BULL RUN OVERSEAS FOREST CARBON PROJECT: PHASE I NON-PERMANENCE RISK REPORT

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1 INTERNAL RISKS

Document and substantiate the risk and/or mitigation for each risk factor applicable to the project. Include any relevant documentary evidence. Where a risk or mitigation is not relevant to the project, please write "Not applicable".

Project Management		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Species planted (where applicable) associated with more than 35% of the stocks on which GHG credits have previously been issued are not native or proven to be adapted to the same or similar agro-ecological zone(s) in which the project is located.	0
b)	Ongoing enforcement to prevent encroachment by outside actors is required to protect more than 50% of stocks on which GHG credits have previously been issued.	0
c)	Management team does not include individuals with significant experience in all skills necessary to successfully undertake all project activities (i.e. any area of required experience is not covered by at least one individual with at least 5 years experience in the area).	0
d)	Management team does not maintain a presence in the country or is located more than a day of travel from the project site, considering all parcels or polygons in the project area.	0
e)	**Mitigation:** Management team includes individuals with significant experience in AFOLU project design and implementation, carbon accounting and reporting (e.g. individuals who have successfully managed projects through validation, verification and issuance of GHG credits) under the VCS Program or other approved GHG programs.	-2
f)	**Mitigation:** Adaptive management plan in place.	0
Total Project Management (PM) [as applicable, (a + b + c + d + e + f)] Total may be less than zero.		**0**

Financial Viability		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Project cash flow breakeven point is greater than 10 years from the current risk assessment.	0
b)	Project cash flow breakeven point is between 7 and up to 10 years from the current	0

	risk assessment.	
c)	Project cash flow breakeven point between 4 and up to 7 years from the current risk assessment.	0
d)	Project cash flow breakeven point is less than 4 years from the current risk assessment.	0
e)	Project has secured less than 15% of funding needed to cover the total cash out before the project reaches breakeven.	0
f)	Project has secured 15% to less than 40% of funding needed to cover the total cash out required before the project reaches breakeven.	0
g)	Project has secured 40% to less than 80% of funding needed to cover the total cash out required before the project reaches breakeven.	0
h)	Project has secured 80% or more of funding needed to cover the total cash out before the project reaches breakeven.	0
i)	**Mitigation**: Project has available as callable financial resources at least 50% of total cash out before project reaches breakeven.	0
Total Financial Viability (FV) [as applicable, ((a, b, c or d) + (e, f, g or h) + i)] Total may not be less than zero.		**0**

Opportunity Cost		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	NPV from the most profitable alternative land use activity is expected to be at least 100% more than that associated with project activities; or where baseline activities are subsistence-driven, net positive community impacts are not demonstrated.	8
b)	NPV from the most profitable alternative land use activity is expected to be between 50% and up to100% more than from project activities.	0
c)	NPV from the most profitable alternative land use activity is expected to be between 20% and up to 50% more than from project activities.	0
d)	NPV from the most profitable alternative land use activity is expected to be between 20% more than and up to 20% less than from project activities; or where baseline activities are subsistence-driven, net positive community impacts are demonstrated.	0
e)	NPV from project activities is expected to be between 20% and up to 50% more	0

	profitable than the most profitable alternative land use activities.	
f)	NPV from project activities is expected to be at least 50% more profitable than the most profitable alternative land use activities.	0
g)	**Mitigation**: Project proponent is a non-profit organization.	0
h)	**Mitigation**: Project is protected by legally binding commitment (see Section 2.2.4) to continue management practices that protect the credited carbon stocks over the length of the project crediting period.	-2
i)	**Mitigation:** Project is protected by legally binding commitment (see Section 2.2.4) to continue management practices that protect the credited carbon stocks over at least 100 years.	0
Total Opportunity Cost (OC) [as applicable, (a, b, c, d, e or f) + (g or h)] Total may not be less than 0.		**6**

Project Longevity		
a)	Without legal agreement or requirement to continue the management practice	0
b)	With legal agreement or requirement to continue the management practice.	15
Total Project Longevity (PL) May not be less than zero		**15**

Internal Risk	
Total Internal Risk (PM + FV + OC + PL) Total may not be less than zero.	**21%**

2 EXTERNAL RISKS

Document and substantiate the risk and/or mitigation for each risk factor applicable to the project. Include any relevant documentary evidence. Where a risk or mitigation is not relevant to the project, please write "Not applicable".

Land Ownership and Resource Access/Use Rights		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Ownership and resource access/use rights are held by same entity(s).	0

b)	Ownership and resource access/use rights are held by different entity(s) (eg, land is government owned and the project proponent holds a lease or concession).	0
c)	In more than 5% of the project area, there exist disputes over land tenure or ownership.	0
d)	There exist disputes over access/use rights (or overlapping rights.	0
e)	**Mitigation**: Project area is protected by legally binding commitment (eg, a conservation easement or protected area) to continue management practices that protect carbon stocks over the length of the project crediting period.	-2
f)	**Mitigation**: Where disputes over land tenure, ownership or access/use rights exist, documented evidence is provided that projects have implemented activities to resolve the disputes or clarify overlapping claims.	0
Total Land Tenure (LT) [as applicable, ((a or b) + c + d + e+ f)] Total may not be less than zero.		**0**

Community Engagement		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Less than 50 percent of households living within the project area who are reliant on the project area, have been consulted.	0
b)	Less than 20 percent of households living within 20 km of the project boundary outside the project area, and who are reliant on the project area, have been consulted.	0
c)	**Mitigation**: The project generates net positive impacts on the social and economic wellbeing of the local communities who derive livelihoods from the project area.	-5
Total Community Engagement (CE) [where applicable, (a+b+c)] Total may be less than zero.		**0**

Political Risk		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Governance score of less than -0.79.	0
b)	Governance score of -0.79 to less than -0.32.	0

c)	Governance score of -0.32 to less than 0.19.	2
d)	Governance score of 0.19 to less than 0.82.	0
e)	Governance score of 0.82 or higher	0
f)	**Mitigation**: Country is implementing REDD+ Readiness or other activities, as set out in this Section 2.3.3.	-2
Total Political (PC) [as applicable ((a, b, c, d or e) + f)] Total may not be less than zero.		**0**

External Risk	
Total External Risk (LT + CE + PC) Total may not be less than zero.	**0%**

3 NATURAL RISKS

Explain the significance and likelihood of the natural risk and any mitigation activities implemented, (copy table for each natural risk).

Natural Risk: Severe Weather	
Significance	Minor
Likelihood	Every 10-25 years
Score (LS)	2
Mitigation	N/A

Natural Risk: Fire	
Significance	No loss
Likelihood	Less than every 10 years
Score (LS)	0
Mitigation	.25

Natural Risk: Pests	
Significance	No loss
Likelihood	Less than every 10 years
Score (LS)	0

Mitigation	1

Score for each natural risk applicable to the project (Determined by (LS × M)	
Fire (F)	0
Pest and Disease Outbreaks (PD)	0
Extreme Weather (W)	2
Geological Risk (G)	0
Other natural risk (ON)	0
Total Natural Risk (as applicable, F + PD + W + G + ON)	**2**

4 OVERALL NON-PERMANENCE RISK RATING AND BUFFER DETERMINATION

4.1 Overall Risk Rating

Risk Category	Rating
a) Internal Risk	21%
b) External Risk	0%
c) Natural Risk	2%
Overall Risk Rating (a + b + c)	**23%**

4.2 Calculation of Total VCUs

Year	Project Emissions		Baseline Emissions							
	Biomass Change	Total Project Emissions	Biomass Change	Biomass Burning	Fertilizer Use	Total Baseline Emissions	Total Avoided Emissions	Total Less Uncertainty Deduction	Risk Buffer (23%)	Total After Risk Buffer Removal
2009	0	0	162,690	5,769	552	169,011	169,011	158,221	36,391	121,830
2010	0	0	162,690	5,769	1,104	169,562	169,562	158,737	36,510	122,227
2011	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2012	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2013	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2014	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2015	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2016	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2017	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2018	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2019	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2020	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2021	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2022	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2023	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2024	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2025	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2026	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2027	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2028	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2029	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2030	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2031	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2032	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2033	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2034	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2035	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2036	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2037	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
2038	0	0	0	0	1,104	1,104	1,104	1,033	0	1,033
Total	0	0	325,379	11,539	32,555	369,472	369,472	345,885	72,901	272,981