

VALIDATION REPORT FOR THE PROJECT

FRESH BREEZE AFFORESTATION PROJECT

AENOR Asociación Española de
Normalización y Certificación

Contact Information

AENOR

6 Génova. 28004 Madrid – Spain

www.aenor.es

Project Title	Fresh Breeze Afforestation project
Version	3
Report ID	VAL REPORT Fresh Breeze 20140709

Report Title	Validation report of the fresh Breeze afforestation project
Client	Proteak UNO S.A.P.I.B. de C.V.
Pages	79
Date of Issue	2014-07-09
Prepared By	AENOR
Contact	Génova 6. 28004 Madrid- Spain. Telephone +34 914326000 Irobles@enor.es , www.aenor.es
Approved By	Luis Robles
Work Carried Out By	Chief auditor: Jose Luis Fuentes Pérez Auditor: Manuel García Rosell

Summary:

AENOR started the validation process, once the project was listed in the VCS pipeline, at the end July 2013 with the submission from Carbon Solutions de Mexico SA de CV of P.D and supporting documents such as the calculation spread sheets and the risk assessment of non-permanence. The field visit took place on September 23-27, 2013 in which the auditors visited the plantation projects, interviewed key stakeholders, staff and other related experts, and also reviewed the PD, and supporting documents. The purpose of the visit assessment was to determine the conformance of the project with respect to the VCS Version 3.4 Standard dated on October 8, 2013, and information provided in the P.D. The scope of the validation was to assess the conformance of information in the P.D with the VCS requirements and activities implemented up to visit date.

The Fresh Breeze afforestation project covers 4,269.82, hectares of land, which are adjacent to cattle, on which forest plantations for obtaining high-value, long-lived timber products and for sequestering large amounts of carbon dioxide from the atmosphere will be established. The grouped project activity is established in the states of Tabasco, Nayarit and Chiapas, Mexico. The project activity is categorized as a grouped project due to the project foresees an average expansion of 1,200 hectares per year, adding new project areas and instances from 2014 to 2020.

As a result of the accuracy review carried out by the VCS Team, the PPs has developed a new version 4.2 dated on 30 June 2014 of the P.D. At the same time, AENOR developed a new version 3 dated on 09 July 2014 of this validation report to clarify the four findings detected.

This validation report has been submitted to the PPs in which 9 CARs and 3 CLs were reported (see validation protocol in appendix 2). However, all these issues raised during the validation process where appropriately closed by means of corrections, more clear explanations and other supported documents. Thus, once all issued detected were appropriate solved, AENOR carried out a final validation report and deems with reasonable level of assurance that the project complies with all of the validation criteria. The assessment team has no restrictions or uncertainties with respect to the compliance of the project with the validation criteria, hence, the audit team concludes that the net GHG emissions reductions or removals, for the lands included in the project boundary at validation stage has been quantified in accordance with VCS rules, i.e, as the grouped project is an ARR project with harvesting, the long term average (LTA) GHG benefits and long term average change in carbon stocks were determined for calculation of the GHG credits to be issued. AENOR reproduced calculations and can confirm estimated GHG emission reductions or removals are correct, the long-term average GHG benefits of 5,814,537 tn is correct and once, buffer is calculated and subtracted out, the total GHG credits requested in the P.D and spreadsheet does not surpass the amount of 4,660,556 tn CO₂.

Table of Contents

1	Introduction	5
1.1	Objective	5
1.2	Scope and Criteria	5
1.3	Level of Assurance.....	6
1.4	Summary Description of the Project	6
2	Validation Process	6
2.1	Method and Criteria.....	6
2.2	Document Review	6
2.3	Interviews	7
2.4	Site Inspections	7
2.5	Resolution of Findings.....	8
2.6	Forward Action Requests	8
3	Validation Findings.....	8
3.1	Project Details	8
3.1.1	Project scope, type, technologies, measures implemented and eligibility of the project	8
3.1.2	Project proponent	8
3.1.3	Project start date	9
3.1.4	Project Crediting Period	9
3.1.5	Project scale and estimated GHG emissions or removals.....	9
3.1.6	Project Location.....	10
3.1.7	Project compliances with applicable laws, statues, and other regulatory frameworks	10
3.1.8	Ownership and other programs.....	10
3.1.9	Additional information relevant to the project.....	11
3.2	Application of Methodology	13

3.2.1	Title and Reference	13
3.2.2	Applicability	13
3.2.3	Project Boundary	15
3.2.4	Baseline Scenario	16
3.2.5	Additionality	20
3.2.6	Quantification of GHG Emission Reductions and Removals	23
3.2.7	Methodology Deviations	33
3.2.8	Monitoring Plan	33
3.3	Non-Permanence Risk Analysis.....	34
3.4	Environmental Impact	43
3.5	Comments by Stakeholders	43
4	Validation conclusion	44
APPENDIX 1: List of evidence PROVIDED		45
Appendix 2. VALIDATION PROTOCOL		49

1 INTRODUCTION

1.1 Objective

The purpose of the validation audit activity was to conduct an independent assessment of the project in order to determine whether the project complies with the validation criteria, as set out in the guidance documents listed in Section 1.2 of this report.

1.2 Scope and Criteria

Validation Scope: The scope of the validation audit is to validate the emissions reductions and/or removals of the proposed project activity in Mexico against the Verified Carbon Standard, the identified methodology and associated tools.

The objectives of this audit included a validation of the projects calculated removals with the Verified Carbon Standard requirements and any additional requirements of VCS AFOLU projects, besides the assessment of the additionality and the risk assessment report.

The scope was defined as follows:

- The project and its baseline scenarios;
- The physical infrastructure, activities, technologies and processes of the project;
- The GHG sources, sinks and/or reservoirs those are applicable to the project;
- The types of GHGs that are applicable to the project; and
- The project crediting period, as discussed in Section 3.1.4 of this report

Standard Criteria: In accordance with Section 5.3.1 of the VCS Standard, the criterion for validation was the VCS Version 3.4, including the following documents:

- VCS Program Guide v 3.5
- VCS Standard 3.4
- VCS AFOLU Requirements v.3.4
- VCS AFOLU Non-Permanence Risk Tool v 3.2

Unless otherwise indicated, the assessment was performed against the most recent version of the relevant VCS guidance document.

1.3 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.

All the revisions of the validation report before being submitted to the client were subjected to an independent internal technical review to confirm that all validation activities had been completed according to the pertinent AENOR instructions required. The technical review was performed by a technical reviewer(s) qualified in accordance with AENOR's qualification scheme for CDM/VCS validation and verification.

Name	Position in the team
José Luis Fuentes	Lead validator
Manuel García Rosell	Validator
Mercedes García	Technical Reviewer

Validation team

1.4 Summary Description of the Project

The Fresh Breeze afforestation project covers 4,269.82, hectares of land, in the states of Tabasco, Nayarit and Chiapas, Mexico with the specie *Tectona grandis* for land restoration, wood production and carbon sequestration through afforestation. Apart from searching the validation under the VCS scheme, the project is also FSC certified. The FSC certification was obtained on December 26, 2006 with the reference code SW-FM/COC-002110 and it has been renewed in December 2013, till December 2018 with the code SCS-FM/COC-004302. Though, all the plantations are not included within this FSC certificate, this issue was taken into account in the risk analysis calculation.

The project activity is categorized as a grouped project due to the project foresees an average expansion of 1,200 hectares per year, adding new project areas and instances from the future years, until 2020.

2 VALIDATION PROCESS

2.1 Method and Criteria

The validation was performed through a combination of document review, interviews with relevant personnel and on-site inspections, as discussed in Sections 2.2 through 2.4 of this report. At all times, the project was assessed for conformance to the criteria described in Section 1.2 of this report. As discussed in Section 2.5, findings were issued to ensure that the project was in full conformance to all requirements.

2.2 Document Review

The Project Description submitted by the PPs was reviewed against the approved methodology and against VCS requirements. Additional background documents related to the project design, baseline and additionality were also made available before and during the on-site visit in Mexico along with the non permanence risk report.

To address the corrective actions and clarification requests that arose from the desk review and on-site visit, the consultants revised the project description document version 1 and developed a final version after the accuracy review (version 4.2) dated on 30 June 2014.

2.3 Interviews

The AENOR validation team composed of José Luis Fuentes Pérez and Manuel García Rosell conducted interviews with project developers in Mexico to confirm selected information and to resolve issues identified in the document review.

From 23 to 27 September 2013, the AENOR validation team carried out the visit to the project site. The list of the interviewed people is below detailed. The people interviewed were those directly affected or involved in the project activity, and in some cases were just indirectly affected.

Name	Title
Jurgen Stock	Forestry Manager of Proteak
Ramiro Ibarra	Proteak Chiapas
Juan Martínez	Proteak Chiapas. Manager Region Sur and Noroete
Kristina Díaz	Social Responsibility and Certifications. Proteak
Secundino Torres	Manager Area Tabasco Norte.
Omar Carrero	Research Manager
Miguel Pérez	Manager Region Sureste Operations
Joel Ricardez	Surveillance Nursery
Moises González	Farm Manager

2.4 Site Inspections

The objectives of the on-site inspections performed were mainly to cross check the description provided in the P.D related to the environmental conditions of the project area, but also:

- Ensure that the geographic area of the project, as reported in the PD and the accompanying KML file, is in conformance with Section 3.11.1 of the VCS Standard;
- Perform a risk-based review of the project area to ensure that the project conforms to all other requirements of the VCS rules and the methodology.
- Observe the Project Proponent's field inventory crews collecting and recording data in order to assess whether data collection techniques conform to the monitoring plan and related documentation and to evaluate data quality control systems.

- Select samples of data from on-the-ground measurements for validation in order to meet a reasonable level of assurance and to meet the materiality requirements of the project, as required by Section 5.1.3 of the VCS Standard;
- Perform a risk-based review of the project area to ensure that the project is in conformance the eligibility requirements of the VCS rules and the applicability conditions of the methodology; and

In fulfilment of the above objectives, the audit team performed an on-site inspection of the project area on the dates detailed above observing the project area and vicinity to assess whether conditions are as described in the Project Plan. The audit team collected GPS tracking data and waypoints and took photographs to help correlate observations with mapping data supplied by the client in a KML file. The audit team observed inventory foresters and assistants collect field data on a sample of previously measured inventory plots, checking measurements and observing field procedures.

2.5 Resolution of Findings

A total number of 9 CARs and 3 CLs were raised during this validation process.

All findings issued by the AENOR audit team during the validation process have been closed. In accordance with Section 5.3.6 of the VCS Standard, all findings issued during the validation process, and the inputs for their closure, are described in Appendix 2

2.6 Forward Action Requests

No Forward Action Requests were raised to the PPs during this process.

3 VALIDATION FINDINGS

3.1 Project Details

3.1.1 *Project scope, type, technologies, measures implemented and eligibility of the project*

The project is classified under sectoral scope 14 (AFOLU). As described in Section 4.2 of the VCS AFOLU Requirements, the project is eligible under the category of Afforestation, Reforestation, and Revegetation (ARR project). According to its scale the project is classified as a “project”.

3.1.2 *Project proponent*

Proteak UNO S.A.B de C.V: Represented by Lourdes González.

Financial Analyst. Contact information and description of roles and responsibilities provided in the PD complies with the VCS requirements.

Other entities involved in the project include Carbon Solutions de Mexico which roles and responsibilities are also detailed in P.D and they are in conformance with VCS requirements.

The audit team finds that contact and entity information provided in the PD conforms to the VCS requirements.

3.1.3 Project start date

According to VCS Program Definitions 3.5, project start date is the date on which the project began generating GHG emission reductions or removals. According to the VCS AFOLU Requirement version 3.4, in section 3.2 is stated that the project start date of an AFOLU project is the date when activities that lead to the GHG emission removals are implemented.

For the proposed project, the date of July 1st 2009 correspond to the date when started the plantations of the Plantation El Tintal, this event correspond to the first activity, the earliest activity that lead the GHG removal of the project. AENOR has checked with the submitted record (Report by the National Forestry Commission (CONAFOR) in 2009 and a verification report by the Engineer Mario Ramirez Delgadillo in 2010) that established date is appropriate and consistent. Then, in opinion of AENOR is considered reasonable and correct based on the VCS requirements for starting date.

3.1.4 Project Crediting Period

As a result of finding 2 detected in the accuracy review, this section was modified.

Grouped project crediting period will be of 54 years, from July 1 2009 to June 30 2062.

This length of the project crediting period as required by section 3.3.2 of the AFOLU Requirements has been set to include at least one complete harvest/cutting cycle of all instances to be occur in the grouped project. Taking into account the schedule of plantations, detailed in the P.D and that harvest cycle will be at 25 years, the 54 years covers at minimum one complete harvest/cutting cycle for all plantations starting in 2009 and finishing in 2020, including plantation year as first cycle year.

In this regard, AENOR can confirm that PPs have developed credible and robust plan for managing and implementing the grouped project over the crediting period in compliance with section 3.3.1 of AFOLU Requirements. This was checked with forestry management plans at validation. However, to further show the commitment of Proteak with the grouped project, a statement declaring such commitment for a minimum of two rotation cycles has been provided to AENOR. The statement is dated on 14 July 2014 and it is signed by the Proteak Executive Director.

According to the VCS Standard version 3.4, the crediting period of AFOLU projects will have a minimum of 20 years and a maximum of 100 years. Therefore, the project activity is in line with the length of the crediting period, and the crediting period will be fix.

3.1.5 Project scale and estimated GHG emissions or removals.

As a result of finding 3 of the accuracy review, sections 1.7 and 3.4 were updated.

Fresh Breeze Afforestation project is classified as “ project” according its scale. it will remove an average of 52,573 CO₂ per year during the 54 years crediting period.

As the project is ARR, according to the AFOLU Requirements, the long term average of GHG benefits is calculated 5,814,537 tn CO₂ for the 54 years of crediting period, after applying the VCS buffer, the maximum VCUs to be issued is 4,660,576 tn CO₂.

3.1.6 Project Location

The project is implemented in three Mexican States, Chiapas, Nayarit and Tabasco. The location of all properties included in the project boundary of the project at the validation stage has been provided. The P.D states in its section 1.9 the coordinates of each property. Moreover, the polygons for every project area and a KML file have been provided to the validation team.

According to section 3.4 of the VCS Standard, as the project is categorized as grouped project, the project description sets out the geographic areas within which new project activity instances may be developed and the eligibility criteria for their inclusion. Such geographic areas have been defined with polygons in a KML file provided to AENOR.

Based on description of the grouped project, the geographic areas within new instances can be developed are the States of Tabasco, Chiapas and Nayarit, in Mexico.

Regarding conditions prior to the project initiation, section 1.10 of the P.D described in a complete way the climate, hydrology and use of soil for states involved in the project. During the on site visit, AENOR verified that project is being implemented in low productivity soils, degraded, that are mainly dedicated to cattle.

3.1.7 Project compliances with applicable laws, statutes, and other regulatory frameworks

Section 1.11 of the PD provides information related the compliance with the applicable laws, statues and other regulatory frameworks. According to the information provided and assessed during the on site visit, in Mexico, the regulation related to forest projects is the General Law for Sustainable Forest Development “Ley General del Desarrollo Forestal Sustentable”, which aims to regulate and promote the conservation, protection, restoration, production, management, cultivation and use of forest ecosystems and their resources in the country. The national institution in charge of the approval of the project activity is the Ministry of Environment and Natural Resources (SEMARNAT).

This Law establishes in the Article 87 and 89 that forestry plantations with a surface equal or less than 800 hectares do not need to develop an environmental impact assessment. The project developer only needs to submit a written notice for forest planting, then SEMARNAT will issue a proof of registration. Based on this requirement all proofs of registrations have been provided to AENOR for every property and correctly detailed in the P.D. In addition, as it is explained in section 5 of the P.D, the PP carried out an E.I.A for the project in order to detect the potential impacts in environmental vectors and measures to diminish them.

In addition, the project is partially certified under FSC scheme. This Certification was granted in December 2006 and it has been renewed in December 2013 until December 2018 with the code SCS-FM/COC-004302. The registers from FSC were provided to AENOR. This Certification implies an additional level of assurance that the project complies with applicable laws and regulations. Thus, the audit team deems that the evidence of compliance of the project with applicable laws and regulations is adequate.

3.1.8 Ownership and other programs

3.1.8.1 Right of use

Right of use is established by Notarial Certificates between the landowners and the Project Participant (Proteak UNO S.A.B de C.V). These Certificates have been provided to the AENOR validation team and they evidence the purchase and acquisition by Proteak of every property under the project. Only two properties, Cascada and Empeño 8, have different figure. In these cases, there are two rental contracts with Proteak that accredit the control of the PP, however, the PP is in process to perform the total land

purchase. In fact, the rental contracts provided show the landlord's commitment to pursue the selling of lands by the Agrarian Law for the sale of land."

Thus, these Certificates issued by competence authorities show that Proteak is the owner of every property included in the project, thus, they really secure the right of use for the entire project longevity. This has been supported through contracts for properties at validation, however, any additional instances are to follow a likewise process. Hence, the audit team finds that the Project Proponent's right of use is unconditional, undisputed, and unencumbered, in accordance with VCS requirements.

3.1.8.2 Emissions trading programs and other binding limits

GHG removals generated by the project will not be used for compliance with binding limits to GHG emissions since such limits are not enforced in Mexico, and there is no emissions trading program in place in the country.

3.1.8.3 Participation under other GHG programs

As the project has not been registered under any other GHG program, this section is not applicable.

3.1.8.4 Other forms of environmental credit sought or received

As the project has not sought or received other forms of environmental credit, this section is not applicable.

3.1.8.5 Rejection by other GHG programs

The project has never applied neither has been rejected by other GHG programs, then, this section is not applicable.

3.1.9 *Additional information relevant to the project*

3.1.9.1 Eligibility criteria for grouped projects

As a result of the finding 4 detected in the accuracy review, this section was modified.

Taking into account the requirements of section 3.4.9 of the VCS Standard a set of eligibility criteria has been defined for the inclusion of new project activity instances. They have to comply with all the eligibility criteria that were stated in the P.D. Partial compliance of the eligibility criteria is insufficient.

The criteria are the following:

- All new instances shall lie within the Mexican States of Tabasco, Nayarit and Chiapas.
- All new instances shall meet the applicability conditions set out in the methodology applied to the project, but also new instances shall be on degraded lands (determined with applicable CDM tool), and shall not be in wetlands, organic and/or drained soils. The new plantation shall use Teak as specie and shall use the same characteristics, measures of the project activities defined in section 1.8.
- Shall have the baseline scenario as identified in section 2.4 of the P.D.

In this regard, AENOR checked that determination of the baseline scenario was carried out in compliance with the “Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities”, version 01 as the applicable methodology requires. According to the bullet 3.4.3 of the VCS Standard, AENOR validated that determination of baseline scenario was based upon the initial project activity instances. As the grouped project geographical areas are States of Nayarit, Chiapas and Tabasco, the baseline scenario was determined for the entire grouped project area, i.e, the three States. Then, any new instance has to demonstrate that is subject to the baseline scenario determined in the project description which is the current situation, i.e, degraded land due to overgrazing.

Further discussion on baseline scenario determination is provided in section 3.2.4 of this validation report.

- Shall be additional following the applicable CDM tool as applied in section 2.5 of the P.D.

As for baseline scenario, AENOR checked that determination of the additionality was carried out in compliance with the “Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities”, version 01 as the applicable methodology requires.

According to the bullet 3.4.3 of the VCS Standard, AENOR validated that additionality was based upon the initial project activity instances. As the grouped project geographical areas are States of Nayarit, Chiapas and Tabasco, the additionality was determined for the entire grouped project area, i.e, the three States. Then, any new instance has to demonstrate that its characteristics with respect to additionality are consistent with the initial instances for the specified project activity and geographic area, i.e, they are not common practice.

- A non-permanence risk buffer assessment shall be performed for each new project area and applied for buffer determination.
- Leakage shall be assessed for each new project area following the applicable CDM tool.
- Proteak UNO S.A.B. de C.V. shall have the right of use for each new project area.
- Shall be managed according to the same sustainability principles as described in this PD.

According to the VCS Standard section 3.4.10, the new project activity instances that are part of a grouped project shall:

- Occur within one of the designated geographic areas specified in the project description. That means that will occur only in the states of Tabasco, Chiapas and Nayarit.
- Be included in the monitoring report with sufficient technical, financial, geographic and other relevant information to demonstrate compliance with the applicable set of eligibility criteria and enable sampling by the validation/verification body.
- Be validated at the time of verification against the applicable set of eligibility criteria.
- Have evidence of right of use, in respect of each project activity instance, held by the project proponent from the respective start date of each project activity instance (ie, the date upon which the project activity instance began reducing or removing GHG emissions).
- Be eligible for crediting from the start date of the instance through to the end of the project crediting period (only). Note that where a new project activity instance starts in a previous

verification period, no credit may be claimed for GHG emission reductions or removals generated during a previous verification period and new instances are eligible for crediting from the start of the next verification period.

AENOR checked the criteria established for the inclusion of new instances. They list is complete and they are reasonable in order to guarantee and establish an appropriate maintenance of the project.

3.1.9.2 Leakage management for AFOLU projects

The P.D details in its section 3.3 how the Leakage management has been treated for the project.

3.1.9.3 Commercially sensitive information

No information has been excluded from the public version of project description. Information that is deemed to be commercially sensitive shall remain public as this information is directly related to project's additionality or baseline scenario.

Thus, once AENOR performed the on site visit, interviewed project participants, reviewed the rights of use, proofs of registration, maps and other registers, AENOR deems that project description in the P.D is accurate, complete, and provides an understanding of the nature of the project.

3.2 Application of Methodology

3.2.1 Title and Reference

The CDM consolidated methodology AR-ACM0003: "Afforestation and reforestation of lands except wetlands" v1.0.0 is applied to this project activity.

3.2.2 Applicability

The final P.D states all evidence used to demonstrate each condition of the applicable methodology. Complete explanations are included in section 2.2 of the P.D provided to AENOR. In opinion of AENOR, the evidence and explanations confirm the fulfilment of the project with the methodology. The assessment was carried out for each applicability criterion and included, among others, the review of evidence and sources provided in the P.D and the compliance check of the local project setting with the applicability conditions in regard to baseline setting and eligible project measures as follows:

Assessment of applicability conditions:

a) The land subject to the project activity does not fall in wetland category.

In this regard, the PP has provided the Land Use Research study carried out by FSI Environmental and Forestry Technical Services. According to data and information provided in this report the properties chosen for the project activity are lands out of wetland areas, thus, the first applicability condition of the methodology is complied.

b) Soil disturbance attributable to the afforestation and reforestation (A/R) clean development mechanism (CDM) project activity does not cover more than 10 percent of area in each of the following types of land, when these lands are included within the project boundary:

i. Land containing organic soils;

ii. Land which, in the baseline, is subjected to land-use and management practices and receives inputs listed in appendices 1 and 2 to this methodology.

Based on the Proteak Forestry Management Plan and Management Program of plantations, no land disturbance will be attributable to the project area as a part of the project activity over 10%; the land preparation for the plantation will be digging methods as confirmed during on site. According to the plantation method provided by Proteak and confirmed during the site visit with forestry foremen the space between trees cover (not disturbance area) a percentage well over 90% per hectare. That means that following this politics the Project will have almost the total area with not disturbance.

The spacing between the trees has to scenarios:

- Lower tree density: 890 trees/ha with a spacing of 3.5 meters (row) and 3.2 meters (columns). The spacing area is 11.2 square meters that means that the spacing area per ha is 9968 square meters (99.68% of not disturbance area).
- Higher tree density: 1111 trees/ha with a spacing of 3.0 meters (row) and 3.0 meters (columns). The spacing area is 9 square meters that means that the spacing area per ha is 9999 square meters (99.99% of not disturbance area).

On the other hand, the appendix 1 of the methodology doesn't apply to the project activity due to the project activity plantations don't falls in cropland category. They are grassland. In addition, the project activity is taking place in land that doesn't fall in the land management practices and inputs listed in appendix 2 of the methodology. Considering the appendix 2, for grassland, the project activity is developed in tropical wet areas where grasslands are degraded and no inputs are applied.

The "Tool for the identification of degraded or degrading lands for consideration in implementing A/R CDM project activities" Version 1 has been applied to demonstrate that the lands are degraded or degrading.

Stage 1 of the tool requires the PP to screen the lands of the project to determine whether the area has been classified as "degraded" under any verifiable local, regional, national or international land classification system or credible study produced within the last ten years.

In this case the report of SEMARNAT (Secretary of Environment and Natural Resources) is used; it demonstrates the soil degradation of the country. The maps show that the regions of the project activity falls in the category of degraded and the cause of the degradation is overgrazing.

c) Compliance of the applicability conditions of the tools contained within the methodology and applied by the project. As the P.D states in its section 2.1 the following tools are considered:

Estimation of carbon stocks and change in carbon stocks in dead wood and litter in A/R CDM project activities" Version 02

"Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities" Version 03

"Estimation of non-CO2 greenhouse gas (GHG) emissions resulting from burning of biomass attributable to an A/R CDM project activity" Version 04.0.0

"Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity" Version 01

"Tool for estimation of change in soil organic carbon stocks due to the implementation of A/R CDM project activities" Version 1.1

Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities", version 01

VCS AFOLU Non-Permanence Risk Tool Version 3.2

Calculation of the number of sample plots for measurements within A/R CDM project activities, version 02.1.0.

AENOR, based on records provided including spreadsheets calculations of the emissions reductions, has verified that applicability conditions of the different tools are complied.

In conclusion, the project activity complies with the applicability conditions of the methodology, and any tools or modules selected by the project proponent.

3.2.3 Project Boundary

Project boundaries include all the areas of Proteak UNO S.A.B. DE C.V. that will be reforested and they are under the control of the PP. These areas have been defined based on the methodology criteria.

According to the methodology the carbon pools, emission sources and GHGs selected for accounting are the followings:

Source		Gas	Included?	Justification/Explanation
Project	Burning of woody biomass	CO ₂	No	CO ₂ emissions due to burning of biomass are accounted as a change in carbon stock
		CH ₄	Yes	Burning of woody biomass for the purpose of site preparation, or as part of forest management, is allowed under this methodology. In spite of the information mentioned in the methodology, the project activity doesn't practice the activity of burning the biomass for the site preparation. Therefore these sources will be neglected.
		N ₂ O	No	Burning of woody biomass for the purpose of site preparation, or as part of forest management, is allowed under this methodology.
		Other	N/A	

According to the AFOLU Requirements for ARR projects N₂O emissions from project activities that apply nitrogen containing soil amendments and N₂O emissions caused by microbial decompositions of plant materials that fix nitrogen may be deemed de minimis and need not be accounted for. In case of the Fresh Breeze project, N₂O emissions are not accounted, then, excluded from GHG emissions calculation.

Regarding CH₄, AENOR checked with the management plans of the plantations and interviews with PPs that site preparation does not require the burning of woody biomass, therefore these emissions are counted as zero.

Regarding the Carbon Stock Changes and taking into account the applicable methodology, the chosen carbon pools and GHG accounted are the following:

Carbon pool	Whether selected	Justification/Explanation
Above-ground biomass	Yes	This is the major carbon pool subjected to project activity.
Below- ground biomass	Yes	Carbon stock in this pool is expected to increase due to the implementation of the project activity.
Dead Wood, Litter and Soil organic Carbon	Optional	Carbon stock in these pools may increase due to implementation of the project activity

Table 1. **Carbon pools selected for accounting of carbon stock changes.**

For Shrubs consideration, the tool: Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities, is applied. The PPs determined data of shrub crown cover by means of photo and management plans and demonstrated that data is less than 5 per cent in areas under the project boundary, then, the shrub biomass per hectare is considered negligible and hence accounts as zero.

Regarding dead wood, and litter and considering the requirements in the AFOLU standard, these pools must be considered whether the project can reduce these carbon pools significantly. In case Fresh Breeze project as the project is reforestation and the baseline scenario is grassland without any input of management, the project does not reduce these pools and the baseline activities do not reduce significantly these pools as they do not exist. Then, they are not accounted. However, the soil organic carbon is accounted in calculation as described in sections below.

3.2.4 Baseline Scenario

The baseline scenario of the proposed project activity has been defined using the “Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities”, version 01.

AENOR, based on evidence provided and detailed in the P.D and appendix 1 of the present report, validated that baseline scenario was determined for the three States where instances of the grouped project will be located.

Based on the combined tool, the following steps were applied and appropriately developed and justified in the P.D:

Step 0. Preliminary screening based on the starting date of the A/R project activity

According to evidence provided the starting date of the project was defined on July 2009, i.e, after 31 December 1999 but before the date of its registration. To confirm the start date the Project participants provided the “Program for developing Forest Commercial Plantations” by the National Forestry Commission (CONAFOR), 2009 and a verification report by the Engineer Mario Ramirez Delgadillo in 2010 confirming plantations carried out in 2009 under the Program.

The reports by CONAFOR confirms that first plantation of Proteak was carried out in “El Tintal” located in Tabasco States, at that date. According to the VCS AFOLU Requirement version 3.4, the project start date of an AFOLU project is the date when activities that lead to the GHG emission removals are implemented, then, accepted by AENOR.

On the other hand, the Project participant was requested to provide a timetable of the main milestones of the project activity in order to prove that the incentive from the planned sale of VCUs was seriously considered in the decision to proceed with the project activity.

Accordingly, the main milestones are:

- April 2008. On this date there is a proposal between PROTEAK and a consulting enterprise to develop a project under a Carbon scheme.
- September 1, 2008. On this date the agreement between the investors and PROTEAK was signed. This Agreement furnished to AENOR clearly considers the searching of carbon credits for the project and it is considered as a decisive input for overcoming the barriers.

Both, the proposal from a consulting firm and the investment agreement were provided to AENOR. Considering these two evidence AENOR deems that the incentive from carbon credits was seriously considered to proceed with the project activity prior to the project start date.

STEP 1. Identification of alternative land use scenarios to the proposed A/R CDM project activity

Sub-step 1a. Identify credible alternative land use scenarios to the proposed CDM project activity.

The following baseline scenarios were identified:

1. Continuation of pre-project land use.

The pre-project situation as AENOR could verify during the on site visit to the places, was extensive cattle grazing with no pasture improvement.

2. Afforestation of the land within the project boundary without being registered as VCS project.

3. Land used for agricultural practices.

This option is neglected as it is not realistic and credible. The core business of the project developer is not the agriculture, but also the profitability of the project. The degraded conditions of the land would not support agricultural practices. The farmers would not afford the costs for preparation of land for carrying out cultivation. The lack of irrigation, lack of proper upkeep and degraded nature of land can reduce the production; therefore the yield will be poor compared to investment.

4. Forestation of at least a part of the land within the project boundary of the proposed project at a rate resulting from:

Legal requirements

Extrapolation of observed forestation activities in the geographical area with similar socio-economic and ecological conditions to the proposed VCS project activity occurring in a period since 31 December 1989 as selected by the PPs

This option is not applicable to the project activity. Actually, there is a not forestation legal requirement by the government to have forestation activities. In addition, AENOR verified during the on site visit that there are not forestation activities in the geographical area with similar conditions to the proposed project. Therefore, this 4th alternative is not applicable and then, neglected.

Thus, the output of this sub-step is alternative 1 and 2.

Sub-step 1b. Consistency of credible alternative land use scenarios with enforced mandatory applicable laws and regulations.

The proposed project activity complies with the applicable laws as identified in section 1.11 of the P.D. On the other hand, the continuation of the current situation also fulfils with the applicable laws, then, both, the implementation of the project activity without carbon credits and the continuation of the pre-project baseline scenario fulfil with the enforced mandatory applicable laws and regulations.

STEP 2. Barrier analysis

Sub-step 2a. Identification of barriers that would prevent the implementation of at least one alternative land use scenarios.

The following barriers were identified and justified:

- Barriers due to local ecological conditions, inter alia:
 - Degraded soil
 - High erosion risk (e.g. steep slopes)

The “Environment report” by the Secretary of Environment and Natural Resources (SEMARNAT) provided to AENOR constitutes the most relevant input from an official source on the environment and the natural resources in the country as the report states in its “Introduction”. The Report is organized in seven chapters including the factors affecting the environment, the state of their biotic and abiotic elements and the governmental responses directed to recover and stop degradation of national ecosystems. The chapter dedicated to “soils” analysis includes maps and several classifications. Based on this reliable and appropriate data sources, AENOR verified that lands where the proposed project is being implemented are categorized as degraded with “moderate” or “high” and even “very high” risk of soil loss due to hydric and eolic erosion. The main cause of this situation is the overgrazing of soils as the same report confirms. Thus, the identification of the barrier is appropriately justified and deemed credible.

- Technological barriers

During the on site visit, AENOR interviewed project participant and visited the nursery of the project. As a result, AENOR verified that the appropriate genetic material is not available in the geographical area of the project. Project participant acquired the vegetal material abroad. The purchase agreement with the provider of clones was submitted to AENOR.

Other important barrier is the lack of appropriate human resources for developing and implementing this kind of technology. In fact, AENOR also verified during the interviews with people in charge of the project, mainly forestry crew, that they have been recruited in other countries such as Venezuela.

Thus, in the rural areas and local communities affected by the project, the lack of access to quality seed sources combined with the lack of human resources with appropriate capacities, and knowledge in the geographical area implies a credible and reasonable barrier for the project implementation.

Sub-step 2b. Elimination of land use scenarios that are prevented by the identified barriers.

The alternative 1 which is the current situation is not prevented by any barrier. It is the current land use, and the one that has been practiced for more than 100 years ago.

Regarding the alternative 2, i.e, the project implemented without carbon credits, this alternative faces the two barriers assessed above, i.e, the ecological conditions and technology.

The erosion risks within location area are moderate to high or very high. Beside, considering the overgrazing history during summers in the region, this alternative is subject to uncertainty about wood productivity due to the degradation process suffered by soils.

As explained above, the land owners in the region generally lack the capacity and equipment for conducting forestry activities as forestry activities are not a common practice in the region. In fact, if the cattle grazing have been the typical land use of the geographical area during more than 100 years, the project developer started in the year 2000 with commercial forest plantation as part of the “Program of Commercial Forest Plantation” by CONAFOR that was created in the year 1997. Therefore, knowledge and technology for implementing this kind of projects is recent and diffused in the region.

Apart from ecological conditions and technology, there are other noticeable issues that project faces, such as the return periods. For cattle activities, farmers expect a yearly income from their production, while forestry projects have a period of 10 or more years for return on the investment.

In addition, this alternative is also prevented by remoteness of land area, which imposes high transportation cost for wood products and the own technology implies an extra risk regarding the typical and traditional activities in the baseline, as a 25-year rotation imposes uncertainties about wood productivity and quality; wind damages; and harvesting of thick logs, which are additional to other uncertainties applicable to shorter-rotation plantations (e.g., pest and disease outbreaks) or the long time before the returns on investment back.

Thus, this alternative 2 would be prevented by the identified barriers.

Thus, the outcome of sub-step 2b is the pre-project baseline scenario, as the only scenario which is not prevented by any barrier.

Sub-step 2c. Determination of baseline scenario (if allowed by the barrier analysis)

Following the combined tool, the project participant followed the decision tree of the sub-step 2c.

Is forestation without being registered as a VCS project activity included in the list of land use scenarios that are not prevented by any barrier?

→ If yes, then:

Does the list contain only one land use scenario?

→ If yes, then the proposed A/R CDM project activity is not additional.

→ If no, then continue with Step 3: Investment analysis.

→ If no, then:

Does the list contain only one land use scenario?

→ If yes, then the remaining land use is the baseline scenario. Continue with

Step 4: Common practice test

→ If no, then through qualitative analysis, assess the removals by sinks for each scenario and select one of the following options:

Option 1: Baseline scenario is the land use scenario that allows for the highest baseline GHG removals by sinks. Continue with Step 4: Common practice test,

Option 2: Continue with Step 3: Investment analysis.

Based on the previous analysis and the above decision tree, the result is that “forestation without being registered as VCS” is not included in the list of land use scenarios that are not prevented by any barrier. The list only contains one land use scenario which is “the pre-project land use”, i.e, the current situation, then, this is the baseline scenario and Project participant continues with the Step 4. Common practice analysis.

AENOR deems that assumptions, justifications and data used in the identification of the baseline scenario are appropriately justified and can be deemed reasonable.

Documentary evidence used in determining the baseline scenario is relevant, and correctly quoted and interpreted in the project description.

Relevant national and/or sectoral policies and circumstances have been considered and are listed in the project description.

The procedures for identifying the baseline scenario have been correctly followed according to the steps in the combined tool and the identified scenario reasonably represents what would have occurred in the absence of the project.

Thus, AENOR considers that the identified baseline scenario is correctly justified.

3.2.5 Additionality

To demonstrate the “Common practice analysis” the project participants followed the “Combined tool”.

Considering the paragraphs 32 and 33 of the “Combined tool to identify the baseline and demonstrate additionality in A/R CDM project activities”, the PPs identified a list of similar potential forestation activities to the one proposed as the VCS project activity that have been implemented previously or are currently underway in the geographical area of the project, i.e, States of Tabasco, Chiapas and Nayarit. However, the additionality assessment was carried out to demonstrate that proposed grouped project activity is not common practice in either the grouped geographical region or the whole country, Mexico. Other registered Carbon Schemes project activities have not been included in the analysis.

To perform the additionality assessment an official data source from the National Forestry Commission (CONAFOR) was used. Based on “Program for developing Forest Commercial Plantations” by CONAFOR the following activities were assessed.

Activities	Area (Ha)	Type of Plant
Forestaciones Operativas de México S.A. de C.V.	14,548	<i>Eucalyptus, E. urophylla and E. grandis</i>
Agropecuaria Santa Genoveva S.A. de C.V.	9,154	<i>Tectona Grandis y Cedrela odorata</i>
Proteak UNO S.A.B. de C.V.	4,269.82	<i>Tectona Grandis</i>
Asideros Globales Corporativo, S. de R.L. de C.V.	3,742	<i>Jatropha curcas</i>
Promotora de Plantaciones del Sureste S.A. de C.V.	2,616	<i>Cedrela odorata, Gmelina arborea and Swietenia macrophylla</i>
Plantaciones de Tehuantepec S.A.	2,581	<i>Eucalyptus urophylla and E. Grandis</i>
Gerardo Dávila Rodríguez	2,572	<i>Christmas Tree and Euphorbia antisyphilitica</i>
Forestales Mexicanos, S.A. de C.V.	2,398	<i>Hevea brasiliensis, Eucalyptus urophylla and Eucalyptus spp</i>
Agroindustrial Agua Fría, S.P.R de R.L. de C.V.	2,288	<i>Gmelina arbolea, Cedrela adorata y Swietenia macrophylla</i>
Unión de Silvicultores de la Región de Escárcega, S.P.R. de R.L.	2,191	<i>Cedrela adorata y Swietenia macrophylla</i>

AENOR checked with the official report “Program for developing Forest Commercial Plantations” by the National Forestry Commission (CONAFOR), that list is complete and information provided is credible and reliable.

In order to check whether these activities (technologies or practices) are similar to the proposed one in relation to the scale, or environment conditions, an exhaustive analysis of each activity listed above was carried out.

The first activity identified is carried out by Forestaciones Operativas de México S.A. de C.V. The activity is a plantation of several Eucalyptus species, then, complete different from Teak. This implies different practices of planting, thinning, rotation and ending products. The plantation information by Forestaciones was checked with the CONAFOR report. In addition, the P.D details other supported reports submitted to AENOR about Eucalyptus plantations to evidence the different technology applied, apart from the knowledge of the validation team. One of the key issues is the short rotation periods of the Eucalyptus plantations compared with the Teak plantations that result in shorter time period for revenues return. Thus, this Eucalyptus activity is not similar and then, it is not comparable to the proposed project.

Related the activity developed by Agropecuaria de Santa Genoveva S.A. de C.V, this activity is defined as agricultural, livestock and forestry project, according to the information by CONAFOR and the project description published in the Secretary of Environment and Natural Resources (SEMARNAT) which has been furnished to AENOR. Thus, AENOR deems correctly to consider this activity not similar to the proposed project among other things because the agricultural and livestock practices assure revenues

from the first year of operations and the design and configuration of the activity is complete different from the Fresh Breeze project. This was confirm in the project document of the Agropecuaria in SEMARNAT, thus AENOR considers the information credible and reliable, then, it is reasonable to discard it as similar.

The activity of Asideros Globales Corporativo, S. de R.L. de C.V though is a forestry plantation, the specie used is the *Jatropha curcas* and it is not used for commercial forestry, but energy purposes as Biodiesel. Then, it is a different technology, and not similar to the Proteak activity.

The activity of the Promotora de Plantaciones del Sureste S.A. de C.V consists of a plantation of the following species: *Cedrela odorata*, *Gmelina arborea* and *Swietenia macrophylla*.

This activity is implemented in an area of 2,616 Ha, almost a 40% area lower than the proposed Proteak activity, without considering that Proteak activity is a grouped project with the purpose of increasing 1,200 hectares per year. Then, the first relevant difference is the scale which implies lower costs in investment and lower costs in operation and maintenance activities for Promotora de Plantaciones.

In addition, as long as the Proteak plantation is a mono-specific plantation, the activity of Promotora is a multi specific plantation with different species, then different practices and technology due to different planting, thinning, rotation cycles and ending products which allow among other things a shorter rotation periods than Fresh Breeze, thanks to *Gmelina arborea*, then faster economic returns.

On the other hand, Proteak has implemented a FSC Certification in part of the areas under the proposed project. This way, Proteak commits itself to manage its plantations in a socially, environmentally and economically sustainable way according to the principles and criteria of FSC Certification, i.e, stricter way than a common plantation.

Therefore, the scale, the technology, the design and commitments and goals of the Fresh Breeze project and the activity of Promotora de Plantaciones are not similar, then not comparable.

Regarding the activities of Plantaciones Tehuantepec S.A, Gerardo Dávila Rodríguez, Forestales Mexicanos S.A de C.V, Agroindustrial Agua Fría S.P.R de R.L de C.V and Unión de Silvicultores de la Región de Escárcega S.P.R de R.L, the differences to consider these activities as not similar to the Fresh Breeze activity are the same that those highlighted for the activity of Promotora de Plantaciones del Sureste S.A. de C.V.

The scale of all these activities is 40%-50% lower than the scale of the Fresh Breeze project, without considering that Proteak activity is a grouped project with the purpose of increasing 1200 hectares per year. Then, the first relevant difference is the scale which implies lower costs in investment and lower costs in operation and maintenance activities.

Another relevant difference is the technology. These activities use different species as the table states with complete different practices of operation and maintenance such as planting, pruning, thinning, harvesting, and final products, as the P.D detailed in a complete manner. In the case of Plantaciones Tehuantepec S.A activity, the most relevant issue is that the plantation is based on Eucalyptus which shorter rotation periods, then, shorter income periods than 25 years of Proteak plantation. The activity of Gerardo Dávila Rodríguez is based on Christmas tree and *Euphorbia antisyphilitica*. The Christmas trees have a lower rotation period than Teak. The *Euphorbia antisyphilitica* is used for wax, not wood. Definitely, this activity is different of Fresh Breeze project. The same occurs with the plantations of *Hevea brasiliensis* and Eucalyptus of Forestales Mexicanos S.A de C.V and the plantation of *Gmelina arborea* and *Swietenia macrophylla* of Agroindustrial Agua Fría, S.P.R. de R.L. de C.V.

And finally, besides the different scale and technology of these activities versus the Fresh Breeze project, as it was outstanding above, the Proteak project has implemented a FSC Certification which implies a commitment to manage its plantation in a socially, environmentally and economically sustainable way according to the principles and criteria of FSC Certification.

Hence, after the assessment of the explanations and justifications in the P.D and the review of the submitted evidence, also detailed in the project document, AENOR deems credible and reliable the supported documents provided. The information described in the P.D is consistent with them. Thus, it can conclude that there are several characteristics that make each activity different, not similar to the Fresh Breeze project, then, not comparable. Thus, the project activity is not the baseline scenario, it is not the common practice and hence, it is additional.

The incomes from VCUs will help to overcome the faced barriers by the project and will alleviate the expected long time period for revenues.

3.2.6 Quantification of GHG Emission Reductions and Removals

The net anthropogenic GHG removals by sinks shall be calculated as follows:

$$\Delta C_{AR-CDM,t} = \Delta C_{ACTUAL,t} - \Delta C_{BSL,t} - LK_t$$

Where:

$$\Delta C_{AR-CDM,t} = \text{Net anthropogenic GHG removals by sinks, in year } t; \text{ tCO}_{2-e}$$

$$\Delta C_{ACTUAL,t} = \text{Actual net GHG removals by sinks, in year } t; \text{ tCO}_{2-e}$$

$$\Delta C_{BSL,t} = \text{Baseline net GHG removals by sinks, in year } t; \text{ tCO}_{2-e}$$

$$LK_t = \text{GHG emissions due to leakage, in year } t; \text{ tCO}_{2-e}$$

To calculate the baseline net GHG removals by sinks, the following formula is applied:

$$\Delta C_{BSL,t} = \Delta C_{TREE_BSL,t} + \Delta C_{SHRUB_BSL,t} + \Delta C_{DW_BSL,t} + \Delta C_{LI_BSL,t}$$

The P.D justifies in section 3.1 the baseline net GHG removals. According to the IPCC Good Practice Guidance for Land Use, Land Use Change and Forestry (2003) since a continuation of the baseline activity has been applied without changes for more than 20 years and this has been selected as the baseline scenario, it is assumed, that the net GHG removals by sinks in the baseline equals zero. AENOR deems as appropriate this justification considering the source provided. Thus,

$$\Delta C_{BSL,t} = \Delta C_{TREE_BSL,t} + \Delta C_{SHRUB_BSL,t} + \Delta C_{DW_BSL,t} + \Delta C_{LI_BSL,t} = 0.$$

Regarding the actual net GHG removals by sinks and taking into account the section 5.3 of the applicable methodology, stratification should be carried out to increment the precision of biomass estimation when the biomass distribution over the project area is not homogeneous.

For the Fresh Breeze project, only one strata was distinguished in the baseline scenario, which is considered acceptable under the environmental conditions of the project area as documented through the technical description of the Project, land use, eligibility assessment and on site visit.

In the case of project scenario, there are different conditions of the plantations such as the weather conditions (there are variations in the state of Nayarit and Tabasco-Chiapas), the type of seed used (clone seed or normal seed) and the year of plantation. Both variables affect directly the biomass distribution of the project activity, the type of seed and weather conditions are involved in the variable of

growth curve as AENOR checked in different parcels of the project. Therefore, the project activity has been stratified per growth curve and per plantation year as follows:

Stratum (i)	Year	Growth Curve	Size (ha)
1	2009	México 2 (México Tabasco)	875.42
2	2009	México 1 (México Nayarit)	62.43
3	2010	México Clon (México Premium)	297.99
4	2010	México 2 (México Tabasco)	400.04
5	2011	México Clon (México Premium)	684.94
6	2011	México 2 (México Tabasco)	296.56
7	2012	México Clon (México Premium)	819.44
8	2012	México 2 (México Tabasco)	113.00
9	2013	México Clon (México Premium)	720.00

The equation of the methodology $\Delta C_{ACTUAL,t} = \Delta C_{P,t} - GHG_{E,t}$ is applied, where:

$\Delta C_{ACTUAL,t}$ = Actual net GHG removals by sinks, in year t; tCO_{2-e}

$\Delta C_{P,t}$ = Change in the carbon stocks in project, occurring in the selected carbon pools, in year t; tCO_{2-e}

$GHG_{E,t}$ = Increase in non-CO₂ GHG emissions within the project boundary as a result of the implementation of the A/R project activity, in year t, as estimated in the tool "Estimation of non-CO₂ GHG emissions resulting from burning of biomass attributable to an A/R CDM project activity"; tCO_{2-e}

$GHG_{E,t} = 0$, as no biomass is burned during site preparation. This fact was confirmed during site visit and evidenced with the management plans of the plantations.

Regarding the parameter $\Delta C_{P,t}$, this is calculated as follows:

$\Delta C_{P,t} = \Delta C_{TREE_PROJ,t} + \Delta C_{SHRUB_PROJ,t} + \Delta C_{DW_PROJ,t} + \Delta C_{LI_PROJ,t} + \Delta SOC_{AL,t}$ where:

$\Delta C_{P,t}$ = Change in the carbon stocks in project, occurring in the selected carbon pools, in year t; tCO_{2-e}

$\Delta C_{TREE_PROJ,t}$ = Change in carbon stock in tree biomass in project in year t , as estimated in the tool “Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities”; tCO_{2-e}

$\Delta C_{SHRUB_PROJ,t}$ = Change in carbon stock in shrub biomass in project in year t , as estimated in the tool “Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities”; tCO_{2-e}

$\Delta C_{DW_PROJ,t}$ = Change in carbon stock in dead wood in project in year t , as estimated in the tool “Estimation of carbon stocks and change in carbon stocks in dead wood and litter in A/R CDM project activities”; tCO_{2-e}

$\Delta C_{LI_PROJ,t}$ = Change in carbon stock in litter in project in year t , as estimated in the tool “Estimation of carbon stocks due to the implementation of A/R CDM project activities”, as estimated in the same tool; tCO_{2-e}

$\Delta SOC_{AL,t}$ = Change in carbon stock in SOC in project, in year t , in areas of land meeting the applicability conditions of the tool “Tool for estimation of change in soil organic carbon stocks due to the implementation of A/R CDM project activities”, as estimated in the same tool; tCO_{2-e}

To calculate the $\Delta C_{TREE_PROJ,t}$ the tool “Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities” is applied as the methodology required. Based on this tool the BEF technique and stock change method are applied for estimating ex ante change in carbon stocks within the project boundary according to the formulae:

$$B_{TREE,j,p,i,t} = V_{TREE,j,p,i,t} \times D_j \times BEF_{2,j} \times (1 + R_j)$$

To calculate the $V_{tree,j,p,i,t}$, the PPs considered three diameter curves using the following classification:

- Mexico 1- For plantations in Nayarit.
- Mexico 2- This curve is applied for the plantations of Tabasco and Chiapas
- Mexico clon- This curve is applied for the clonal plantations, in the emission reduction calculations this curve is described as Mexico Premium.

Likewise, the equations of Petmark and Sahunalu were applied to calculate the biomass of stem, branch and leaves of Teak as the P.D details. AENOR checked the document by Petmark and Sahunalu and deems appropriate and correct the equations.

In addition, other values used in calculations are 0.5 for $D_{wood,j}$ and 0.485 for D_j applying the equation:

$$D_j = D_{wood,j} * (1 - \%Bark_{volume}) + D_{bark,j} * \%Bark_{volume}$$

BEF=1.3; C.F=0.47 and $R_j=0.31$. After the review of data sources used for determining these values, AENOR deems values as correct and consistent with the sources.

To calculate the term $\Delta SOC_{AL,t}$, the tool “Tool for the change in soil organic carbon stocks due to the implementation of A/R CDM project activity” is correctly applied. As suggested by the tool, it is assumed that the implementation of the project activity increases the SOC content of the lands from the pre-project level to the level that is equal to the steady-state SOC content under native vegetation. The increase in SOC content in the project scenario takes place at a constant rate over a period of 20 years from the year of planting. The P.D describes in an appropriate way with evidence and justifications how the project activity fulfils with the applicability conditions of the tool.

To calculate the rate of change in SOC stock in the project scenario until the steady state SOC content is estimated as follows:

$$dSOC_{t,i} = \frac{SOC_{REF,i} - (SOC_{INITIAL,i} - SOC_{LOSS,i})}{20 \text{ years}}$$

Taking into account this formulae, the values of the parameters to calculate dSOC were: SOCref=44; $f_{LU,i}=1$; $f_{MG}=0.70$; $f_{IN}=1$.

AENOR verified that values considered are correct and appropriate for the Fresh Breeze project, resulting in a value of dSOC=0.66 t C/ha/year to calculate the $\Delta SOC_{AL,t}$ as per formulae 8 of the applicable tool.

Finally, the rest of parameters in formulae 3 of the applicable methodology, i.e, $\Delta C_{SHRUB_PROJ,t}$, $\Delta C_{DW_PROJ,t}$, $\Delta C_{LI_PROJ,t}$ are neglected.

Related to the Leakage and considering the applicable methodology $LK_t = LK_{AGRIC,t}$ where

LK_t = GHG emissions due to leakage, in year t ; t CO₂-e

$LK_{AGRIC,t}$ = Leakage due to the displacement of agricultural activities in year t , estimated in the tool “Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R project activity”; t CO₂-e

As all lands under the project boundary are grassland, no agriculture activities are located, then, leakage is zero.

On the other hand, the AFOLU requirements state that the Methodologies shall establish procedures to quantify all significant sources of leakage. The three types of leakage are:

1) Market leakage. This leakage occurs when projects significantly reduce the production of a commodity causing a change in the supply and market demand equilibrium that results in a shift of production elsewhere to make up for the lost supply. In the case of the Fresh Breeze project as it didn't have any forestry/agricultural use before the project activity; therefore, there wasn't any production of a commodity or something that can be involved with the leakage condition.

2) Activity-shifting leakage occurs when the actual agent of deforestation and/or forest or wetland degradation moves to an area outside of the project boundary and continues its deforestation or degradation activities elsewhere.

The project activity is not related with the shifting of grazing animals or households or communities, therefore, this condition is neglected.

3) Ecological leakage occurs in WRC projects where a project activity causes changes in GHG Emissions or fluxes of GHG emissions from ecosystems that are hydrological connected to the project area. This leakage is discarded as the project is not a Wetland Restoration and Conservation project.

Thus, once all parameters of the formula $\Delta C_{AR-CDM,t} = \Delta C_{ACTUAL,t} - \Delta C_{BSL,t} - LK_t$ are calculated for the 54 years of the crediting period.

On the other hand, as the grouped project is an ARR project with harvest activities, the Long Term Average GHG benefits was determined to be 5,814,537 tn CO₂. In addition, the Non Permanence Risk was calculated according to the tool risk report. A detailed validation assessment carried out by AENOR is provided in sections below. The overall risk rating is 18%. This percentage was multiplied by the change in carbon stocks only, calculated as section 4.5.5 of "AFOLU requirements" to result 4,660,576 tn CO₂.

The results are shown below.

Year	Estimated baseline emissions or removals (tCO ₂ e)	Estimated project emissions or removals (tCO ₂ e)	Estimated leakage emissions (tCO ₂ e)	Estimated net GHG emission reductions or removals (tCO ₂ e)
Year 1 (1 July 2009- 30 June 2010)	0	10.103	0	10.103
Year 2	0	28.791	0	28.791
Year 3	0	62.520	0	62.520
Year 4	0	115.884	0	115.884
Year 5	0	153.444	0	153.444
Year 6	0	231.137	0	231.137
Year 7	0	299.063	0	299.063
Year 8	0	368.540	0	368.540
Year 9	0	394.437	0	394.437
Year 10	0	478.086	0	478.086
Year 11	0	474.160	0	474.160

Year 12	0	477.911	0	477.911
Year 13	0	545.374	0	545.374
Year 14	0	647.236	0	647.236
Year 15	0	785.404	0	785.404
Year 16	0	815.237	0	815.237
Year 17	0	946.944	0	946.944
Year 18	0	971.104	0	971.104
Year 19	0	994.032	0	994.032
Year 20	0	970.772	0	970.772
Year 21	0	957.328	0	957.328
Year 22	0	944.106	0	944.106
Year 23	0	893.389	0	893.389
Year 24	0	855.797	0	855.797
Year 25	0	838.849	0	838.849
Year 26	0	-2.502.871	0	-2.502.871
Year 27	0	-2.005.630	0	-2.005.630
Year 28	0	-3.339.627	0	-3.339.627
Year 29	0	-3.363.853	0	-3.363.853
Year 30	0	-2.687.261	0	-2.687.261
Year 31	0	231.137	0	231.137
Year 32	0	299.063	0	299.063
Year 33	0	368.540	0	368.540
Year 34	0	394.437	0	394.437
Year 35	0	478.086	0	478.086

Year 36	0	474.160	0	474.160
Year 37	0	477.911	0	477.911
Year 38	0	545.374	0	545.374
Year 39	0	647.236	0	647.236
Year 40	0	785.404	0	785.404
Year 41	0	815.237	0	815.237
Year 42	0	946.944	0	946.944
Year 43	0	971.104	0	971.104
Year 44	0	994.032	0	994.032
Year 45	0	970.772	0	970.772
Year 46	0	959.597	0	959.597
Year 47	0	945.795	0	945.795
Year 48	0	895.764	0	895.764
Year 49	0	858.053	0	858.053
Year 50	0	840.591	0	840.591
Year 51	0	-5.092.716	0	-5.092.716
Year 52	0	549.280	0	549.280
Year 53	0	-3.399.772	0	-3.399.772
Year 54 (1 July 2061 – 30 June 2062)	0	-3.477.480	0	-3.477.480
Total	0	2.838.962	0	2.838.962

The calculation of the emission reductions follows the VCS AFOLU Requirements for ARR projects with harvesting and the AFOLU Guidance “Example for Calculating the Long-Term Average Carbon Stock for ARR Projects with Harvesting”, with a long-term average GHG benefit

of 5,814,537 tCO₂, considering the buffer account which is 1,153,961 tCO₂, the maximum VCU allowed for the project activity are 4,660,576 tCO₂.

Total credits available each year	VCUs with Buffer
10,103	8,284
28,791	23,608
62,520	51,266
115,884	95,024
153,444	125,823
231,137	189,532
299,063	245,231
368,540	302,203
394,437	323,438
478,086	392,030
474,160	388,811
477,911	391,887
545,374	447,207
647,236	530,733
785,404	644,031
742,446	501,468
0	0
0	0
0	0
0	0

31

0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
5,814,537	4,660,576

The uncertainties associated with the calculation of emissions have to be considered according to the tool “Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities”. Accordingly, PPs calculated the uncertainties and provided the calculations and assumptions used for.

As the stock change method was used for, the following equation is applied $RE_{\max} = u_{bTREE,t}$.

Where:

RE_{max}= Maximum relative error, %

U_{bTREE,t} = Uncertainty of the mean tree carbon per hectare within the project boundary at time t; %.

T= 1, 2, 3 ... years counted from the start of the A/R CDM project activity.

As a result, the relative error calculated is 1.18%, since this value is less than 10%, the deduction rate is 0%.

AENOR assessed the calculations of baseline stocks and removals, project emissions, leakage, expected net anthropogenic GHG removals by sinks and uncertainties. But also, according to section 4.5.5 of the AFOLU Requirements, as the proposed grouped project includes harvesting, AENOR validated that maximum number of GHG credits available to the project shall not exceed the long term average GHG benefit. The Long Term Average of GHG benefits and Long Term Average in carbon stock for buffer purposes were calculated in the spreadsheets provided by PPs as per indicated in the AFOLU Requirements. AENOR can confirm the correctness of calculations as they were replicated by the audit team.

The values and estimates presented in the PD are considered reasonable based on the documentation reviewed, further references and the result of the interviews during the onsite visit.

Based on the information reviewed it can also be confirmed that the sources used are correctly quoted and interpreted in the PD. All assumptions and data indicated in the PD and all relevant sources were checked and confirmed. Detailed information on the verification of parameters used in the equations is presented in the protocol.

In essence, the methodology was correctly applied following the requirements. All values in the PD are considered reasonable in the context of the proposed VCS project activity. Data sources are quoted correctly. Hence, the calculation of baseline stocks and removals, project emissions, leakage and the expected net anthropogenic GHG removals by sinks are considered correct.

3.2.7 Methodology Deviations

No deviations were detected from the applicable methodology.

3.2.8 Monitoring Plan

The monitoring plan presented in the PD complies with the requirement of the methodology.

The assessment team checked all parameters presented in the monitoring plan against the requirements of the methodology. For the monitoring of carbon stock changes the requirements and parameter list as per methodology and associated tools were followed.

The monitoring plan is included in the PD. The list of parameters to be monitored is the following: Ap, I; DBH; H; T and Volume table or equation. In addition, all activities performed for all strata will be recorded and relevant parameters quantified for verification that the applicability conditions of the methodology have been met, for verification of changes in carbon stocks in the selected pools and for verification of project emissions and leakage.

The procedures described in section 4 of the PD were reviewed by the AENOR team on paper and through communications with the PPs and cross-checked against the applicable methodology and associated tools and found to be in compliance with methodological requirements, and good practice as defined e.g. in the IPCC GPG LULUCF.

The major parameters to be monitored were discussed with the PPs, as well as main processes, data management, quality assurance and quality control procedures that will be implemented in the context of the project.

In the opinion of the AENOR team all necessary parameters required by the selected approved methodology are contained in the monitoring plan. They are clearly described and the means of monitoring described in the plan comply with the requirements of the methodology. Tables in section 4 of the PD detail the different data variable to monitor along with the data unit, recording frequency, purpose of data, etc. Thus, the monitoring plan is in compliance with the applicable methodology.

The sampling design and stratification is also detailed in section 4 of the PD. Equations for the estimation of the sample size have been addressed in the PD. Permanent sampling plots will be used for sampling over time to measure and monitor changes in carbon stocks of above and below ground biomass. The location of samples within the plot has been decided randomly to avoid any bias. The project boundary will be supervised by monitoring parcels using GPS. Any changes in project boundary will be accounted for in all calculations of actual net GHG removals by sinks. The monitoring methodology uses permanent sample plots to monitor carbon stock changes in above- and below-ground biomass pools. To reach the targeted precision level of about $\pm 10\%$ of the mean at the 90% confidence level in a cost-effective manner, the number of plots needed in each stratum has been determined following the equation 1 and 4r of the Methodological tool "Calculation of the number of sample plots for measurements within A/R CDM project activities" version 02.1.0.

As a result of the application of the tool and assumptions established the number of sample plots calculated is 530, the first iteration is more than 30, then no further iteration is carried out and the value of n obtained in the first iteration is the final value of n, thus $n = 530$ for the overall strata.

In opinion of the AENOR assumptions considered for sampling design are reasonable and credible and consistent with calculation, thus, AENOR deems correct.

After the review of evidence provided by the PP, the interview and communications with PP, AENOR confirms that monitoring arrangements described in the monitoring plan are feasible within the project design and that the means considered for the implementation, including data management, quality and assurance control procedures, are sufficient to ensure that the GHG net anthropogenic removals achieved resulting from the proposed VCS project activity can be reported ex post and verified. Therefore, in opinion of the AENOR validation team the PP will be able to implement the monitoring plan.

3.3 Non-Permanence Risk Analysis

PP has elaborated VCS Non permanence Risk Report for the validation process according to the AFOLU Non Permanence Risk Tool v.3.2.

Below, it is explained the assessment of the non permanence risk rating determined by the project participant in the report dated on 30 May 2014 version 1 and issues raised to them in this regard.

Risk factor	Risk Rating	Findings and mitigation activities	Corrective Actions/Clarifications
Internal Risks			
Project Management:.. It is assessed using table 1 of the VCS AFOLU Risk Tool.	0	a) Specie planted <i>Tectona Grandis</i> , is non-native but is commonly planted in Mexico. In accordance with the evidence provided is proved that the Teak adapts very well to sites with the same conditions of the project lands. Furthermore, the soil study performed by a third party has confirmed the successful adaptation of Teak plantations in Mexican lands.	No Corrective Actions Requests or Clarifications

		Risk rating=0 is justified. b) The project will require ongoing enforcement. Risk rating=2 is justified. c) In accordance with the evidence provided, Proteak management team includes individuals with significant experience in sustainable forestry. The company has more than 11 years of experience in the forestry sector. Risk rating=0 is justified. d) Manager team maintain a presence in the country. The forest management team is located less than a day of travel from the project sites. This, rating =0 is justified. e) Proteak management team works alongside with CO2 Solutions, a carbon consulting firm with experience in managing VCS projects through validation, verification and issuance of GHG credits. Then, it is well justified the rating=-2. f) Adaptive management plan in place. Then, the rating = 0 is correct.	
Financial viability: It is assessed using table 2 of the VCS AFOLU Risk Tool.	1	a)-d) The project proponent provided the investment analysis of the project that shows that the breakeven point is reached in year 12. In this year (2020) the project cash flow turns positive. Thus, the rating chosen=3 is correct. e)- h) Project has secured 100% of the funding needed to cover the total cash out for the plantations establishments, these funds will be provided by Proteak sale of shares. The inform of the stock exchange has been provided to the audit team. Thus, the rating chosen=0 is correct. i) Incentives from CONAFOR (National Forestry Commission) are callable, also if necessary Proteak has the option to call for more resource from the stock exchange. The rating assigned (-2) is correct.	CAR 9. This CAR is closed (see protocol)
Opportunity Cost: It is assessed using table 3 of the VCS AFOLU	0 (negative score not	a)-f) Agricultural option was compared to the project activity option. The	CAR 9.

Risk Tool.	allowed)	comparison of the NPV of the both scenarios shows that the NPV of the project activity is more than the 50% compared to the most profitable alternative Then, rating chosen = -4 is correct. g) Not applicable. Then, rating chosen = 0 is correct. h) The project proponent has an FSC certificate which includes a legal commitment to continue with the sustainable management of the project activity during the length of the project activity. However, due the FSC Certificate doesn't include all the project plantations is not counted as mitigated option. Then, rating chosen = 0 is correct. i) No 100 year legally binding commitment has been demonstrated. Then, rating chosen = 0 is correct.	This CAR is closed (see protocol)
Project Longevity: It is assessed using table 4 of the VCS AFOLU Risk Tool.	11.8	As a result of finding 1 of the accuracy review a new assessment of the project longevity was performed. a)-b) The project longevity is 61 years. The project longevity is 61 years which corresponds to the number of years beginning from the project start date in 2009 that project activities will be maintained, as AFOLU Non-Permanence Risk Tool requires. As it is mentioned in P.D and assessed in section 3.1.8 of this report, the right of use shall be maintained for the entire project longevity by means of land contracts which demonstrate ownership of PPs, but also the entire project longevity is covered by forestry management and financial plans that consider two harvest cycles, each one of 25 years. Management plans provided during the validation process explicitly refers to two harvest cycles. Thus, final plantation in 2020 with two harvest cycles will finish in 2069 being 2020, first year of first cycle. In addition, a statement from the Executive Director of Proteak dated on 14 July 2014 was provided to further confirm all these issues. The statement also refers as PD states	No Corrective Actions Requests or Clarifications

		and AENOR confirmed during the site visit to the FSC Certification and the commitment of Proteak to continue with this International Standard. The statement confirms the commitment of Proteak to certify plantations at five years old. Some of the plantations are FSC certified. The certificate was recently renewed showing the commitment with sustainable forestry practices. There is a commitment related with the FSC Certificate, however, due the FSC Certificate doesn't include all the project plantations. It is stated that the project activity doesn't have a legal agreement. Thus, according to the project longevity (61 years), the rating of 11.8 is correct.	
Total internal Risk=12.8			
External Risks			
Land Tenure and resources access/impact: It shall be assessed using table 6 of the Risk Tool.	0	a) Contracts demonstrating the land property are provided. This proves ownership and resource access/use rights are held by same entity. d) On the other hand, there is no evidence of land disputes in the project area. f) No mitigation activities are proposed, g) Not applicable. Then rating =0 is correct.	CAR 9. This CAR is closed (see protocol)
Community engagement: It shall be assessed using table 7 of the Risk Tool.	0	a) and b): Community engagement risk has been assessed as zero because no people live in the project area and the population living within 20km of the project is no reliant on the project area for food, fodder, fuel, medicine, or building materials. This fact was evidenced during the site visit. Thus, rating =0 for both a) and b) bullets is correct. c) Mitigation: The project generates net positive impacts on the social and economic well-being of the local communities who derive livelihoods from the project area. Then the rating=-0 is correct.	No Corrective Actions Requests or Clarifications
Political Risks: It shall be assessed using table 8 of the Risk Tool.	0	a)-e) Mexico governance score is - 0.1633. This is the mean of the six indicators obtained from the World Bank Institute's Worldwide Governance indicator.i.e, between -0.32 and 0.19,	No Corrective Actions Requests or Clarifications

		then rating=2 is correct. AENOR verified the value and reliability of source. f) Mitigation: Country is implementing REDD+ Readiness or other activities, as set out in this Section 2.3.3. Mexico is participating in the REDD program. Then, rating= -2 is correct.	
Total external risks=0 (negative score is not allowed)			

For the Natural Risk section assessment, each state is evaluated separately since some of the information found is different for each region involved in the project activity.

Natural Risks - Tabasco			
Fire Risk: It shall be assessed using table 10 of the Risk Tool.	LS*M=0.5	Significance and likelihood (LS): Fire risk is "insignificant" meaning it would impact less than 5% of carbon stocks or would be a transient impact. The likelihood to occur is around every 10 to less than 25 years. To support this classification, the PP has provided documents from CONAFOR and INEGI were provided to AENOR which confirm that natural forest fires are not common practice in these moist regions and even, more uncommon in rubber plantations that implement measures to reduce this risks such as (firebreaks, etc). Thus, rating LS=1 is correct. Mitigation (M) measures were provided in the risk report. Section A3.0 provides that information. Some of them were verified by AENOR during the on site visit. Thus, mitigation discount applied of 0.5 is correct.	CAR 9. This CAR is closed (see protocol)
Pest and disease outbreaks: It shall be assessed using table 10 of the Risk tool.	LS*M=1	Significance and Likelihood (LS): Risk significance is considered "insignificant and likelihood less than 10 years. To verify information, documents from CONAFOR and FAO were provided to AENOR and appropriately detailed in the Risk Report. Diseases were assessed to Estate scale. AENOR verified that information in report is consistent with data sources. Thus LS=2 is assigned. Mitigation (M) measures were provided in the risk report. Section A3.0 provides	CAR 9 This CAR is closed (see protocol)

		that information. Some of them were verified by AENOR during the on site visit. Thus, mitigation discount applied of 0.5 is correct.	
Extreme weather: It shall be assessed using table 10 of the Risk tool.	LS*M=2.5	Significance and Likelihood (LS). Extreme weather risks affecting this project area include rain induced flooding and drought. To verify information for flooding, documents from CENAPRED were provided to AENOR. Flooding was assessed to Estate scale. AENOR verified that information in report is consistent with data sources. According to reports provided the significance is less than 5% of losses in carbon stocks, then, minor, and likelihood less than 10 years, thus, LS= 5 is assigned. Mitigation (M) measures were provided in the risk report. Section A3.0 provides that information. Some of them were verified by AENOR during the on site visit. Thus, mitigation discount applied of 0.5 is correct.	CAR 9. This CAR is closed (see protocol)
Geological risks: It shall be assessed using table 10 of the Risk Tool.	LS*M=0.5	Significant and Likelihood (LS). Geological risks in Tabasco include only earthquakes. Furthermore, earthquakes in this region are unlikely to result in a significant loss to projects carbon stocks due to its very low intensity. Earthquake intensity in Tabasco is low according to the map "Seismic zones and regions" of the National Risk Atlas of México. Likelihood frequency is every 10 to less than 25 years. Thus, it is reasonable the value LS=1 as a result of significance "no loss" and Likelihood "every 10-25 years". Mitigation (M) measures were provided in the risk report. Section A3.0 provides that information. Some of them were verified by AENOR during the on site visit. Thus, mitigation discount applied of 0.5 is correct.	CAR 9. This CAR is closed (see protocol)
Total Natural Risks=4.5			
OVERALL RISK RATING: It shall be calculated according to table 11 of the Risk Tool.			
OVERALL RISK RATING=12.8+0+4.5= 17.3			

Natural Risks - Nayarit			
Fire Risk: It shall be assessed using table 10 of the Risk Tool.	LS*M=0.5	Significance and likelihood (LS). Fire risk significance is "insignificant" meaning it would impact less than 5% of carbon	CAR 9. This CAR is closed (see

		stocks or would be a transient impact with likelihood to occur every 10 to less than 25 years. To support this classification, the PP has provided documents from CONAFOR and INEGI were provided to AENOR which confirm that natural forest fires are not common practice in these moist regions and even, more uncommon in rubber plantations that implement measures to reduce this risks such as (firebreaks, etc). Thus, rating LS=1 is correct. Mitigation (M) measures were provided in the risk report. Section A3.0 provides that information. Some of them were verified by AENOR during the on site visit. Thus, mitigation discount applied of 0.5 is correct.	protocol)
Pest and disease outbreaks: It shall be assessed using table 10 of the Risk tool.	LS*M=1	Significance and Likelihood (LS): Risk significance is considered "insignificant and likelihood less than 10 years. To verify information, documents from CONAFOR and FAO were provided to AENOR and appropriately detailed in the Risk Report. Diseases were assessed to Estate scale. AENOR verified that information in report is consistent with data sources. Thus LS=2 is assigned. Mitigation (M) measures were provided in the risk report. Section A3.0 provides that information. Some of them were verified by AENOR during the on site visit. Thus, mitigation discount applied of 0.5 is correct.	CAR 9. This CAR is closed (see protocol)
Extreme weather: It shall be assessed using table 10 of the Risk tool.	LS*M=2.5	Significance and Likelihood (LS). Extreme weather risks affecting this project area include rain induced flooding and drought. To verify information for flooding, documents from CENAPRED were provided to AENOR. Flooding was assessed to Estate scale. AENOR verified that information in report is consistent with data sources. According to reports provided the significance is less than 5% of losses in carbon stocks, then, minor, and likelihood less than 10 years, thus, LS= 5 is assigned. Mitigation (M) measures were provided in the risk report. Section A3.0 provides that information. Some of them were verified by AENOR during the on site visit. Thus, mitigation discount applied of 0.5 is correct.	CAR 9. This CAR is closed (see protocol)

Geological risks: It shall be assessed using table 10 of the Risk Tool.	LS*M=1	Significant and Likelihood (LS). Geological risks in Nayarit include only earthquakes. Furthermore, earthquakes in this region are unlikely to result in a significant loss to projects carbon stocks due to its very low intensity. Earthquake intensity in Nayarit is between low and medium according to the map "Seismic zones and regions" of the National Risk Atlas of México. Likelihood frequency is less than every 10 years Thus, it is reasonable the value LS=2 as a result of significance "insignificant" and Likelihood "less than every 10 years". Mitigation (M) measures were provided in the risk report. Section A3.0 provides that information. Some of them were verified by AENOR during the on site visit. Thus, mitigation discount applied of 0.5 is correct.	CAR 9. This CAR is closed (see protocol)
Total natural Risks=5.0			
OVERALL RISK RATING: It shall be calculated according to table 11 of the Risk Tool.			
OVERALL RISK RATING=12.8+0+5 17.8			

Natural Risks - Chiapas			
Fire Risk: It shall be assessed using table 10 of the Risk Tool.	LS*M=0.5	Significance and likelihood (LS). Fire risk significance is "insignificant" meaning it would impact less than 5% of carbon stocks or would be a transient impact with likelihood to occur every 10 to less than 25 years. To support this classification, the PP has provided documents from CONAFOR and INEGI were provided to AENOR which confirm that natural forest fires are not common practice in these moist regions and even, more uncommon in rubber plantations that implement measures to reduce this risks such as (firebreaks, etc). Thus, rating LS=1 is correct. Mitigation (M) measures were provided in the risk report. Section A3.0 provides that information. Some of them were verified by AENOR during the on site visit. Thus, mitigation discount applied of 0.5 is correct.	No Corrective Actions Requests or Clarifications
Pest and disease outbreaks: It shall be assessed using table 10 of the Risk tool.	LS*M=1	Significance and Likelihood (LS): Risk significance is considered "insignificant" and likelihood less than 10 years. To verify information, documents from CONAFOR and FAO were provided to	CAR 9. This CAR is closed (see protocol)

		AENOR and appropriately detailed in the Risk Report. Diseases were assessed to Estate scale. AENOR verified that information in report is consistent with data sources. Thus LS=2 is assigned. Mitigation (M) measures were provided in the risk report. Section A3.0 provides that information. Some of them were verified by AENOR during the on site visit. Thus, mitigation discount applied of 0.5 is correct.	
Extreme weather: It shall be assessed using table 10 of the Risk tool.	LS*M=2.5	Significance and Likelihood (LS). Extreme weather risks affecting this project area include rain induced flooding and drought. To verify information for flooding, documents from CENAPRED were provided to AENOR. Flooding was assessed to Estate scale. AENOR verified that information in report is consistent with data sources. According to reports provided the significance is less than 5% of losses in carbon stocks, then, minor, and likelihood less than 10 years, thus, LS= 5 is assigned. Mitigation (M). A score of 0.5 is assigned as prevention measures are gathered in management plans provided and implemented in place.	
Geological risks: It shall be assessed using table 10 of the Risk Tool.	LS*M=1	Significant and Likelihood (LS). Geological risks in Chiapas include only earthquakes. Furthermore, earthquakes in this region are unlikely to result in a significant loss to projects carbon stocks due to its very low intensity. Earthquake intensity in Nayarit is between low and medium according to the map "Seismic zones and regions" of the National Risk Atlas of México. Likelihood frequency is less than every 10 years Thus, it is reasonable the value LS=2 as a result of significance "insignificant" and Likelihood "less than every 10 years". Mitigation (M) measures were provided in the risk report. Section A3.0 provides that information. Some of them were verified by AENOR during the on site visit. Thus, mitigation discount applied of 0.5 is correct.	CAR 9. This CAR is closed (see protocol)
Total natural Risks=05			
OVERALL RISK RATING: It shall be calculated according to table 11 of the Risk Tool. OVERALL RISK RATING=12.8+0+5=17.8			

In order to obtain the overall risk for the project a weighted average considering the involved hectares per state is calculated:

	Ha's per State	Overall risk
Tabasco	3,425.38	17.3
Nayarit	62.43	17.8
Chiapas	782.01	17.8
Overall Risk:		18

The non-permanence risk deduction to be applied for the project is 18%, conservative.

AENOR has checked that information provided in the Non Permanence Risk Report is consistent with documents of support provided. AENOR deems that information provided is reliable and appropriate, thus, the overall risk rating is credible and realistic.

3.4 Environmental Impact

According to the information in the P.D and checked by AENOR during the on site visit an Environmental Impact Assessment is not legally required for the commercial forest plantations, they are exempted from this obligation since the paragraph VI of the Article 28, of the General Law of Ecological Balance and Environmental Protection in Mexico was cancelled. However, since Proteak is interested in knowing the possible environmental impacts of the proposed project activity an Environmental Impact Assessment was prepared and, furnished to AENOR. The PD details the main impacts of the project with the mitigation activities in case negative effects, however, the balance of the impact is positive.

3.5 Comments by Stakeholders

The veracity of the local stakeholder consultation was verified during the on site visit. AENOR checked evidence of the different meetings carried out for information about the project in the project boundary. Evidence (Presentation of the stakeholders consultation, Surveys of the stakeholders consultation, Summary of the surveys comment) confirm that information in PD is credible and consistent.

The meetings took place the dates 25 March 2013 and 12 April 2013. Most of the comments received were related to the benefits for the local communities and replication of similar projects in other areas in order to improve the environmental conditions and economical and social issues. Additionally as the project is also certified by FSC another stakeholder consultation process was carried out at the end of 2012. These FSC records were also provided to AENOR.

Thus, stakeholders were invited to the consultation process for the proposed VCS project activity. By means of documents reviewed and the interviews performed, AENOR considers that the summary of the comments received during the consultation process included in the PD is complete. The main conclusions of the meetings and opinions collected from meetings are included in the PD.

Hence, in the opinion of the AENOR team the local stakeholder consultation process was suitably performed.

4 VALIDATION CONCLUSION

AENOR has verified that the project is in compliance with the Verified Carbon Standard version 3.4 and the AFOLU requirements v.3.4 without qualifications or limitations. The project is located in Mexico and covers 4,269.82 hectares at the present moment although it is designed as a grouped project with the foresee an average expansion of 1,200 hectares per year, adding new project areas and instances from the future years, till 2020. The PP has the control over the 4,269.82 hectares.

AENOR has performed a validation of the Fresh Breeze Afforestation project in Mexico. The validation process was performed on the basis of all issues and criteria of VCS. The conclusions of this report show, that the project, as it was described in the project documentation, is in line with all criteria applicable for the validation.

The validation consisted of the following three phases: i) a desk review of the project design and the baseline and Monitoring Plans; ii) follow-up interviews with project stakeholders; iii) the resolution of outstanding issues and the issuance of the final validation report and opinion. In the course of the validation process corrective actions and clarifications were raised; all have been successfully closed as explained in the validation protocol annexed to this report.

The Project participant used the “Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities”, version 01 to demonstrate the additionality of the Project. In line with this tool, the PDD provides a barrier analysis to determine that the project activity itself is not the baseline scenario. The methodology AR-ACM0003 v.1.0.0 and associated tools were applied to determine the GHG net anthropogenic removals by sinks.

The barrier analysis demonstrates that the proposed project activity is not a likely baseline scenario. GHG net anthropogenic removals by sinks attributable to the project are hence additional to any that would occur in the absence of the project activity.

The review of the project design documentation and additional documents related to baseline and monitoring methodology; and the subsequent background investigation, follow-up interviews and review of comments by parties have provided AENOR with sufficient evidence to validate the fulfillment of the stated criteria.

In detail the conclusions can be summarised as follows:

- The project is in line with all criteria of the VCS Standard v.3.4 and AFOLU requirements v.3.4.
- The project additionality is sufficiently justified in the PD.
- The Monitoring Plan is transparent and adequate.
- The analysis of the baseline emission, project emissions and leakage has been carried out in a transparent and conservative manner, so that the calculated long term average GHG benefits after discounting the risk rating, resulting in a value of 4,660,576 tn CO₂ is most likely to be achieved within the 54 years crediting period.

Date: 9 July 2014

Authorized person



Luis Robles Olmos

Validation leader



José Luis Fuentes Pérez

APPENDIX 1: LIST OF EVIDENCE PROVIDED

1. Final version of the P.D version 4.2 dated 30 June 2014
2. Version of the PD version 4.1 dated 9 May 2014
3. Methodology AR-ACM0003 v.1.0.0
4. VCS Standard v.3.4
5. AFOLU requirements v.3.4
6. The FSC certification with the code SCS-FM/COC-004302.
7. KML files
8. Program for developing Forest Commercial Plantations by CONAFOR.
9. General Law for Sustainable Forest Development
10. Proof of registrations of plantations. SEMARNAT
11. Notarial Certificates
12. Land Use Research study
13. Proteak Forestry Management Plan
14. Management Program of plantations
15. Mexico's State of the Environment Report by SEMARNAT
16. Mora, F. Comparación del crecimiento en altura de la Teca (<i>Tectona grandis</i>) en Costa Rica con otros trabajos previos y con otras regiones del mundo.
17. Soil Impact Study due to the Project activity elaborated by the Registro Nacional Forestal.
18. Land Contracts of plantations and Rent Contract of Cascada and Empeño 8 plantations
19. GIS information
20. Geography and Statistical National Institut (INEGI). Prontuario de información geográfica municipal de los Estados Unidos Mexicanos.
21. Agreement between Proteak and Proteca (supplier of clones)
22. Agreement between Proteak and investor.

23. Communication between Proteak and Consulting firm.
24. Verification Report by Engineer Mario Ramírez Delgadillo
25. Procuraduría Federal de Protección del Ambiente. Recursos Naturales. http://www.profepa.gob.mx/innovaportal/v/1213/1/mx/recursos_naturales.html
26. Manual of Reforestation Practices by CONAFOR.
27. Kenya Forest Service. A Guide on to On-Farm Eucalyptus Growing in Kenya. Available at: http://www.kenyaforestservice.org/documents/Eucalyptus%20guidelines%20%20Final%202.pdf
28. SEED LEAFLET. Cedrela Odorata L. Available at: http://curis.ku.dk/portal-life/files/20646828/cedrela_odorata_int.pdf
29. Ramírez, Celene. Evaluación del Crecimiento de una Plantación Comercial de Cedro Rojo (Cedrela Odorata L) manejada intensivamente en el sur de Tamaulipas.
30. 27. SINAT.SEMARNAT. Datos Generales del Proyecto Santa Genoveva. http://sinat.semarnat.gob.mx/dgiraDocs/documentos/camp/estudios/2003/04CA2003A0001.pdf
31. Notimex. Inicia la única cosecha de uva en Norteamérica. Available at: http://www.zocalo.com.mx/seccion/articulo/inicia-en-mexico-la-unica-cosecha-de-uva-en-norteamerica
32. Shirke Biofuels, Jatropha. Available at: http://www.shirkebiofuels.com/jatropha_plantation_india.htm
33. Roshetjo, James A viable specie for smallholder tree farming in Indonesia?. Available at: http://www.worldagroforestry.org/sea/Publications/files/paper/PP0137-05.PDF
34. FAO Corporate Document Repository. Technical information. http://www.fao.org/docrep/005/y7206e/y7206e06.htm
35. Swietenia Macrophylla. http://herbaria.plants.ox.ac.uk/adsc/downloads/capitulos_especies_y_anexos/swietenia_macrophylla.pdf
36. Agros Navidad. Aprende como se siembran los arbolitos Available at: http://www.agrosnavidad.com/Default.aspx?tabid=64
37. Petsri,S. et al. Aboveground carbon content in mixed deciduous forest and teak plantations. September 2003
38. IPCC GPG LULUCF 2003
39. INEGI. Instituto Nacional de Estadística y Geografía. Principales Tipos de Suelo. http://mapserver.inegi.gob.mx/geografia/espanol/datosgeogra/fisigeo/suelos.cfm

40. INEGI. Instituto Nacional de Estadística y Geografía. Perfiles de Suelo. Page 18. Available at: http://mapserver.inegi.gob.mx/geografia/espanol/prodyserv/prods-geograficos/perfiles/perf.pdf
41. Environmental Impact Assessment by Servicios Técnicos Forestales y Ambientales.
42. Stakeholders consultation evidence: Summary of surveys comments; surveys and presentation of stakeholders consultation.
43. "Management of Teak Plantations" FAO Corporate Document Repository, http://www.fao.org/docrep/005/AC773E/ac773e08.htm
44. Equities. Proteak Uno S.A.B. DE C.V.. Available at: http://markets.ft.com/research/Markets/Tearsheets/Summary?s=TEAKCPO:MEX
45. Edge between two plantations, used as practice for forest fire prevention to prevent the fire from spreading to other areas.
46. FAO. 2009. Global Review of Forest Pests and Diseases. FAO Forestry Paper 156. Food and Agricultural Organization of the United Nations, Rome
47. CONAFOR, 2012. Pests and Diseases distribution in 2012. National Forestry Commission. Table 15, page 49. Available at: http://www.conafor.gob.mx:8080/documentos/docs/15/4012Distribuci%C3%B3n%20de%20Plagas%20y%20Enfermedades%202012.pdf
48. Instituto Nacional de Estadística y Geografía (INEGI). Información Nacional, por entidad Federativa y Municipios. Available at: http://www3.inegi.org.mx/sistemas/mexicocifras/default.aspx?e=07
49. It's necessary to select the state, the value correspond to the Forest Surface (Superficie de Bosque y Superficie Selva). The information of INEGI corresponds to the last official available information of the country (2010).
50. FAO. 2004. Estudio de tendencias y perspectivas del sector forestal en América Latina al año 2020. Informe Nacional México.
51. Secretaría de Gobernación (SEGOB) and CENAPRED. Atlas Nacional de Riesgos. Available at: http://www.atlasnacionalderiesgos.gob.mx/index.php?option=com_content&view=article&id=53&Itemid=176
52. Secretaría de Gobernación (SEGOB) and CENAPRED. Atlas Nacional de Riesgos. Available at: http://www.atlasnacionalderiesgos.gob.mx/index.php?option=com_content&view=article&id=80&Itemid=192
53. Sistema Mesoamericano de información Territorial para la Reducción de Riesgos de Desastres Naturales. SMIT. Available at: http://smit.cenapred.gob.mx:8080/geonetwork/srv/es/main.home?uuid=e57c69b5-3733-47f5-ab53-a6a2c201f211
54. Gobierno de México. Available at: http://www.atlasnacionalderiesgos.gob.mx
55. Secretaría de Gobernación (SEGOB) and CENAPRED. Atlas Nacional de Riesgos. Available at: http://www.atlasnacionalderiesgos.gob.mx/index.php?option=com_content&view=article&id=48&Itemid=176

emid=170
56. Instituto Nacional de Estadística y Geografía (INEGI). Información Nacional, por entidad Federativa y Municipios. Available at: http://www3.inegi.org.mx/sistemas/mexicocifras/default.aspx?e=07
57. Sistema Mesoamericano de información Territorial para la Reducción de Riesgos de Desastres Naturales. SMIT. Available at: http://smit.cenapred.gob.mx:8080/geonetwork/srv/es/main.home?uuid=e57c69b5-3733-47f5-ab53-a6a2c201f211
58. Determinación de Factores de Conicidad en Plantaciones de Teca (Tectona grandis L. F.), de Proteak Uno SAPIB de CV, Tabasco, México.
59. Mexico Governance Score from World Bank
60. Confirmation that Mexico is part of the REDD+SES
61. Non Permanence Risk Report. Version 1 dated on 30 May 2014
62. Statement from Executive Director of Proteak about maintaining of the grouped project.

APPENDIX 2. VALIDATION PROTOCOL

VCS VALIDATION PROTOCOL

PROJECT:

FRESH BREEZE AFFORESTATION PROJECT

PROJECT PROPONENT:

PROTEAK UNO S.A.P.I.B DE C.V

Validation Type	
☒ VCS Validation of a Project Activity	
Validation Team:	
José Luis Fuentes Pérez: Chief Validator	
Manuel García Rosell: Validator	
Version of this Validation Protocol: 3	Date: 2014/07/09

CHECKLIST TOPIC / QUESTION	MoV/Ref.*	COMMENTS	Draft Conclusion	Final Conclusion
A. GENERAL DESCRIPTION OF PROJECT ACTIVITY				
A.1. Title of the project activity				
A.1.1 Does the used project title clearly enables to identify the unique VCS activity? Is it consistent in all section of the VCS-PD and in all documents?	DR I	The project title clearly enables to identify the VCS activity. This name is consistent throughout the PD.	OK	OK
A.1.2 Are there any indication concerning the revision number and the date of the revision?	DR	Yes, the final VCS-PD version 4.2 is dated on 30 June 2014. This version was performed as a result of the accuracy review.	OK	OK
A.1.3 Is this consistent with the time line of the project's history?	DR	Yes, it is consistent with the timeline of the project	OK	OK
A.2. Description of the project activity				
A.2.1 Is the description delivering a transparent overview of the project activities?	DR	The PD provides a clear description of the project.	OK	OK
A.2.2 Is the sectoral scope and the project type clearly stated?	DR	Yes, the sectoral scope 14 "Agriculture, Forestry and Land Use" is clearly indicated in section 1.2 of the VCS-PD. The project is a grouped project.	OK	OK
A.2.3 Is the information required for the indication of project proponent correctly presented?	DR	Yes, there is only one project proponent: Proteak Uno S.A.B de C.V This entity is responsible for the operation and implementation of the project.	OK	OK
A.2.4 Are there other entities other than the project proponent involve in the project?	DR	Carbon Solutions de Mexico will be in charge of PD preparation and monitoring report delivery.	OK	OK

A.2.5 Is all information on proponent / Parties provided in consistency with details provided by further chapters of the VCS-PD?	DR	Yes, the information is consistent in the entire VCS-PD.	OK	OK
A.2.6 Are the project's starting date clearly defined and reasonable?	DR	CAR 1: Related to the start date of the project activity, it has been detected a contradiction regarding this definitive date in sections 1.5 and 2.4 of the P.D. Moreover, it shall be clearly identified the milestone which represent the start date defined and evidence shall be provided. This issue has been corrected in the final P.D. Based on evidence provided the definitive start date is 1st July 2009, which corresponds to the first plantation in El Tintal. This is the first activity that leads to the GHG removals of the project as required by VCS requirements. Then, CAR 1 is closed.	CAR 1	OK

A.2.7 Is the assumed crediting time clearly defined and reasonable according to the VCS requirements?	DR	A crediting period of 30 years has been selected in the first version of the P.D. CL1 : It shall be clarified whether the project crediting period really corresponds to the lifetime of the project and no renewable periods will be requested. In this regard, the project lifetime shall be provided in the P.D. Grouped project crediting period will be of 54 years, from July 1 2009 to June 30 2062 . This length of the project crediting period as required by section 3.3.2 of the AFOLU Requirements has been set to include at least one complete harvest/cutting cycle of all instances to be occur in the grouped project. On the other hand, the project longevity is 61 years, which corresponds the number of years beginning from the project start date in 2009 that project activities will be maintained. Taking into account last plantations in 2020 and two harvest cycles of 25 years each one, activities will finish in 2069, including 2020 as first year of cycle.	CL1	OK
A.2.8 What is the scale of the project? What are the estimated emissions annual GHG emission reductions or removals for the crediting period?.	DR	The project is classified as a project because the estimated average annual GHG emissions reductions or removals of the project will be lower than 300.000 tn.	OK	OK
A.2.9 Is the form required for the indication of projected emission reductions correctly applied?	DR	The form required is correctly applied.	OK	OK

A.2.10 Does the technical design of the project activity reflect current good practices? How much is applied technology is environmental safe?	DR I	The technical design of the project reflects good practices.	OK	OK
A.2.11 Does the information provided on the location of the project activity allow for a clear identification of the site(s)?	DR	CAR 2: The location of the project is not clear according to the information provided in the PD and other supported documents. In this regard, the project boundary described in the PD is not clear. Contradictions in the data area of the project and the number of properties have been detected in different sections of P.D and other evidence provided such as Excel spreadsheet. Moreover, a KML file shall be provided to the validation team as some coordinates are confused. CAR 2 has finally resolved as information (number of properties, areas) in final P.D is consistent with the support information in evidence provided such as KML file, spreadsheet of area plantation and files of the different farms included in section 1.9 of the P.D, i.e, land contracts and proof of registrations from SEMARNAT. KML file was reviewed due to the accuracy review to include the grouped project geographical areas were new instances could be located.	CAR 2	OK
A.2.12 Describe the conditions prior to the project initiation. Demonstrate that the project has not been implemented to generate GHGs emissions for the purpose of their subsequent reduction, removal or destruction.	DR I	Section 1.10 of the PD describes the conditions prior to the project implementation. The main objective of the project is to contribute to mitigate climate change while meeting the growing demand for quality wood products from well managed plantation forests and contributing to sustain environmental management, community development and poverty alleviation in Mexico. This is project to generate GHG removals as a consequence of reforestation activities.	OK	OK

A.2.13 Compliance with laws, statutes and other regulatory frameworks	DR I	Section 1.11 shows the compliance of the project with regulatory frameworks.	OK	OK
A.3. Ownership and other programs				
A.3.1 Right of use?	DR	Notarial certificates have been provided to the validation team for each of the properties within the project boundary. These certificates show that project proponent has the right of use for properties under the project boundary.	OK	OK
A.3.2 Will the generated ERs be used for compliance with an emissions trading program, or to meet the binding limits on GHG emissions?	DR	GHG removals generated by the project will not be used for compliance with binding limits to GHG emissions since such limits are not enforced in Mexico, and there is no emissions trading program in place in the country.	OK	OK
A.3.3 Is the project registered under any other GHG-program?	DR	The Fresh Breeze reforestation project does not participate in any other GHG program.	OK	OK
A.3.4 Does the project intends to generate any other form of GHG-related environmental credit? (e.g. renewable energy certificates)	DR	The Fresh Breeze reforestation project will only generate credits from the storage of carbon in forest pools, and these are claimed only under the VCS program.	OK	OK
A.3.5 Has the proposed project been rejected by any other GHG program?	DR	The Fresh Breeze reforestation project has never applied neither been rejected by other GHG program.	OK	OK
<i>A.3.6 Additional information relevant to the project</i>				

A.3.6.1 In case of grouped projects, are there clear eligibility criteria for potential new participants (VCS term: Project Instances)?	DR	After site visit, AENOR detected areas included in the project boundary out of control of project participant, and not planning and development at minimum level to be validated at validation stage. Taking into account this situation a CAR 3 was raised to PP. CAR 3 It shall be corrected and clarified the areas and properties to be included in the project boundary at validation stage. This CAR 3 has been closed, as the project is designed as grouped as per VCS requirements. Only areas under control of PP at validation stage were included representing 4269,82 Ha. However, and according to planning of PP, new instances will added in future years. Thus, section 1.13 of the P.D was developed to describe the eligibility criteria for inclusion of new instances. AENOR validated the defined criteria and deems that they are in compliance with VCS requirements.	CAR 3	OK
--	-----------	--	---------------------	-----------

A.3.6.2 Is the leakage management properly described?	DR	CAR 4: Clear explanations and justifications shall be provided in the P.D to discard the leakage of the project and project emissions. This CAR 4 has been closed as further explanations and justifications were provided in section 3 of the final P.D. PP provided the document “Programa de Manejo de Plantación Forestal Simplificado” which states the method for land preparation and no burning. Regarding Leakage due to displacement of agricultural activities, it is considered zero, as properties under project boundary were dedicated to grassland before project implementation, which is the baseline scenario. PP provided KML files and photos to confirm this matter, as well as the plantations management plans approved by SEMANART that detail the before land use of properties. On the other hand, and according to the AFOLU requirements the market leakage, activity-shifting leakage and ecological leakage were also analyzed and neglected.	CAR 4	OK
A.3.6.3 Has commercially sensitive information been excluded from the VCS-PD? Ex-plain to which items this information refers to.	DR	No information has been excluded from the public version of project description. Information that is deemed to be commercially sensitive shall remain public as this information is directly related to project’s additionality. As stated in VCS Standard v3.4 all information related to the determination of baseline scenario and project additionality “shall not be considered to be commercially sensitive and shall be provided in the public versions of the projects documents”.	OK	OK
A.3.6.4 Is there any further information available regarding the project?	DR	N/A	OK	OK
B. BASELINE AND MONITORING METHODOLOGY				

B.1. Title and reference of the approved baseline and monitoring methodology				
B.1.1. Are reference number, version number, and title of the approved baseline and monitoring methodology clearly indicated?	DR	The CDM consolidated methodology AR-ACM0003: "Afforestation and reforestation of lands except wetlands" v1.0.0 is applied to this project activity.	OK	OK
B.1.2. Is the applied version the most recent one and / or is this version still applicable?	DR	Yes, the applied version is still applicable.	OK	OK
B.1.3 If the baseline and monitoring methodology, applied in the original VCS-PD, was withdrawn after the registration of the VCS project activity and replaced by a consolidated methodology: Is the latest approved version of the respective consolidated methodology used?	DR	N/A.	N/A	N/A
B.1.4 In the case the registered VER project activity does not meet the applicability criteria of the options provided in B.1.2. or B.1.3., due to their revision or due to the update of the baseline: Have the project participants either selected another applicable approved methodology or request, through the DOE, a deviation from an approved methodology for the purpose of renewal of the crediting period?	DR	N/A	N/A	N/A

B.1.5 Does the methodology refer to the following tools with its latest approved versions?	DR	The following methodological tools, to which the selected methodology refers to, are used and referenced in the P.D: • “Estimation of carbon stocks and change in carbon stocks in dead wood and litter in A/R CDM project activities” Version 02 • “Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities” Version 03 • “Estimation of non-CO2 greenhouse gas (GHG) emissions resulting from burning of biomass attributable to an A/R CDM project activity” Version 04.0.0 • “Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity” Version 01 • “Tool for estimation of change in soil organic carbon stocks due to the implementation of A/R CDM project activities” Version 1.1 • Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities”, version 01 • VCS AFOLU Non-Permanence Risk Tool Version 3.2 • “Calculation of the number of sample plots for measurements within A/R CDM project activities” version 02.1.0.	OK	OK
B.2. Applicability of the selected methodology to the project activity				
B.2.1. Is the applied methodology considered the most appropriate one?	DR	Yes, the applied methodology is the most appropriate to the project.	OK	OK

Fill in the required amount of sub checklists for applicability criteria as given by the methodology applied and comment at least every line answered with “No”						
B.2.2. Criterion 1 - The land subject to the project activity does not fall in wetland category .	DR I		Applicability checklist	Yes/ No	OK	OK
			Criterion discussed in the VCS-PD?	Yes		
			Evidence provided?	Yes		
			Compliance verified?	Yes		
			According to evidence provided evidence (Land use research by FSI Servicios Técnicos Forestales y Ambientales) and evidence gathered during the on site visit to the projects sites, this condition is fulfilled.			
B.2.3. Criterion 2 – Soil disturbance attributable to the afforestation and reforestation (A/R) clean development mechanism (CDM) project activity does not cover more than 10 per cent of area in each of the following types of land, when these lands are included within the project boundary: (i) Land containing organic soils; (ii) Land which, in the baseline, is subjected to land-use and management practices and receives inputs listed in appendices 1 and 2 to this methodology.	DR I		Applicability checklist	Yes/N o	OK	OK
			Criterion discussed in the VCS-PD?	Yes		
			Evidence provided?	Yes		
			Compliance verified?	Yes		
			According to evidence provided (Proteak Forestry Management plan) the project boundary does not disturbance the contain organic soils more than 10%. On the other hand, the baseline land use is grassland, then appendix 1 of the methodology is not applicable. PP provided a report by SEMARNAT which evidence that areas under project boundary are degraded soils due to overgrazing without management practices and inputs listed in appendix 2.			

B.3. Description of the Project Boundary				
B.3.1 Are all the sources and gases included in the project boundary of the project activity (baseline scenario, project scenario and leakage) in accordance with the applied methodology?	DR	Once CAR 2 has been corrected, the final PD states all the sources and gases included in the project boundary of the project activity (baseline scenario, project scenario and leakage) in accordance with the applied methodology.	CAR 2	OK
B.3.2. Are the inclusion or exclusion of the sources of gases correctly justified?	DR	Inclusion and exclusion are appropriately explained.	CAR 2	OK
B.3.3. Do the spatial and technological boundaries as verified on-site comply with the discussion provided by the VCS-PD?	DR	Once CAR 2 has been corrected, with new explanations and justifications and new KML file was provided and it is consistent with information in P.D and other supported documents, the project boundaries as defined in the final P.D are correct.	CAR 2	OK
B.4. Description of the baseline scenario identification				
B.4.1. Is the baseline scenario clearly described?	DR	The baseline scenario is defined by using the “Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities”, version 01. Based on the application of the combined tool the baseline scenario identified is the continuation of pre-project activity as the most plausible scenario in the absence of the proposed project activity.	OK	OK
B.4.2. Have there been other alternative scenarios considered? Is it justified the selected scenario as the most likely one?	DR	Yes, other alternatives scenarios were identified and discussed. However, a CL2 was detected to clarify why forestation of at least a part of the land within the project boundary of the proposed project has not been identified as a credible and realistic alternative. This CL2 has been closed, as this alternative was identified and analyzed in the final P.D.	CL2	OK

B.4.3. Does the VCS-PD follow the steps to determine the baseline scenario required by the methodology?	DR	Correct steps are applied in accordance with the combined tool.	OK	OK
B.4.4. Has the baseline scenario been determined using conservative assumptions where possible?	DR	Conservative assumptions were used to determine the baseline scenario.	OK	OK
B.4.5 If alternatives are excluded: a.- Is sufficient evidence/ justification provided to support every exclusion of alternatives? Is it reasonable? b.- Is it shown that at least one credible and feasible alternative does not face a barrier? Is this reasonable?	DR	Where Alternatives are excluded justifications are correctly provided. On the other hand, at least one alternative credible and feasible does not face a barrier which is the current situation.	OK	N/A
B.4.7 Is the baseline scenario determination compatible with the available data and are all literature and sources clearly referenced?	DR	Baseline scenario identified is compatible with information in P.D and evidence provided.	OK	N/A
B.5. Description of how the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the registered VCS project activity (assessment and demonstration of additionality):				
B.5.1 Is the project additionality assessed according to the applicable methodology? Detail the Tool used to demonstrate the Additionality of the project activity.	DR	The steps as outlined in the “Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities” version 01 are followed to demonstrate that the proposed project activity is additional.	OK	OK
B.5.2 Are alternative scenarios defined that provide outputs or services comparable with the proposed VER project activity?	DR	Alternative scenarios have been identified as per combined tool.	OK	N/A

B.5.3 Can be the list of alternatives considered to be complete, why? Is the scenario project activity without being registered as VER project included?	DR	The list of alternative is complete. Project activity without being registered is included as alternative.	OK	OK
B.5.4 In case several different facilities, technologies, outputs or services are present in the project, are separately alternative scenarios for each of them included? Have realistic combinations been considered as project scenario?	DR	Not applicable.	N/A	N/A
B.5.5 Describe why the alternative scenarios are credible and realistic (technology, practices, services, status of implementation)?	DR	Only one credible and realistic alternative which is the continuation of the current situation is identified. This alternative fulfils with legislation and does not face barriers.	OK	N/A
B.5.6 Do the alternative scenarios comply with mandatory laws and regulations?	DR	Alternative scenarios comply with mandatory laws and regulations	OK	N/A
B.5.7 If a scenario does not comply with the mandatory laws and regulations, is it clearly demonstrated that the law and/or regulation is systematically not enforced in the country?	DR	There have not been detected scenarios do not comply with laws and regulations.	OK	N/A
B.5.8 In case of applying step 2 / investment analysis of the additionality tool: Is the analysis method identified appropriately?	DR	N/A, the project uses the barrier analysis.	OK	N/A
B.5.9 In case of Option I (simple cost analysis): Is it demonstrated that the activity produces no economic benefits other than VERs income? a. Are the assumptions for all alternatives compared consistent (including discount rates if applicable)?	DR	N/A	OK	N/A

B.5.10 In case of Option II (investment comparison analysis): Is the most suitable financial indicator clearly identified (IRR, NPV, cost benefit ratio, or (levelized) unit cost)? a. Are the assumptions for all alternatives compared consistent (including discount rates if applicable)?	DR	N/A	OK	N/A
B.5.11 In case of Option III (benchmark analysis): Is the most suitable financial indicator clearly identified (IRR, NPV, cost benefit ratio, or (levelized) unit cost)? a. If an IRR indicator is used, is the choice of benchmark appropriate to the type of IRR calculated? b. Is the choice of benchmark or discount rate justified with supporting evidence for its appropriateness?	DR	N/A.	OK	N/A
B.5.12 How is it demonstrated that the financial/economic analysis (benchmark) represents standard returns in the market, considers the specific risk of the project type, but is not linked to the subjective profitability expectation or risk profile of a particular project developer (Option II and Option III)?	DR	N/A	OK	N/A
B.5.13 In case of company internal benchmark, is it clearly demonstrate that there is only one potential project developer and that the benchmark has been consistently used in the past (Option II and Option III)?	DR	N/A	OK	N/A

B.5.14 In case of Option II or Option III: Is the calculation of financial figures for this indicator correctly done for all alternatives (Option II) and the project activity (Option III)?	DR	CAR 5: According to the Combined tool for the assessment of the additionality, the decision tree has to be suitability followed. As only one baseline scenario is determined after barrier analysis and this scenario is not the project without being registered as VCS, then a common practice analysis must be carried out. In this regard, further justification and evidence shall be provided to AENOR and detailed in the PD for the common practice analysis. This CAR has been closed as the final version of the P.D has been developed considering the correct decision tree of the combined tool. In addition, a complete assessment of the common practice is detailed in the P.D with appropriate and credible justifications.	CAR 5	N/A
B.5.15 In case of Option II or Option III: Is the analysis presented in a transparent manner including publicly available proofs for the utilized data?	DR	N/A	OK	N/A
B.5.16 Are all assumptions and input data clearly presented, documented, evidenced and consistent with the rest of the VCS-PD?	DR	N/A	OK	N/A
B.5.17 Does the sensitivity analysis show that the conclusion of financial/economical attractiveness is robust to reasonable variations in the critical assumptions?	DR	N/A	OK	N/A
B.5.18 How is demonstrated that this variations have been adequately taken (range is adequate)?	DR	N/A	OK	N/A

B.5.19 In case of applying step 3 (barrier analysis) of the additionality tool: Is a complete list of barriers developed that prevent the implementation of the proposed project and the different alternatives to occur?	DR	N/A. Barrier analysis is used for determining the baseline scenario.	OK	N/A
B.5.20 Is transparent and documented evidence provided on the existence and significance of these barriers?	DR	N/A	OK	N/A
B.5.21 Is it transparently shown that the execution of at least one of the alternatives is not prevented by the identified barriers?	DR	N/A	OK	N/A
B.5.22 How is confirmed that the VER does alleviate the barriers presented?	DR	N/A	OK	N/A
B.5.23 Has common practice analysis been undertaken?	DR	The common practice analysis has been considered and it is detailed in the P.D	CAR 5	N/A
B.5.24 Have other activities in the host country / region similar to the project activity been identified and are these activities appropriately analyzed by the VCS-PD?	DR	After the assessment, it is concluded that no similar activities were identified.	CAR 5	N/A
B.5.25 If similar activities are occurring: Is it demonstrated that in spite of these similarities the project activity would not be implemented without the VER component?	DR	N/A	CAR 5	N/A
B.5.26 Overall, is the proposed VCS project activity considered common practice?	DR	The project is not common practice	CAR 5	N/A

B.5.27 Is it demonstrated/justified that the project activity is not a likely baseline scenario?	DR	Yes, it is clearly demonstrated and justified.	OK	OK
B.6. Emissions reductions				
<i>B.6.1. Explanation of methodological choices</i>				
B.6.1.1. Is it explained how the procedures provided in the methodology are applied by the proposed project activity?	DR	CAR 6: In section 3.2 of the P.D for the emission reductions of the project, the following issues were detected: • Stratification has not been carried out as methodology requires, then, appropriate explanations shall be provided. • Further information shall be provided in the P.D regarding the calculation of removals due to the project implementation given details of methods, techniques, equations, options chosen for the designed project. All issues raise were corrected, then CAR 6 is closed. Stratification for the project scenario has been defined using as criterion plantation year and growth curve leading to the definition of 9 strata. Only one strata is applied in the baseline scenario. Regarding second issue, section 3 of the P.D was further explained; formulae and equations used were mentioned. BEF technique was used for estimating C stocks in trees, and the stock change method was used for estimating the changes in Carbon stocks.	CAR 6	OK

B.6.1.2. Is every selection of options offered by the methodology correctly justified and is this justification in line with the situation verified on-site?	DR	Information in P.D is consistent with calculations. Methods, techniques and equations used are correctly justified and they are in line with the applicable methodology and associated tools.	CAR 6	OK
B.6.1.3. Are the formulae required for the determination of emissions reductions correctly presented and used? (<i>Open excel, trazability of data, etc</i>)	DR	The formulae required for the determination of emissions reductions are correctly presented and used.	OK	OK
B.6.1.4 Are all the data and assumptions listed in the VCS-PD and are appropriate and calculations result in a conservative estimate of emission reductions?	DR	All data and assumptions are listed in P.D. They are appropriate and consistent with data sources and they result in a conservative estimation of removals.	CAR 6	OK
B.6.2. Data and parameters that are available at validation				
B.6.2.1. Is the list of parameters presented in VCS-PD considered to be complete with regard to the requirements of the applied methodology? Is all the information required for each parameter included?	DR	The list of parameters presented in VCS-PD is considered to be complete with regard to the requirements of the applied methodology. All the information required for each parameter is included.	OK	OK
B.6.2.2. Are all the data derived from official data sources or replicable records and have been correctly quoted?	DR	Yes, all the data is derived from official data sources or replicable records and is correctly quoted.	OK	OK

B.6.2.3. For parameter: a. Title in line with Methodology? b. Data unit correctly expressed? c. Appropriate description? d. Source clearly referenced? (and appropriate?) e. Correct value provided? f. Has this value been verified? g. Choice of data correctly justified? h. Measurement method correctly described?	DR	For all parameters in the P.D, i.e, Dj, BEF2, Rj, fIN, SOCref, fMG, and Flu, Volume table or equation. The information provided is in line with the methodology, it is correctly expressed and described, sources are referenced and correct values provided, verified and justified and measurement method described if applicable.	OK	OK
B.6.2.4. Will the data and parameters result in a conservative estimate of emissions reductions?	DR	Data and parameters result in a conservative estimation of emission reduction as AENOR has checked.	OK	OK
B.6.3 Calculation of GHG Emission Reductions – Baseline Emissions <i>It is assessed whether the baseline emissions are stated according to the methodology and whether the argumentation for the choice of default factors and values – where applicable – is justified.</i>				

B.6.3.1 Are the calculations documented according to the approved methodology and in a complete and transparent manner?	DR	CAR 7. On the other hand, the following issue have been detected in spreadsheet calculations: Inconsistencies and mistakes were detected in calculation of the biomass tree, tree volume/ha, values of parameters used to calculate the volume of biomass, values of parameters to calculate the soil organic carbon and net GHG removals taking into account the formulae to be applied and data provided in excel spreadsheets. This CAR 7 has been corrected. A new spreadsheet calculation was provided. AENOR reproduced calculations, again and found them consistent and reasonable based on assumptions defined and information provided in the P.D and documents of support. Assumptions and formulae used are consistent with chosen options of the applicable methodology and associated tools.	CAR 7	OK
B.6.3.2. Have conservative assumptions been used when calculating the baseline emissions?	DR	Conservative assumptions were used in calculations.	OK	OK
B.6.3.3 Are uncertainties in the baseline emission estimates properly addressed?	DR	Uncertainties have been properly addressed.	OK	OK
B.6.3.4. Is additional background information on baseline data provided in Annex of the VCS-PD? Is this information consistent with data presented by other sections of the VCS-PD?	DR	No additional information is provided in annex of the P.D	OK	OK

B.6.4 Calculation of GHG Emission Reductions – Project Emissions <i>It is assessed whether the project emissions are stated according to the methodology and whether the argumentation for the choice of default factors and values – where applicable – is justified.</i>				
B.6.4.1 Are the calculations documented according to the approved methodology and in a complete and transparent manner?	DR	Calculations are documented according to the approved methodology and in a complete and transparent manner.	CAR 4, 6 and 7	OK
B.6.4.2. Have conservative assumptions been used when calculating the project emissions?	DR	Project emissions are zero based on evidence provided.	CAR 4, 6 and 7	OK
B.6.4.3 Are uncertainties in the project emission estimates properly addressed?	DR	Project emissions are zero based on evidence provided.	CAR 4, 6 and 7	OK
B.6.5. Calculation of GHG Emission Reductions – Leakage <i>It is assessed whether leakage emissions are stated according to the methodology and whether the argumentation for the choice of default factors and values – where applicable – is justified.</i>				
B.6.5.1 Are the leakage calculations documented according to the approved methodology and in a complete and transparent manner?	DR	The final PD documents in an appropriate manner the leakage calculations as a result of corrections of issues requested in the different CARs raised to the PP.	CAR 4, 6 and 7	OK
B.6.5.2. Have conservative assumptions been used when calculating the leakage emissions?	DR	Leakage is zero for the proposed project based on explanations and justifications provided.	CAR 4, 6 and 7	OK
B.6.5.3. Are uncertainties in the leakage emission estimates properly addressed?	DR	Leakage is zero for the proposed project based on explanations and justifications provided.	CAR 4, 6 and 7	OK
B.6.6. Ex-ante calculation of emission reductions				

B.6.6.1. Are the GHG calculations documented in a complete and transparent manner? Are all the calculations correct?	DR	Once, all issues raised to the PP were corrected and clarified and new calculations and evidence provided, AENOR considers that GHG calculations are documented in a complete and transparent manner.	CAR 4, 6 and 7	OK
B.6.6.2. Is the data provided in this section consistent with data as presented in other chapters of the VCS-PD?	DR	Data are consistent throughout the P.D.	CAR 4, 6 and 7	OK
B.6.7.1. Will the project result in fewer GHG emissions than the baseline scenario?	DR	The project will result in higher removals than the baseline scenario.	CAR 4, 6 and 7	OK
B.6.7.2. Are the emissions reductions projected in line with the envisioned time schedule for the project' implementation and the indicated crediting period?	DR	The removals projected are in line with the envisioned time schedule for the project' implementation and the indicated crediting period.	CAR 4, 6 and 7	OK
B.7. Application of the monitoring methodology and description of the monitoring plan				
<i>B.7.1. Description of the monitoring plan</i>				

B.7.1.1 Is the monitoring plan documented according to the approved methodology and relevant tools and in a complete and transparent manner?	DR	CAR 8 Regarding the monitoring plan, it shall be provided in the monitoring plan of the P.D further explanations regarding the sampling requirements and QA/QC. On the other hand, it shall be assessed to include the parameter n° 16 of the tool for the estimation in carbon stocks of trees as parameter to be monitored. CAR 8 has been closed, since monitoring plan was further detailed related to sampling requirements and QA/QC procedures. Equations and tools to be applied were included in the P.D to determine the sampling. On the other hand, the parameter “volume table or equation” was included as parameter to be monitored.	CAR 8	OK
B.7.1.2. Does the monitoring methodology provide a consistent approach in the context of all parameters to be monitored and further information provided in the VCS-PD?	DR	Information in P.D is complete regarding parameters to be monitored. Information is in compliance with the applicable methodology.	CAR 8	OK
B.7.1.3. Does the monitoring plan provide a clear description of the organization structure involved in monitoring activities and their responsibilities?	DR	The monitoring plan provides a clear description of the organization structure involved in monitoring activities and their responsibilities	OK	OK
B.7.1.4. If applicable: Does VCS-PD provide useful information enabling a better understanding of the envisioned monitoring provisions?	DR	Information in the P.D is useful to a better understanding of the monitoring provisions	OK	OK
B.7.1.5. Is the registration, monitoring, measurement and reporting procedure defined?	DR	QC/QA procedures were detailed in the monitoring plan.	OK	OK

<i>B.7.2 Compliance of the monitoring plan with the approved methodology</i>				
B.7.2.1 Is the list of parameters considered to be complete with regard to the requirements of the applied methodology? Are all of them clearly described in the monitoring plan and in accordance with the methodology and tools?	DR	The list of parameters is considered to be complete with regard to the requirements of the applied methodology, all of them are clearly described in the monitoring plan and in accordance with the methodology and tools.	OK	OK
B.7.2.2. Does the monitoring plan provide for the collection and archiving of all relevant data necessary for estimation or measuring the emission reductions within the project boundary during the crediting period?	DR	The monitoring plan provides enough information for the collection and archiving of all relevant data necessary for estimation or measuring the emission reductions within the project boundary during the crediting period.	OK	OK

B.7.2.3. For parameter: a. Title in line with methodology? b. Data unit correctly expressed? c. Parameter appropriately described? d. Source clearly referenced? (And appropriate?) e. Measurement methods correctly described and in line with the methodology/tools? f. Frequency of monitoring/recording is in line with the methodology/tools? g. Correct value provided for the purpose of VCS-PD estimations? h. Monitoring equipment is correctly described? i. QA/QC procedures described (And appropriate?) j. Correct reference to standards (i.e. for calibration and maintenance)?	DR	For all parameters in the P.D to be monitored, i.e, Ap,i , DBH, H, T and Volume table or equation, the information is in line with the methodology, data and parameter are correctly expressed and described, respectively, sources are appropriate and they are referenced. Measurements methods are described, if applicable, the frequency of monitoring is in compliance with methodology and tools. Correct values were provided for the estimations of the project.	CAR 8	OK
<i>B.7.3 Implementation of the Monitoring Plan</i>				
B.7.3.1 Do the means of monitoring of each of the parameters included in the plan complies with the requirements of the methodology?	DR	The means of monitoring of each of the parameters included in the plan complies with the requirements of the methodology.	CAR 8	OK
B.7.3.2. Is the measurement equipment described and deemed appropriate?	DR	Measurements equipment is described if applicable.	OK	OK

B.7.3.3. Are procedures identified for maintenance of monitoring equipment and installations? Are provisions regarding the calibration intervals included in the monitoring plan?	DR	Procedures identified for maintenance of monitoring equipment and installations are described if applicable.	OK	OK
B.7.3.5. Is the monitoring Plan sufficient to ensure the verification of a proper implementation of the monitoring plan?	DR	The monitoring Plan is sufficient to ensure the verification of a proper implementation of the monitoring plan.	CAR 8	OK
C. ENVIRONMENTAL IMPACTS				
C.1. Documentation on the analysis of the environmental impacts, including transboundary impacts				
C.1.1. Has the analysis of the environmental impacts of the project activity been sufficiently described in the VCS-PD?	DR	The analysis of the environmental impacts of the project activity has been sufficiently described in the VCS-PD.	OK	OK
C.1.2. Are there any Host Party requirements for an Environmental Impact Assessment (EIA), and if yes, has an EIA been approved?	DR I	For this kind of project an E.I.A is not required by the Host Country, however an E.I.A has been carried out.	OK	OK
C.1.3. Will the project create any adverse environmental effects? Has any environmental impact identified as significant?	DR	Adverse impacts were identified and they are shown in the P.D. No significant impacts were detected.	OK	OK
C.1.4. Does the project comply with any other environmental legislation in the host country?	DR	The project fulfils with environmental requirements of the country.	OK	OK
C.1.4. Are transboundary environmental impacts identified in the analysis?	DR	No transboundary environmental impacts are identified in the analysis.	OK	OK

C.2. If environmental impacts are considered significant by the project participants or the host Party, please provide conclusions and all references to support documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the host Party.				
C.2.1. Have the identified environmental impacts been addressed in the VCS-PD sufficiently?	DR	Yes, they have been sufficiently addressed.	OK	OK
D. STAKEHOLDERS' COMMENTS				
D.1. Brief description how comments by local stakeholders have been invited and compiled				
D.1.1. Have relevant local stakeholders been consulted? Is the exact date of the consultation process included in the VCS-PD?	DR I	Relevant local stakeholders were consulted. Evidence provided and report of consultation process also provided. Consultation processes were carried out in April and March of 2013 in different places of Tabasco, Chiapas, and Nayarit.	OK	OK
D.1.2. Have appropriate media been used to invite comments by local stakeholders?	DR	Appropriate media were used to invite comments by local stakeholders.	OK	OK
D.1.3. If a stakeholder consultation process is required by regulations/laws in the host country, has the stakeholder consultation process been carried out in accordance with such regulations/laws?	DR	A stakeholder consultation process is not required, unless any interested person apply for this consultation process to the SEMARNAT. However, no persons applied for this process under SEMARNAT regulation.	OK	OK
D.1.4. Is the undertaken stakeholder process that was carried out described in a complete and transparent manner?	DR	The process was carried out in a complete and transparent manner.	OK	OK
E.2. Summary of the comments received				

E.2.1. Is a summary of the stakeholder comments received provided?	DR	CL3 Further information shall be provided in the P.D regarding information gathered from the stakeholder consultation process. Section 6 of the P.D has been further detailed with comments received by PP from stakeholders. Most of them are related to increase the implementation of the project for hiring more local people in works. AENOR could verify during the on site visit to plantations and nursery that people working in these places are local from vicinity communities. Thus, CL 3 is closed.	CL3	OK
E.3. Report on how due account was taken of any comments received				
E.3.1. Has due account been taken of any stakeholder comments received?	DR	PPs gathered comments from stakeholders and recorded in the meeting reports. In addition, some of them were taken into account in the design of the project specially issues related to the local jobs.	OK	OK
E.4. Non-permanence risk				
Has a non permanence risk report been prepared using the VCS Non permanence risk report template?	DR	Yes, it has been prepared with the official template.	OK	OK

Has the risk analysis been carried out in accordance with the VCS document AFOLU Non permanence risk tool?	DR	CAR 9 Regarding the non permanence report, the following issues were detected: • It shall be provided the measures for mitigation of natural risks. • Evidence shall be provided to validate the scores given for fires, and risks of flooding. In addition, the assessment of “pest and diseases” shall be carried out to Estate Scale, not for the whole country. • The assessment of Land Tenure and Resource Access/Impacts is double, then, it shall be provided an unique evaluation. • Documents to check the assessment of the financial viability and opportunity costs risks shall be provided. Further mitigation measures were provided in the risk report. Section A3.0 provides that information. Some of them were verified by AENOR during the on site visit. In addition, to verify information for fires, flooding and diseases, documents from CONAFOR, INEGI and FAO were provided to AENOR and appropriately detailed in the Risk Report. Flooding and diseases were assessed to Estate scale. In addition, financial information was provided in order to assess in a transparent way the assessment risk. AENOR verified that information in report is consistent with data sources. Finally, only one assessment was performed for Land Tenure and resources impacts and results are reliable and reasonable. Thus, as all issues requested were corrected, CAR 9 is closed.	CAR 9	OK
---	-----------	---	---------------------	-----------

Has buffer credits taken into account based on the non permanence risk report?	DR	Yes, it has been taken into account.	OK	OK
--	----	--------------------------------------	----	----