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Rainforest Alliance
SmartWood Program

Verification Assessment
Report for:

Trees for Global Benefits, ECOTRUST Uganda
in
Uganda

Report Finalized:	
Audit Dates:	July 1-July 6 2013
Lead Auditor:	Campbell Moore
Audit Team Member(s):	Campbell Moore, Robert Esimu
Audit Standard:	*Plan Vivo Standards 2008*
Verification Code(s):	RA-
Project Latitude/Longitude:	1' 26 North/ 31 20' East
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Project Proponent Contact:	Pauline Nantongo; pnantongo@ecotrust.or.ug; support@ecotrust.or.ug
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1 Introduction

The Rainforest Alliance's SmartWood program (now known as RA-Cert) was founded in 1989 to certify forestry practices conforming to Forest Stewardship Council (FSC) standards and now focuses on providing a variety of forest auditing services. In addition to being an ANSI ISO 14065:2007 accredited validation and verification body, Rainforest Alliance SmartWood program is also a member of the Climate, Community, and Biodiversity Alliance (CCBA) standards, and an approved verification body with a number of other forest carbon project standards. For a complete list of the services provided by Rainforest Alliance see http://www.rainforest-alliance.org/climate.cfm?id=international_standards.

Dispute resolution: If Rainforest Alliance clients encounter organizations or individuals having concerns or comments about Rainforest Alliance / SmartWood and our services, these parties are strongly encouraged to contact the SmartWood program headquarters directly.

1.1 Objective

The purpose of this report is to document the conformance of The Trees for Global Benefits Project with the requirements of the Plan Vivo Standard. The project was developed by ECOTRUST Uganda, hereafter referred to as "Project Proponent". The report presents the findings of qualified Rainforest Alliance auditors who have evaluated the Project Proponent's systems and performance against the applicable standard(s).

1.2 Scope and Criteria

Scope: The scope of the audit is to assess the conformance of The Trees for Global Benefits Project Afforestation project in Uganda against the Plan Vivo Standard. The objectives of this audit included an assessment of the project's conformance with the standard criteria. In addition, the audit assessed the project with respect to the baseline scenarios presented in the project design document. The project covers an area of 2753.5 hectares. The land is Privately owned. The project has a lifetime of 20 years, and has calculated an anticipated GHG reduction and/or removal of 568,119tCO2e over the course of the project. This audit report verifies the ex-ante crediting of 514,605tCO2e expected to be generated by additional project areas (2495.5 ha) included since the 2009 verification which verified ex-ante crediting of 53,514tCO2e. This monitoring period corresponds to the period October 24 2008- July 1 2013.

Standard criteria: Criteria from the following documents were used to assess this project:

- Plan Vivo Standard 2008

Materiality: All GHG sinks, sources and/or reservoirs (SSRs) and GHG emissions equal to or greater than 5% of the total GHG assertion.

1.3 Project Description

There is considerable interest within Uganda concerning the potential of carbon trading to fund small-scale, farmer-led forestry projects. Two relatively large-scale carbon funded afforestation projects have been started in Uganda by the Dutch Forests Absorbing Carbon dioxide (FACE) Foundation. However, the potential of carbon trading to have direct beneficial effects on local communities has yet to be realised. An assessment was conducted by Edinburgh Centre for Carbon management (ECCM), to explore the potential of a community-based scheme. The assessment involved discussions with the Uganda Forest Sector Coordination Secretariat (UFSCS), the Forest Department (FD), CARE) international, The World Agroforestry Centre (ICRAF), ECOTRUST, Uganda Wildlife Authority (UWA), the National environment Management Authority (NEMA), and Makerere University. The results of the assessment recommended that a pilot project be developed with The Environmental Conservation Trust of Uganda (ECOTRUST) taking on the coordination role while CARE offers advisory services to farmers and ICRAF takes the lead in development of technical specification. The pilot project was initiated in Mitooma and Rubirizi Districts (both formerly part of Bushenyi District) in 2003.

Following the success of the pilot scheme in Mitooma and Rubirizi, the project has been scaled out to include other districts as follows:

- Kasese, Hoima and Masindi within the Albertine Rift
- Gulu, Kitgum & Adjumani. In Northern Uganda (part of the Albertine Graben)
- Mbale, Manafwa, Bududa Mt. Elgon Area.

1.4 Level of assurance

The assessment was conducted to provide a reasonable level of assurance of conformance against the defined audit criteria and materiality thresholds within the audit scope. Based on the audit findings, a positive evaluation statement reasonably assures that the project GHG assertion is materially correct and is a fair representation of the GHG data and information.

2 Audit Overview

Based on Project's conformance with audit criteria, the auditor makes the following recommendation:		
Final Report Conclusions		
☐	Validation approved: *No NCRs issued*	
☐	Validation not approved: *Conformance with NCR(s) required*	
Draft Final Report Conclusions		
☒	Verification approved: *NCR(s) closed*	The Project Proponent has 7 days from the date of this report to submit any comments related to the factual accuracy of the report or the correctness of decisions reached. The auditors will not review any new material submitted at this time.
☐	Verification not approved: *Conformance with NCR(s) required*	
Draft Report Conclusions		
☐	Verification approved: *No NCRs issued*	The Project Proponent has 30 days from the date of this report to revise documentation and provide any additional evidence necessary to close the open non-conformances (NCRs). If new material is submitted the auditor will review the material and add updated findings to this report and close NCRs appropriately. If no new material is received before the 30 day deadline, or the new material was insufficient to close all open NCRs the report will be finalised with the NCRs open, and validation and/or verification will not be achieved. If all NCRs are successfully addressed, the report will be finalised and proceed towards issuance of a assessment statement.
☒	Verification not approved: *Conformance with NCR(s) required*	

2.1 Audit Conclusions

Summary of conformance with Plan Vivo Standard Principles:

Plan Vivo Principles	Draft Report Conformance	Final Report Conformance
1 Effective and transparent project governance	☐ Yes ☒ No	☒ Yes ☐ No
2 Carbon benefits	☐ Yes ☒ No	☒ Yes ☐ No
3 Ecosystem benefits	☒ Yes ☐ No	☒ Yes ☐ No
4 Livelihood benefits	☐ Yes ☒ No	☒ Yes ☐ No

Conformance with the Plan Vivo Standard (2008) has been demonstrated by the Trees for Global Benefits project after the submission of additional documentation, evidence, and corrective actions by ECOTRUST. The Draft Audit report identified three nonconformities and was submitted to the proponent on 14 August 2013. The proponent provided the Rainforest Alliance audit team with evidence on 8 October 2013. The audit team evaluated this evidence and determined that conformance with the Standard requirements had been demonstrated.

2.2 Nonconformance evaluation

Note: A non-conformance is defined in this report as a deficiency, discrepancy or misrepresentation that in all probability materially affects carbon credit claims. Non-conformance Request (NCR) language uses "shall" to suggest its necessity but is not prescriptive in terms of mechanisms to mitigate the NCR. Each NCR is brief and refers to a more detailed finding in the appendices.

NCRs identified in the Draft Report must be closed through submission of additional evidence by the Project Proponents before Rainforest Alliance can submit an unqualified statement of conformance to the GHG program. Findings from additional evidence reviewed after the issuance of the draft report are presented in the NCR tables below.

NCR#:	01/13
Standard & Requirement:	Plan Vivo 2008; Indicator 1.1.3

Report Section:	Indicator 1.1.3
Description of Non-conformance and Related Evidence:	
According to the technical specifications for the Maesopsis Woodlot, which was the project activity that was verified, the trees are to be maintained for 20 years, with some periodic thinning. Producers and ECOTRUST staff that were interviewed confirmed this. However, the Carbon Sales Templates indicate the term as 50 years, rather than 20 years. Pauline Nantongo of ECOTRUST confirmed that this was an error. **NCR 01/13:** There is an important contradiction between the term of the carbon sales agreement in practice and in the technical specifications, and the term that is written in the Carbon Sale Agreement. ECOTRUST must resolve this contradiction so that producers have clarity in their responsibilities to the project.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to verification
Evidence Provided by Organization:	1a, The project notes this is a discrepancy and an addendum to the agreement has been designed (see below) and will be implemented to each of the farmer agreements at their next monitoring visit. The agreement template has also been modified to correct this discrepancy and all new farmers will have the corrected version. (Document 1a provides an example of the modified agreement template).
Findings for Evaluation of Evidence:	The lead auditor has reviewed the evidence provided by the project and determined that it represents conformance with the Plan Vivo standard. The error has been corrected in the relevant documentation and will be corrected in the field at the next monitoring visit per the new addendum to the carbon sales agreement. The project has not provided a description of what shall be the project response if producers do not wish to sign the new addendum. However, the auditor believes it is unreasonable to expect that producers will reject the addendum which reduces their project obligation from 50 years to 20 years and matches the expectations of the producers that were confirmed in the field visit via interview.
NCR Status:	CLOSED
Comments (optional):	N/A

NCR#:	02/13
Standard & Requirement:	Plan Vivo 2008; Indicator 1.1.3
Report Section:	Indicator 1.1.3
Description of Non-conformance and Related Evidence:	
ECOTRUST distributes payments to producers through a number of banks operating in Uganda. Each producer has an account with the relevant bank so that they may receive their money. When large banks are not available to rural producers, ECOTRUST coordinates for the money to be sent to the SACCO, or local community bank. All producers interviewed by the audit team confirmed that they had received their payments once they had demonstrated that they had met a given project milestone (for example, when 50% of the trees are planted the producer receives the first payment). The audit team additionally interviewed ECOTRUST staff and confirmed with the database manager that there was a robust system for tracking payments	

to producers, using Microsoft Access.
NCR 02/13: However, based on interview with ECOTRUST staff members, it appears that ECOTRUST does not have a formal internal audit procedure to ensure that producers are able to actually retrieve their money from the SACCOs without any issues or obstacles. This is of concern as ECOTRUST staff confirmed that there have been cases of farmer coordinators requesting "donations", or participating in other types of potential corruption in order for producers to receive their payment from the SACCOs (community banks). ECOTRUST currently relies on farmer coordinators, producers, and local staff to alert the management staff of problems of this nature, and it is clear that ECOTRUST takes these problems seriously and they have fired farmer coordinators, and one was jailed, over issues such as this. However, there is not an official internal audit policy for sampling the disbursement of payments to producers. Lack of an internal audit policy does not ensure that ECOTRUST can guarantee producers receive their benefits.

Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to verification
Evidence Provided by Organization:	Document 1a, 2a An internal audit function has been added into the TGB Facilitators Manual (document 2a) in Section 5.2
Findings for Evaluation of Evidence:	The auditor has reviewed the new internal audit function documented in Section 5.2 of the manual and confirmed conformance with the Plan Vivo Standard. The entire system of farmer payments is described in clearer detail and an explicit provision for comparison between farmer reports of financial benefits and SACCO (community banks) reports of financial benefits, has been included, per "e)" below. <u>e) Verification of payment</u> The project will in a timely manner request the respective farmers to sign 'acknowledgement of receipt of the funds' forms sent directly from ECOTRUST. The amount of money that farmers acknowledge on the ECOTRUST forms will be compared with the information from the SACCO (signature, actual amount of money sent to the SACCO etc.). Implementation of the policy will be evidence of conformance with the standard requirements.
NCR Status:	CLOSED
Comments (optional):	N/A

NCR#:	03/13
Standard & Requirement:	Plan Vivo 2008; Indicator 1.1.3
Report Section:	Indicator 1.1.3
Description of Non-conformance and Related Evidence:	
NCR 03/13: The project monitoring protocols do not demonstrate conformance with the indicator in that they do not require monitoring the area planted. The audit team took independent measurements, using a GPS unit, of the actual planted area for seven producers. Four of these seven producer farms had areas planted that were significantly less than the target area planted, which is used as the basis for calculation of carbon benefits of the project. Actual area planted varied from 45% of the target to 100+% of the target. These farms typically had met the target for the number of trees planted, but they had planted this number of trees over a smaller area than the target area. Closely spaced trees are likely to not achieve the same carbon sequestration as the less densely spaced planting that the Technical Specifications are based on. Failure to monitor the area	

planted as a monitoring indicator, as well as the number of trees, may lead to an overestimate of the carbon benefits of the project.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to verification
Evidence Provided by Organization:	Document 1a, 2a The project has embarked on the process of verifying land sizes and each farmer who will be found to have less land will be requested to identify an additional piece of land that will be used to meet the target. In the event that the farmer is unable to mobilise additional land, the project will reduce the expected carbon benefits from that individual farmer and identify new farmers to generate the expected carbon benefits. The confirmation of land size will be done at the same time as the changes in project period and the farmer will sign one addendum. Additional policies have been added into the TGB Facilitators Manual (Document 2a; Section 4.5) appropriately emphasizing the importance of adequately measuring the planting area at inception of planting and during future monitoring events. GPS units are suggested in the manual, though not required for measuring planting area, with survey methods suggested if GPS units are unavailable.
Findings for Evaluation of Evidence:	As the Plan Vivo Standard allows ex ante crediting there is no risk of overissuance of credits if the policy described in Section 4.5 of the TGB Facilitators Manual (Document 2a) is adequately implemented in the future, as a systematic historic overestimate of planted areas will be rectified by the inclusion of i) either new planting areas for farmers that have small than reported planting areas, or ii) inclusion of additional farmers Based on audit team observations and interviews, it is clear that there is substantial interest in joining the project among local communities so even if currently participating farmers do not have additional land to plant, it is expected to be easy to recruit additional producers. The corrective actions taken enable conformance with the standard.
NCR Status:	CLOSED
Comments (optional):	N/A

2.3 Observations

Note: Observations are issued for areas that the auditor sees the potential for improvement in implementing standard requirements or in the quality system; observations may lead to direct non-conformances if not addressed. Unlike NCRs, observations are not formally closed. Findings from the field audit related to observations are discussed in Appendix A below.

OBS	01/13	Reference Standard & Requirement:	Plan Vivo 2008; Indicator 2.1.3
Description of findings leading to observation:	See Indicator 2.1.3		
Observation:	**OBS 01/13:** The audit team sees land opportunity costs as a potentially significant risk to permanence given the extreme land shortage in project planting areas. It was unclear from the field audit, whether the suggested tree based enterprises are actually being implemented, although farmers have heard about them and expressed interest in the interviews the audit team conducted. ECOTRUST should ensure that these additional tree-based enterprises are implemented to ensure permanence, and document this for the next verification audit.		

2.4 Actions taken by the Project Proponent address NCRs (including any resolution of material discrepancy)

Action Taken by Project Proponent following the issuance of the Draft Report		**Date**
Additional documents submitted to audit team (additional documents listed below)	☒ Yes ☐ No ☐ N/A	8 October 2013
Additional stakeholder consultation conducted (evidence described below)	☐ Yes ☒ No ☐ N/A	
Additional clarification provided	☐ Yes ☒ No ☐ N/A	
Documents revised (document revision description noted below)	☒ Yes ☐ No ☐ N/A	8 October 2013
GHG calculation revised (evidence described below)	☐ Yes ☒ No ☐ N/A	

The Trees for Global Benefits project manager, Pauline Nantongo submitted additional documentation and revised documents on 8 October 2013 to address the nonconformances identified in the audit. Auditor review of the documentation demonstrated conformance with the Plan Vivo Standard (2008).

Included in the actions taken by the Project Proponent to address NCRs was the submission of the following revised files:

Ref	**Title, Author(s), Version, Date**	**Electronic Filename**
1a.	Response to CARs, Pauline Nantongo, no version, no date	Response to CARs.docx
2a.	TGB facilitator's manual Final 2013, Pauline Nantongo, no version, September 2013	TGB facilitator's manual Final 2013.docx

3 Audit Methodology

3.1 Audit Team

Overview of roles and responsibilities:

Auditor(s)	Responsibilities							
	Lead	Desk Review	On-site visit	Climate Specialist	Biodiversity Specialist	Social Specialist	Report	Senior Internal Review
Campbell Moore	X	X	X	X			X	
Robert Esimu			X		X	X		

Auditor qualifications:

Auditor(s)	Qualifications
Campbell Moore	**Campbell Moore, MF, Rainforest Alliance Carbon Specialist** Campbell is a tropical forestry and REDD+ expert with professional experience in Africa and Southeast Asia. He is Carbon Expert with Rainforest Alliance where he conducts audits against six forest carbon standards, supervises methodology assessments, and acts as technical expert on carbon for RA-Cert globally. Campbell has experience on both the technical and policy sides of REDD+. Previous professional experience includes consulting work for GIZ Philippines performing carbon stock assessments of different forest types including agroforestry and plantation systems, as well as work centered on reforestation in Sri Lanka for the Environmental Leadership and Training Initiative. He additionally has worked for Climate Focus on LULUCF policy issues. Campbell received his Master of Forestry from the Yale University School of Forestry and Environmental Studies. This period included a variety of forestry projects including developing a management plan for Connecticut forest preserve, planning timber sales in a New England hardwood forest, and designing and modeling carbon sequestration potential of agroforestry systems for the Nature Conservancy's Global Climate Team. Prior to his time at Yale, Campbell worked in The Gambia for over two years as a Peace Corps Volunteer designing and implementing a wide variety of forestry, agroforestry, and agricultural projects. In addition to his Master of Forestry degree, he holds a M.A. in Environmental Studies from St. Mary's College. Campbell is fluent in Pulaar and Wolof and has experience with Spanish.
Robert Esimu	B.Sc. Forestry (Honors), Independent Forestry Consultant

3.2 Description of the Audit Process

Location/Facility	Date(s)	Length of Audit	Auditor(s)
Entebbe, Uganda; ECOTRUST Main Office	1 July 2013	1 day	Campbell Moore; Robert Esimu
Masindi, Uganda; ECOTRUST Regional Office	2 July 2013	1 day	Campbell Moore; Robert Esimu
Masindi District, Producer Interviews	2 July 2013-4 July 2013	2.5 days	Campbell Moore; Robert Esimu

3.3 Review of Documents

The following documents were viewed as a part of the field audit:

Ref	Title, Author(s), Version, Date	Electronic Filename
1	Plan Vivo Project Design Document, Trees for Global Benefits, ECOTRUST, v.5, 2012	TGB PDD 2013 – 5_ed-1.doc
2	Technical Specification for Smallholder Carbon Management Project, Bushenyi Uganda,	Maesopsis1.pdf
3	Kiziranfumbi farmers, farmer list used in developing sampling plan	Kiziranfumbi farmers.xlsx
4	List of farmers on Ongo Nyantonzi sites Budongo subcounty, farmer list used in developing sampling plan	List of farmers on Ongo Nyantonzi sites Budongo subcounty.xlsx
5	Staff list, list of ECOTRUST Staff with qualifications	Staff List.docx
6	Farmer's list May 2013, list of farmers used in sampling plan	Farmer's list May 2013.xlsx
7	Project Facilitators Monitoring Guide, ECOTRUST	MONITORING PROTOCOLS.doc
8	A Cooperative Carbon-Offsetting Scheme Linking Small Scale Land Holder Farmers to the Voluntary Carbon Market, An Operation's Manual, ECOTRUST, December 2008	TGB facilitator's manual FINAL.doc

3.4 Interviews

The following is a list of the people interviewed as part of the audit. The interviewees included those people directly, and in some cases indirectly, involved and/or affected by the project activities.

Audit Date	Name	Title
July 1 2013	Agamile Lemeke	Producer, Budongo
July 1 2013	Sebowa David	Producer, Budongo
July 1 2013	Agupio Emmanuel	Producer, Budongo
July 1 2013	Ejidra Manuel	Producer, Budongo
July 1 2013	Yia Mariseli	Producer, Budongo
July 2 2013	Noel David	Producer, Kizaranfumbi
July 2 2013	Kaahwa John	Producer, Kizaranfumbi
July 2 2013	Bahembire Julius	Producer, Kizaranfumbi
July 3 2013	Garubanda Movard	Producer, Kizaranfumbi
July 3 2013	Kezamakye Lydia	Producer, Kizaranfumbi
July 3 2013	Baguma Adolf	Producer, Kizaranfumbi
July 3 2013	Mutabazi Fred	Producer, Kizaranfumbi
July 3 2013	Alinaitwe Samwiri	Producer, Kizaranfumbi
July 1 2013	Simon Biryetega	District Forest Officer, Ag. Natural Resource Officer, Masindi District Local Government
July 1 2013	William Nsimire	District Environment Officer, Masindi District Local Government
July 1 2013	James Babinge	District Surveyor, Masindi District Local Government
July 2 2013	Oleru Hellen	Chairperson, Ongo CLA
July 2 2013	Droku David	Member, Ongo CLA
July 2 2013	Odipio John	Secretary, Ongo CLA

APPENDIX A: Field Audit Findings

Note: Findings presented in this section are specific to the findings resulting from the field audit as presented in the Draft Audit Report. Any non-conformances or observations identified during the field audit are noted in this section, and specific NCR and OBS tables are included in section 2 of this report for each identified non-conformance and observations. All findings related to audit team review of additional evidence submitted by the Project Proponent following the issuance of the Draft Audit Report by Rainforest Alliance, is included within section 2 of this report.

Principle: **Effective and Transparent Project Governance**

Criteria: Project has established an effective governance structure. Roles and lines of accountability are clear. The project coordinator has necessary core capabilities.

Indicator 1.1.1	**Producers** Must be small-scale farmers and land-users in developing countries with recognised land tenure or user rights.

Findings from Review on 14 August 2013			
All producers in the Trees for Global Benefits project are small-scale farmers or other similar land users (for example primary schools in rural areas). The audit team conducted interviews and farm visits of a stratified random sample of the producers in the project. Given the large (2700 farmers) and dispersed spatial scale of the project (nationwide in Uganda), it was infeasible to visit all project regions undergoing verification (Bushenyi, Kasese, Hoima, Masindi). The audit team took a risk based approach in farmer selection, and selected farmers for verification in the Hoima and Masindi regions as these regions were not evaluated in the 2008 verification audit as the project had not yet included these areas. For each subdistrict visited in Hoima and Masindi, the audit team used a random list generator to select farmers for interviews and field visits (14 selected in total). All farmers visited corresponded to the description of small-scale farmers (generally 1-10 ha of land). Additionally, farmers were asked about the socioeconomic status and landholdings of other farmers included in the project in their region, and confirmed that they were similar. Producers used their agricultural land intensively, with little or no fallow period, for the production of subsistence crops (cassava, maize, beans, bananas, upland rice) and some cash crops (sesame, coffee). The entire project is included in Uganda, which is a developing country. The audit team concludes that land tenure and user rights are sufficiently recognized and secure throughout the project area that was verified. Land tenure varies by location with some areas only recognizing customary land tenure, and other areas recognized by a more formal system. The Trees for Global Benefits project ensures secure land tenure by requiring on the application form to join the project that the LC1 (Local government representative at the village level) confirm the area and location of the producer's land and stamp the document. The audit team asked producers that were interviewed about their perception of the security of their land tenure as well as other producers in their region. Universally, producers felt that land tenure was secure. The one potential issue cited was that there could be conflicts between producers and other farmers over exact farm boundaries if trees were planted on these boundaries. Producers felt that this was a minor issue that could be resolved without issue. The audit team concludes that this issue is immaterial (less than 5% of expected GHG benefits from the project). The project meets the requirements of Indicator 1.1.1.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 1.1.2	**Producers** Must have a registered Plan Vivo for their own piece of land or be part of a group with a Plan Vivo for a piece of community-owned or managed land. Producers should not be structurally dependent on permanent hired labour, and should manage their land mainly with their own and their family's

labour force.

Findings from Review on 14 AUGUST 2013
All producers interviewed indicated that they had a registered Plan Vivo and had participated freely in the process of drafting the Plan Vivo. The audit team reviewed the producer files at the ECOTRUST office in Entebbe. The team reviewed producer files for each farmer that had been interviewed as well as a random selection of other producers. Every producer file reviewed included a Plan Vivo. Producers are not structurally dependent on permanent hired labor and generally manage their land with their family labor force. One producer interviewed indicated that he used some of the first payment from ECOTRUST for the project to hire some local laborers to aid in weeding his farm. However, this was not permanent labor and there is no indication that this is common. The project meets the requirements of Indicator 1.1.2.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 1.1.3

Administrative:
Legal and organisational framework with the ability and capacity to aggregate carbon from multiple land-owners and transact to purchasers, and monitor progress across all project operations. This must include:

- A legal entity (project coordinator) able to enter into sale agreements with multiple producers or producer groups for carbon services;
- Standard sale agreement templates for the provision of carbon services;
- Transparent and audited financial accounts able to the secure receipt, holding and disbursement of payments to producers;
- All necessary legal permissions to carry out the intended activities;
- Mechanisms for participants to discuss issues associated with the design and running of the project.

Findings from Review on 14 AUGUST 2013
The project meets some of the administrative requirements of this indicator but fails to comply with others: *1. Legal entity able to enter into sale agreements with multiple producers* ECOTRUST is the legal entity administering the Trees for Global Benefits project. Based on interviews with relevant government officials from the departments of forestry, natural resources, surveying, and other departments, as well as UNDP, ECOTRUST is a well-established and respected NGO in Uganda, with the ability to carry out a project such as this. *2. Standard sale agreement templates* ECOTRUST does have standard sale agreement templates for the provision of carbon services. These templates specify details about the producer's land (number of hectares, name), planting details (number of trees, species, etc.), remuneration for carbon sequestration (total amount paid in various instalments over a 10 year period). However, there was an error in the term of the agreement for all Carbon Sale Agreements reviewed by the audit team. According to the technical specifications for the Maesopsis Woodlot, which was the project activity that was verified, the trees are to be maintained for 20 years, with some periodic thinning. Producers and ECOTRUST staff that were interviewed confirmed this. However, the Carbon Sales Templates indicate the term as 50 years, rather than 20 years. Pauline Nantongo of ECOTRUST confirmed that this was an error. **NCR 01/13:** There is an important contradiction between the term of the carbon sales agreement in practice/the technical specifications, and the term that is written in the Carbon Sale Agreement. ECOTRUST must resolve this contradiction so that producers have clarity in their responsibilities to the project. 3. *Transparent and audited financial accounts able to secure receipt, holding and disbursement of payments to producers* ECOTRUST distributes payments to producers through a number of banks operating in Uganda. Each producer has an account with the relevant bank so that they may receive their money. When large banks are not available to rural producers, ECOTRUST coordinates for the money to be sent to the SACCO, or local community bank. All producers interviewed by the audit team confirmed that they had received their payments once they had demonstrated that they had met a given project milestone (for example, when 50% of the trees are planted the producer receives the first payment). The audit team additionally interviewed ECOTRUST staff and confirmed with the database manager that there was a robust system for tracking payments to producers, using Microsoft Access. **NCR 02/13:** However, based on interview with ECOTRUST staff members, it appears that ECOTRUST does not have a formal internal audit procedure to ensure that producers are able to actually retrieve their money from the SACCOs without any issues

or problems. This is of concern as ECOTRUST staff confirmed that there have been cases of farmer coordinators requesting "donations", or participating in other types of potential corruption in order for producers to receive their payment from the SACCOs (community banks). ECOTRUST currently relies on farmer coordinators, producers, and local staff to alert the management staff of problems of this nature, and it is clear that ECOTRUST takes these problems seriously and they have fired farmer coordinators, and one was jailed, over issues such as this. However, there is not an official internal audit policy, for example where every X number of years X% of producers are interviewed to ensure they have received the full payment that they were supposed to receive. Lack of an internal audit policy does not ensure that ECOTRUST will be able to guarantee producers receive their benefits.

4. *All necessary legal permissions to carry out the activities*

The audit team confirmed through interview with government officials identified in section 3.4 of this report that ECOTRUST has the legal permission to implement the project.

5. *Mechanisms for participants to discuss the design of the project*

Producers have the opportunity to discuss project benefits and challenges from before they join the project to the point of project implementation. Prior to a project being implemented in an area there are several sensitizations meetings that take place (the audit team has reviewed the reports of these activities and determined them to be adequate) where potential producers can discuss project design. Once a producer joins the project, their farm is visited either for monitoring, technical guidance, or for other reason usually twice per year by ECOTRUST staff (confirmed through interview with the producers). It is at these visits that producers communicate their opinions about project design, which are they relayed upward to ECOTRUST management.

However, (see NCR 02/13 above in this section), it would benefit the project if ECOTRUST were to build a more formal system for producer feedback into an internal audit function to be developed.

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	**NCR 01/13; NCR 02/13**		

Indicator 1.1.4	**Technical:** Able to assist producers in planning and implementing productive, sustainable and economically viable forestry and agroforestry systems, and provide support for silvicultural and other management operations.

Findings from Review on 14 AUGUST 2013

ECOTRUST has provided the audit team with the names, positions, and academic qualifications of all full time staff (12 total), as well as all short term technical assistants (6 total). The vast majority of staff and consultants have relevant academic training with Community Forestry, Zoology, Social Sciences, Forestry, Agroforestry, and Environmental Science.

The audit team confirmed in the field that ECOTRUST staff are very knowledgeable on both the scientific and social aspects of large scale community based reforestation projects, such as this one. Robert Esimu, local expert for the audit team, who has decades of experience with the Ugandan Forest Service, confirmed that the species selection, spacing, and methods were appropriate. Further, ECOTRUST staff showed a willingness to experiment and learn from mistakes through an adaptive management process wherein species with high mortality rates are gradually removed from that part of the project area for additional farmers that join the project.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 1.1.5	**Social:** Able to select appropriate target groups, inform groups about the Plan Vivo System and the nature of carbon and ecosystem services and establish effective participatory relationships with producers

Findings from Review on 14 AUGUST 2013

ECOTRUST has demonstrated appropriate judgement in selection of target groups. Target producers are small-scale farmers as is required by the Plan Vivo Standard. ECOTRUST uses a variety of methods for connecting to farmers including word of mouth (the project is now well established and well known in many regions), radio programs, relationships with local government representatives, etc.

The producers interviewed as part of this audit were well informed on the structure and requirements of the project. They were very well informed about the service they were providing (carbon sequestration), and other ecosystem services provided through the planting of trees (soil and water conservation, habitat, etc.). Producers were highly sensitized to these ecosystem services

and their role. Three ECOTRUST field staff travelled with the audit team at various times in the field audit. It was clear that the field staff had solid relationships with the farmers and that they were respected by the community at large. ECOTRUST field staff knew from experience the locations of the planting plots of the majority of farmers despite some of the plots being some distance from the road. Producers were interviewed independently of ECOTRUST staff and informed that their responses would be confidential. As discussed previously the only significant complaint was that they felt they should receive more in carbon revenue. Otherwise they have positive comments about ECOTRUST and the staff.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 1.1.6	**Social:** Able to establish land-tenure rights through engaging with producers and other relevant organizations

Findings from Review on 14 AUGUST 2013			
As discussed above in this report, the Trees for Global Benefits Project has demonstrated that all participating producers have secure land tenure. This is verified by the LC1 (village local government representative).			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 1.1.7	**Social:** Able to consult producers effectively on a sustained basis

Findings from Review on 14 AUGUST 2013			
Producers that were interviewed agreed that ECOTRUST staff were qualified and responsive to their needs. ECOTRUST staff links to producers through local staff and farmer coordinators as well as through the (usually) twice per year farm visits for each participating farmer. In general the audit team received almost no complaints from producers about ECOTRUST. The single frequent complaint that was received was that the carbon payments were inadequate for the activity. However, farmers also acknowledged the farm and ecosystem benefits of the project, and the fact that they were likely to get significant revenue at the point of harvesting the trees in the future. Additionally, the price of carbon credits is largely outside of ECOTRUST's control and it is clear, given the high prices they are able to secure (compared to the mean price on voluntary carbon markets) that they are putting significant effort into getting good prices.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 1.1.8	**Reporting:** Projects must on an annual basis, according to the reporting schedule agreed with the Plan Vivo Foundation: • Accurately report progress, achievements and problems experienced; • Transparently report sales figures and demonstrate resource allocation in the interest of target groups.

Findings from Review on 14 AUGUST 2013			
The audit team has confirmed through review of the information on the Plan Vivo website that the project has been reporting annually as required.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Principle: Carbon Benefits

Criteria: Carbon benefits are calculated using recognised carbon accounting methodologies and conservative estimates of carbon uptake/storage that take into account risks of leakage and reversibility.

Indicator 2.1.1 Carbon benefits are measured against a clear and credible **carbon baseline**.

Findings from Review on 14 AUGUST 2013
The areas of the project subject to verification included only those subject to the Maesopsis Woodlot Technical Specifications, which were provided to the audit team and were approved previously by the Plan Vivo Standard. The technical specifications are measured against a clear and credible baselines relevant to the different project regions. These baseline carbon stocks are derived from either a 1995-1999 National Biomass Assessment (Bushenyi and Kasese region), or a National Forest Assessment from 2005. ECOTRUST confirmed the validity of the baseline carbon stocks through a series of on the ground plots. Aboveground tree biomass is measured (stems >5cm) and belowground tree biomass is calculated using IPCC root:shoot ratios, which conforms with good practice. The baseline scenario assumes a constant biomass over the project lifetime, which is conservative given that increasing population pressure is likely to remove the few scattered trees that remain on farms in the project area. Farmers interviewed confirmed that fallow times are short or non-existent in the agricultural landscape, further supporting this baseline scenario. 13 of the 14 farms visited for the verification (as well as several additional farms visiting for a coordinated validation audit of expanded project activities) clearly represented the baseline, with very few scattered trees in the agricultural landscape that were not those planted by the project. These few trees were either native species that had been retained, or scattered small plots of *Eucalyptus spp.* or *Pinus caribe*. One of the 13 farms did have a significant on farm tree biomass partially overlapping with the planting area. This farmer had a moderate number of non-native timber trees, fruit trees, and a couple native timber trees that predated the project trees that were planted in the same area. However, in five days of field visits this was the only farmer the audit team visited for which this was the case and therefore the audit team concludes that this aberration from the baseline is immaterial. Regardless the national biomass assessment should include farms like this if they are of any appreciable number. The baseline is clear and credible in conformance with this requirement.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 2.1.2 Carbon benefits are **additional**, i.e. the project and activities supported by the project could not have happened were it not for the availability of carbon finance. Specifically this means demonstrating, as a minimum:

- The project does not owe its existence to legislative decrees or to commercial land-use initiatives likely to have been economically viable in their own right without payments for ecosystem services; and
- In the absence of project development funding and carbon finance, financial, social, cultural, technical, ecological or institutional barriers would have prevented the project activity.

Findings from Review on 14 AUGUST 2013
The audit team is confident that for the Trees for Global Benefits project activities for verification (Maesopsis woodlots), that the project is additional. 1. *Project is not enforced by legislative decree or commercial land use initiatives likely to make the project economically viable without payments for ecosystem services* The areas visited as part of the verification field audit were heavily deforested. The audit team observed that nearly no natural forest exists outside of forest reserves or national parks, other than a few very small (50 ha or less) heavily degraded forests along some rivers. Commercial tree planting does exist in some parts of Uganda near the project areas. However, these commercial tree planting areas are almost exclusively exotic species, usually *Pinus caribe,* or *Eucalyptus spp.* Additionally (confirmed by interview with Forest Department officials and local technical expert Robert Esimu), these tree planting areas are commercial in scale and do not include small-scale farmers planting on their own lands. The project focuses exclusively on small-scale farmers planting native or naturalized species on their farms and is categorically different than existing commercial tree planting initiatives and is not enforced by any legislative decree. 2. *In absence of project development funding and carbon finance, financial, social, cultural, technical, ecological, or institutional barriers would prevent the project activity.* Financial: producers confirmed that they did not have the funding or incentive to plant native species without the “start up capital” provided by the project

Social: producers show a clear preference, in the absence of the project, for exotic species rather than native species
Cultural: planting timber and fuelwood trees is not a part of local culture as producers have always, until recently, been able to source these materials from the now disappeared forests.
Technical: producers confirmed through interview that prior to the project they did not know which native species were suitable, correct spacing, maintenance, etc.
Ecological: None observed
Institutional: None observed

The audit team concludes that the project activity (Maesopsis woodlots) is additional.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 2.1.3	**Permanence:** Potential risks to permanence of carbon stocks are identified in project technical specifications and effective mitigation measures implemented into project design, management and reporting procedures.

Findings from Review on 14 AUGUST 2013

The audit team considers the following to be potential threats to permanence of the carbon stocks:

1. Producers may wish to cut the trees before the 20 years specified in the Technical Specifications

Some producers interviewed indicated that they wished to cut the trees at 15 years or another time prior to the required 20 year term of the tree planting activity, however this is a majority. The project mitigates this risk by having the producers sign a legally binding agreement (Carbon Sales Agreement) that is meant to ensure that the trees cannot be fully cut until the term is over. However, there is an error in the term of these agreements (See NCR 01/13). Local technical expert Robert Esimu confirmed that this agreement would be considered legally binding in Uganda. Additionally, interviews with Forest Department staff indicated that producers would be unable to harvest the trees without a government permit and that they would be unlikely to get this permit if it contradicted the Carbon Sales Agreement. Finally, the Technical Specifications include thinning of the trees from 400/ha down to eventually 100/ha. This will provide the producers with some fuelwood and timber products before the 20 year term is finished.

2. The Technical Specifications identified fire and other natural disasters, pests and diseases, grazing, and rising land opportunity costs as risks to permanence, along with appropriate management measures that have been approved in the Technical Specifications.

The audit team has confirmed that these management measures are being implemented, or area in the process of implementation on the ground.

-Fire/Natural Disasters: Farmers are supported with funds from the Carbon Community Fund to replace trees lost to unavoidable natural disasters. The audit team observed some small fire damage in planting areas, and confirmed that farmers were replacing trees as necessary to meet their target.
-Pests/Diseases: Audit team local expert Robert Esimu concurred that species had been appropriately selected for resistance to pests and diseases. No significant pest problems were observed in the field. However, it was observed in one site that the Maesopsis was stunted and survival was low, due to the poor rocky soil on this slope.
-Grazing destruction: The technical specifications state that farmers should manage this risk by protecting trees with sticks, replanting trees when lost, and using fodder for animals. The audit team generally did not observe saplings being protected by sticks or fences, and some small grazing damage and mortality was observed and recorded in interviews. However, farmers were typically replanting trees after grazing damage. Any significant grazing mortality will be recorded in the monitoring in the first 3 years. After year 3 the trees are too large to be damaged by grazing animals.
-Raising land opportunity costs: The Technical Specifications noted that additional tree-based enterprises such as apiary, fruits, and fodder would help mitigate this risk. The audit team sees land opportunity cost as a significant risk given the land shortage in the planting areas. However, interviews with producers confirmed that, although they thought the carbon subsidy was insufficient, they did expect significant financial returns after 20 years for harvesting their trees for timber, and that the firewood provided by thinnings before 20 years, was very important to them

OBS 01/13: The audit team sees land opportunity costs as a potentially significant risk to permanence given the extreme land shortage in project planting areas. It was unclear from the field audit, whether the suggested tree based enterprises are actually being implemented, although farmers have heard about them and expressed interest in the interviews the audit team conducted. ECOTRUST should ensure that these additional tree-based enterprises are implemented to ensure permanence, and document

this for the next verification audit.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	**OBS 01/13**		

Indicator 2.1.4	**Permanence:** Producers enter into legal sale agreements with the project coordinator agreeing to maintain activities, comply with the monitoring, implement management requirements and re-plant trees felled or lost.

Findings from Review on 14 AUGUST 2013			
There is an error in the term of the Carbon Sales Agreements for the project (See NCR 01/13). The Carbon Sales Agreement specifies the payment schedule clearly in the document. Producers are paid in instalments depending on performance. This ensures that trees are replanted in order to meet project targets. If producers choose to leave the project, they are compensated for by recruiting additional farmers to replace the trees lost.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	**See NCR 01/13**		

Indicator 2.1.5	**Permanence:** As a minimum, a 10% risk buffer is deducted from the saleable carbon of each producer, where the level of buffer is recommended in the technical specifications according to the level of risk identified, and subsequently reviewed annually following annual reporting.

Findings from Review on 14 AUGUST 2013			
The project selects a 10% risk buffer which is deducted from the saleable carbon, as is noted in the approved technical specifications. The approved technical specifications identify risk factors that are consistent with observations the audit team made in the field as well as information from interviews with the producers. The technical specifications additionally include mitigation and management measured to address risks to permanency as well as potential leakage. The audit team's field visit indicates that these mitigation measures are being implemented on the ground. The most significant risk appears to be tree mortality (which is normal) from drought, or grazing. Although agricultural burning is present in the area, its impact appears minimal. No burned trees were noted in the farms visited as part of the field visit although some were noted in adjacent farms that were part of the project. However, the payment structure of the project does not allow farmers to have carbon payments unless they meet the targets at Yr 0, Yr1, Yr3, Yr5, and Yr10. This structure insures that farmers replace trees that are lost.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 2.1.6	Potential sources of **leakage** have been identified and effective mitigation measures implemented.

Findings from Review on 14 AUGUST 2013
The technical specifications identify realistic sources of leakage including only displacement of agricultural activity. The project has mitigation activities including primarily a code of conduct for farmers such that they do not cut existing trees, and technical advice to farmers to mitigate this. From the audit team's observations in the field the risk of leakage emissions from displacement of agricultural activities is considered to be very low. Essentially there is no forest on the landscape for leakage to be displaced to except in some areas some small patches of dry ridgetop woodland. These areas are very poor for agriculture and it is considered unlikely that a farmer would take productive land out of cultivation and shift their agriculture to these much poorer lands in order to obtain the relatively limited carbon finance. Interviews with farmers confirmed this. Farmer interviews also confirmed that farmers were not cutting existing native trees on the farms in areas that were being

planted in order to plant more trees for the project. The audit team assesses that this is accurate based off of field observation. The leakage requirements have been met by the project.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 2.1.7 Carbon sales are **traceable** and recorded in the database.

Findings from Review on 14 AUGUST 2013			
The audit team reviewed the database with the relevant ECOTRUST employee at the head office in Entebbe. The audit team reviewed the records of a subset of farmers that were interviewed as part of the field audit and confirmed the accuracy of the database records, including carbon sales.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 2.1.8 Project has an effective process for **monitoring** the continued delivery of the ecosystem services, where:

- Monitoring is carried out against **targets** specified in technical specifications;
- Monitoring is carried out accurately using **indicators** specified in technical specifications;
- Monitoring is accurately documented and **reported** to the entity responsible for disbursing payments to producers;
- **Corrective actions** are prescribed and recorded where targets are not met, and followed up in subsequent monitoring.

Findings from Review on 14 AUGUST 2013			
The document, "Monitoring Protocols.doc" has been provided to the audit team. This document outlines the purpose and methods of project monitoring, and serves as a guide to project facilitators. The monitoring occurs at Year 0,1,3,5,and 10 of the project. Year 0,1,3 of monitoring count the actual number of trees planted by the participant as well as their estimated spacing and species composition. Years 5,10 use sample plots to collect diameter at breast height and tree height measurements. A 10% sampling intensity of the tree population (per producer) is used. Fixed area radius plots are measured using a stratified sampling technique. The audit team verified that monitoring is conducted in the field followed the prescribed Monitoring Protocols. The audit team observed ECOTRUST staff conducting a multiple example monitoring activities of farms that were at Year 0,1,3, and 5. No Year 10 farms existed in the areas visited by the audit team. Additionally, the audit team conducted independent tree counting monitoring activities of farms. This data was used, in tandem with the most recent monitoring data for that farm, and interviews with the farmer, to triangulate the accuracy of the monitoring for the farm in question. Based on these exercises the audit team feels confident that the monitoring has been conducted according to the protocols. Some discrepancies were noted between the number of trees counted in the field audit and the most recent monitoring report. Interviews with farmers in these situations provided reasonable explanations for the discrepancies, usually due to tree mortality, or the farmer having planted additional trees since the previous monitoring. The audit team concludes with reasonable assurance that the monitoring has followed the monitoring protocols in the project area subject to the verification. **NCR 03/13:** However, the monitoring protocols are not designed appropriately, in that they do not require monitoring the area planted. The audit team took independent measurements, using a GPS unit, of the actual planted area for seven producers. Four of these seven producer farms had areas planted that were significantly less than the target area planted, which is used as the basis for calculation of carbon benefits of the project. Actual area planted varied from 45% of the target to 100+% of the target. These farms typically had met the target for the number of trees planted, but they had planted this number of trees over a smaller area than the target area. Closely spaced trees are likely to not achieve the same carbon sequestration as the less densely spaced planting that the Technical Specifications are based on. Failure to monitor the area planted as a monitoring indicator, as well as the number of trees, may lead to an overestimate of the carbon benefits of the project.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	**NCR 03/13**		

Indicator 2.1.9	Producers **draw up Plan Vivos** as part of a voluntary and participatory process that ensures proposed land-use activities: • Are clear, appropriate and consistent with approved technical specifications for the project; • Will not cause producers' overall agricultural production or revenue potential to become unsustainable or unviable.

Findings from Review on 14 AUGUST 2013			
The audit team confirmed that adequate Plan Vivos were held in the producer files for each producer that was interviewed during the field visit. Interviewed producers confirmed that they enter the project freely of their own volition and understood the project requirements. Further, producers agreed that the issues the project intends to address (climate change, local fuelwood and timber shortage, soil and water conservation) were important to them and were issues that were currently negatively impacting their livelihoods. Producers that were interviewed confirmed that they had sufficient other agricultural land such that their production and/or revenue will not become unsustainable or unviable as a result of the project. The project has additionally chosen tree species that provide light shade or are otherwise compatible with agricultural production beneath the trees for the first several years of the project, thus somewhat mitigating the loss of agricultural land to tree planting activities.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Principle: **Ecosystem benefits**

Indicator 3.1.1	Planting activities are restricted to **native and naturalised species**.

Findings from Review on 14 AUGUST 2013			
The Maesopsis Woodlot technical specifications for the existing planting activity that was subject to verification mandates that 80% of the area be planted with *Maesopsis ennui* which is a native timber species of Uganda and its natural distribution is well represented in the project area. A other trees were composed of a mix of species including *Grevalia robusta, Terminalia spp., Macamia spp., Cordia spp., Prunus africana,* fruit trees, and other species. All species were confirmed to be native or naturalized by the audit team.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 3.1.2	Naturalised (i.e. non-invasive) species are eligible only where they can be shown to have compelling livelihood benefits and: • Producers have clearly expressed a wish to use this species; • The areas involve are not in immediate proximity to conservation areas or likely to have any significant negative effect on biodiversity; • The activity is still additional i.e. the producers in the area are not doing this activity or able to do this activity without the intervention and support of the project; • The activity will have no harmful effects on the water-table.

Findings from Review on 14 AUGUST 2013			
The audit team concludes that the naturalized species used in the project are appropriate. The most common naturalized species used is *Grevalia robusta.* Farmers requested to use this species in areas where *Maesopsis* has not been well suited to the site. *Grevalia* is commonly planted across Uganda and, according to the local expert Robert Esimu, there is no evidence of impacts to the water table or invasiveness. The other naturalized species used in the project were primarily pantropical fruit trees including mango and avocado which are noninvasive and have important food security benefits.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 3.1.3	Wider **ecological impacts** have been identified and considered expressly including impacts on local and regional biodiversity and impacts on watersheds.

Findings from Review on 14 AUGUST 2013
The project has adequately assessed wider ecological impacts of the tree planting activity. The conversion of agricultural lands

to native species woodlots does not have negative impacts on biodiversity or watersheds. To the contrary the project is designed to have positive impacts on biodiversity and watersheds. Planting activities are concentrated in areas where soil erosion is a major problem. Additionally, planting activities are concentrated near major national parks and forest reserves in order to give communities sources of fuelwood and timber so that they do not have to illegally harvest these products in the protected areas. The audit team concludes that the wider ecological impacts of the project are positive.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Principle: **Livelihood Benefits**

Indicator 4.1.1	Project has undergone a **producer/community-led planning process** aimed at identifying and defining sustainable land-use activities that serve the community's needs and priorities.

Findings from Review on 14 AUGUST 2013
The audit team has confirmed via interviews with farmers in the field, as well as meeting minutes that ECOTRUST has submitted to the audit team, that the project has undergone a producer/community-led planning process. Community members interviewed confirmed that the species selection and project design meets their needs. Community members, however, did note that they felt the carbon payment they received was insufficient. However, the fees paid for carbon credits is only partially controlled by ECOTRUST, so little can be done about this.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 4.1.2	Mechanisms are in place for continued training of producers and participation by producers in project development.

Findings from Review on 14 AUGUST 2013
Mechanisms exist in order to give producers continued training throughout the project lifetime. These include: -Twice annual field visits by ECOTRUST staff. During these field visits staff either conduct a participatory monitoring with the producer, or work with the producer to solve technical problems and challenges. -A Community Carbon Fund has been developed to give farmers additional training such as beekeeping. -The project design requires two-three thinnings throughout the 20 years of the project lifetime. Producers are trained on these processes and best practices through the twice annual visits as well as other workshops. Interview with producers confirmed that producers felt that they had received valuable training by ECOTRUST. Training by ECOTRUST was frequently cited as the most important benefit the producers had received, and was considered indispensable for most producers.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS			

Indicator 4.1.3	Project has procedures for entering into **sale agreements** with producers based on saleable carbon from Plan Vivos, where: • Producers have recognised carbon ownership via tenure or land-use rights; • Agreements specify quantity, price, buyer, payment conditions, risk buffer, and monitoring milestones; • An equitable system is in place to determine the share of the total price which is allocated to the producer; • Producers enter into sale agreements voluntarily.

Findings from Review on 14 AUGUST 2013
The project is in conformance with Indicator 4.1.3 of the Plan Vivo standard. Specifically the project includes: 1. *Recognized carbon ownership via tenure or land-use rights* Land tenure is customary but is validated in the application for inclusion in the program by the LC1 (local government representative) affirming the ownership of the land in question. 2. *Agreements specify quantity, price, buyer, payment conditions, risk buffer, and monitoring milestones*

The audit team reviewed the Carbon Sales Agreements for the producer's farms that were visited, as well as additional producers and confirmed that each agreement includes the required pieces of information. However, there is an error in the agreements in specifying the term. Please see NCR 01/13.

3. *An equitable system is in place to determine the share of the total price allocated to the producer*

In the sample reviewed by the audit team the producer received 100% of the carbon revenue after the deduction of the buffer and the community carbon fund.

4. *Producers enter into sale agreements voluntarily*

The audit team confirmed through interviews during the field audit that all producers were entering into sales agreements voluntarily. Furthermore, there are provisions for producers to exit the project if they wish to do so.

With the exception of the error in the carbon sales agreements identified in NCR 01/13, the project is in conformance with this indicator.

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	**See NCR 01/13**		

Indicator 4.1.4	Project has an effective and transparent process for the timely administration and recording of **payments to producers**, where: • Payments are delivered in full when monitoring is successfully completed against milestones in sale agreements; • Payments are recorded in the project database to ensure traceability of sales.

Findings from Review on 14 AUGUST 2013			
The audit team confirmed conformance with this Indicator through interviews during the field audit, as well as through reviewing the Database with relevant ECOTRUST staff. All producers consulted confirmed that they had received payments as expected. However, ECOTRUST noted that there had been occasional examples of corruption among farmer coordinators that could have resulted in reduction in payment or other issues. ECOTRUST staff has investigated every such issue brought to their attention and there have been examples of a farmer coordinator prosecuted for this. However, to ensure that producers receive payments as expected universally across the project, an internal audit function of the delivery of payments to producers is necessary. Please see NCR 02/13.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	**See NCR 02/13**		

APPENDIX B: Organization Details

Contacts

Primary Contact for Coordination with Rainforest Alliance

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Billing Contact

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