# HUBEI HONGSHAN IFM (CONVERSION OF LOGGED TO PROTECTED FOREST) PROJECT

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| **Project Title** | Hubei Hongshan IFM (conversion of logged to protected forest) Project |
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| **Project Location** | China, Suizhou |
| **Project Proponent(s)** | Zhejiang Zhongzheng Forestry Development Co.,Ltd<br>Room 308, Block C, Weiye Road, Puyan Street, Binjiang District,Hangzhou, Zhejiang<br>+86 0571-87424258<br>391190031@qq.com |
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| **Project Lifetime** | 01/01/2015 - 31/12/2044; 30 years |
| **GHG Accounting Period** | 01/01/2015 - 31/12/2044; 30 years |

| | |
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| **Monitoring Period of this Report** | 01/01/2015 - 30/06/2019 |
| **History of CCB Status** | N/A |
| **Gold Level Criteria** | N/A |

## Table of Contents

# 1 SUMMARY OF PROJECT BENEFITS

## 1.1 Unique Project Benefits

| Outcome or Impact | Achievements during the Monitoring Period | Section Reference | Achievements during the Project Lifetime |
|---|---|---|---|
| 1) Provide local community with experience of forest management in barren land | Implementation experience of forest management | 3 | Implementation experience of forest management |
| 2) Increase forest cover in the project area | Slight improvement of forest coverage | 5 | Slight improvement of forest coverage |
| 3) Improve the ecological environment of the project area and its surrounding area | Slight improvement of ecological environment | 5 | Slight improvement of ecological environment |

## 1.2 Standardized Benefit Metrics

| Category | Metric | Achievements during Monitoring Period | Section Reference | Achievements during the Project Lifetime |
|---|---|---|---|---|
| GHG emission reductions & removals | Net estimated emission removals in the project area, measured against the without-project scenario | 932,144 $tCO_2e$ | 3.3.1 | 6,840,033 $tCO_2e$ |
| | Net estimated emission reductions in the project area, measured against the without-project scenario | N/A | N/A | N/A |
| Forest[1] cover | For REDD[2] projects: Number of hectares of reduced forest loss in the project area measured against the without-project scenario | N/A | N/A | N/A |
| | For ARR[2] projects: Number of hectares of forest cover increased in the project area measured against the without-project scenario | N/A | N/A | N/A |
| Improved land management | Number of hectares of existing production forest land in which IFM[2] practices have occurred as a result of the project's activities, measured against the without-project scenario | 23,769.42 | 5.3 | 23,769.42 |
| | Number of hectares of non-forest land in which improved land management has occurred as a result of the project's activities, measured against the without-project scenario | N/A | N/A | N/A |
| Training | Total number of community members who have improved skills and/or knowledge resulting from training | 1800 | 2.2 | 1800 |

[1] Land with woody vegetation that meets an internationally accepted definition (e.g., UNFCCC, FAO or IPCC) of what constitutes a forest, which includes threshold parameters, such as minimum forest area, tree height and level of crown cover, and may include mature, secondary, degraded and wetland forests (*VCS Program Definitions*)
[2] Reduced emissions from deforestation and forest degradation (REDD) - Activities that reduce GHG emissions by slowing or stopping conversion of forests to non-forest land and/or reduce the degradation of forest land where forest biomass is lost (*VCS Program Definitions*)
[2] Afforestation, reforestation and revegetation (ARR) - Activities that increase carbon stocks in woody biomass (and in some cases soils) by establishing, increasing and/or restoring vegetative cover through the planting, sowing and/or human-assisted natural regeneration of woody vegetation (*VCS Program Definitions*)

[2] Improved forest management (IFM) - Activities that change forest management practices and increase carbon stock on forest lands managed for wood products such as saw timber, pulpwood and fuelwood (*VCS Program Definitions*)

| Category | Metric | Achievements during Monitoring Period | Section Reference | Achievements during the Project Lifetime |
|---|---|---|---|---|
| | provided as part of project activities | | | |
| | Number of female community members who have improved skills and/or knowledge resulting from training provided as part of project activities of project activities | 1080 | 2.2 | 1080 |
| Employment | Total number of people employed in of project activities,[3] expressed as number of full time employees[4] | 1800 | 2.2 | 1800 |
| | Number of women employed in project activities, expressed as number of full time employees | 1080 | 2.2 | 1080 |
| Livelihoods | Total number of people with improved livelihoods[5] or income generated as a result of project activities | 1800 | 2.2 | 1800 |
| | Number of women with improved livelihoods or income generated as a result of project activities | 1080 | 2.2 | 1080 |
| Health | Total number of people for whom health services were improved as a result of project activities, measured against the without-project scenario | N/A | N/A | N/A |
| | Number of women for whom health services were improved as a result of project activities, measured against the without-project scenario | N/A | N/A | N/A |
| Education | Total number of people for whom | N/A | N/A | N/A |

[3] Employed in project activities means people directly working on project activities in return for compensation (financial or otherwise), including employees, contracted workers, sub-contracted workers and community members that are paid to carry out project-related work.
[4] Full time equivalency is calculated as the total number of hours worked (by full-time, part-time, temporary and/or seasonal staff) divided by the average number of hours worked in full-time jobs within the country, region or economic territory (adapted from UN System of National Accounts (1993) paragraphs 17.14[15.102];[17.28])
[5] Livelihoods are the capabilities, assets (including material and social resources) and activities required for a means of living (Krantz, Lasse, 2001. *The Sustainable Livelihood Approach to Poverty Reduction*. SIDA). Livelihood benefits may include benefits reported in the Employment metrics of this table.

| Category | Metric | Achievements during Monitoring Period | Section Reference | Achievements during the Project Lifetime |
|---|---|---|---|---|
| | access to, or quality of, education was improved as a result of project activities, measured against the without-project scenario | | | |
| | Number of women and girls for whom access to, or quality of, education was improved as a result of project activities, measured against the without-project scenario | N/A | N/A | N/A |
| Water | Total number of people who experienced increased water quality and/or improved access to drinking water as a result of project activities, measured against the without-project scenario | N/A | N/A | N/A |
| | Number of women who experienced increased water quality and/or improved access to drinking water as a result of project activities, measured against the without-project scenario | N/A | N/A | N/A |
| Well-being | Total number of community members whose well-being[6] was improved as a result of project activities | 1800 | 2.2 | 1800 |
| | Number of women whose well-being was improved as a result of project activities | 1080 | 2.2 | 1080 |
| Biodiversity conservation | Change in the number of hectares significantly better managed by the project for biodiversity conservation,[7] measured against the without-project scenario | 23769.42 | 5.3 | 23769.42 |

[6] Well-being is people's experience of the quality of their lives. Well-being benefits may include benefits reported in other metrics of this table (e.g. Training, Employment, Health, Education, Water, etc.), but could also include other benefits such as empowerment of community groups, strengthened legal rights to resources, conservation of access to areas of cultural significance, etc.
[7] Biodiversity conservation in this context means areas where specific management measures are being implemented as a part of project activities with an objective of enhancing biodiversity conservation.

| Category | Metric | Achievements during Monitoring Period | Section Reference | Achievements during the Project Lifetime |
|---|---|---|---|---|
| | Number of globally Critically Endangered or Endangered species[8] benefiting from reduced threats as a result of project activities,[9] measured against the without-project scenario | 0 | 5.1 | 0 |

[8] Per IUCN's Red List of Threatened Species
[9] In the absence of direct population or occupancy measures, measurement of reduced threats may be used as evidence of benefit

# 2 GENERAL

## 2.1 Project Goals, Design and Long-Term Viability

### 2.1.1 Implementation Schedule (G1.9)

| Date | Milestone(s) in the project's development and implementation |
|---|---|
| 2014.11.12 | Village committee and villagers Decision |
| 2014.11.17 | Stakeholder meeting |
| 2014.12 | Distribution and collection of the project opinion questionnaires |
| 2014.12.10 | Application for stopping logging |
| 2014.12.18 | Reply on stopping logging |
| 2015.01.01 | The date of stopping logging (start date of crediting period) |
| 2015.01.06 | Signing development contracts for forestry carbon credits projects |
| 2015.01 | Participatory Rural Appraisal (PRA) report of the project was completed. |
| 2017.01 | Participatory Rural Appraisal (PRA) report of the project was completed. |
| 2019.01 | Participatory Rural Appraisal (PRA) report of the project was completed. |

### 2.1.2 Minor Changes to Project Design (*Rules* 3.5.6)

N/A

### 2.1.3 Project Description Deviations (*Rules* 3.5.7 – 3.5.10)

N/A

### 2.1.4 Risks to the Project (G1.10)

| Identify Risk | Potential impact of risk on climate, community and/or biodiversity benefits | Actions needed and designed to mitigate the risk |
|---|---|---|
| Fire | After the trees grow to a certain age (about 30 years), the risk of fire may increase, and the project owner will adopt the necessary measures for fire preventing. | Strengthen the work of forest fire prevention publicity education to increase the awareness of forest fire prevention in the whole society. Education activities, mainly covering forest law and forest fire prevention regulation, are carried out to popularize the basic knowledge of fire prevention and extinguishing. Relying on the masses, we will implement mass prevention and control and effectively raise the people's awareness of forest fire prevention. |

| | | |
|---|---|---|
| Diseases and Insects | There could be diseases and insects that may damage the planted trees, but the diseases and insects will be prevented by routine overseeing. | Upon routine overseeing, the diseases will be treated immediately by biological control once occurred. The chemical pesticides are allowed to be used only if there is a serious pest problem erupted in the project area, and the pesticides will be used in accordance with the National Pesticides Policy. |
| Pesticide | Improper pesticide application would be harmful to natural environment, including polluting soil, water and air conditions, as well as the habitat of the wildlife. | Pesticide will be strictly managed by well trained staff to minimize the potential effect. Also, the environmental friendly measures will be adapted. Especially the biological measures to control pests and diseases will be adopted. Therefore, the pesticide application will be limited. |
| Frost | According to historic records, frost damage on trees was not common in the project area. During winter, there could be frost that might damage the trees that have suffered wounds before. Warming measures will be adopted to keep the survival rate. | If there are frozen branches found after winter, they will be cut off in spring, which enhances their ability of selfhealing and is good for the growth of new leaves and branches. |

Also, please refer to Non-Permanence Risk Report of the project for more detailed analysis of project risk.

### 2.1.5 Benefit Permanence (G1.11)

To maintain and enhance the climate, community and biodiversity benefits, the implementation of the project activity includes the conversion from logged to protected forests. In addition, according to Forest Management And Monitoring Manual, commercial logging will be forbidden and human interference will be minimized.

The project proponent Zhejiang Zhongzheng Forestry Development Co.,Ltd. and the local forestry bureau will be responsible for the management of the project during the project lifetime. And the local government will take over of the responsibility beyond the project lifetime.

### 2.1.6 Grouped Projects

This is not a grouped project.

## 2.2 Stakeholder Engagement

### 2.2.1 Stakeholder Access to Project Documents (G3.1)

The full project documentation will be published on VCS and CCB website for public comments, the local communities and other stakeholders can easily download from the website. The project owner will notice local stakeholders through the routine villager assembly regarding every milestones of the project development, including listing, registered, issuance, etc.

After the monitoring activity completed, the draft monitoring results have also be published in the CCB and VCS website as part of the monitoring report which could be download by anyone who is interested, and any public comments received will be seriously considered during the following verification process

### 2.2.2 Dissemination of Summary Project Documents (G3.1)

Along with the project implementation, the project documentation will be published on VCS and CCB website for all stakeholders to obtain the detailed project information and development progress.

### 2.2.3 Informational Meetings with Stakeholders (G3.1)

In order to ensure the effectiveness of all parties involved, the investigation team conducted a participatory rural assessment (PRA) before the start of the project, so as to obtain basic data and information on the local socio-economic status and environmental issues, and to further understand the stakeholders. The main socio-economic and environmental issues, collect opinions and suggestions from project participants, and analyze the potential impact of the project.

### 2.2.4 Community Costs, Risks, and Benefits (G3.2)

During the PRA survey and stakeholder meeting, project owner explained the potential costs, risks and benefits to relevant communities and stakeholders, and invited them to give their feedback. The analysis based on results chain is quite clear and understandable. According to the analysis, the community benefits of the project includes income improvement, job creation, and all the relevant communities are aware of the design concept of the project and have willingness to participate in the project.

During this monitoring period, the community impacts have been monitored through interviews and questionnaires from 01/12/2020 to 25/12/2020, and the monitoring results showed there were net community benefits achieved from the implementation of the project just as anticipated. As part of the monitoring report, the monitored community benefits during this monitoring period have been distributed to stakeholders during stakeholders' meeting arranged in December 2020.

### 2.2.5 Information to Stakeholder on Verification Process (G3.3)

The status and process of the project for CCB and VCS verification were published through routine villager assembly and posted on local bulletin boards, also the mobile phone number of contact person of the project was provided to the stakeholders so they can directly make a call in case they have any problem about the project.About a week prior to the visit, the project staff will inform relevant stakeholders in advance about the details of the audit process and arrang stakeholder meeting. Local Forest Bureau will invit local communities and stakeholders to attend the meeting on time.

### 2.2.6 Site Visit Information and Opportunities to Communicate with Auditor (G3.3)

About a week prior to the visit, the project staff will inform relevant stakeholders in advance about the details of the audit process and arrang stakeholder meeting. Local Forest Bureau will invit

local communities and stakeholders to attend the meeting on time.During the meeting , representatives of the stakeholders from local villages will came to the local forest office to have a conversation with the project owner and the auditor regarding the issues of the project they concerned.

### 2.2.7 Stakeholder Consultation (G3.4)

During the PRA survey and stakeholder meeting prior to start of the project, the local stakeholders were asked to raise their opinions of the project design and their willingness to participate the following implementation, and all the stakeholders agreed with the project design and willing to participate the implementation and follow-up management of the project activity.

During this monitoring period, the project proponent collects the comments and feedback regarding the following implementation of the project. The project staff from local Forest Bureau maintained communications with the community groups and other stakeholders through in-person meetings and made a questionnaire survey in January 2019 to directly collect relevant feedback. A total of 40 questionnaires were distributed to the representatives of the local stakeholders from local government and surrounding villages, and all 40 copies were collected with valid answers. The representatives covered different ages, different occupations and different education levels and the results were summarized as follows.

- Most local residents are well aware of the benefits of protecting forest. They understand that forestry can reduce soil erosion, clean the air, protect the land, and reduce natural disasters. And they also have a strong sense of protection for animals and plants.

- Most local residents have never heard of carbon trading or carbon credits. After the introduction, they strongly agreed that the project should be registered as a carbon sink project and joined the carbon trading market.

- Local residents believe that the project can 1) create jobs; 2) get more benefits from selling carbon credits; 3) improve the local environment, protect cultivated land, and reduce natural disasters; 4) create more education opportunities for local people.

- All the stakeholders agreed with the project design and willing to participate the implementation and follow-up management of the project activity.

### 2.2.8 Continued Consultation and Adaptive Management (G3.4)

Throughout the lifetime of the project, the project owner, through their on-site project staff, will maintain a direct line of communication with community members and relevant stakeholders. This will establish a commitment to communication and consultation to keep stakeholders informed of project activities including restoration, maintenance, monitoring and the CCB validation and verification process. The project staff in the field will maintain communications with the community groups and other stakeholders through in-person meetings. And the project will actively listen to recommendations made by any identified community members, or other stakeholder groups, and adapt and improve methods as necessary.

The project has an adaptive management plan to effectively evolve as the project progresses, and systematically develop existing practices through project monitoring and evaluation. The project will periodically review plans, methods, goals and objectives, to incorporate new lessons learned, available technology, and scientific knowledge. These strategies will be in accordance with project's Standard Operating Procedures (SOPs) and monitoring plans.

### 2.2.9 Stakeholder Consultation Channels (G3.5)

As mentioned before, the project staff from local Forest Bureau maintained communications with the community groups and other stakeholders through in-person meetings and made a questionnaire survey on Dec. 2020 to directly collect relevant feedback during this monitoring period. In addition, the stakeholders have been invited to attend the stakeholder meeting held on on Dec. 2020, and the project proponent reported the project status regarding the implementation and the process of VCS &CCB validation and verification in the meeting, also reported the accomplished monitoring activities and draft monitoring results during this monitoring period.

### 2.2.10 Stakeholder Participation in Decision-Making and Implementation (G3.6)

In the project planning phase, stakeholders were fully involved in stopping logging, protecting forest, etc, through villagers meeting and PRA methods. As mentioned in Section 2.2.7, during this monitoring period, 40 questionnaires has been collected from the representatives of the local stakeholders of local government and surrounding villages. Stakeholders from different age, gender and culture background has been prudently taken into account during the distribution of the questionnaires, and the feedbacks reflected in the interview and questionnaire has been seriously addressed immediately.

To enable the effective participation of all communities in a culturally appropriate and gender sensitive manner, the project owner particularly encouraged the participation of women and minority residents.

During the project implementation, the local communities and government will play as the direct implementers of the project, and the project proponent will play as coordinator who is in charge of the overall management. All the critical information regarding decision-making will be informed to local stakeholders, and the decision should be revised according to further discussion in case there is any feedback from stakeholders.

### 2.2.11 Anti-Discrimination Assurance (G3.7)

The project owner should obey Labor Law of the People's Republic of China with anti-discrimination assurance, and workers will sign up voluntarily regardless of gender, race, religion or any other basis. In case of any discrimination proved to be true, the person who is responsible for the discrimination shall be fired immediately and the project owner will find someone else to take over his/her job.

During the project implementation, the total number of the local villagers who participated in forest management are about 1800, and 60% of them are women.

No discrimination complaint received during this monitoring period.

### 2.2.12 Grievances (G3.8)

As set out in the PD, the project owner nominated a specific staff in charge of recording and collecting conflicts and grievances of local communities and individual farmers. Forest patroller in each project site play an important role of treating with ordinary conflicts and grievances, and report to the forest stations or bureau. First, once getting the reports, project owner and local forest agency shall contact and discuss with relevant community or other stakeholders within 3 days; second, the specific staff of project proponent should propose a solution and mediation within a week based on all collected information from relevant parties; finally, the complications or grievances shall be dealt within 30 days.

No grievances received during this monitoring period.

### 2.2.13 Worker Training (G3.9)

Interview with local communities indicated that local farmers/communities lack skills for forest management, as well as for preventing trees from being subject to fire, pest and disease attack. In the proposed project activity, the local forestry bureau had o trained for local communities on forest management and integrated pest management. The training for employees is held once a year, starting from every January from 2015, mainly in the aspects of employee safety and health and technology. The training content is related to the knowledge of forest land clearing, forest managment, carbon sink forest managment and carbon emission.

### 2.2.14 Community Employment Opportunities (G3.10)

The project will mobilize the whole community involvement, including the community of women, minorities and poor people. All people from the communities will be given an equal opportunity to fill all work positions if the job requirements are met.

During the implementation of the project, the total number of local farmers involved in managing forest was approximately 1800 of which 60% were women. Before the project, approximately 1800 locals were regularly trained in relevant skills.

### 2.2.15 Relevant Laws and Regulations Related to Worker's Rights (G3.11)

The local people would be under the protection of Labor Law of the People's Republic of China and no forced labor is allowed, and they are free to establish and join any labor organizations as they wish. There will be regular training provided to workers before they start the job, which will clearly indicate their rights and mechanism for grievance appeal, and the worker's rights are guaranteed in the labour contracts for each workers.

### 2.2.16 Occupational Safety Assessment (G3.12)

The project owner has referenced Safety and Healthy in Forestry Work published by ILO and Labor Law of the People's Republic of China and adapted them to meet the local conditions to

ensure workers' health and safety. The workers' health and safety policy, including items covering the health insurance scheme for workplace accidents and evacuation plans is made available for workers and implemented by the village committee.

To minimize the potential risk, all the worker have been provided new staff training before they start to work. The training includes all necessary risk control measures during the work, as well as the health and safety policy mentioned before.

## 2.3 Management Capacity

### 2.3.1 Required Technical Skills (G4.2)

The project requires technical skills of community engagement, biodiversity assessment and carbon measurement and monitoring in order to implement the project activities. Table below outlines the skills required per project activity.

Table 2-2 Key skills required to implement the project activities

| Project Activity | Sub-project Activity | Key Skills Required |
|---|---|---|
| Carbon stock measurements and monitoring | Aboveground and belowground biomass measurement, land cover mapping, subsidence monitoring, climate monitoring, biodiversity monitoring, community monitoring, and fire monitoring. | forestry, GIS/ remote sensing, forest inventories, statistics, forest fire management and carbon monitoring, reporting, and verification (MRV) |
| Community engagement and development | Stakeholder consultation, livelihood development, and education program. | Community organizing, conflict resolution, business management, adult education, livelihoods and social science surveys. |
| Biodiversity assessment and monitoring | Habitat conservation and management and biodiversity monitoring | Forest conservation, conservation biology, and biodiversity monitoring |

### 2.3.2 Management Team Experience (G4.2)

Local Forestry bureau and PP played as the expert group (Management team) who is in charge of guiding and coordinating the project's overall implementation and decision-making.

Local Forestry bureau has rich experience in forest management, including forest protection and management, forest damage control and technical training. Being a Forestry Bureau also enables it to engage with forestry-related experts locally and abroad and best practices.

Zhong Che (Beijing) Environment Energy Technology Development Co., Ltd. is experienced in carbon measurement and monitoring. In the past, Zhong Che (Beijing) Environment Energy Technology Development Co., Ltd. has successfully developed many different carbon projects, including validation and verification under VCS and CDM standard. These experience will help project proponent to ramp up the capability of project implementing and management.

### 2.3.3 Project Management Partnerships/Team Development (G4.2)

The management team of the project is experience in forest project management and carbon project development, also, local Forestry Bureau provided instruction of afforestation and forest management, conducted the specific supervision of the implementation, and collected specific activity data at routine basis. The local Forestry Bureau provided technical support for community engagement and biodiversity assessment, and the regular monitoring and assessment of community and biodiversity were conducted by monitoring team as described in Section 3.1.3.

Therefore, the project management team and monitoring team have sufficient experience and skills required by the project.

### 2.3.4 Financial Health of Implementing Organization(s) (G4.3)

All the project participators are legally registered company in China, and according to the public information listed in National Enterprise Credit Information Publicity System, none of them were involved in nor complicit in any form of corruption such as bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion, and collusion.

### 2.3.5 Avoidance of Corruption and Other Unethical Behavior (G4.3)

As legally registered companies, the project proponent and other involved entities have the obligation to comply with relevant regulations, including anti-corruption law. The annual audit by the government makes sure that it operates with full compliance with China law and regulations.

### 2.3.6 Commercially Sensitive Information (*Rules* 3.5.13 – 3.5.14)

None of the project documents will be considered as commercially sensitive information, and all of the documentations are available to any stakeholders.

## 2.4 Legal Status and Property Rights

### 2.4.1 Recognition of Property Rights (G5.1)

The ownership of the forest land of the project belongs to the local village committee, and the right to use the forest land belongs to the farmers. The farmers signed Project Development Cooperation Agreement[10] with Zhong Che (Beijing) Environment Energy Technology Development Co., Ltd. (Founded in May 2013 and hereafter “Zhongche”) on 06-01-2015, the local village committee authorizes Zhongche to use the land for the forest management. Due to the shortage of funds in the later stage of project operation, Zhongche terminated the agreement on project development. On 15-02-2019, Tripartite Project Cooperation Development Agreement[11] was signed by local village committee, Zhejiang Zhongzheng Forestry Development Co.,Ltd.(Founded in January 2019) and Zhong Che (Beijing) Environment Energy Technology Development Co.Ltd. Zhejiang Zhongzheng Forestry Development Co.,Ltd. was the new project proponent, and Zhongche was the consultant of the project. Zhejiang Zhongzheng Forestry

[10] The agreement has been submitted
[11] The agreement has been submitted

Development Co.,Ltd.[12] (hereafter "the project proponent"), established in January 2019. The project proponent has the ownership and legal right of the carbon sink credit of this project.

### 2.4.2 Free, Prior and Informed Consent (G5.2)

Zhejiang Zhongzheng Forestry Development Co.,Ltd. and the village collective had signed a carbon sink cooperation and development agreement, which clarifies the forest land rights by all parties during the project crediting period. In addition, the signed of the carbon sink cooperation and development agreement is based on the principle of voluntary and legal. So the project will not encroach uninvited on private property, community property or government property.

### 2.4.3 Property Right Protection (G5.3)

Prior to the project implementation, the project land use continues to be used as the timber harvest land, the village collective and the farmers of the village voluntarily converse the trees to protected forest instead of logging, therefore the project activities will not lead to involuntary removal or relocation of property rights holders from their lands or territories, and does no force rights holder to relocate activities important to their culture or livelihood.

### 2.4.4 Identification of Illegal Activity (G5.4)

Under current law of China, any illegal logging activities will be fined or sentenced to punishment. Currently all project lands are defined for forestry purpose by local government. Deforestation must be carried on under the approval of local Forestry Bureau, and the forests are nursed by project staff regularly as a result of the implementation of the project, so there will not be illegal deforestation. The project benefits are gained from legal activities. Therefore, the project's climate, community and biodiversity impacts will not be affected by the illegal activities.

### 2.4.5 Ongoing Disputes (G5.5)

Because the project proponents signed a cooperative development agreement, the forest land was developed reasonably and legally, so there is neither ongoing or unresolved conflicts or disputes over rights to lands, territories and resources nor any disputes that were resolved and recorded during the last twenty years.

### 2.4.6 National and Local Laws (G5.6)

The project conforms to all kinds of regulations in the forestry field, as listed below:

PRC Constitution, PRC Forest Law, PRC Forest Law Implementing Regulations, PRC Wildlife Protection Law, Forest Fire Prevention Regulations, Insect Control Regulation, PRC Production Safety Law, PRC Labour Law;

Regulations for tending of forest;.

[12] Business license is submitted as evidence.

The project has complied with the above regulations and laws during construction period and will be under regular inspection by local government during the implementation period to ensure the continuous compliance.

### 2.4.7 Project Benefit Crediting (G5.9)

The project was not involved in other emission trading program or any other mechanism that includes GHG allowance trading. The project has not sought or received another form of GHG-related environmental credit. The project was not registration under any other GHG programs.

# 3 CLIMATE

## 3.1 Net Positive Climate Impacts

### 3.1.1 Net Impact (CL2.2, CL3.1, CL3.3)

**Total GHG emissions or removals in the without-project scenario**

Without-project scenario is the continuation of logging forest, and the saplings will be replanted on the cut-off land. Therefore, the baseline net GHG emission reductions or removals by sinks is -1,346,931 $tCO_{2e}$.

**Total GHG emissions or removals resulting from project activities**

With the implementation of the project activity, total GHG emission reductions or removals are about 8,769,291 $tCO_{2e}$. in 30 years the average annual emission reduction is 292,309 $tCO_{2e}$ and total GHG emission reductions or removals with buffer deduction is about 6,840,033 $tCO_{2e}$. in 30 years, the average annual GHG emission reductions or removals with buffer deduction is 228,001 tCO2e.

See details in the PD&MR report.

**Leakage**

The project was implemented by manual operation, rather than mechanical operation. Besides, no weeding, pruning, intermediate cutting activities are going to be conducted during the crediting period because of the natural condition, the economic condition and the slow growth pattern.

This project forbids artificial burning of biomass such as land preparation and forest burning. Therefore, the increase of greenhouse gas emissions within the project boundary only considers the greenhouse gas emissions caused by forest fires.

Therefore, there is no expected leakage due to decrease in carbon stock in the carbon pools of the land and change in soil organic carbon stock. In other words, there is no expected leakage due to the displacement of agricultural activity from the project activity.

Therefore, leakage is zero for the proposed project.

The project will Sequester greenhouse gas and mitigate climate change, and the anticipated net climate impact of the project is predicted to be positive.

## 3.2 Offsite Climate Impacts (Leakage)

### 3.2.1 Leakage Mitigation (CL3.2)

N/A.

## 3.3 Climate Impact Monitoring

### 3.3.1 Climate Impact Monitoring Results (CL4.1)

Therefore, leakage is zero for the proposed project.

The overall risk rating of 22 is converted to a percentage as 22%. This percentage is multiplied by the net change in the project's carbon stock. Therefore, the amount of verified carbon units of this crediting period is:

| Year | Baseline emissions or removals ($tCO_2e$) | Project emissions or removals ($tCO_2e$) | Leakage emissions ($tCO_2e$) | Net GHG emission reductions or removals ($tCO_2e$) | Buffer pool allocation | VCUs eligible for Issuance |
|---|---|---|---|---|---|---|
| 01/01/2015-31/12/2015 | 110 | -265,430 | 0 | 265,540 | 58,419 | 207,121 |
| 01/01/2016-31/12/2016 | -11 | -265,430 | 0 | 265,419 | 58,393 | 207,026 |
| 01/01/2017-31/12/2017 | 337 | -265,430 | 0 | 265,767 | 58,469 | 207,298 |
| 01/01/2018-31/12/2018 | 22 | -265,430 | 0 | 265,452 | 58,400 | 207,052 |
| 01/01/2019-30/06/2019 | 166 | -132,715 | 0 | 132,881 | 29,234 | 103,647 |
| Total | **624** | **-1,194,435** | **0** | **1,195,059** | **262,913** | **932,144** |
| Average annual value | **138** | **-265,430** | **0** | **265,568** | **58,425** | **207,143** |

### 3.3.2 Dissemination of Monitoring Plan and Results (CL4.2)

The monitoring plan and its results will be presented to the community representative and will be published on the internet for each verification process that is carried out.

## 3.4 Optional Criterion: Climate Change Adaptation Benefits

N/A

### 3.4.1 Activities and/or Processes Implemented for Adaptation (GL1.3)

N/A

### 3.4.2 Adaptation Monitoring (GL1.4)

N/A

# 4 COMMUNITY

## 4.1 Net Positive Community Impacts

### 4.1.1 Community Impacts (CM2.1)

During this monitoring period, the project community was evaluated by means of questionnaires. The contents of the questionnaires including ' what are the changes to the surrounding environment after the implementation of the project?' 'what is the level of female participation in the project?' 'What will be the impact on the project area after implementation of the project?' 'has it improved your standard of living ?' ' are you getting jobs and training?', etc.

A total of 40 questionnaires were issued and recovered to stakeholders, and the statistical survey results showed that: 93% of stakeholders believe that project activities have brought them employment opportunities and increased their income; 90% of the stakeholders believe that the participation of women in the activities of the project is the same or higher than that of men; 100% of the stakeholders felt that the project had a positive impact on social cohesion in the project area; Project activities have greatly improved the environment of the project site; They have also received varying degrees of training.

The Community impacts for each groups are summarized as follow:

| | |
|---|---|
| Community Group | Local residents |
| Impact | Improve living conditions |
| Type of Benefit/Cost/Risk | Predicted indirect benefits |
| Change in Well-being | Improve living conditions and environment |

| | |
|---|---|
| Community Group | Migrant rural workers |
| Impact | The job positions offered by the project give some migrant rural workers more opportunities who may choose to work in their living villages instead of going outside. |
| Type of Benefit/Cost/Risk | Predicted indirect benefits |
| Change in Well-being | Increase local job opportunities |

| | |
|---|---|
| Community Group | Female rural workers |
| Impact | Get more job opportunities and trainings from the project and have more chance to participate local activities. |
| Type of Benefit/Cost/Risk | Actual direct benefits |
| Change in Well-being | Increase household income and living level, and improve local women’s capability and well-being. |

### 4.1.2 Negative Community Impact Mitigation (CM2.2)

No HCVs was identified related to community well-being in the project zone thus there is no negative well-being impacts on community groups.

### 4.1.3 Net Positive Community Well-Being (CM2.3, GL1.4)

The main source of income for communities associated with the agricultural project zone. Their production methods are backward, and agricultural production is also low. The project will benefit economically, environmentally and socially.

1) Income improvement: During the project period, the net income generated by the project includes employment and labor income as well as carbon trading income.

2) Job creation: The project will provide permanent and temporary employment opportunities. Most of the work will belong to local farmers involved in the project.

3) Enhance social cohesion: Forest management will form a close interaction between individuals, which will strengthen communication between communities and local governments, communities and communities.

4) Technical training and demonstration: The community generally lacks fire protection, forest pest control, forest management. The project is organized by the local forestry bureau to help farmers understand and evaluate problems in the implementation of the project, such as forest management, land preparation model, pest control.

5) The project transforms the ecological benefits into the benefits of the people's livelihood.

After the project is implemented, it can increase the area of green space and beautify the environment, which will not lead to deforestation and obstruction projects. In summary, the relevance of the project area does not have a negative impact on the high value of protection.

### 4.1.4 Protection of High Conservation Values (CM2.4)

No HCVs was identified related to community well-being in the project zone thus none of the HCVs related to community well-being will be negatively affected by the project.

## 4.2 Other Stakeholder Impacts

### 4.2.1 Mitigation of Negative Impacts on Other Stakeholders (CM3.2)

There are no negative well-being impacts on other stakeholders during this monitoring period.

### 4.2.2 Net Impacts on Other Stakeholders (CM3.3)

The project will provide valued experience of forest management and carbon trading to other stakeholder, which in some way could encourage more followers to engage in similar projects for sustainable development. So the project activities does not result in net negative impacts on the well-being of other stakeholders.

## 4.3 Community Impact Monitoring

### 4.3.1 Community Monitoring Plan (CM4.1, CM4.2, GL1.4, GL2.2, GL2.3, GL2.5)

To in-depth track the social-economic changes resulted from the project activities in the rural communities and households, and understand issues raised and difficulties encountered during the project implementation, as well as their opinions and comments on the project activities, so as to adjust and improve the project activities in a timely manner, a PRA process will be conducted once every five years after initial monitoring, as described below.

Procedures:

1) Establishing PRA team: The teams will be set up to conduct the PRA process, which consists of project officers, local government officials and technical staff with various background (forestry, sociology and ecology) from county forest bureau;

2) Developing SOPs for the field PRA process;

3) Training: A training workshop will be held for discussing and training of PRA teams in order to ensure all PRA members fully understand the purposes, contents, procedures and specific methods of the PRA field survey;

4) Preparation: Developing detail PRA field survey plan including responsibility of each member of PRA team; and contacting with relevant project counties, nature reserves, forestry farms, towns/townships and local NGOs and informing them PRA plan.

5) PRA survey: conducting PRA survey following SOPs.

Methods:

A. Village meeting: A meeting of farmer representatives will hold in villages sampled. The general agenda are:

a.Introducing PRA team members and the purpose, procedures, methods and time schedules of the PRA process;

b.Explaining the way of villagers′ participation;

c.Collecting information regarding the project progress, social-economic and environmental benefits shared from the projects, existing problems/difficulties encountered by local communities during the project implementation, as well as comments and suggestions on improvement of the project.

B.Semi-structured interviews: Interview with key persons,This includes VIP interview, farmer household interview and group interview

a.Interviewing of VIP: including villager leaders, distinguished villagers, elder villagers and head of ethnic minority.

b. Interviewing of household: Some farmer households will be selected for the interview. The interviewed households shall cover rich household, poor household, new inhabitant household, etc.

c. Group interview: Villagers are grouped based on gender, age classes or land use types. The group interviews were conducted together with village meeting.

Questionnaire: Questionnaire forms will be developed and distributed among different stakeholders, including farmer households, village committees, forest farms and forest bureau.

The monitoring results are summarizes as below:

| Variable | Household income | Capability of technical skills | Level of social activities |
|---|---|---|---|
| Affected community groups | Migrant rural workers, surplus rural labors, female rural workers | Rural cooperatives | Local rural workers |
| Results of monitoring | 88% of the representatives thought there was an increase of household income due to the implementation of the project which provided more local job opportunities. | 80% of the representatives thought there was an improvement of their capability and technical skills due to the project. | 70% of the representatives thought there was an improvement of social activities resulting from the project. |
| Change in Well-being | Increase living level | Improve technical skills of artificial seedling | Improve social relationship |

### 4.3.2 Monitoring Plan Dissemination (CM4.3)

The monitoring plan and results of every verification will be published on VCS and CCB website which can be easily download by stakeholders. Hard copies of the monitoring plan will be distributed among local stakeholders by implementation entity, local forest bureau. At the same

time, public notice boards will be used to publicize information regarding how to access to the monitoring plan through internet. Technical staff from PP will also explain the monitoring plan to local farmers, especially to illiterate or under-educated farmers. Also, a contact person with phone numbers will be published in case any stakeholders want to directly contact the project proponent and raise opinions.

During this monitoring period, no comments on the monitoring plan and results received.

## 4.4 Optional Criterion: Exceptional Community Benefits

N/A.

### 4.4.1 Short-term and Long-term Community Benefits (GL2.2)

N/A.

### 4.4.2 Marginalized and/or Vulnerable Community Groups (GL2.4)

N/A.

### 4.4.3 Net Impacts on Women (GL2.5)

N/A.

### 4.4.4 Benefit Sharing Mechanisms (GL2.6)

N/A.

### 4.4.5 Governance and Implementation Structures (GL2.8)

N/A.

### 4.4.6 Smallholders/Community Members Capacity Development (GL2.9)

N/A.

# 5 BIODIVERSITY

## 5.1 Net Positive Biodiversity Impacts

### 5.1.1 Biodiversity Changes (B2.1)

| | |
|---|---|
| Biodiversity Element | Forest cover of the project zone |
| Estimated Change | Increase |
| Justification of Change | When the forest is protected instead of logging, project sites will gradually become ecological community with the domain species of tall trees, which will improve the biodiversity. |

| | |
|---|---|
| Biodiversity Element | Species of animals |
| Estimated Change | Increase |
| Justification of Change | Scientific and rational forest management projects can adjust the hydrological cycle, reduce drought and flood risk; promote soil nutrient cycle, improve local micro-climate and other ecological environment. Therefore the species of animals could be increased due to the better environment of habitat. |

| | |
|---|---|
| Change in Biodiversity | Drought risk |
| Monitored Change | Decrease |
| Justification of Change | Scientific and rational forest management projects can adjust the hydrological cycle, reduce drought and flood risk; promote soil nutrient cycle, improve local micro-climate and other ecological environment. |

### 5.1.2 Mitigation Actions (B2.3)

During this monitoring period, no mitigation actions.

### 5.1.3 Net Positive Biodiversity Impacts (B2.2, GL1.4)

Forest management projects can protect the establishment of forest cover, through scientific and reasonable method with no burning and slash, and protect the existing vegetation as much as possible. Scientific and rational forest management projects can adjust the hydrological cycle, reduce drought and flood risk; promote soil nutrient cycle, improve local micro-climate and other ecological environment. Therefore revegetation of project sites will facilitate biodiversity protection of the whole town.

The 14 national protected species in the area are shown in the following table:

| Animals | Plants |
|---|---|
| Ocelot | Metasequoia glyptostroboides |
| Badger | Ginkgo biloba |
| Ring necked Pheasant | Catalpa bungei |
| Streptopelia chinensis | Eucommia ulmoides |
| Rana nigromaculata | Magnolia officinalis |
| Typhlopidae | Zelkova schneideriana |

| | |
|---|---|
| Rana temporaria | Five-leaved pine |

### 5.1.4 High Conservation Values Protected (B2.4)

No HCVs was identified related to biodiversity in the project zone thus no HCVs related to biodiversity are negatively affected by the project.

### 5.1.5 Invasive Species (B2.5)

During this monitoring period, all the planted trees are native species and no invasive species have been introduced into any area affected by the project.

### 5.1.6 Impacts of Non-native Species (B2.6)

During this monitoring period, no non-native species have been used in the project zone.

### 5.1.7 GMO Exclusion (B2.7)

During this monitoring period, no GMOs have been used to generate GHG emissions reductions or removals.

### 5.1.8 Inputs Justification (B2.8)

| | |
|---|---|
| Name | Chemical pesticides |
| Justification of Use | During this monitoring period, no chemical persticides have been used. |
| Potential Adverse Effect | No chemical pesticides, so there is no effect. |

| | |
|---|---|
| Name | Biological control agents |
| Justification of Use | During this monitoring period, no Biological control agents have been used. |
| Potential Adverse Effect | No biological control agents, so there is no effect. |

## 5.2 Offsite Biodiversity Impacts

### 5.2.1 Negative Offsite Biodiversity Impacts (B3.1) and Mitigation Actions (B3.2)

During this mornitoring period, the project activities increased the area of the habitat, as well as improved the habitats' quality, only positive biodiversity impacts can be identified. Therefore, there are no potential negative offsite impacts on biodiversity.

### 5.2.2 Net Offsite Biodiversity Benefits (B3.3)

During this mornitoring period, there are no potential negative offsite impacts on biodiversity, the net offsite biodiversity benefits are neutral.

## 5.3 Biodiversity Impact Monitoring

### 5.3.1 Biodiversity Monitoring Plan (B4.1, B4.2, GL1.4, GL3.4)

According to Theory of Change, the main objective of the project is to peotect forest instesd of logging. And based on the analysis of the risks of fire, diseases and insects, pesticide and frost might threat the aim of the project and need to be intervened.

Fixed sample plots have been set to monitor the species of vegetation which were the same as the sample plots set for monitoring of climate as described in Table 3-3 in section 3.1.3.

The detailed monitoring results for biodiversity is listed in the following table:

Table 5-1 Monitoring variables for biodiversity during this monitoring period

| Data type | Description | Monitoring indicator | Monitoring results | Monitoring method | Monitoring date |
|---|---|---|---|---|---|
| State variables | The quantity and quality of forest in the project area | Forest cover | The area of protected forest is 23,769.42 ha | Measure by forest rangers and confirmed by local Forest Bureau | 03/06/2019-28/06/2019 |
| | | Species of vegetation | Oak, Masson Pine, Broad-Leaved Mixed Forest and Coniferous and Broad-Leaved Mixed Forest | Measure sample spots set during monitoring of Climate | 03/06/2019-28/06/2019 |
| Pressure variables | The frequency or intensity of anthropogenic impacts that are directly harmful to biodiversity in the project zone | Number of fires occurred | 0 | Recorded by forest rangers and confirmed by local Forest Bureau | Once every year |
| | | Effected forest area suffered insects and disease | 0 | Recorded by forest rangers and confirmed by local Forest Bureau | Once every year |
| Response | The frequency | Forest area under | 23,769.42ha | Recorded by forest rangers and | Once every year |

| | | | | | |
|---|---|---|---|---|---|
| variables | or intensity of project interventions relevant to biodiversity | prevention control from fires | | confirmed by local Forest Bureau | |
| | | Forest area under prevention control from insects and diseases | 23,769.42ha | Recorded by forest rangers and confirmed by local Forest Bureau | Once every year |
| | | Forest area recovered from fire, insects or diseases | 0 | Recorded by forest rangers and confirmed by local Forest Bureau | Once every year |
| | | Number of trees replanted | / | Recorded by forest rangers and confirmed by local Forest Bureau | Once every year |

### 5.3.2 Biodiversity Monitoring Plan Dissemination (B4.3)

The monitoring plan and results of every verification will be published on VCS and CCB website which can be easily download by stakeholders. Hard copies of the monitoring plan will be distributed among local stakeholders by implementation entity, local forest bureau. At the same time, public notice boards will be used to publicize information regarding how to access to the monitoring plan through internet. PP will also explain the monitoring plan to local farmers, especially to illiterate or under-educated farmers. Also, a contact person with phone numbers will be published in case any stakeholders want to directly contact the project proponent and raise opinions.

During this monitoring period, no comments on the monitoring plan and results received.

## 5.4 Optional Criterion: Exceptional Biodiversity Benefits

N/A

### 5.4.1 Trigger Species Population Trends (GL3.3)

N/A

### 5.4.2 Effectiveness of Threat Reduction Actions (GL3.4)

N/A

# 6 ADDITIONAL PROJECT IMPLEMENTATION INFORMATION

N/A

## 7 ADDITIONAL PROJECT IMPACT INFORMATION

N/A

## APPENDICIES

### Appendix 1: Project Risks Table

See details in 2.1.4

### Appendix 2: New Project Areas and Stakeholders

N/A