



DEVIATION REQUEST FORM

PUBLICATION DATE **11.04.2021**

Version **5.0**

A. To be completed by Gold Standard

1 | Decision

Date – 19/03/2024

Decision

Section D.4.1 of the VVB report on the performance review for the period 2019-2022 explains the change in ownership. It is also ascertained from the submissions by the VVB that the status of forests was verified, and it is ascertained to be intact.

From the interview of project consultants, it has been ascertained that all the project owners are committed to the project, and the absentees from the current performance review (2019-2022) have already provided the monitoring data for the next performance review.

It may be assumed that the absence of two landowners from the project is temporary, and the monitoring data from all the project lands will be available in the next performance review. Thus, the deviation from applying shortfall conditions is approved for the current performance review (2019-2022). However, the next performance review should consider the performance of the project with full coverage of project lands in the period 2019-2024 for estimating the performance shortfall, if any.

1.1 | Is this decision applicable to other project activities under similar circumstances?

No

B. To be completed by the Project Developer/Coordinating and Managing Entity and/or VVB requesting deviation (Submit deviation request form in Microsoft Word format)

2| Background information

Deviation Reference Number	DEV_619	
Date of decision	19/03/2024	
Precedent (YES/NO)	No	
Precedent details	NA	
Date of submission	29/09/2023	
Project/PoA/VPA	<input type="checkbox"/> Project	ID – GS2940
	<input type="checkbox"/> PoA	ID – GSXXXX
	<input type="checkbox"/> VPA	ID – GSXXXX
Project/PoA/VPA title		
Date of listing	06/09/2013	
GS Standard version applicable	GS4GG (Gold Standard Afforestation/Reforestation (A/R) GHG Emissions Reduction & Sequestration Methodology Version 2.0)	
Date of transition to GS4GG (if applicable)	21/03/2020	
Date of transition to Gold Standard from another standard (e.g. CDM) (if applicable)	01/09/2016	
Date of design certification/inclusion (if applicable)	26/02/2012	
Location of project/PoA/VPA	Panama	
Scale of the project/PoA/VPA	<input type="checkbox"/> Microscale <input type="checkbox"/> Small scale <input checked="" type="checkbox"/> Large scale	
Gold Standard Impact Registry link of the project/PoA/VPA		
Status of the project/PoA/VPA	<input type="checkbox"/> New <input type="checkbox"/> Listed <input type="checkbox"/> Certified design <input checked="" type="checkbox"/> Certified project	
Title/subject of deviation	Exclusion of project participant from Performance Review	
Specify applicable rule/requirements/methodology, with exact paragraph reference and version number	<ul style="list-style-type: none"> METHODOLOGY FOR AFFORESTATION/REFORESTATION (A/R) GHGs EMISSION REDUCTION & SEQUESTRATION V.2; 3.3.3 b GHG EMISSIONS REDUCTION & SEQUESTRATION PRODUCT REQUIREMENTS V.2.2; 11.4.1 	

Specify the monitoring period for which the request is valid (if applicable)	Start date 01/08/2019 15/04/2023	End date
Submitted by	Contact person name: Hanna Große	
	Email ID: hanna.grosse@forliance.com	
	Organisation: FORLIANCE GmbH	
	Project participant: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Validation and Verification body (VVB opinion shall be included, where required by the applicable rules/requirements or request is submitted by the VVB).	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If yes; VVB name: VVB Staff name(s):	
Any previous deviations approved for the same project activity/PoA/VPA(s)?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> (GS 4221 Vichada Climate Reforestation Project also included only 2 out of 3 participants in Performance Review 2019)	

Deviation detail

Description of the deviation:

**Guidance* Use the space below to describe the deviation and substantiate the reason for requesting deviation from applicable rules/requirements. Please include all relevant information in support of the request. You are requested to follow the principles for requesting deviations, given in the [Deviation Approval Procedure/ Design Change Requirements](#).*

Deviation detail (to be completed by Project developer):

We wish to deviate from the implicit rule that all project participants must participate in a verification event at the same time, as reporting is not done for all participants in the 2023 monitoring report. This has two reasons: Changes in land ownership and a delay in the delivery of forest inventories.

Since the last verification, there has been a change in land ownership for some fincas previously owned by ForestFinance and Sustainable Timbers. Sustainable Timbers split up into ST and Quetzal Blue, with both continuing to be managed by Panama Reforestation Services. ForestFinance sold one Finca (Boca del Monte) to 12tree.

Both new landowners expressed an interest in participating in the carbon project and continuing to manage the areas in compliance with the Gold Standard project Design.

However, FORLIANCE had already decided with the remaining participants to pursue an additional voluntary Performance Review in 2022, knowing that another review will be necessary in 2024. As the change of ownership process was not finalised yet, it was decided in agreement with the new participants that the affected areas should be excluded from the verification process. Sustainable Timbers also decided not to participate in the event after a significant delay in the delivery of inventory data due to the management-related changes. Since the other project participants (Forest Finance and EcoCebaco) decided to EcoCebacoinue this verification as planned, the SDG and carbon monitoring were executed only for Forest Finance and EcoCebaco. In the next and final verification in 2024, all project participants will be included again.

This has consequences for the accounting of VERs for the project. Monitoring periods of different MUs will be overlapping, and special care will have to be taken when accounting for carbon storage increments.

Figure 1 shows an overview of the management structure of the project areas.

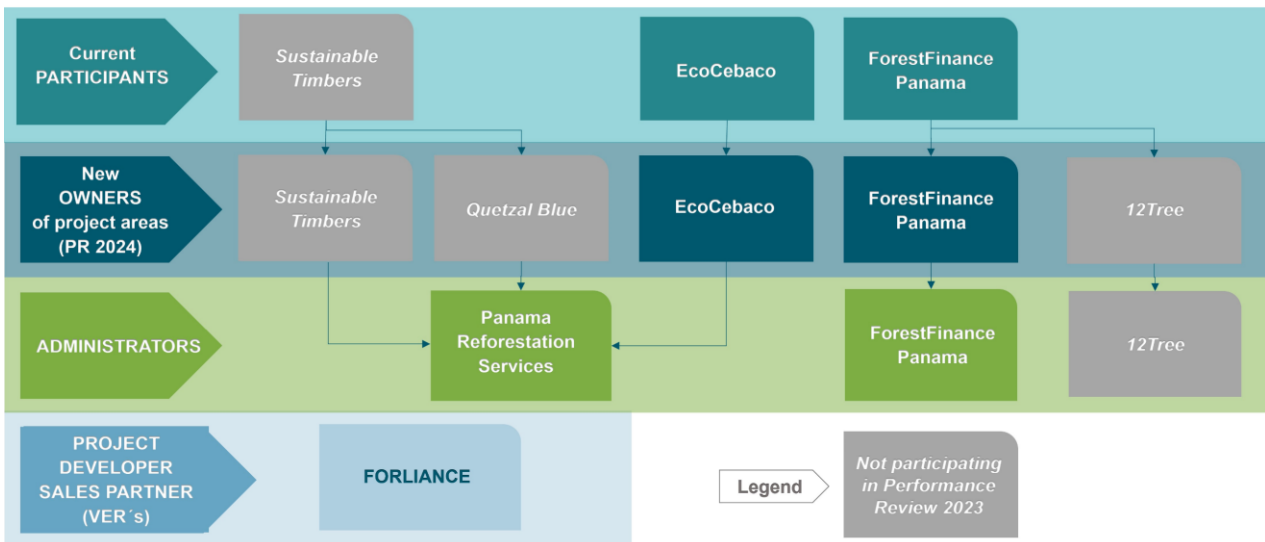


Figure 1: Overview of project management structure

VVB opinion (to be completed by VVB, if applicable):

**Guidance* If required by SustainCERT or Gold Standard for this particular deviation, please add here the VVB's opinion.*

.....

Assessment of the deviation:

**Guidance* Use the space below to describe how the deviation complies with the requirements, and, where applicable, the accuracy, completeness and conservativeness is ensured. Please include all relevant information in support of the request.*

Deviation assessment (to be completed by Project developer):

The project remains compliant with PRINCIPLES & REQUIREMENTS V.1.2 , 5.1.1 e), as the mandatory Performance Review within the 5 year cycle will be completed in the coming year.

Additionally, the deviation complies with 3.3.3 of the METHODOLOGY FOR AFFORESTATION/REFORESTATION (A/R) GHGs EMISSION REDUCTION & SEQUESTRATION V.2, a) "The number of CO2 removal units is determined for each Modelling Unit (MU)." Since the MUs of the project had been separated for the different participants of the project, there is no problem with separating the removal calculations of FOFI and EC from ST. However, the project does temporarily deviate from rule b, "The sum of all MUs CO2 removal units make up the CO2 removal units of the entire project.", as not all MUs will be included in the Performance Review. Furthermore, Boca del Monte, being part of several MUs by FOFI, could not simply be taken out of the carbon model. It was decided to conservatively assume the carbon stock to be 0 until the ownership change has been completed, even though there are evidences that no clear-cutting had occurred¹.

In combination, both measures (temporarily removing ST from the carbon model and setting BMO to 0 tC/ha), lead to a significantly lower ex-post value than expected by the ex-ante estimations, and even verified in 2019. With that, a deviation from GHG

¹ See Shapefiles -> Temporarily_excluded_Areas

EMISSIONS REDUCTION & SEQUESTRATION PRODUCT REQUIREMENTS V.2.2; 11.4.1 and 11.4.2 is also required, which usually oblige a project to block its registry account and compensate for over issuances, if the carbon stock declines below issued VERs. Since the carbon stock has not actually declined, but is just not monitored temporarily, we argue that there should be an exception to this measure. The participants joining the voluntary Performance Review should not be penalized for the decisions of their fellow project participants.

2.1.0 | VVB opinion (to be completed by VVB, if applicable):

**Guidance* If required by SustainCERT or Gold Standard for this particular deviation, please add here the VVB's opinion.*

.....

2.2 | Impact of the deviation:

**Guidance* Use the space below to describe the impact of the deviation on project design, safeguarding principles assessment, SDG assessment, emissions reductions, monitoring frequency, data quality, potential risk or any other relevant aspect of the project. Please substantiate the impact assessment with relevant and verifiable data/information.*

2.2.0 | Impact assessment (to be completed by Project developer):

Due to the exclusion of SustainableTimbers, SDG and safeguarding principles assessment is skipped for this project participant. However, both will be completed as required in the upcoming final year of the crediting period. Thus, the deviation only has a relevant impact on emission reduction accounting. It has to be done differently than before, comparing ex-post values on an MU/participant level instead of the project level. This requires an adaptation of the issuance control tool.

2.2.1 | VVB opinion (to be completed by VVB, if applicable):

**Guidance* If required by SustainCERT or Gold Standard for this particular deviation, please add here the VVB's opinion.*

.....

2.3 | Documents:

**Guidance* List of documents provided (note that once a decision has been made by Gold Standard, this deviation form along with supporting documents will be made public on the Gold Standard website. If any of the supporting documents are confidential, please indicate here to ensure they are omitted.)*

Version number	Release date	Description
5	11.04.2022	Additional information added: <ul style="list-style-type: none"> - date of listing, design certification, transition - standard version - specific reference to a requirement deviated from - any previous deviations/design changes approved Guidance on VVB opinion
4	14.01.2021	
3	16.07.2020	
2	03.05.2018	
1	01.07.2017	Initial adoption