlined shortcomings in G2.2, G5.2, CL2.1, G3.4, CM1.1, CL1.3 CL1.5 G1.4 G2.1. A response was provided by the project proponent to these comments. Please see Appendix A for a copy of the full comment and response. The project proponent addressed each issue separately as well as made revisions to the PDD as a result. Validators found that the responses and resulting changes to the project plan were sufficient to address these concerns. Additional response was provided for the other comments that were all in support of the project.

Validation Conclusion

ESI confirms all validation activities including objectives, scope and criteria, level of assurance and the PDD adherence to the CCB Standard, Second Edition as documented in this report are complete and concludes without any qualifications or limiting conditions that the following CCB Project Design Documentation entitled Bull Run Overseas Ltd. Forest Carbon Project Phase I meets the requirements of the CCB Standards (Second Edition – December 2008) and Gold Level Biodiversity Benefits.

Submittal Information

Report Submitted to:	Forest Carbon Offsets LLC Climate, Community, and Biodiversity Alliance
Report Submitted (CCBA- Approved Validator) by:	Environmental Services Inc. 7220 Financial Way, Suite 100 Jacksonville, Florida 32256
Lead Validator and Regional Technical Manager (QA/QC) Names and Signatures:	 Shawn McMahon- Lead Validator



	 Janice McMahon – Vice President / Regional Technical Manager - Forestry, Carbon, and GHG Services Division
Date:	15 March 2012

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Appendix A

FCO's responses to the public comments received.



FOREST CARBON OFFSETS LLC

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Blacksburg, VA (540) 230-2854

June 16, 2011

Jol Hodgson
Beaver Plastics
7-26318-TWP RD 531A
Acheson, Alberta
Canada T7X 5A3

Dear Mr. Hodgson,

Thank you for your extensive comments regarding the proposed Bull Run Overseas Forest Carbon Project Phase I. Significant improvements to the project have been included in recent months partially in response to comments received by the project.

I will attempt to address your concerns below:

G2.2: Additionality

We have limited this first phase of the project to the areas of the property slated for conversion to coffee based on a confidential plan developed by the landowner and confirmed by the auditors. The carbon finance evaluation is limited to the project activities for this area of the property.

G 5.2 Documentation of Legal Approval and G5.6 Carbon Rights

The policy mentioned has not been proposed as law in Belize and therefore doesn't pertain to the project validation. Political risk is always a part of carbon finance projects and has been taken into account by the developers. Representatives of the Belize Forest Department have been informed about the project, and no objections have been brought up by any representative of the Belizean government.

CL 2.1 Leakage

The leasing language was intended to describe the source of the labor for the coffee scenario. A leakage analysis was added and reductions in climate benefit made to account for leakage.

G3.4 Permanence

The CCB standard calls for a minimum project life of 20 years. The intent of the landowner at present is to continue the project for at least another 20 years beyond that, but since the rules and

procedures in the future could be much different than they are today, the present commitment is for 20 years.

CM1.1 Community Benefits

The standard calls for community benefits to accrue to the “with project” community. That community includes the surrounding landowners. The current staff will accrue benefits through job security, training, and other benefits. The surrounding landowners will accrue benefits by avoidance of conflicts with lease-holder agricultural workers.

CL1.3 Other GHG Emissions

Since the project was changed to address only the area of land slated for coffee conversion. The prescribed burning issue is removed.

CL1.5 Avoid Double Counting

This is a voluntary project under the CCB standard. Once the project completes certification by the Voluntary Carbon Standard, the issued credits will be placed in the Markit Environmental Registry which allows for public reports on the status and ownership of credits from the project. If and when a national registry is established, the project will evaluate inclusion within that registry as allowed. Our hope is that pilot projects like this will be incorporated in the national registry.

G1.4 Carbon Stocks

The area slated for coffee conversion is modified to address concerns about topography based on best available published information on slope constraints. The CCB standard requires proof of a climate benefit which has been achieved and proven with a new inventory performed in May of 2011.

G2.1 Baseline Land Use

The pine component of the property is excluded from the project.

Thank you for your comments.

Sincerely,

Jefferson L. Waldon
Chief Technical Officer