



CO₂OL Tropical Mix Reforestation

Panama

Additional information

(Not covered in the CarbonFIX v.2.1 PDD of CO₂OL Tropical Mix)

According to the
CCBA 2nd Edition

ForestFinance Service GmbH

February 2010

Project Summary

ForestFinance creates high quality carbon credits through the afforestation of native tree species and in some cases Teak (*Tectona grandis*) in mixed forests with added social and biodiversity benefits.

The CO₂OL Tropical Mix Reforestation Project in Panama is the first afforestation/reforestation project established in this country for the Voluntary Carbon Market according to the CarbonFIX and CCB Standard.

This project follows the guidelines of the CarbonFIX Standard (CFS) and the CCB Standard (CCBS) as an afforestation/reforestation project established for the Voluntary Carbon Market.

The main objective of CO₂OL Tropical Mix reforestations is the creation of close to nature forests with the main goal of storing a high amount of carbon and the production of fine tropical hardwood, while stabilizing and restoring fragile and degraded areas in an economically, socially, and ecologically viable way.

ForestFinance enhances the role of tropical forest plantations as components of multi-functional landscapes by contributing to native biodiversity conservation and restoration at different spatial scales.

ForestFinance forest management practices protect watersheds, foster the conservation of biodiversity, improve ecological processes through the presence of locally adapted biodiversity, create ecological corridors and aim at retaining native biodiversity, while sequestering high amounts of green house gases.

Overall, ForestFinance specific objectives are the establishment of profitable conservation systems, creating year round work opportunities in our areas of activity. That allows the development of a stable work environment for men and women, will support the development of these regions. Through salaries and working conditions that allow a fair living, we want to contribute to capacity building and improved livelihoods in the lesser developed areas of Panama

This document contains cross-referencet to the CarbonFIX Standard documents. These documents can be accessed over the project website www.CarbonFix.info/COI.

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Project boundaries and project zone:

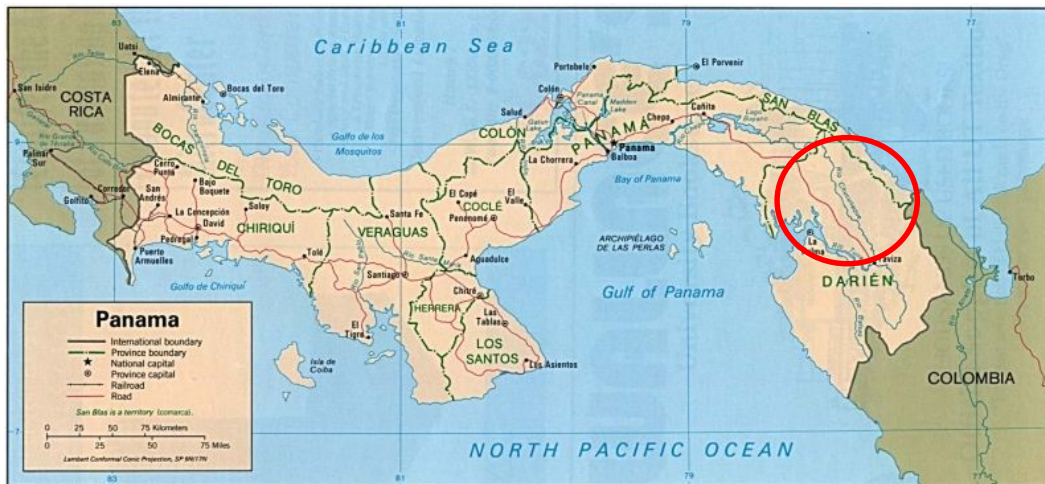
Definitions (according to CCBA 2nd edition):

- The 'project area' is defined as the land within the carbon project boundary and under the control of the project proponent.
- The 'project zone' is defined as the project area and the land within the boundaries of the adjacent communities potentially affected by the project

Panama, located between Costa Rica and Colombia, is a bridge connecting two continents. The project is situated in the east of the country, in the province of Darién, which borders the Pacific in the south.

The reforestation project „CO2OL Tropical Mix“ is located in the province of Darien, in the east of Panama next to the country Colombia. In map 1 the red circle shows the project location in the context of Panama.

For information how to visit the Project see CarbonFIX template „CFS_v20_-_Template_-_Visit_of_the_Project_COI“ or see CarbonFIX project website.

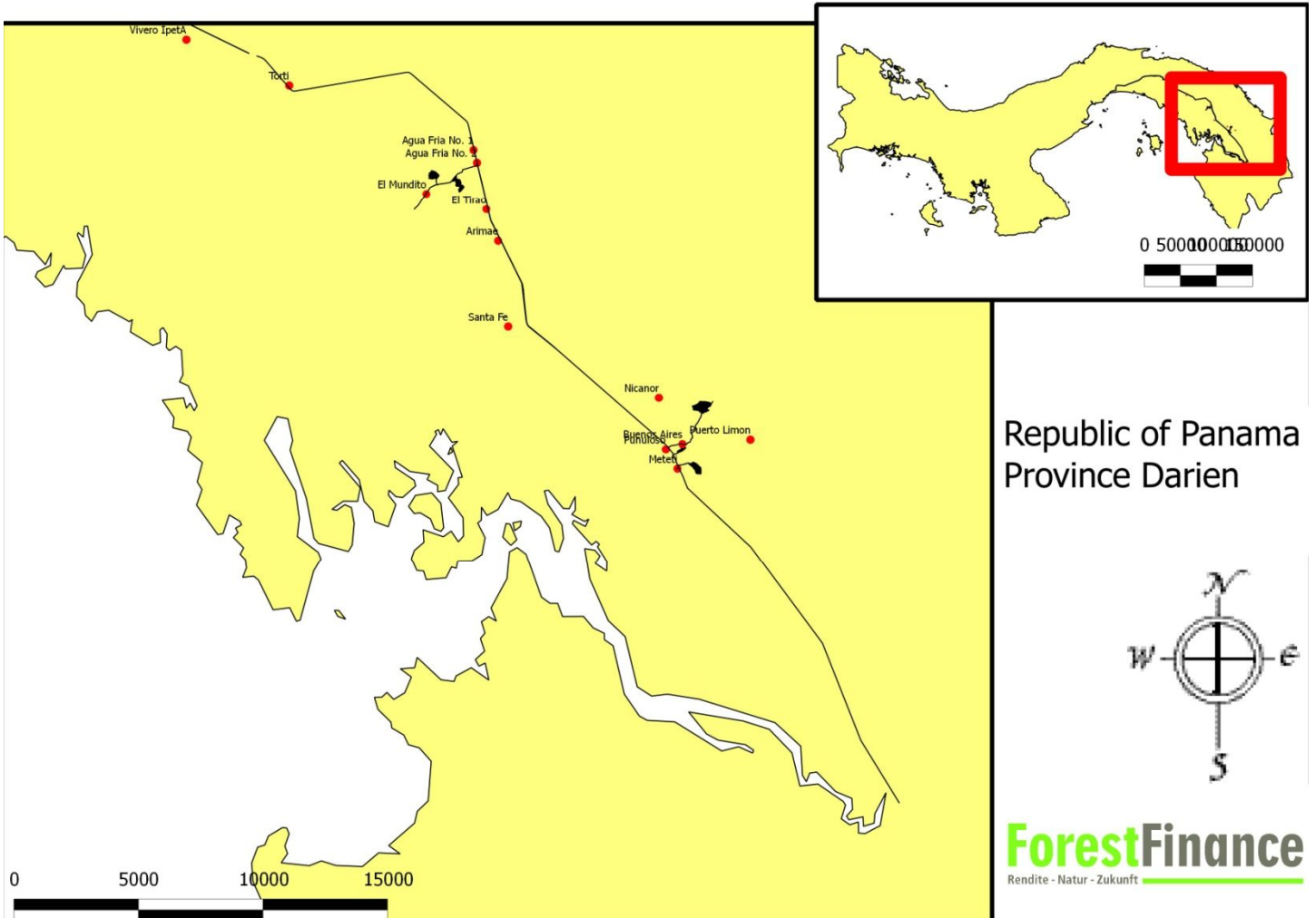


Map 1: Panama - project location - red circle

Map2 provides an overview of all Management Units (MU) and their setting in the country Panama.

ForestFinance CO₂OL Carbon Project 2007/8

Location of the project



Map 2 - Location of the project

The 'project zone' according to the definition of CCBA 2nd Edition are the MUs 0001 – 0009, the surrounding villages and cities next to the MUs.

In Map3 and Map4 you could see the different MUs and their surrounding population with the different size of people living there.

In the near by of the MUs 0001, 0003, 0006 & 0008 the next big city is Meteti. A city with round about 1500 people living there. Punuloso(nearly 1000 people living there) and Buenos Aires(up to 200people living there) two smaller villages are very close to the MU 0001. (see Map3)



Forest Finance Carbon Project 2007/8
CO₂OL Tropical Mix
Surrounding Population
MUs: 0001, 0003, 0006, 0008



Map 3 - surrounding population of MU 0001, 0003, 0006 & 0008

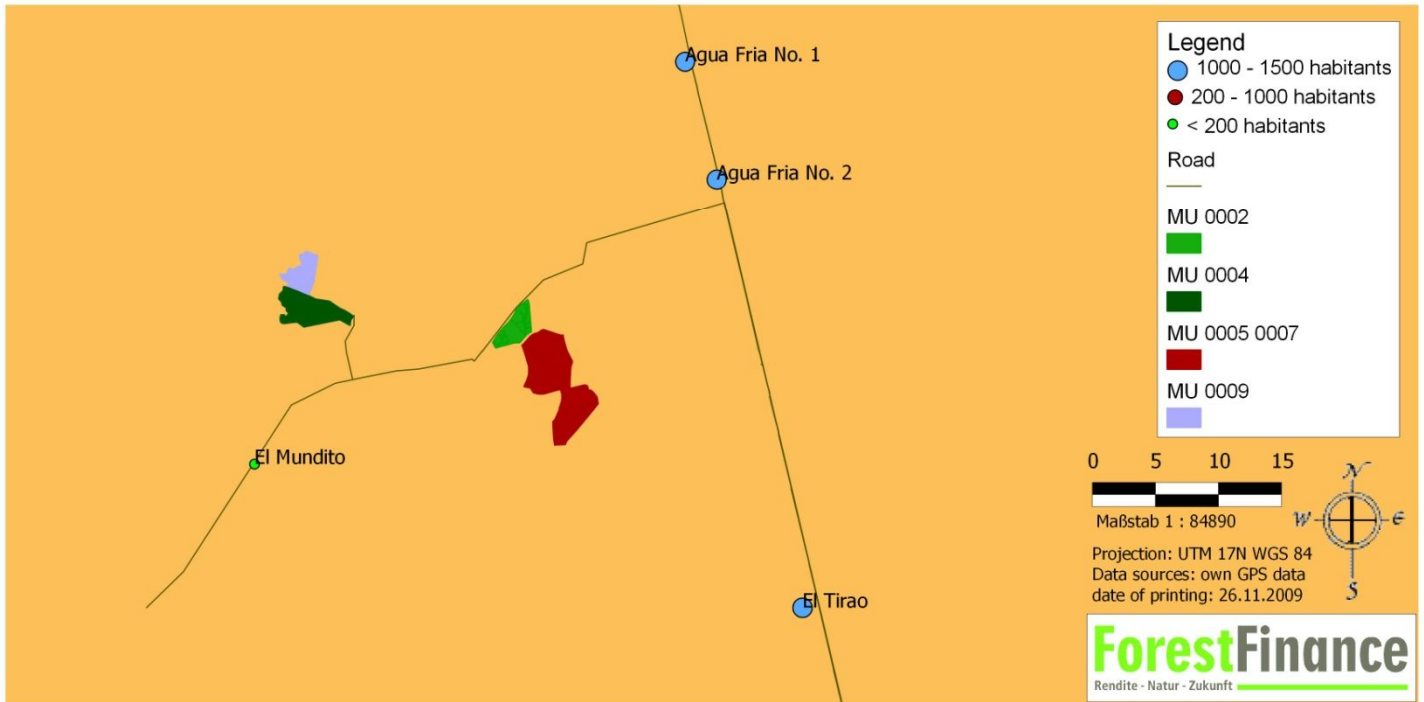
Map4 shows the MUs 0002, 0004, 0005, 0007 and 0009 and the surrounding settlements. Next to the project site on the Panamerican Highway Agua Fira No1 and 2 and El Tirao are three cities with more than 1000 people living there. El Mundito in the east of the MUs is the nearest settlement to this project region.

There is sparse settlement along the roads and farms all over the area – even near to the project sites although there is no settlement on the project area itself. People living in the area generally stay in their own land or land of their employers which is legally registered to them or belongs to them according to customary rights. Details on land ownership is explained in the amendment on Land Tenure Security.

There are customary land tenure arrangements for the indigenous Commarcas that don't affect the project area for being distant to it.



Forest Finance Carbon Project 2007/8
CO₂OL Tropical Mix
Surrounding Population
MUs: 0002, 0004, 0005, 0007, 0009



Map 4 - surrounding population of MU 0002, 0004, 0005, 0007 & 0009

The exact location of the project can also be accessed on the CO₂OL Tropical Mix website on the CarbonFix platform: www.CarbonFix.info/COI.
There are maps of the project area, conservation area, Management Units, etc. available.

Reference Standard & Requirement: G1.5
Description of communities located in the project zone
Currently under preparation

Reference Standard & Requirement: G1.6
Additional Information to Template „Secured Land Tenure“ (OBS 03/10)
<p>Panama has a setting of legal and customary property rights. There is a systems of registering property titles in two governmental agencies Catastro and Registro Publico. The Registro Publico makes all property titles publicly available on it's website (https://www.registro-publico.gob.pa/scripts/nwwisapi.dll/conweb/prinpage).</p> <p>There arrangements customary property rights on land too that are covered by national legislation too. People can apply to register customary rights so called Rights of Possession or „derechos posesorios“ which have been established in the 1960 as a legal instrument to secure land ownership to small peasants. After a certain time of using a defined portion of land the</p>

owner can apply for a right of possession which afterwards may be converted into a land title too. The titling of the land involves a process of land verification of the property boundaries and an inquiry with all neighbours in order to determine boundaries and possible claims on the land or part of it. Furthermore the Agricultural Reform Office makes an inspection after all neighbours have signed off eventual claims. After this process a Right of Possession can be converted into a property title and be registered in the Registro Publico as such.

The presence of this mechanisms has effectively led to most of the farmers register at least a Right of Possession on the land they own. For this reason property rights and rights of use on the land that ForestFinance purchases are quite well known.

There are further customary rights principally in areas of indigenous population which in the major part have led to the creation of special arrangements with the respective groups, the comarcas where these communities have a certain status of autonomy on the land. ForestFinance does not operate in these areas up to the moment.

The land ownership on the project area at project start is with the project owner. Land is purchased generally from local or national landowners in possession of farms through a process that involves contractual agreements settled through negotiations and fixed by lawyers in accordance to all national regulations. This agreement get's officialized in the Registro Publico as shown in attachment 13-01. Afterwards through contractual agreements ownership passes on to investors.

This ownership may have different forms:

- a) Full property right registered to the Registered Publico. In this case clients grant full rights over all management decisions on the land to the project owner.
- b) Lease agreement with Forest Finance for the project term, where the property title stays with Forest Finance.

In the end there are three possible legal arrangements to the land in the project area.

- 1) Property right of an investor that granted full management powers to the project owner
- 2) property of the project owner leased out to investors that grant all management powers to the project owner
- 3) remaining property of the project owner such as reserves, protection area and access roads.

Reference Standard & Requirement: G1.7

Description of current biodiversity within the project zone.

The Project area is mainly characterized by grasslands that are used for cattle ranching by the local population. Within these grasslands there are patches and greater areas of residual rainforests and of secondary forest that had a chance to establish on fallow land.

The grasslands generally contain single trees that remained from the original rainforest vegetation or have spontaneous or intentionally grown as shade trees for the cattle. As soils are relatively fertile parts of the grassland farms are temporarily converted into cropland for one or some consecutive years.

Through the remaining natural and secondary patches and through the widely used water holes („ojos de agua“) there is still considerable wildlife present in the region, most obviously represented through an abundance of wild birds that live in and migrate through this region. Although the establishment of cattle ranching as the main economic activity by the „latino“

settlers a good part of biodiversity is yet present due to the persistence of refugiums.

In the Commarca areas the indigenous population has been conserving most of the part of the forests thus maintaining a real functional refuge for the original biodiversity of the region. A threat to this biodiversity which is little probable is that wildlife and species living on the farms – potentially undisturbed by cattle use – may be driven out by the establishment and maintenance activities and loose habitat because of the changed ecosystem in site. But this will be overcompensated by the enhanced biodiversity of a mixed forest plantation with extensive protection areas.

For reforestation areas bigger than 50ha it is necessary to have a environmental impact study. See attachment „attachment_G1.7_Tropical_Mix“ an extract of the environmental impact study of Punuloso (MU 0006 & 0008). The hole study will be available in the office of ForestFinance in Panama City.

Reference Standard & Requirement: G1.8.1 – 1.8.6, CM1.2, CM3.2, B1.2, B3.2

At this moment, and as a part of the FSC certification, BARCA is preparing an evaluation report for High Conservation Values for all the farms under their certification in Panama. In this report you will find also a plan to assess and monitor this areas.

Reference Standard & Requirement: G2.1

Defense of expected carbon price:

European voluntary carbon markets not only target on pure carbon sequestration in afforestation projects but also regard and reward further benefits such as social and ecological improvements. For this reason the pricing ranges of those projects are substantially different from pure CDM carbon projects and allow to achieve respectively high prices.

The CO₂OL Tropical Mix project is a carbon forestry project with high social and biodiversity benefits. The main objective of CO₂OL Tropical Mix reforestations is the creation of close to nature forests with the main goal of storing a high amount of carbon and the production of fine tropical hardwood, while stabilizing and restoring fragile and degraded areas in an economically, socially, and ecologically viable way.

The forest management practices protect watersheds, foster the conservation of biodiversity, improve ecological processes through the presence of locally adapted biodiversity, create ecological corridors and aim at retaining native biodiversity, while sequestering high amounts of green house gases.

Overall, ForestFinance specific objectives are the establishment of profitable conservation systems, creating year round work opportunities in the areas of activity. That allows the development of a stable work environment for men and women, will support the development of these regions. Through salaries and working conditions that allow a fair living, we want to contribute to capacity building and improved livelihoods in the lesser developed areas of Panama.

The creation of close to nature forests ecosystems with the high social benefit of this project are responsible for the relatively high price of one tonne CO₂.

The Voluntary Carbon Market is, like the name shows, a voluntary based market. A tonne CO₂ is not always only a tonne CO₂, the story is one of the most important aspects in this Carbon Market. Monocultural reforestation with less biodiversity, or windparks with “no” biodiversity do not have a such a “good” story like a reforestation project with a very high percentage (~60%)

of native tree species and the involvement of the surrounding population and indigenous groups. CO₂OL Tropical Mix has over 15% of pure conservation area and over 30ha are "only" reforested to sequester carbon (see. MU 0007, 0008 and 0009). The credits created out of this project will be and have been sold for more than 20€ (see attachment "Attachment_G2.1_Tropical_Mix")

In the attachment "Attachment_G2.1_Tropical_Mix" you will find a documentation of some sample sales at the mentioned prices. Based on this historical we assume it to be legitimate to expect similar earnings in the future. We are selling our credits very often to small and individual customers which want to compensate their emissions but in the same way want to help to develop an ecosystem with high biodiversity. There for the only solution is a reforestation in mixed stand close to nature forests.

For our customers the compensation is not only the compensation of the emitted CO₂, they want to store the CO₂ in living biomass and create in the same way a habitat for animals and plants. Sometimes our customers are also using "the story of the project" for marketing purposes. In this case it is obviously better to compensate CO₂ with an reforestation project, where animals and plants could find a new habitat and which offers a variety of new jobs to the people living in the project region.

All these reason legitimate the "relative high" price of 13,8€ of one tonne CO₂ equivalent.

Reference Standard & Requirement: G2.4

As described in the CarbonFIX template „Additionality“ The most likely without project scenario is that the land comprised within the boundary of the proposed project activity continue to be used for marginal agro-pastoralist activities such as extensive cattle ranching for an indefinite period. Ongoing destruction of remaining natural forest areas belong to this land use pattern.

To describe how the ´withou project´ scenario would affect communities in the project zone, like changes in water, soil and other locally important ecosystem services it is important to describe at first the current land use in the province Darien.

The most dominant group in the project area are settlers that have established extensive cattle ranching activities since some decades in the region. The long term impacts of these activities can be regarded in the old settlement regions of the country as the central provinces and the Chiriquí region.

It is to be expected that cattle ranching activities will continue to intensify use of the current land and cause disappearance of the present forest patches in the region that are crucial to the remaining wildlife and plant diversity. On the other hand the cattle ranching activity itself will have a negative impact on the soils of this region which are very sensitive to effects of compactation because of their texture which is very clayey. Subsequently erosion is to be expected to deteriorate ecosystems.

Even though older peasants may give up the cattle ranching activities when they get old and retire to their regions of origin or leave in order to live in the city, it can be observed that there is another process of a continued migration into this region which leads to ongoing expansion of the cattle farming activities.

Reference Standard & Requirement: G3.5

Identification of likely natural and human-induced risks to the expected community and biodiversity benefits during the project lifetime and outline measures to indicate these risks

Risk to climate benefits of the project:

The major potential risk to the climate benefits of the project would be scenarios in which the trees planted under the project scheme do not exist permanently. This risk is mitigated that the project developer has pledged first to replant after harvest and also to compensate in case of losses (such as fire or drought).

If the worst scenario takes place and the project developer would not be able to compensate any shortfalls, the buffer fund (30% of all CFS projects) of CarbonFix would step in to reduce the negative impact on the climate.

Risks to communities:

Risks evolving from the water consumption of trees or the spreading of seeds can not be seen.

- Intensive management on our relatively complex plantations require considerable workforce and create alternative labour options for local peasants. Furthermore guaranteed regulation-conform labour conditions are an improvement for rural areas where laws are often difficult to enforce.
- The establishment of most of the native species is a benefit as much in biodiversity as socio-economically. The species used are rarely cultivated and have been vastly overused in natural forest and thus are hardly to obtain on the regional/national markets. Forest Finance creates future supply on fine timber for local industries and consumers.

Risks for biodiversity:

- Teak is an exotic species that can be critical to biodiversity when propagating throughout the area of the plantation, but the national ambiental regulations enforce each reforestation projects to present plans and strategies to combat the spreading of these species.
- The chance of land use exposes soils to erosion during the phase of establishment, especially the planting. Special planting techniques are used to meet these problems, e.g. opening alleys in brush vegetation and leaving lateral vegetation in order to protect soils (can be seen in Meteti 1 to the north of the secondary forest patch). Execute planting principally during the mornings when it generally doesn't rain too much. Limit planting to the parts of the rainy season where rainfalls are not excessive (like October, November).
- Native species establishment is a direct contribution to biodiversity including positive effects for the rest of the ecosystem. Most notably the fruits of the Almendro-tree (*Dypterix panamensis*) are food that is much desired by many wildlife species such as monkeys, bird etc.

The total project stands on solid financial ground. The project is also managed under FSC requirements

For further information see CFS-documents Forest Management, Protective capacity, Socioeconomic aspects and Environmental aspects.

Reference Standard & Requirement: G3.7

The CO₂OL Tropical Mix projects consists of two forest management systems. A rotation forestmanagement system with common forestry practices and a conservation forest management where the trees are „only“ planted to sequester CO₂.

The terms and reference of this areas state, that it is not allowed to resale the areas to third parties without an agreement of ForestFinance, see below an extract out of the terms and reference.

„The Principal buys/leases the lots indicated in the contract. These lots are clearly defined by a land survey and if applicable through notary authentication and following registration of the property in the land register. Together with the land purchase/leasehold the investor acquires approx. 1,100 seedlings per hectare for reforestation as a mixed forest with up to 5 commercial tree species and including forestry services according to the following agreements. Resale of the lots/leasing to third parties is only allowed under the limitations of use as described in 1. and only upon agreement of ForestFinance, which will be given upon abiding to the limitations of usage. Forest-Finance will support the Principal in the resale/leasehold of the lots.“ See complete documente terms and reference you will find in the attachment „attachment_G3.7_Tropical_Mix“.

The conservation areas (MU 0007, 0008 & 0009) will be part of the CO₂OL Rainforest Foundation after 50 years. This foundation was especially founded to ensure the permanence of the planted forests.

The forests are permanently protected. ForestFinance is the land owner and ensures the fullfilling of the forest managementplan.

Documents concerning this foundation will be available in the office of ForestFinance in Panama City.

The reforestation projects offer opportunities for the local economy. The infrastructure set up fort he plantings and the long term projects will create jobs and ensure the permanence of the project.

ForestFinance is planning to add frequently (yearly) new Management Units to the project Tropical Mix. This ensures also the long term possible employment for the current workers and will also give the possibility to others as well.

Reference Standard & Requirement: G3.8

Stakeholder identification and involment in the project.

In march 2010, a consultant is visiting the farms managed by BARCA for the annual social evaluation required by FSC. It will be coordinated that both requirements will be fullfilled, FSC and CCBA. More information could be provided by BARCA our forest service provider.

Reference Standard & Requirement: G3.9

CO₂OL and ForestFinance will publicize the public comment period on their websites. Also a comment will be stated on the CarbonFIX project website www.carbonfix.info/COI.

All documents are available in the office of ForestFinance in Panama City. A description, how to get to the office, you could find in the CarbonFIX template „visit the project“.

Local stakeholders will be informed verbally at regular meetings about the current state of the

project and could state all their concerns to BARCA, our forest service provider in the project region.

A project description of the CO₂OL Tropical Mix project is also available in the office of Barca in Torti and Panama City.

All project documents can be accessed through the project website at www.carbonfix.info/COI

Also the CCBA is making it public, that the PDD is available for the public comment period.

Distribution of key project documents to affected communities and stakeholders and the holding of widely publicized information meetings in relevant local or regional languages.

Through meetings, arranged by BARCA, the employees in the project have been informed about carbon forestry projects especially CO₂OL Tropical Mix. The project description (see attachment „attachment_G3.9_Tropical_Mix“) was presented to the workers to get a quick overview about the project. Any concerns and questions could be stated to the supervisor (Ariel Chavez, BARCA), the management team of BARCA and of ForestFinance.

The project description is available in the office of BARCA in Torti and also in the mainoffice in Panama City.

Through group meetings, community assemblies and information dissemination campaign, all the identified local stakeholders will be informed and will continuously being encouraged to actively participate in project planning, implementation and providing feedback. For new or additional local stakeholders that may emerge as the project develops, they will likewise be informed and their participation sought.

Reference Standard & Requirement: G3.10

process for handling unresolved conflicts and grievances

The „conflict solving process“ document will be available in the office of ForestFinance in Panama City.

Reference Standard & Requirement: G4.2

key technical skills that will be required to implement the project successfully

The management team covers all the necessary skills needed to implement this project, starting from community mobilization, site delineation/surveying, species-site suitability assessment, to seedling production until plantation establishment, development, maintenance and protection, and project monitoring and impact assessment. The reforestation concept of ForestFinance is existing for nearly 15 years. In the province Chiriqui where the first reforestations have started we are also managing more than 400 hectares mixed forest plantations. In the nursery in Las Lajas, we are producing our own seedlings out with seeds out of our forests.

Also BARCA is working for 30 years with management of tropical reforestation projects. The project implementer and its partners have been involved in related activities for many years, own related techniques and accumulated rich experiences over more than 15 years.

Our management team and also the team of BARCA consists of experienced forest engineers. They train the field workers to fulfill the theory in the field in the best as possible way. Our foreworkers have the technical skills and social capacity to lead a group of workers treat neighbours that they deal with throughout their work.

Monitoring and mapping of project areas which is done partly by our own specialists and consultants. There fore we use technical equipment like toughbook, GPS and different GIS Software. Carbon measurement will be done in the same way like the „normal“ forest monitoring. For our mixed plantations we have established a special monitoring system to measure each tree species on the planting area in a representative way. Fore each reforestation area we also conduct a soil analysis to ensure that the trees will grow in the best way.

The team of ForestFinance is a mix of engineers (forestry, geography), lawyers, bookkeepers etc. this mix of different knowledges ist he base fort he quality of the reforestation projects of ForestFinance.

The FSC certificate is also a label for quality. ForestFinance is holding the FSC label for several years.

Reference Standard & Requirement: G4.3

The Proponent should target capacity building efforts at wide range of people in the communities, including minority and underrepresented groups.

In the „Occupational Health and Safety program“ of BARCA are many of these points covered, regarding capacity building on the local communities, etc. This document will be available in the mainoffice of BARCA in Panama City.

Reference Standard & Requirement: G4.4

Hiring policy – selection of employees

how local community members, including women and other potentially underrepresented groups, will be given a fair chance to fill positions for which they can be trained.

Worthy to emphasize is its adherence to providing equal opportunity for everyone who is qualified irrespective of gender, religion or nationality.

In general, residents within the project region are the target beneficiaries except for highly technical positions that can't be provided mostly from the local communities.

More than 90% of our field workers are from the local indigenies groups and especially the work in nurseries and the planting activities are done by women. Also the management oft he ForestFinance S.A. is nearly in women hand and the boss of the forest department in Panama is also a woman, Yaels Camacho. This shows very clear that we provide equal opportunities to each gender, religion and nationality.

For the work in the field, BARCA is hiring locals or hires workers from other provinces like Chiriqui, Panama or Bocas del Toro where other projects of ForestFinance are based. Local workers offer different advantages, on the one hand they are „cheaper“, because it is not necessary to provide them accomodation opportunities, because they could live in their common surrounding with their families what also give them a very high living quality. On the other hand, they normally know the region they are working in very well. This helps us to do the projects in a high quality way. For the field workers and all other employees will be the necessary training provided they need.

It is in the desire of the project to give employment opportunity to everyone who is interested to work, job rotation is adopted.

For all people we plan to employ we try to get information about their former jobs. Higher qualified personal will be selected with two steps. First deskcheck of the CVs and second step is a talk with the people to get know if they will be a good part of team. Teamwork is one of our main aims to do a

good job.

Reference Standard & Requirement: G4.5

list of all relevant laws and regulations covering worker's rights in Panama and how the project will inform workers about their rights

ForestFinance and BARCA are fulfilling totally the laws and regulations for workers. These laws and regulations are fixed in the „codigo de trabajo“ of Panama (Codigo de Trabajo is available in the office of ForestFinance in Panama and see attachment „attachment_G4.5_Tropical_Mix“ los main principles of the codigo de trabajo).

BARCA is informing new workers with a welcome letter, called „Carta induccion de BARCA“. This letter has to be signed from both parties, BARCA and the employee.

Reference Standard & Requirement: G4.7

Additional information to CarbonFIX template „Financial capacity“

In the attachment „Attachment_G4.7_Tropical_Mix“ you will find the Annual Accounts 2007 and 2008 of ForestFinance.

For any further questions concerning the financial health you could contact

Mrs. Marisol Najarro (available in Germany)
Responsible accountant ForestFinance S.A.
Email: marisol.najarro@forestfinance.de
Phone: 0049 (0)228 943 778 0

or

Sr. Eduardo Rios (available in Panama during the site visit)
Certified public accountant ForestFinance S.A.
Email: rmasociados@hotmail.com
phone number: 209-8019
cell phone: 6672-2357

Reference Standard & Requirement: G5.1

As a FSC certified company we have to ensure we comply and know every law and regulation. The project developer acts in accordance to all laws within the country.

See attachment „Attachment_G5.1_Tropical_Mix“. There you will find a list of laws and regulations.

Rose Moreno (Head of legal department ForestFinance S.A.) is available during the audit to clarify any questions or requests concerning laws and regulations.

Reference Standard & Requirement: G5.2

The Project Proponent should provide evidence of approval from the appropriate authorities.

A "Host country letter of support" will be provided soon. After the bought of FuturoForestal and the new management of the National Environmental department (ANAM) in Panama we are working for this concern. The former host country letter of support was of FuturoForestal. ForestFinance has bought all the projects, including all customer contracts etc. of FuturoForestal in Panama.

The Host Country Letter of support of ForestFinance will be provided as soon as possible.

According to the law of Panama reforestation projects with less than 50hectares don't need any allowance of the state of Panama. For Punuloso ower biggest reforestation area the „estudio impacto ambiental“ will be available in the office in Panama City.

Fore each reforestation area (called finca) BARCA has a reforestation plan, which will be available in their office in Panama City.

Reference Standard & Requirement: G5.3

Description that land was purchased fairly and with free, prior and informed consent.

See attachment „Attachment_G5.3_Tropical_Mix“

Reference Standard & Requirement: G5.5

Identification of any illegal activities that could affect the project's climate, community or biodiversity impacts (e.g., logging) taking place in the project zone.

Illegal activities being done by local communities or any other person within the project zone include wood extraction for firewood, illegal logging in the later years of the forests and poaching of the living animals within the project.

To avoid these activities all our fincas are fenced so that the entrance is clearly shown as prohibited. We are working very close together with the local communities and our workers are out of the nearby settlements, so that any illegal action will get know very soon.

The Training of workers and information about the project creates also more conscience towards conservationist aspects

And ForestFinance does not allow people to interfere in protected areas on our farms which are usually used for non-authorized tree felling close to rivers, chase etc.

In Map 3 and 4 it is shown that on the roads to our forests are villages so the forestroads are under current observation. Our forest service provider BARCA and his workers are also frequently checking the different forests of our project.

Reference Standard & Requirement: G5.6

There are three types of land ownership on land which includes three different types of carbon rights.

1. Property on the land is legally registered to a company of the Forest Finance Group and has thus uncontested title to carbon rights see attachment „attachment_terms_of_reference_ForestFinance“.

2. Property is legally registered to an investor that has a contractual agreement with ForestFinance granting the right of genrating and trading carbon certificates during the

determined project cycle to the latter see attachment „attachment_terms_of_reference_ForestFinance“.

3. Property is legally registered to a company of the ForestFinance Group and ownership is rented to the investor for the project cycle including a contractual agreement with Forest Finance granting the right of generating and trading carbon certificates during the determined project cycle to the latter.

For investors in MU 0004 the contractual agreement on carbon rights has not been agreed on in the original contract. For this reason ForestFinance has established an amendment agreement on carbon rights see attachment of CarbonFIX template secured land tenure „13-COI-secured-land-tenure“.

Reference Standard & Requirement: CM1.1

The Proponent should assess the projects impacts on communities using appropriate methodologies, and determine the net community benefit for all community groups in accordance with CCBA Criterion CM1.1

We are currently in contact with different consultants to organize an evaluation/monitoring to determine the community benefits.

Reference Standard & Requirement: CM2.1-2.3

CM2.1

The CO₂OL Tropical Mix project is not expected to have net negative offsite impacts on the communities outside of the project area. The forests are planted close to nature forests, so they will be a part of the existing nature in the project region. This will provide positive impacts for the communities like better water quality, soil protection and the resettlement of the „normal“ biodiversity. Also the project will provide job opportunities, will enforce the economic sector in the project region and will give the locals ideas how to use their land in an social and economic friendly way.

CM2.2

As can be seen in the Leakage determination and also in the Baseline description in the CarbonFix templates „Baseline“ and „Leakage“ ForestFinance has bought former grazing land or pasture land. The former owner have moved to other places or have changed his source of income into others.

The former landowners have sold their former property voluntarily and on their own interest to Forest Finance, as they abandoned the livestock keeping for various reasons, or continued in a different place.

CM2.3

As stated in CM.2.1 and CM.2.2 it is expected, that the project will not have any negative offsite stakeholder impact.

The project creates jobs and so money will be spent by workers in the local villages. This will create additional jobs and will foster the local economy. It is expected that the project will have a net positive social and economic impact.

To assure that this projection is right any possible negative impacts will be documented.

Reference Standard & Requirement: CM3.1
The Proponent should develop an initial plan for selecting community variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project's community development objectives and to anticipated impacts (positive and negative).
We are currently in contact with different consultants to organize an evaluation/monitoring to determine the community benefits.

Reference Standard & Requirement: CM3.3
The Proponent should commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.
We are currently in contact with different consultants to organize an evaluation/monitoring to determine the community benefits.

Reference Standard & Requirement: B1.1
Observation: The Proponent should use appropriate methodologies to estimate changes in biodiversity as a result of the project in the project zone and in the project lifetime. This estimate must be based on clearly defined and defensible assumptions. The 'with project' scenario should then be compared with the baseline 'without project' biodiversity scenario completed in G2. The difference (i.e., the net biodiversity benefit) must be positive.
We are currently in contact with different consultants to organize an evaluation/monitoring to determine the biodiversity.

Reference Standard & Requirement: B2.1-2.3
Observation: The Proponent should Identify potential negative offsite biodiversity impacts that the project is likely to cause.
We are currently in contact with different consultants to organize an evaluation/monitoring to determine the biodiversity.

OBS 30/10	Reference Standard & Requirement: B3.1
Observation: The Proponent should develop an initial plan for selecting biodiversity variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project's biodiversity objectives and to anticipated impacts (positive and negative).	
We are currently in contact with different consultants to organize an evaluation/monitoring to determine the biodiversity.	

OBS 31/10	Reference Standard & Requirement: B3.3
Observation: The Proponent should commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.	
We are currently in contact with different consultants to organize an evaluation/monitoring to determine the biodiversity.	