

GROUPED PROJECT – PROTECTION OF A TASMANIAN NATIVE FOREST VCS VERIFICATION REPORT



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Project Title	Grouped Project – Protection of a Tasmanian Native Forest
Version	Verification Report Version 02
Report ID	VO13017.00GroupedVer

Report Title	Grouped Project – Protection of a Tasmanian Native Forest VCS Verification Report
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Pages	58
Date of Issue	Original Report-03 December 2013 Revised Report-27 January 2014
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Summary:

Environmental Services, Inc., (ESI) was contracted by Forests Alive Pty. Ltd., on 06 March 2013 to conduct the project verification of the *Grouped Project: Protection of a Tasmanian Native Forest* [Project Description (PD) Version 1.20, dated May 2011].

The *Grouped Project: Protection of a Tasmanian Native Forest* is a grouped improved forest management project implemented by private land owners in the Australian state of Tasmania. The project will achieve GHG emission reductions through avoiding logging events. Forests Alive Pty Ltd is acting as implementing partner on behalf of the project proponents (legal landowners) in the Grouped Project, and is responsible for the development, validation and verification of each project activity instance. For each instance, the project proponent is the legal landowner and the signatory to a contract with Forests Alive (formerly Redd Forests Pty. Ltd). The Grouped Project was implemented in response to the ongoing logging of native forests within Tasmania (previously the only means to generate income from native forests).

The previously validated Grouped Project PD entitled "*REDD Forests Grouped Project: Protection of a Tasmanian Native Forest*," dated May 2011, covers the general principles behind the project and the individual PDs (also known as "Project Files") describe specific instances. This verification is for all instances of the Grouped Project, including: Additions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11, with each instance having a separate PD or "Project File."

Total area for each instance in this verification includes: Addition 1 – Connorville: 3249.65 ha, Addition 2 – Charlton: 5871.29 ha, Addition 3 – Beaufront: 4430.51 ha, Addition 5 - Large Waddamana: 1948.88 ha, Addition 6 – Cleveland: 2070 ha, Addition 7 – Serat: 1383.62, Addition 8 - Marlborough Estate: 1272 ha, Addition 9 – Cornelius: 2,402 ha, Addition 10 – Wisedale: 850 ha, and Addition 11 - Little Waddamana Forest: 761.9. The Grouped Project Monitoring Report is for 10 total instances of the Grouped Project that totals 24,241 ha.

Instances within the Grouped Project are monitored individually, approximately upon the anniversary of their start date. These annual monitoring events assess natural disturbance, changes to project area, and market leakage. Changes in the carbon stock are calculated through modeling and extrapolation. Every five years, a more comprehensive monitoring event will be completed to assess changes in carbon stocks through fieldwork.

As agreed to by Forests Alive, there is a **Forward Action Request** to correct immaterial errors discovered during the course of this verification. The errors and resulting forward action request are discussed in section 2.2.4 of this report.

The verification objective included an assessment of compliance with *the Verified Carbon Standard (VCS) Version 3* and all associated updates, and the validated PD (v.12, May 2011). The scope of the verification included the Greenhouse Gas (GHG) project and implementation; baseline scenarios; physical infrastructure, activities, technologies and processes of the GHG project; GHG sources, sinks and/or reservoirs; types of GHG's; and time periods covered. The geographic verification scope was defined by the project boundary, which included multiple project areas (grouped), the carbon reservoir types, management activities, growth and yield models, inventory program, and contract periods.

The verification followed the guidance documents provided by VCS and included the following: *VCS Program Guide* (v3.4, October 2012), *VCS Standard* (v3.3, October 2012), *Program Definitions* (v3.4, October 2012), *Agriculture, Forestry and Other Land Use (AFOLU) Requirements* (v3.3, October 2012), *AFOLU Non-Permanence Risk Tool* (v3.2, October 2012), the previously validated Project PD (dated 14 March 2011), and *VM0010 - Methodology for Improved Forest Management: Conversion from Logged to Protected Forest*, Version 1.1 (10 November 2011).

A summary of all findings is included in Appendix C.

ESI confirms all verification activities including objectives, scope and criteria, level of assurance and the Monitoring Report dated 10 October 2013 adherence to the validated PD, and to the *VCS Version 3*, as documented in this report are complete. ESI concludes without any qualifications or limiting conditions that the project's Monitoring Report dated 10 October 2013 (for the 16 April 2012 to 15 April 2013 monitoring period) meets the requirements of *VCS Version 3*.

The GHG assertion provided by Forests Alive Pty. Ltd., and verified by ESI has resulted in the GHG emissions reduction or removal of 181,797 tCO₂ equivalents by the project during the verification period/reporting period (16 April 2012 to 15 April 2013). This value is gross of the 14.5% (26,362 tCO₂ equivalents) buffer withholding based on the non-permanence risk assessment tool.

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1 INTRODUCTION

1.1 Objective

The verification objective included an assessment of compliance with *the Verified Carbon Standard (VCS) Version 3* (and all associated updates), the validated Project Description (PD), and the selected methodology (*VM0010 Version 1.1 - Methodology for Improved Forest Management: Conversion of Logged to Protected Forest*). This verification assessed the Greenhouse Gas (GHG) emission removals through Agriculture, Forestry, and Other Land Use (AFOLU) criteria, specifically Improved Forest Management – Logged to Protected Forest (IFM-LtPF) for the VCS Grouped Project over the monitoring period of 16 April 2012 to 15 April 2013.

1.2 Scope and Criteria

The scope of the verification included the GHG project and implementation; baseline scenarios; physical infrastructure, activities, technologies and processes of the GHG project; GHG sources, sinks and/or reservoirs; types of GHG's; and time periods. The geographic verification scope was defined by the project boundary, which included multiple project areas (grouped), the carbon reservoir types, management activities, growth and yield models, inventory program, and contract periods. The scope of the *Grouped Project: Protection of Tasmanian Native Forest* was outlined by the project developer prior to the verification initiation, and is re-defined as follows:

Baseline Scenario	Planned Selective Timber Harvest
Activities/Technologies/Processes	IFM - LtPF
Sources/sinks/Reservoirs	Above Ground trees, deadwood, harvest wood products, burning of biomass.
GHG Type	CO ₂ and CH ₄
Time Period	Grouped project validated :May 2011 Crediting period – ADD 1- 01 April 2010 to 31 March 2035 ADD 2- 01 May 2010 to 31 March 2035 ADD 3- 01 June 2011 to 31 March 2035 ADD 5- 01 June 2011 to 31 March 2035 ADD 6- 01 June 2011 to 31 March 2035 ADD 7- 18 August 2011 to 31 March 2035 ADD 8- 15 August 2011 to 31 March 2035 ADD 9 – 15 September 2011 to 31 March 2035 ADD 10 -26 July 2011 to 31 March 2035 ADD 11- 01 June 2011 to 31 March 2035 Monitoring period- 16 April 2012 to 15 April 2013
Project Boundary	Addition 1- Connorville (3249.65 ha) Addition 2- Charlton (5871.29 ha) Addition 3- Beaufront (4430.51 ha) Addition 5 - Large Waddamana Forest (1948.88 ha) Addition 6 – Cleveland (2070.0 ha) Addition 7 – Serat (1383.62 ha) Addition 8 – Marlborough Estate (1272 ha) Addition 9 – Cornelius (2,402 ha) Addition 10 – Wisedale (850 ha) Addition 11 - Little Waddamana Forest (761.9 ha)

The verification criteria followed the guidance documents provided by VCS and included the following: *VCS Program Guide* (v3.4, October 2012), *VCS Standard* (v3.3, October 2012), *Program Definitions* (v3.4, October 2012), *Agriculture, Forestry and Other Land Use (AFOLU)*

Requirements (v3.3, October 2012), AFOLU Non-Permanence Risk Tool (v3.2, October 2012), the previously validated Project PD (dated May 2011), and VM0010 Version 1.1 - Methodology for Improved Forest Management: Conversion of Logged to Protected Forest.

1.3 Level of assurance

The level of assurance was used to determine the depth of detail that the verifiers placed in the verification and sampling plan to determine if there are any errors, omissions, or misrepresentations (ISO 14064-3:2006). Environmental Services, Inc., (ESI) assessed the project (general principles, data, sampling descriptions, documentation, calculations, etc.) to provide *reasonable assurance* to meet the Project Level requirements of the VCS Program. The evidence used to achieve a *reasonable* level of assurance is specified in the following sections.

1.4 Summary Description of the Project

The *Grouped Project: Protection of Tasmanian Native Forest* is a grouped Improved Forest Management (IFM) project implemented by private land owners in the Australian state of Tasmania. The project is achieving GHG emission reductions through avoiding logging events. Forests Alive Pty. Ltd. is acting as implementing partner on behalf of the project proponents (legal landowners) in the Grouped Project, and is responsible for the development, validation and verification of each project activity instance. For each instance, the project proponent is the legal landowner and the signatory to a contract with Forests Alive (formerly Redd Forests Pty. Ltd).

The Grouped Project was implemented in response to the on-going logging of native forests within Tasmania (previously the only means to generate income from native forests). The establishment of an IFM project is intended to maintain and enhance the carbon stocks in native forests for twenty-five years, thus preventing the emissions generated through business-as-usual logging practices. The project will also have the additional benefits of enhancing local biodiversity (which is undermined by harvesting events and practices), diversifying landowners' income and maintaining the aesthetic and recreational values of the Tasmanian landscape.

The previously validated Grouped Project PD covers the general principles behind the project and the individual PDs (or "Project Files") describe specific instances. This verification is for all instances of the Grouped Project, including: Additions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11, with each instance having a separate PD or "Project File." Please see Appendix A for a complete list of instances.

2 VALIDATION PROCESS, FINDINGS AND CONCLUSION

2.1 Validation Process

The PD entitled "*REDD FORESTS GROUPED PROJECT: PROTECTION OF TASMANIAN NATIVE FOREST*," dated May 2011, along with Additions 1, 2, and 3, were previously validated by another Validation and Verification Body (VVB). The validation process for the Grouped Project and these instances is described in the Validation Report(s), available on the VCS website.

For Additions 5, 6, 7, 8, 9, 10, and 11, the validation process closely followed the *VCS Standard*, *VCS Program Guide*, *AFOLU Requirements*, *ISO 14064-3*, *ISO 14055*, and ESI's *Management System Manual*.

The validation criteria followed the guidance documents provided by VCS and included the following: *VCS Program Guide* (v3.4, October 2012), *VCS Standard* (v3.3, October 2012), *Program Definitions* (v3.4, October 2012), *Agriculture, Forestry and Other Land Use (AFOLU)*

Requirements (v3.3, October 2012), *AFOLU Non-Permanence Risk Tool* (v3.2, October 2012), the previously validated project PD (dated May 2011), and *VM0010 - Methodology for Improved Forest Management: Conversion from Logged to Protected Forest*, Version 1.1 (10 November 2011).

A detailed review of all project documentation was conducted to ensure consistency with, and identify any deviation from VCS program requirements (Version 3 and associated updates) and the VCS methodology *VM0010* v1.1. Initial review focused on the instance PDs and included an examination of the project details, data and parameters, and quantification of GHG emission reductions and removals, and supporting documents.

Onsite interviews and informal discussions were conducted with project staff. No negative comments were received, and information provided in the PDs was supported.

Sites selected for detailed review were chosen at the discretion of the Lead Validator. A risk based approach was used to select the tracts to allow a review of a wide geographic range of sites; sufficient to provide the necessary sample size to meet a reasonable level of assurance; as directed by the professional judgment of the Lead Validator.

During the field review of the project, the following aspects of the project were assessed:

- pre-project/baseline conditions, as evidenced by current condition of the project areas and evidence of on-going logging activities of adjacent or nearby non-project areas
- current project conditions, including reported tree species and forest cover types, reported growth characteristics (diameter, or similar), and implementation of inventory plan/monitoring prior to monitoring being fully completed

Direct field observations were performed throughout the site inspections in order to sufficiently satisfy the professional discretion of the validation team.

For additional information on the project's validations, please refer to the associated VCS Validation Reports dated 15 October 2012 (Additions 5, 6, 7, 8, and 11) and 16 January 2014 (Additions 9 and 10) prepared by ESI and submitted to the Verified Carbon Standard Association (VCSA).

2.2 Validation Findings

2.2.1 Gap Validation

Not applicable.

2.2.2 Methodology Deviations

As stated in the PDs, the following the deviations from *VM0010* v1.1 apply to Additions 9 and 10:

“Calculating the merchantable volume of timber $VI_{j,i,sp}$;

Yield tables or allometric equations must be used to convert field measurements of diameter (DBH, at typically 1.3 m [4.3 ft] aboveground level or above buttress where they exist), and total height H of each tree in the sample plots to merchantable volume, $VI_{j,i,sp}$. As part of the field work activities, a random sample of each species is selected to measure DBH and height. The DBH of a tree is measured using a measuring tape with tree diameter increments (cm). The same tree is then measured using a Laser Ace Range Finder to find its height. The heights and DBH

are then processed by the FFT to provide a height curve and a merchantable volume for each species. Using the DBH for each tree the merchantable volume is assigned from the FFT curve.

Forests Alive have a large dataset for tree height and DBH for the Central Highlands region of Tasmania. These recorded heights are used to assess the datasets' suitability to provide estimated heights for the project area.

Graphs are provided to the validator to assess the height curves and compare them to height curves produced from all data in the Central Highlands of Tasmania.

The merchantable volume of timber produced by the FFT is the parameter $V_{l,j,i,sp}$.¹

In addition, the previously validated Grouped Project PD for contained a deviation to equations 13-15 (applicable to all Additions) as described and justified below:

"The same data and model parameters entered into FullCAM for Equation 9 were used to calculate the carbon stock in aboveground trees (tC/ha), the required output of Equation 15. The inputs for FullCAM are based on local taxonomix-, geographic- and climatic-specific information, and allometric relationships identified in the Technical Reports prepared for the National Carbon Accounting System.² FullCAM is part of the Australian National Carbon Accounting System (N-CAT) and international best practice in modelling carbon flows. However, the program does:

*"tend to be highly conservative and radically underestimates forest carbon generated from mixed native species (Brendan and Mackey, 2008)."*³

Moreover, for each stratum, FullCAM's output was calibrated according to fieldwork estimates of aboveground trees (m^3/ha) in 2010, and consistent between the baseline and project scenarios until the first harvest. Because FullCAM was available as a best practice option, Forests Alive is submitting a deviation from the less precise, accurate and conservative requirements of the GreenCollar IFM methodology. Equations 13-15 were therefore not required, and FullCAM used to calculate the product of Equation 15 (tC/ha)."⁴

Additionally, an error was identified with the application of equations 9 through 12 and 21 through 27 of VM0010 v1.1. Per the VCS rules, Forests Alive demonstrated that correcting this issue (along with two other PD deviations described in section 2.2.3 below) resulted immaterial differences. Thus, the original quantification of GHG emission reductions/removals was not modified. However, Forests Alive has agreed to amend the quantification of GHG emission

¹ Addition 9 – Cornelius/Addition 10 – Wisedale (Project Descriptions), dated 27 August 2013.

² Raison, J. (2001) Carbon Accounting and Emissions Trading Related to Bioenergy, Wood Products and Carbon Sequestration: Development of a 'Toolbox' for Carbon Accounting in Forests, IEA Bioenergy Task 38: Workshop in Canberra/Australia, CSIRO, Forestry and Forest Products. Available from <<http://www.ieabioenergy-task38.org/workshops/canberra01/cansession1.pdf>> [accessed 7th March 2011]

³ as cited by Kapambwe, M.; Keenan, R.; (2009) Biodiversity Outcomes from Carbon Biosequestration, The University of Melbourne, commissioned by The Department of Sustainability and Environment, pp 23. Available from <[http://www.dse.vic.gov.au/CA256F310024B628/0/761E59489BC57A9ACA2576810079C4D4/\\$File/Biosequestration+and+Biodiversity.pdf](http://www.dse.vic.gov.au/CA256F310024B628/0/761E59489BC57A9ACA2576810079C4D4/$File/Biosequestration+and+Biodiversity.pdf)> [accessed 4th March 2011]

⁴ REDD FORESTS GROUPED PROJECT: PROTECTION OF TASMANIAN NATIVE FOREST (Project Description), dated May 2011.

reductions/ removals and all documentation (for all historic and future instances) for the next verification event for the Grouped Project in 2014.

There were no other methodology deviations to the project calculations or to the monitoring plan.

2.2.3 Project Description Deviations

The Monitoring Report included PD deviations related to monitoring of natural disturbance and tree height predictions. The deviations do not impact the applicability of the methodology, additionality or the appropriateness of the baseline scenario. The project remains in compliance with VM0010 V1.1 and the PD deviations are described and justified in Section 2.2 of the Monitoring Report as follows:

“SPOT Analysis for Natural Disturbance and Deviation to the Project Description

The NDVI assessment

1. Spot images, or similar satellite image with 4 colour bands are obtained. Images taken at similar times of the year should be obtained if possible (to avoid seasonal variation) however, this is not always possible when obtaining imagery.
2. Conduct an NDVI assessment using the Red and Near infra-red colour bands using the following equation;

$$NDVI = \frac{(NIR - VIS)}{(NIR + VIS)}$$

Where NIR is Near infra-red and VIS is red colour band.

An NDVI assessment has been chosen for this identifies the “greenness” of the forest canopy. The health of the forest canopy is representative of the biomass present and if any natural disturbance has occurred, this will be represented in a thinning or loss of canopy cover.

3. The NIR analysis provides values between -1 and 1, where areas of dense vegetation should be in the higher positive range.
4. The image is compared to the original NDVI assessment of the original SPOT image from the start of the project.

Justification:

The purpose of the imagery is to identify carbon stock changes associated with natural disturbance within the monitoring period. The process described in the original PDD from 2009 (under the prior VCS methodology and VCS Standard) was found to be less effective and unnecessarily complicated in demonstrating changes in carbon stocks associated with natural disturbance than the process described above.

A period of 4 years is a significant amount of time for new methods of imagery analysis to be adopted.

It is appropriate to use NDVI data to monitor longer-term events like the growth of vegetation through a season, or annual rates of deforestation⁵. In addition NDVI is applied in many REDD+ projects as a tool for monitoring carbon stock changes over time.

Reasons for the Change: The [ISOCCLASS] unsupervised analysis suggested in the PD was not a suitable analysis for vegetation condition because forming an isoclass analysis only provides a way of identifying that trees are present and the density of the forest, and not their condition. When natural disturbance occurs (such as fire or disease) the trees may still be standing, but their canopies are severely degraded due to the disturbance, an indication of tree health.

The inclusion of a DEM also felt unnecessary to the overall goal of the analysis. The DEM is used to determine topographic attributes such as slope or aspect. Further analysis of how these factors effect SPOT imagery would be required to reduce their influence over the analysis.

The NDVI approach is commonly used to assess the vegetation condition in REDD projects and the forestry industry. The suggested approach also takes into account the potential for errors in a GIS approach by proposing to identify “Hot Spots” which are areas to monitor closely if discrepancies arise from the analysis.

The NDVI analysis has been conducted for all previous years’ images for each project and additions in order to provide the baseline for further analysis.

Finally, a more simplified analysis that does not compromise the outcome was considered appropriate in light of the fact that it has been acknowledged that the only significant natural risk to these projects is from fire which is also reported and publicly available on the Tasmanian Fires Service website. By combining the NDVI process with publicly available information on fire the process is even more rigorous.

Date change took place:

This deviation took place in February 2013 as part of the current validation and verification process and will be repeated in all future monitoring events.”⁶

ESI confirms that the deviation from SPOT unsupervised classification to an NDVI analysis is justified and represents an acceptable approach for assessing the changes in vegetation cover and monitoring natural disturbance.

“Tree Height Deviation

In some instances, a total of 10 heights could not be recovered for each species in each addition area as first described in the PD. This is due to the accessibility issues when recording a tree height accurately in a dense forest. For example, for addition 9 only 9 Eucalyptus obliqua and eight Acacia dealbata species heights were obtained. The height curves generated by these samples have been compared with height curves generated from data collected from all instances over the project area in the validation process. The results showed that the heights for both additions 9 and 10 were on a conservative side compared to the alternative height curves and therefore it was considered that the records were not biased towards generating steeper height curves.

⁵ NDVI, A non technical review: <http://www.met.rdg.ac.uk/~swsgrime/artemis/ch3/ndvi/ndvi.html>.

⁶ *Grouped Project – Protection of a Tasmanian Native Forest* (Monitoring Report), dated 10 October 2013.

The process of how these height curves are referenced in Additions 9 and 10 for each tree record has now changed. In previous additions, height records were attributed to each plot using linear regressions from the DBH:Height data before using the Farm Forestry Toolbox to assign estimated heights and merchantable volumes to all trees. For additions 9 and 10, the FFT provided estimated heights for trees of all DBH classes which could then be referenced by the plot data, thereby removing any bias provided by the linear regression. Previously validated additions have been assessed to determine whether this change would affect the avoided emissions of the project by 5% (the percentage that determines whether an error has materiality). The materiality assessment concluded that the change in the total avoided emissions in the Grouped project was less than 5% and therefore not large enough to constitute a re-calculation of previously validated additions of this Grouped project.”⁷

Additionally, though not listed as a Non-Conformity Report (NCR), the original validation report and validated Grouped Project PD state that the crediting period is 25 years from the start date, extending from 01 April 2010 to 31 March 2035. This however is actually 26 years, not 25. This fact is supported by the initial verification which corrects this error, indicating a crediting period of 25 years from 1 April 2010 – 31 March 2034. With the exception of the originally validated Grouped Project PD, all documentation from the project proponent, including all calculations, also reflects an initial 25 year crediting period of 1 April 2010 – 31 March 2034. This verification report reflects the true project crediting period as calculated and confirmed by the project proponent.

Finally, during ESI’s validation of Additions 9 and 10, three significant validation issues were identified. These include:

1. Non-adherence to the equations presented in VM0010 v1.1 (Equations 9 through 12 and 21 through 27)
2. Inappropriate quantification of 95% Confidence Intervals (CIs) and resulting adjustments for uncertainty
3. Inaccurate height regressions with low predictive capability

These issues were resolved for Additions 9 and 10. As noted above, Forests Alive, as per the VCS, demonstrated that correcting issues 1 and 3 for all other instances resulted immaterial differences. Thus, the original quantification of GHG emission reductions/removals was not modified. Given the timing of the current verification and from a cost point of view, this was justified as impracticable by Forests Alive. **However, Forests Alive has agreed to amend the quantification of GHG emission reductions/ removals and all documentation for all historic and future instances for the next verification event for the Grouped Project in 2014.** Addressing issue 2 for all other instances resulted in an adjustment for uncertainty for Additions 6 and 8. This has been corrected for this verification event and is reflected in the verified GHG emission reduction/removal values.

2.2.4 Forward Action Requests

Forests Alive has agreed to amend the quantification of GHG emission reductions/ removals and all documentation (all historic and future) for the next verification event for the Grouped Project in 2014. The issues to be corrected include:

1. Non-adherence to the equations presented in VM0010 v1.1 (Equations 9 through 12 and 21 through 27)
2. Inappropriate quantification of 95% Confidence Intervals (CIs) and resulting adjustments for uncertainty
3. Inaccurate height regressions with low predictive capability

⁷ Grouped Project – Protection of a Tasmanian Native Forest (Monitoring Report), dated 10 October 2013.

2.2.5 New Project Activity Instances

This is a grouped project that has had the initial and subsequent sets of instances validated and verified previous to this verification effort. The original instances were Additions 1, 2, and 3 (2010); subsequent instances include Additions 5, 6, 7, 8, and 11 (2011). The project has added two more instances, Additions 9 (Cornelius) and 10 (Wisedale), in 2012. These instances have been validated and verified concurrently. For additional detail regarding the validation of these instances, please see the VCS Validation Report dated 16 January 2014 prepared by ESI and submitted to VCSA. This verification is for all instances of the Grouped Project, including: Additions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11.

2.3 Validation Conclusion

The PD entitled “*REDD FORESTS GROUPED PROJECT: PROTECTION OF TASMANIAN NATIVE FOREST*,” dated May 2011, along with Additions 1, 2, 3, 5, 6, 7, 8, and 11 were previously validated. These validation reports are available on the VCS website.

ESI confirmed all validation activities for Additions 9 and 10 including objectives, scope and criteria, level of assurance and the individual PDs adherence to *VCS Version 3* and all associated updates as documented in in ESI’s *Grouped Project – Protection of a Tasmanian Native Forest VCS Validation Report* (dated 16 January 2014) are complete. ESI concluded without any qualifications or limiting conditions that the independent PDs for Additions 9 and 10 met the requirements of *VCS Version 3* and the overall project PD, *REDD Forests Grouped Project: Protection of Tasmanian Native Forest* [Project Description 1.20 (PD) dated May 2011).

3 VERIFICATION PROCESS

3.1 Method and Criteria

The verification included a review of the validated Grouped Project PD, individual instance PDs, and the Monitoring Report, relative to the field conditions observed and interviews with project management staff. Our verification process closely follows the *VCS Standard*, *VCS Program Guide*, *AFOLU Requirements*, ISO14064-3 and ISO 14065, and ESI’s *Management System and Management System Manual*, Section V.2.

The verification criteria followed the guidance documents provided by VCS and included the following: *VCS Program Guide* (v3.4, October 2012), *VCS Standard* (v3.3, October 2012), *Program Definitions* (v3.4, October 2012), *AFOLU Requirements* (v3.3, October 2012), *AFOLU Non-Permanence Risk Tool* (v3.2, October 2012), the previously validated Project PD (dated May 2011), and *VM0010 - Methodology for Improved Forest Management: Conversion from Logged to Protected Forest*, Version 1.1 (10 November 2011).

The Verification and Sampling Plan methodology was derived from all items in our verification process stated above. Specifically, the sampling plan utilized the VCS guidance documents and ISO 14064-3. For the verification of the previously validated and verified instances (Additions 1, 2, 3, 5, 6, 7, 8, and 11), no site visit was conducted. As these instances were previously validated/verified and there were no changes to the project size, no specific plots were revisited in the field. Rather, the verifier used the updated spatial data/imagery to confirm assertions of the Monitoring Report during a desktop review. The desktop review included review of all aspects of the project in order for verifiers to achieve a reasonable level of assurance for this monitoring period verification. Sample size and techniques for Additions 9 and 10 were based on the project parameters, as well as best professional judgment, and are detailed in Section 3.4 below.

3.2 Document Review

A detailed review of all project documentation was conducted to ensure consistency with, and identify any deviation from, VCS program requirements, the methodology (*VM0010 - Methodology for Improved Forest Management: Conversion from Logged to Protected Forest*, Version 1.1), and the validated PDs.

Initial review focused on the validated PDs and monitoring report and included an examination of the project details, implementation status, data and parameters, and quantification of GHG emission reductions and removals. Along with a review of the monitoring report, selected documentation was requested, provided and subsequently reviewed for consistency, accuracy, and appropriateness with regard to VCS program requirements, methodological requirements, and the validated PDs. Documents reviewed include, but are not limited to, land ownership documentation, carbon rights contracts, property boundaries, maps and aerials, data from monitoring, biomass and carbon calculation spreadsheets, and responses to non-conformity/clarification requests.

The verification also included a review of the Non-Permanence Risk Report. The *AFOLU Non-Permanence Risk Tool* (v3.2, October 2012) was used by the project proponent to assess overall project risk. The final score was calculated to be 14.5% for all Additions. The information in this report was evaluated by verifiers and found to have been conducted appropriately and in compliance with *VCS Version 3*. Any discrepancies were corrected by the project proponent.

For a complete list of documents received and reviewed, please see Appendix B.

3.3 Interviews

Interviews were conducted at multiple levels of the Forests Alive program to assess understanding of program requirements and to determine if monitoring conducted in the field was implemented in accordance with the validated PDs. Information provided in the PD was supported. Interviews included discussions with:

- Jarrah Vercoe – Project Manager, Forests Alive Pty. Ltd.
- Lawrence Rimmer – Forests Alive Pty. Ltd.
- Andrew Ratcliffe – Chairman, Forests Alive Pty. Ltd.

3.4 Site Inspections

Although a site visit was not conducted for the previously validated and verified instances (Additions 1, 2, 3, 5, 6, 7, 8, and 11), the site inspections for Additions 9 and 10, together with a tour of similar areas surrounding the project area (as part of another Forests Alive Pty. Ltd. validation/verification), clearly indicated that conditions impacting forestry in the region were found to be in accordance with the details provided in the PDs and Monitoring Report. SPOT satellite imagery at sufficient resolution and spatial data supporting the NDVI assessment was provided. A thorough review of the data confirms that no removals, significant disturbances, or changes in canopy cover had taken place in these instances.

The validation site inspection for Additions 9 and 10 was conducted during 22 April to 03 May 2013. Sites selected for detailed review were chosen at the discretion of the Lead Verifier. A risk based approach was used to select the tracts to allow a review of a wide geographic range of sites; sufficient to provide the necessary sample size to meet a reasonable level of assurance; as directed by the professional judgment of the Lead Verifier.

Ten (10) inventory points (approximately a 7% sample) were randomly selected within the chosen tracts and re-measured during the site visit. Re-measurement was conducted using the same inventory methods described by the project developer (see “*ReddForests Fieldwork: Standard Operating Procedures*”). The validators also requested that the project team demonstrate the inventory methodology on a sample plot, which further demonstrated that the inventory methodology was sound and was able to be replicated by the field teams. The validators also completed ground-truthing of the project strata to compare to descriptions within the PDs. The points taken were selected to allow a review of a sufficient sample to provide the necessary sample size to meet a reasonable level of assurance, as directed by the professional judgment of the Lead Verifier.

The tracts and plots visited for each new addition are provided below:

- Addition 9- Cornelius
 - o Franklin Tract: Plots 90201 and 90203
 - o Northern Clyde Run Tract: Plot 90710
 - o Old Man's Head Tract: Plots 90516, 90517, 90704
- Addition 10- Wisedale
 - o Wisedale Tact: Plots 100111, 100119, 100211, and 100212

During the field review of the project, the following aspects of the project were assessed:

- Current project conditions, including reported tree species and forest cover types, reported growth characteristics (diameter, or similar), forest/non-forest cover areas and implementation of inventory plan/monitoring prior to monitoring being fully completed
- Potential for leakage
- All reported elements of the Risk Assessment

Direct field observations were performed throughout the site inspection in order to sufficiently satisfy the professional discretion of the Verification Team.

3.5 Resolution of Any Material Discrepancy

During the verification process, there was a risk that potential errors, omissions, and misrepresentations would be found. The actions taken when errors, omissions, and misrepresentations were found included: notifying the client of the issue(s) identified, and expanding our review to the extent that satisfied the Lead Validator's professional judgment.

During the course of the verification, several NCRs and Clarifications (CLs) were identified. All NCRs/CLs were satisfactorily addressed. The NCRs/CLs provided necessary clarity to ensure the project was in compliance with the requirements of the VCS Standard (v3.3) for GHG projects. For a complete list of all NCRs/CLs and their resolutions, please refer to Appendix C.

4 VERIFICATION FINDINGS

4.1 Project Implementation Status

The project activities and Monitoring Plan, as described in the validated PDs, have been fully implemented. There are no remaining issues from the previous validations. This is the third verification for Additions 1, 2, 3, the second verification for Additions 5, 6, 7, 8 and 11, and the initial verification for Additions 9 and 10.

4.2 Accuracy of GHG Emission Reduction or Removal Calculations

ESI conducted an intensive review of all input data, parameters, formulas, connections, conversions, statistics and resulting uncertainties and output data to ensure consistency with the VCS standard, the project PD and the methodology. Further, ESI reproduced calculations for selected samples to ensure accuracy of the results. All data, conversion factors, formulas, and calculations were provided by the project proponent in spreadsheet format to ensure all formulas were accessible for review. The project proponent also provided a step-by-step overview of calculations to ensure ESI understood the approach and could confirm its consistency with the methodology and PDs. Any identified discrepancies were corrected by the project proponent.

ESI also conducted a comprehensive assessment of all data collection and storage procedures to ensure all opportunities for error in transposition of data between data were minimized.

Uncertainty was assessed as required by the methodology. ESI recalculated the statistics independently to confirm the accuracy of the reported precision. No new field based inventory data was collected as part of the monitoring for this period for the previously validated and verified instances (Additions 1, 2, 3, 5, 6, 7, 8, and 11). However, uncertainty was recalculated appropriately for these Additions (see Section 2.2.2 above for further detail), and appropriate adjustments for uncertainty were applied to Additions 6 (16.1%) and 8 (16.3%). Total combined uncertainty was found to equal +/- 16.22% and +/- 15.47% at the 95% confidence level for Additions 9 and 10, respectively, and project greenhouse gas credits were appropriately adjusted based on these values.

Field data collection utilized appropriate principles of forestry data collection, including appropriate tools and methods. Collected data was handled appropriately, including a structured process for QA/QC. Analysis of collected data used appropriate formulas, conversions, and parameters, supported by scientific literature. Where ranges of parameters exist, or other types of formulaic uncertainty, appropriately conservative values were used in data analysis.

The project's satellite imagery/NDVI assessment utilized appropriate principles of remote sensing analyses, including appropriate tools and methods, as well as appropriate formulas and parameters, supported by scientific literature.

4.3 Quality of Evidence to Determine GHG Emission Reductions or Removals

During ESI's verification the evidence provided by the project proponent was more than sufficient in both quantity and quality to support the determination of GHG emission removals reported by the project. Throughout the verification, Forests Alive's team demonstrated a strong commitment toward conservativeness and took all measures appropriate to ensure the reliability of all evidence provided. The list of final documents received from Forests Alive supporting the determination of GHG removals can be found in Appendix B.

4.4 Management and Operational System

The management system employed by Forests Alive utilizes appropriate field measurement methods (systematic, appropriate measurement tools and techniques), high quality data collection and management techniques and data analysis. Staff is thoroughly familiar with their responsibilities and is appropriately trained for these responsibilities. Accordingly, in the process of the verification, ESI confirmed the suitability and appropriateness of Forests Alive's management system for monitoring and reporting.

5 VERIFICATION CONCLUSION

After review of all project information, procedures, calculations, supporting documentation, and selected site visits, ESI confirms that the monitoring conducted by Forests Alive, along with the supporting *Grouped Project – Protection of a Tasmanian Native Forest Monitoring Report* (v3 dated 10 October 2013), is accurate and consistent with all aforementioned VCS criteria, the validated PDs, and the selected methodology. ESI confirms that the *Grouped Project: Protection of a Tasmanian Native Forest* has been implemented in accordance with the validated Grouped Project PD.

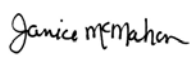
ESI confirms all verification activities including objectives, scope and criteria, level of assurance and the Monitoring Report dated 10 October 2013 adhere to the validated PD and to VCS Version 3 (and all associated updates) as documented in this report are complete. ESI concludes without any qualifications or limiting conditions that the Grouped Project's Monitoring Report, dated 10 October 2013, for the monitoring period 16 April 2012 to 15 April 2013 meets the requirements of VCS Version 3 and all associated updates.

The GHG assertion provided by Forests Alive Pty. Ltd. and verified by ESI has resulted in the GHG emissions reduction or removal of 181,797 tCO₂e equivalents by the project during the verification/reporting period (16 April 2012 to 15 April 2013). This value is gross of the 14.5% (26,362 tCO₂e equivalents) buffer withholding based on the non-permanence risk assessment tool.

GHG Emission Reductions or Removals	tCO ₂ e
Baseline Emissions	139,326
Project Emissions	-48,637
Leakage	0
Uncertainty Adjustments	6,166
Net GHG emission reductions or removals	181,797*

*Gross of buffer deduction. Instance specific GHG emissions reductions/removals are presented in Section 4.4 of the Monitoring Report.

Submittal Information:

Report Submitted to:	Verified Carbon Standard Association 1730 Rhode Island Ave. NW, Suite 803, Washington, D.C. 20036 Forests Alive Pty Ltd - Jarrah Vercoe, Project Manager, 210 Collins Street, Hobart, Tasmania, 7000
Report Submitted by:	Environmental Services, Inc. -Corporate Office 7220 Financial Way, Suite 100 Jacksonville, Florida 32257
ESI Lead Verifier Name and Signature	 Shawn McMahon Lead Verifier
ESI Division Regional Technical Manager Name and Signature	 Janice McMahon Vice President and Forestry, Carbon and GHG Division Regional Technical Manager
Date:	27 January 2014

JPM/RMB/VO13017.00 Grouped Verification Report-final-updated.doc

K: PF 1/27/14f

APPENDIX A – COMPLETE LIST OF INSTANCES FOR THE GROUPED PROJECT

Unique Instance Identification Number:	Name of Property	Name of Owner	PID	Total Hectares
Addition 1	Connorville Estates	Connorville Estates Pty Ltd	2680134	2624
Addition 1	Connorville Estates	Connorville Estates Pty Ltd	67543046	129.74
Addition 1	The Little Run	Roderic Alan O'Connor	6751497	580.4
Addition 1	Connorville Estates	Roderic Alan O'Connor	6208670	212.1
Addition 1	Connorville Estates	Connorville Estates Pty Ltd	6753038	441.7
Addition 1	Connorville Estates	Connorville Station Pty Ltd	6751470	3200
Addition 1	Connorville Estates	Connorville Estates Pty Ltd	6752991	608.6
Addition 1	Connorville Estates	Connorville Estates Pty Ltd	6751489	3579
Addition 1	Connorville Estates	Connorville Estates Pty Ltd	2618138	4647
Addition 1	Connorville Estates	Connorville Estates Pty Ltd	6208881	395.6
Addition 2	Charlton	Eustace Allan Cameron Family Trust	7951124	9927.40
Addition 2	Racecourse	Eustace Allan Cameron Family Trust	6833222	2084
Addition 3	Beaufront	Kenneth D. & Julian E.K. Von Bibra	7951095	2518
Addition 3	Beaufront	Jekpa Nominees	7951108	2782
Addition 3	Beaufront	Jekpa Nominees	6831497	1633
Addition 3	Beaufront	Jekpa Nominees	7951220	1770
Addition 3	Beaufront	Julian E. K. Von Bibra	7951247	1170.7
Addition 5	Large Waddamana Forest	Andreas Hastrup	5010179	2020
Addition 6	Cleveland	Cleveland Pastoral Estates Pty Ltd	7458954	686
Addition 6	Cleveland	Cleveland Pastoral Estates Pty Ltd	1923050	5349
Addition 6	Cleveland	Cleveland Pastoral Estates Pty Ltd	2860741	2015

Addition 6	Cleveland	John Rupert Shoobridge	5476227	363
Addition 7	Serat	Roderick John Downie and Andrew John Downie	2717160	3053
Addition 7	Serat	Andrew John Downie	2717144	125
Addition 7	Serat	Roderick John Downie and Andrew John Downie	2755247	6
Addition 7	Serat	Roderick John Downie and Andrew John Downie	2717152	36
Addition 8	Marlborough Estate	Marlborough Estate Pty Ltd	7692046	2163
Addition 8	Marlborough Estate	Michael Ross Johnston	7692038	1883
Addition 9	Woodbury Tier	Georgina Maria Cornelius and Mark Andrew Cornelius	1972725	2789.4
Addition 9	Judbury	Georgina Maria Cornelius and Mark Andrew Cornelius	5696684	187.5
Addition 9	Old Mans Head	Georgina Maria Cornelius Mark Andrew Cornelius Focal Printing Pty Ltd	5848123	2204
Addition 9	Northern Clyde Run	Georgina Maria Cornelius and Mark Andrew Cornelius	2896058	1549.56
Addition 9	Dogs Head Tier	Georgina Maria Cornelius and Mark Andrew Cornelius	6833214	141
Addition 9	Franklin	Mark Cornelius	1953671	43
Addition 10	Wisedale	Marie Celma Gooch and William Robert Gooch	7331611	649
Addition 10	Wisedale	Marie Celma Gooch and William Robert Gooch	6532163	1003
Addition 11	Little Waddamana Forest	P.P Woodland Company Pty Ltd	7757735	761.9

APPENDIX B – COMPLETE LIST OF DOCUMENTS RECEIVED

Documents received 8 March 2013

- Addition 9 Mark Cornelius
 - o Addition 9 Mark Cornelius\Addition 9 Landowner Contract.txt
 - o Addition 9 - 30 Year Adaptive Management Plan.doc
 - o Fieldwork
 - Addition 9 Woodbury Hill Tier Plots Map.jpg
 - Fieldwork\Addition 9 datasheets
 - Addition 9 Dogs Head Tier Plots Map.jpg
 - Addition 9 Franklin Plots Map.jpg
 - Addition 9 Judbury Plots Map.jpg
 - Addition 9 North Clydes Run Plots Map.jpg
 - Addition 9 Old Mans Head Plots Map.jpg
 - Addition 9 Plots and Waypoints.gdb
 - o Ownership
 - PID 2755247 title text.pdf
 - Addition 7 Proof of Title 1 text.pdf
 - Addition 7 Proof of Title 2.pdf
 - Addition 7 Proof of title 5.pdf
 - PID 2717144 Proof of title.pdf
 - PID 2717144 title map.pdf
 - PID 2717144 title text.pdf
 - PID 2717152 proof of title.pdf
 - PID 2717152 title text.pdf
 - PID 2717160 Proof of Title 4.pdf
 - Addition 9 - Proof of Ownership\PID 2717160 title map.pdf
 - PID 2717160 title text.pdf
 - Addition 9 - Proof of Ownership\PID 2755247 Proof of title.pdf
 - PID 2755247 title map.pdf
 - o Stratification
 - Strata Shapefiles
 - KML Files
 - Strata Maps
 - Addition 9 Winrock sampling calculator.xlsx
 - o VCS PDD
 - Addition 9 Project File v1.0_WithESIComments.doc
 - Addition 9 30 year Financial Plan.xlsx
 - Addition 9 Project Calculations.xlsm
 - Addition 9 Project File v1.0.doc
 - Addition 9 Project File v1.0_WithESIComments (Repaired).doc
 - Addition 9 Logging History, Forecast and Projections.xlsx
 - Scanned maps
 - Addition 9 FPPs.pdf
 - FullCAM
- Addition 10 Bill Gooch
 - o Addition 10 Landowner Contract.txt
 - o Addition 10 - 30 Year Adaptive Management Plan.doc
 - o Fieldwork
 - Addition 10 Waypoints.gdb
 - Addition 10 Data Sheets
 - Addition 10 Plots Map.jpg
 - o Ownership
 - Wisedale NF Area Summary.pdf
 - PID 6532163 Proof of Title.pdf

- PID 7331611 Proof of Title.pdf
 - Proof of title 1.pdf
 - Wisedale 1 Veg Map.pdf
 - Wisedale 2 Veg Map.pdf
 - Wisedale 3 Veg Map.pdf
 - Wisedale 4 Veg Map.pdf
 - o Stratification
 - Strata Shapefiles
 - KML Files
 - Addition 10 Strata Map.jpg
 - Addition 10 Strata and Plot Map.jpg
 - Addition 10 Winrock Calculations.xlsx
 - o VCS PDD
 - Addition 10 Project File.doc
 - Addition 10 30 year Financial Plan.xlsx
 - Addition 10 Project Calculations.xlsm
 - Addition 10 Project File v1.0 (Lawrence Rimmer's conflicted copy 2013-03-08).doc
 - Addition 10 Project File v1.0.doc
 - Addition 10 Project File v1.0_withESiComments.doc
 - FullCAM
 - Addition 10 Logging History, Forecast and Projections.xlsx
 - Scanned Maps
 - Addition 10 FPPs.txt
- Conflict of Interest Declarations
 - o ESRI COI Declaration.pdf
- Monitoring Reports
 - o VCS Monitoring Report Project 2 GROUPED April 2013 v1.doc
 - o Adaptive Management Plan Project 2 Grouped
 - Financial Assessment Addition 8.xlsx
 - Financial Assessment Addition 9.xlsx
 - Financial Assessment Addition 10.xlsx
 - Financial Assessment Addition 11.xlsx
 - Adaptive Management Plan Addition 1.doc
 - Adaptive Management Plan Addition 2.doc
 - Adaptive Management Plan Addition 3.doc
 - Adaptive Management Plan Addition 5.doc
 - Adaptive Management Plan Addition 6.doc
 - Adaptive Management Plan Addition 7.doc
 - Adaptive Management Plan Addition 8.doc
 - Adaptive Management Plan Addition 9.doc
 - Adaptive Management Plan Addition 10.doc
 - Adaptive Management Plan Addition 11.doc
 - Financial Assessment Addition 1.xlsx
 - Financial Assessment Addition 2.xlsx
 - Financial Assessment Addition 3.xlsx
 - Financial Assessment Addition 5.xlsx
 - Financial Assessment Addition 6.xlsx
 - Financial Assessment Addition 7.xlsx
- Non Permanence Risk Reports
 - o AFOLU Non-Permanence Risk Tool, v3.1-1.pdf
 - o Non-Permanence Risk Report Project 2 GROUPED_withESiComments.doc
 - o Non-Permanence Risk Calculations Addition 1.xlsx
 - o Non-Permanence Risk Calculations Addition 2.xls"
 - o Non-Permanence Risk Calculations Addition 3.xlsx
 - o Non-Permanence Risk Calculations Addition 5.xlsx

- o Non-Permanence Risk Calculations Addition 6.xlsx
- o Non-Permanence Risk Calculations Addition 7.xlsx
- o Non-Permanence Risk Calculations Addition 8.xlsx
- o Non-Permanence Risk Calculations Addition 9.xlsx
- o Non-Permanence Risk Calculations Addition 10.xls
- o Non-Permanence Risk Calculations Addition 11.xlsx
- o Non-Permanence Risk Report Project 2 GROUPED.doc

Documents received 22 March 2013

- Addition 9 Plots
 - o Addition 9 Plots.shx
 - o Addition 9 Plots.dbf
 - o Addition 9 Plots.prj
 - o Addition 9 Plots.sbn
 - o Addition 9 Plots.sbx
 - o Addition 9 Plots.shp
 - o Addition 9 Plots.shp.xml
- Addition 10 Plots
 - o Addition 10 Plots.shx
 - o Addition 10 Plots.dbf
 - o Addition 10 Plots.prj
 - o Addition 10 Plots.sbn
 - o Addition 10 Plots.sbx
 - o Addition 10 Plots.shp
 - o Addition 10 Plots.shp.xml
- Standard Operating Procedures
 - o Redd Forests' SOP - IFM Stratification v2.1.docx
 - o Field work standard operating procedures version 2.1.docx
 - o Redd Forests' SOP - IFM calculations v1.1.docx
 - o Redd Forests' SOP - IFM Data Entry and Management v1.7.docx

Documents received 22 April 2013

- 155- VCS Verification Sampling Plan_ForestsAlive_GroupedProject_FINAL.pdf
- VCS Monitoring Report Project 2 GROUPED April 2013 v1.1-with-ESIComments.do"
- VCS Monitoring Report Project 2 GROUPED April 2013 v1.1.doc

Documents received 25 April 2013

- 2013-04-25 - correct field datasheets addition 9

Documents received 1 May 2013

- Field Validation Data – Addition 9
 - o ESI Field validation data ADD 9.xlsx
 - o Allometrics Addition 9.xlsx
- Field Validation Data – Addition 10
 - o ESI Field validation data ADD 10.xlsx"
 - o Addition 10 Allometrics.xlsx

Documents received 17 May 2013

- fullcam-usermanual.pdf
- Addition 10 Landowner contract.pdf
- Corrected Addition 9 Proof of Ownership
 - o PID 7302781 Proof of Title.pdf
 - o PID 197695 Title Document.pdf
 - o PID 1953671 Proof of Title.pdf
 - o PID 1972725 Proof of Title.pdf

- o PID 2896058 Proof of Title.pdf
- o PID 5696684 Proof of Title.pdf
- o PID 5848123 Proof of title.pdf
- o PID 6833214 Proof of Title.pdf

Documents received 20 May 2013

- Addition 9 Contract.pdf

Documents received 3 June 2013

- FullCAM SOP.docx
- Contents.txt
- 30 Financial Plans
 - o Addition 1 Financial Assessment.xlsx
 - o Addition 2 Financial Assessment.xlsx
 - o Addition 3 Financial Assessment.xlsx
 - o Addition 5 30 year Financial Plan.xlsx
 - o Addition 6 30 Year Financial Plan.xlsx
 - o Addition 7 30 year Financial Plan.xlsx
 - o Addition 8 30 year Financial Plan.xlsx
 - o Addition 9 30 year Financial Plan.xlsx
 - o Addition 10 30 year Financial Plan.xlsx
 - o Addition 11 30 year Financial Plan.xlsx
- Addition 9
 - o Addition 9 Strata.kmz
- Addition 10
 - o Addition 10 Strata.kmz
 - o Addition 10 FPPs.pdf

Documents received 6 June 2013

- VCS Monitoring Report Project 2 GROUPED April 2013 v1.1.doc

Documents received 15 July 2013

- VCS Monitoring Report Project 2 GROUPED April 2013 v1.1 Forests Alive Responses.do"
- 017-Grouped-VCS Project Validation-Verification NCR-CL-OFI-Forests Alive Responses.doc"
- Addition 9 Project File v1.1 Forests Alive Responses.doc
- Addition 10 Project File v1.0 Forests Alive Responses.doc
- Non Permanence Risk Reports
 - o AFOLU Non-Permanence Risk Tool, v3.1-1.pdf
 - o Non-Permanence Risk Report Project 2 GROUPED.doc
 - o Non-Permanence Risk Calculations Addition 1.xlsx
 - o \Non-Permanence Risk Calculations Addition 2.xlsx
 - o Non-Permanence Risk Calculations Addition 3.xlsx
 - o Non-Permanence Risk Calculations Addition 5.xlsx
 - o Non-Permanence Risk Calculations Addition 6.xlsx
 - o Non-Permanence Risk Calculations Addition 7.xlsx
 - o Non-Permanence Risk Calculations Addition 8.xlsx
 - o Non-Permanence Risk Calculations Addition 9.xlsx
 - o Non-Permanence Risk Calculations Addition 10.xlsx
 - o Non-Permanence Risk Calculations Addition 11.xlsx
- CL 34, NCR 29, Grouped Project Monitoring Plan v1.8
 - o Grouped Project Monitoring Plan 1.8.pdf
 - o Addition 9 Signature Monitoring Plan.tiff
 - o Addition 10 Signature Monitoring Plan.tiff
 - o Grouped Project Monitoring Plan 1.8.docx.doc
- NCR 4,5,6,7,9,18,21,22,23,24 and 67, 74 Timber Harvest Plan Justification

- o Addition 10 Timber Harvest Plan.docx
 - o Addition 9 timber harvest plan.docx
- NCR 10 and 11 Field Work Standard Operating Procedures v2.2
 - o Field work standard operating procedures version 2.2.pdf
 - o Field work standard operating procedures version 2.2.docx
- NCR 11 and 12 Tree Heights
 - o Tree height NCR's.docx
 - o ADDITION 9 tree heights v1.docx
 - o ADDITION 10 tree heights v1.docx
- NCR 13 FFT Macro
 - o Setup.msi
 - o Macro Testing.xlsx
 - o Redd_MerchVol_AddIn.xlam
 - o setup.exe
- NCR 26 Site Safety Plans
 - o Safety Plan Addition 10.doc
 - o Safety Plan Addition 9.doc
- NCR 27 Addition 9, Imagery
 - o Sattelite Imager 01-04-2013 Judds Creek.jpg
 - o Satellite Image Franklin 13-3-2010.jpg
 - o Satellite Image Franklin-6-2-2013.jpg
 - o Sattelite Image Judds Creek - 16-1-2011.jpg
- NCR 53, 54, 63 and 64 Simple Vs Complex Financial Analysis
 - o Cost Analyses.docx
 - o Addition 1 30 year Financial Plan.xlsx
 - o Addition 2 30 year Financial Plan.xlsx
 - o Addition 3 30 year Financial Plan.xlsx
 - o Addition 5 30 year Financial Plan.xlsx
 - o Addition 6 30 year Financial Plan.xlsx
 - o Addition 7 30 year Financial Plan.xlsx
 - o Addition 8 30 year Financial Plan.xlsx
 - o Addition 9 30 year Financial Plan.xlsx
 - o Addition 10 30 year Financial Plan.xlsx
 - o Addition 11 30 year Financial Plan.xlsx
- NCR 57 Previous ESI Verified Monitoring and Non Permanance Risk Report 2012
 - o VCS Monitoring Report Grouped Project April 2012, v3.2.doc
 - o Grouped Project VCS Non-Permanence Risk Report v2.doc
- NCR 59 Project Files All Validated Additions
 - o Addition_3_Project_File_version_1.7.docx
 - o Addition 1_Project-File -Grouped Project - Addition 1.pdf
 - o Addition 2_Project_File_version 1.7.doc
 - o Addition 5_Project_File_Version 3.2.doc
 - o Addition 6_Project File Version 2.1.docx
 - o Addition 7_Project File Version 2.1.docx
 - o Addition 8_Project File Version 3.1.doc
 - o Addition 11_Project file version 4.3.doc
- NCR 67, 69, 70,71,72 and 73 Addition 9 Weighbridge Records
 - o Weighbridge 7.jpg
 - o Values.xlsx
 - o Weighbridge 1.jpg
 - o \Weighbridge 2.jpg
 - o Weighbridge 3.jpg
 - o Weighbridge 4.jpg
 - o Weighbridge 5.jpg
 - o Weighbridge 6.jpg

- NCR 67, 72 Addition 9 FPP
 - o Lake Leake Badger Hill 1.jpg
- NCR 79 Treatment of equation 9
 - o Equation 9 2013-06-27.docx
- NCR 86 - Calculations files for all additions
 - o Addition 1 Project Calculations.xls
 - o Addition 2 Project Calculations.xlsx
 - o Addition 3 Project Calculations.xls
 - o Addition 5 Project Calculations.xlsm
 - o Addition 6 Project Calculations.xlsm
 - o Addition 7 Project Calculations.xlsm
 - o Addition 8 Project Calculations.xlsm
 - o Addition 11 Project Calculations.xls
- NCR 89 - Addition 2 Vegetation Analysis Spatial Files
 - o Folder Contents.docx
 - o Addition 2 NDVI
 - o Addition 2 Project Boundary
 - o Addition 2 SPOT
 - o Addition 2 Strata
- NCR 90 - Vegetation Analysis Spatial Files
 - o Add 1 NDVI
 - o Add 3 NDVI
 - o Add 5 NDVI
 - o Add 6 NDVI
 - o Add 7 NDVI
 - o Add 8 NDVI
 - o Add 9 NDVI
 - o Add 10 NDVI
 - o Add 11 NDVI

Documents received 31 July 2013

- Addition 10 Project Calculations v2.xlsm
- Addition 9 Project Calculations v2.xlsm

Documents received 14 August 2013

- 017-Grouped-VCS Project Validation-Verification NCR-CL-OFI-Forests Alive Responses_R2_ESI_Response_DRAFT.docx
- Addition 9 Project File v2.doc
- Addition 10 Project File v2.doc
- VCS Monitoring Report Project 2 GROUPED April 2013 v2.doc
- Additions 9 and 10 Calculation Files
 - o Addition 10 Project Calculations v2.xlsm
 - o Addition 9 Project Calculations v2.xlsm
- Additions 9 and 10 Financial Plans
 - o Addition 10 30 year Financial Plan.xlsx
 - o Addition 9 30 year Financial Plan.xlsx
- Additions 9 and 10 Timber harvest plans
 - o Addition 10 Timber Harvest Plan.docx
 - o Addition 9 timber harvest plan.docx
- NCR #34 Grouped Project Monitoring Plan
 - o Grouped Project Monitoring Plan 1.8.docx.doc
- NCR #55 Non-Permanence Risk Report Project 2 GROUPED
 - o Non-Permanence Risk Report Project 2 GROUPED-12 August 2013.doc
 - o Non-Permanence Risk Calculations Addition 1.xlsx
 - o Non-Permanence Risk Calculations Addition 2.xlsx

- o Non-Permanence Risk Calculations Addition 3.xlsx
- o Non-Permanence Risk Calculations Addition 5.xlsx
- o Non-Permanence Risk Calculations Addition 6.xlsx
- o Non-Permanence Risk Calculations Addition 7.xlsx
- o Non-Permanence Risk Calculations Addition 8.xlsx
- o Non-Permanence Risk Calculations Addition 9.xlsx
- o Non-Permanence Risk Calculations Addition 10.xlsx
- o Non-Permanence Risk Calculations Addition 11.xlsx
- NCR #56 Fire GIS files
- NCR #67 Table 6 – Evidence
 - o Woodbury Hill Logging Records 24 month prior
 - Woodbury HillSummary.xlsx"
 - AKS page 1.jpg
 - AKS page 2.jpg
 - AKS page 3.jpg
 - From Mark Cornelius - - email.pdf
 - o Lake Leake Badger Hill Logging Records 12-24 months
 - Lake Leakage Summation of Weighbridge Records..xlsx
 - Weighbridge 1.jpg
 - Weighbridge 2.jpg
 - Weighbridge 3.jpg
 - Weighbridge 4.jpg
 - Weighbridge 5.jpg
 - Weighbridge 6.jpg
 - Weighbridge 7.jpg
 - o North Clyde Run Logging Records 24 months prior
 - Summary Clyde Run.xlsx
 - From Mark Cornelius.pdf
 - SFM page 1(1).jpg
 - SFM page 2.jpg
 - SFM page 3.jpg
 - SFM page 4.jpg
 - SFM page 5.jpg
- NCR #92 Adaptive Management Plans - All Additions
 - o Adaptive Management Plan Addition 1.doc
 - o Adaptive Management Plan Addition 2.doc
 - o Adaptive Management Plan Addition 3.doc
 - o Adaptive Management Plan Addition 5.doc
 - o Adaptive Management Plan Addition 6.doc
 - o Adaptive Management Plan Addition 7.doc
 - o Adaptive Management Plan Addition 8.doc
 - o Adaptive Management Plan Addition 9.doc
 - o Adaptive Management Plan Addition 10.doc
 - o Adaptive Management Plan Addition 11.doc

Documents received 28 August 2013

- Calculations
 - o Addition 10 Project Calculations v3.xlsm
 - o Addition 9 Project Calculations v3.xlsm
- Addition 9 New PLOs
- Addition 10 New PLOs

Documents received 30 August 2013

- Addition 9 and 10 Financial Plans
 - o Addition 10 30 year Financial Plan.xlsx

- o Addition 9 30 year Financial Plan.xlsx
- Addition 9 New PLOs
- Addition 10 New PLOs
- Additions 9 and 10 Calculations
 - o Addition 10 Project Calculations v3.xlsm
 - o Addition 9 Project Calculations v3.xlsm
- NCR #67, 69 and 71
 - o Woodbury Hill Logging Records 24 month prior
 - Woodbury Hill Summary.xlsx
 - AKS page 1.jpg
 - AKS page 2.jpg
 - AKS page 3.jpg
 - From Mark Cornelius - - email.pdf
 - o Lake Leake Badger Hill Logging Records 12-24 months
 - 3 missing dates email.docx
 - Lake Leake.xlsx
 - Lake Leake Summation of Weighbridge Records..xlsx
 - Weighbridge 1.jpg
 - Weighbridge 2.jpg
 - Weighbridge 3.jpg
 - Weighbridge 4.jpg
 - Weighbridge 5.jpg
 - Weighbridge 6.jpg
 - Weighbridge 7.jpg
 - o North Clyde Run Logging Records 24 months prior
 - Summary Clyde Run.xlsx
 - From Mark Cornelius.pdf
 - SFM page 1(1).jpg
 - SFM page 2.jpg
 - SFM page 3.jpg
 - SFM page 4.jpg
 - SFM page 5.jpg
- 017-Grouped-VCS Project Validation-Verification NCR-CL-OFI-Forests Alive_Round3_DRAFT.docx
- Addition 9 Project File v2.doc
- Addition 10 Project File v2.doc
- VCS Monitoring Report Project 2 GROUPED April 2013 v2.doc

Documents received 5 September 2013

- Addition 10 Project Calculations v5.xlsm
- Addition 9 Project Calculations v5.xlsm

Documents received 10 September 2013

- Calculations
 - o Addition 10 Project Calculations v5.xlsm
 - o Addition 9 Project Calculations v5.xlsm
- Heights Request
 - o NCR 11 and 12 Tree Heights.docx
 - o Heights request.docx
- NCR #67, 69 and 71
 - o biomass_report_rothe_170713 - Conversion reference (page 6).pdf
 - o Lake Leake Badger Hill Logging Records 12-24 months
 - Weighbridge 7.jpg
 - 3 missing dates email.docx
 - Lake Leake.xlsx

- Weighbridge 1.jpg
 - Weighbridge 2.jpg
 - Weighbridge 3.jpg
 - Weighbridge 4.jpg
 - Weighbridge 5.jpg
 - Weighbridge 6.jpg
- o North Clyde Run Logging Records 24 months prior
 - Summary Clyde Run.xlsx
 - From Mark Cornelius.pdf
 - SFM page 1(1).jpg
 - SFM page 2.jpg
 - SFM page 3.jpg
 - SFM page 4.jpg
 - SFM page 5.jpg
- o Woodbury Hill Logging Records 24 month prior
 - Woodbury Hill Summary.xlsx
 - AKS page 1.jpg
 - AKS page 2.jpg
 - AKS page 3.jpg
 - From Mark Cornelius - - email.pdf
- Project Documents
 - o Addition 10 Project File v3.doc
 - o Addition 9 Project File v3.doc
- ESI email request- Grouped and New Leaf Projects.pdf
- NCR 11 and 12 Tree Heights.docx
- NCR check list.docx
- VCS Monitoring Report Project 2 GROUPED April 2013 v2.doc

Documents received 13 September 2013

- VCS Monitoring Report Project 2 GROUPED April 2013 v2.doc
- Addition 9 and 10 Financial Plans
 - o Addition 10 30 year Financial Plan.xlsx
 - o Addition 9 30 year Financial Plan.xlsx
- Calculations
 - o Addition 10 Project Calculations v6.xlsm
 - o Addition 9 Project Calculations v6.xlsm
- Heights Request
 - o Height graphs FFT.docx
- NCR #67, 69 and 71
 - o biomass_report_rothe_170713 - Conversion reference (page 6).pdf
 - o Lake Leake Badger Hill Logging Records 12-24 months
 - Weighbridge 7.jpg
 - 3 missing dates email.docx
 - Lake Leake.xlsx
 - Weighbridge 1.jpg
 - Weighbridge 2.jpg
 - Weighbridge 3.jpg
 - Weighbridge 4.jpg
 - Weighbridge 5.jpg
 - Weighbridge 6.jpg
 - o North Clyde Run Logging Records 24 months prior
 - Summary Clyde Run.xlsx
 - From Mark Cornelius.pdf
 - SFM page 1(1).jpg
 - SFM page 2.jpg

- SFM page 3.jpg
 - SFM page 4.jpg
 - SFM page 5.jpg
- o Woodbury Hill Logging Records 24 month prior
 - Woodbury Hill Summary.xlsx
 - AKS page 1.jpg
 - AKS page 2.jpg
 - AKS page 3.jpg
 - From Mark Cornelius - - email.pdf
- Project Documents
 - o Addition 10 Project File v3.doc
 - o Addition 9 Project File v3.doc

Documents received 10 October 2013

- VCS Monitoring Report Project 2 GROUPED April 2013 v2.doc
- Addition 9 and 10 Financial Plans
 - o Addition 10 30 year Financial Plan.xlsx
 - o Addition 9 30 year Financial Plan.xlsx"
- Calculations
 - o Addition 10 Project Calculations v7.xlsm
 - o Addition 9 Project Calculations v7.xlsm
- Project Documents
 - o Addition 10 Project File v3.doc
 - o Addition 9 Project File v3.doc

Documents received 30 September 2013

- VCS Monitoring Report Project 2 GROUPED April 2013 v2.doc
- Addition 10 Financial Plans
 - o Addition 10 30 year Financial Plan.xlsx
- Calculations
 - o Addition 10 Project Calculations v8.xlsm
- Project Documents
 - o Addition 10 Project File v3.doc

Documents received 30 September 2013

- Materiality Assessment.docx
- Calculations
 - o Addition 1 Project Calculations.xls
 - o Addition 1 Project Calculations_corrected.xls
 - o Addition 2 Project Calculations.xlsx
 - o Addition 2 Project Calculations_corrected.xlsx
 - o Addition 3 Project Calculations.xls
 - o Addition 3 Project Calculations_corrected.xls
 - o Addition 5 Project Calculations.xlsm
 - o Addition 5 Project Calculations_corrected.xlsm
 - o Addition 6 Project Calculations.xlsm
 - o Addition 6 Project Calculations_corrected.xlsm
 - o Addition 7 Project Calculations.xlsm
 - o Addition 7 Project Calculations_corrected.xlsm
 - o Addition 8 Project Calculations.xlsm
 - o Addition 8 Project Calculations_corrected.xlsm
 - o Addition 11 Project Calculations.xls
 - o Addition 11 Project Calculations_corrected.xls

Documents received 4 October 2013

- Materiality Assessment.docx
- Calculations
 - o Addition 1 Project Calculations.xls
 - o Addition 1 Project Calculations_corrected.xls
 - o Addition 2 Project Calculations.xlsx
 - o Addition 2 Project Calculations_corrected.xlsx
 - o Addition 3 Project Calculations.xls
 - o Addition 3 Project Calculations_corrected.xls
 - o Addition 5 Project Calculations.xlsm
 - o Addition 5 Project Calculations_corrected.xlsm
 - o Addition 6 Project Calculations.xlsm
 - o Addition 6 Project Calculations_corrected.xlsm
 - o Addition 7 Project Calculations.xlsm
 - o Addition 7 Project Calculations_corrected.xlsm
 - o Addition 8 Project Calculations.xlsm
 - o Addition 8 Project Calculations_corrected.xlsm
 - o Addition 11 Project Calculations.xls
 - o Addition 11 Project Calculations_corrected.xls

Documents received 8 October 2013

- Materiality
 - o Materiality Assessment.docx
 - o Addition 1 Data Entry.xls
 - o Addition 1 Project Calculations.xls
 - o Addition 1 Project Calculations_corrected.xls
 - o Addition 2 Data Entry.xls
 - o Addition 2 Project Calculations.xlsx
 - o Addition 2 Project Calculations_corrected.xlsx
 - o Addition 3 Data Entry.xls
 - o Addition 3 Project Calculations.xls
 - o Addition 3 Project Calculations_corrected.xls
 - o Addition 5 & 11 Data Entry.xls
 - o Addition 5 Project Calculations.xlsm
 - o Addition 5 Project Calculations_corrected.xlsm
 - o Addition 6 Data Entry.xls
 - o Addition 6 Project Calculations.xlsm
 - o Addition 6 Project Calculations_corrected.xlsm
 - o Addition 7 Project Calculations.xlsm
 - o Addition 7 Project Calculations_corrected.xlsm
 - o Addition 8 Project Calculations.xlsm
 - o Addition 8 Project Calculations_corrected.xlsm
 - o Addition 11 Project Calculations.xls
 - o Addition 11 Project Calculations_corrected.xls
- Addition 9 Corrections
 - o VCS Monitoring Report Project 2 GROUPED April 2013 v2.doc
 - o Addition 9 Project Calculations v8.xlsm
 - o Addition 9 Project File v3.doc

Documents received 10 October 2013

- VCS Monitoring Report Project 2 GROUPED April 2013 v3.doc
- Addition 1 Project Calculations_uncertainty.xls
- Addition 2 Project Calculations_uncertainty.xlsx
- Addition 3 Project Calculations_uncertainty.xls
- Addition 5 Project Calculations_uncertainty.xlsm
- Addition 6 Project Calculations_uncertainty.xlsm

- Addition 7 Project Calculations_uncertainty.xlsm
- Addition 8 Project Calculations_uncertainty.xlsm
- Addition 9 Project Calculations v8.xlsm
- Addition 10 Project Calculations v8.xlsm
- Addition 11 Project Calculations_uncertainty.xls

Documents received 15 October 2013

- VCS Monitoring Report Project 2 GROUPED April 2013 v3.doc
- Addition 6 Project Calculations_uncertainty.xlsm
- Addition 8 Project Calculations_uncertainty.xlsm

APPENDIX C – SUMMARY OF NCRS/CLS/OFIS

1. Non-Conformity Report (PD Requirements, Add9, line 27)

Verification		
VCS Criteria: PDD Requirements - 3.2 Monitoring, including estimation, modeling, measurement or calculation approaches - Natural disturbance - The first option for assessing the extent of natural disturbance will be using satellite imagery to detect any changes in aboveground biomass. The SPOT or comparable image will have been obtained, if available, to assess changes in forested area (above).		
Evidence Used to Assess Conformance: Monitoring Report Section 5		
Findings: SPOT images are included in the monitoring report. However, images for the Judbury and Franklin Tracts are missing.		
Non-conformity report (NCR): Please include SPOT satellite imagery in Monitoring Report Section 5 for the Judbury and Franklin tracts of Addition 9.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
Section 3.2 of the Grouped Project PDD states: <i>The first option for assessing the extent of natural disturbance will be using satellite imagery to detect any changes in aboveground biomass. The SPOT or comparable image will have been obtained, if available, to assess changes in forested area</i> In the case of Judbury and Franklin (part of Addition 9), these represent small, very dense and isolated land parcels. Franklin is only 43 ha in size while Judbury is 187.5 ha in size. They are also remote from any other project areas. For reasons largely of scale and density, the Spot Image is surplus to requirements and Spot images cover very large geographical areas. The assessment of imagery is made to determine any loss of biomass associated with logging, fire, pests or disease. Given the high density and small areas, the application of a <i>comparable</i> Google Earth Satellite Imagery from the preceding 12-month period is sufficient to clearly determine no loss of biomass from either site. Given the high density of the sites, any change in biomass will be very easy to determine from simply looking at the Google Earth imagery. These sites are small, dense contain no roads and clearly not roading or wildfires, pests or disease losses have occurred. For these small, isolated and dense sights, the comparison of Google Earth imager is sufficient and does not impact the applicability of the methodology, additionality or the appropriateness of the baseline scenario. The images are provided within the drop box folder titled ‘NCR 27, Addition 9 Imagery’. There are two images for each site: <i>Satellite Image Franklin 13/3/2010</i> <i>Satellite Image Franklin-6/2/2013</i> <i>Satellite Image Judds Creek -4/1/2013</i> <i>Satellite Image Judds Creek - 16/1/2011</i> <i>These have also been added to the Monitoring Report on page 43, 44, and 45.</i>		
Evidence used to close NCR: Images have been added to the monitoring plan and the imagery show that no disturbances have occurred. The use of Google Earth images are from satellites and appear to be of a quality and scale that satisfies this requirement in the methodology. Issue is addressed.		
Date NCR closed:	26 July 2013	

2. Clarification (VCS Standard, Add9, line 77)

Verification
VCS Criteria: VCS Standard 3.3 - 3.6 PROJECT DESCRIPTION DEVIATIONS - 3.6.1 Deviations from the project description are permitted at verification. The procedures for documenting the deviation depend on whether the deviation impacts the applicability of the methodology, additionality or the appropriateness of the baseline scenario. Interpretation of whether the deviation impacts any of

these shall be determined consistent with the CDM Guidelines on assessment of different types of changes from the project activity as described in the registered PDD, mutatis mutandis. The procedures are as follows - 2) Where the deviation does not impact the applicability of the methodology, additionality or the appropriateness of the baseline scenario, and the project remains in compliance with the applied methodology, the deviation shall be described and justified in the monitoring report. This shall include a description of when the changes occurred and the reasons for the changes. The deviation shall also be described in all subsequent monitoring reports. Examples of such deviations include changes in the procedures for measurement and monitoring, or project design changes that do not have an impact on the applicability of the methodology, additionality or the appropriateness of the baseline scenario.		
Evidence Used to Assess Conformance: Monitoring Report Section 2.2; Project File Section 1.13, Validated PD Section 1.16; Field work standard operating procedures version 2.1.docx		
Findings: Monitoring Report Section 2.2 states "The monitoring report is consistent with the approved Grouped Project monitoring plan V1.8." "Grouped Project Monitoring Plan V1.8" could not be located.		
Clarification (CL): Monitoring Report Section 2.2 states "The monitoring report is consistent with the approved Grouped Project monitoring plan V1.8." "Grouped Project Monitoring Plan V1.8" could not be located. Please clarify.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
The Grouped Project Monitoring Plan is located in the drop box folder titled ‘CL 34‘Grouped Project Monitoring Report v1.8’.		
Findings: Grouped Project Monitoring Plan was submitted and reviewed. The Monitoring plan contains an error, which may not have been found in past verification events. The PRA needs to be replicated every two years, regardless of the outcome from the original PRA. This is according to the methodology. Please correct the Grouped Project Monitoring Plan to reflect this and resubmit.		
Clarification (CL) (01 August 2013): Please correct the Grouped Project Monitoring Plan to reflect this issue and resubmit.		
Project proponent response/actions (14 August 2013): Refer to folder titled ‘NCR#34 Grouped Project Monitoring Plan’. The text in section 2.2 ‘illegal logging’ has been removed.		
Evidence used to close CL: Grouped Project Monitoring Plan 1.8.docx.doc - The text has been removed as indicated. Item is addressed.		
Date CL closed:	25 August 2013	

3. Non-Conformity Report (VCS Standard, Add9, line 150)

Verification	
VCS Criteria: VCS Standard 3.3, 3.16 Monitoring, Monitoring Report - 3.16.6 The monitoring report shall include all the data and information as set out in the monitoring requirements of the project description and the applied methodology. It shall be prepared using the VCS Monitoring Report Template.	
Evidence Used to Assess Conformance: VCS Monitoring Report Project 2 GROUPED April 2013 v1.1.doc	
Findings: The monitoring report has been prepared using the VCS Monitoring Report Template. This Report was reviewed and the verifier found it to include template text and internal comments.	
Non-conformity report (NCR): The monitoring report includes template text. Please remove and Finalize. Please also remove any internal comments.	
Date issued:	14 June 2013

Project proponent response/actions:	Date Received:	TBD
All template text has been removed from the Monitoring Report. All Internal comments have also been removed from the Monitoring report. 'VCS Monitoring Report Project 2 GROUPED April 2013 v1.1 NCR Additions'		
Evidence used to close NCR: Changes have been made to the monitoring report. Issue is addressed.		
Date NCR closed:	29 July 2013	

4. Non-Conformity Report (VCS Standard, Add9, line 151)

Non-Conformity Report (VCS Standard, Issue, and 2013)		
Verification		
VCS Criteria: VCS Standard 3.3, 3.16 Monitoring, Monitoring Report - 3.16.6 The monitoring report shall include all the data and information as set out in the monitoring requirements of the project description and the applied methodology. It shall be prepared using the VCS Monitoring Report Template.		
Evidence Used to Assess Conformance: VCS Monitoring Report Project 2 GROUPED April 2013 v1.1.doc		
Findings: The monitoring report has been prepared using the VCS Monitoring Report Template. This Report was reviewed and the verifier found the Table of Contents to be blank.		
Non-conformity report (NCR): The Monitoring Report Table of Contents is blank. Please include.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
Table of contents has now been inserted into the Monitoring Report. ‘VCS Monitoring Report Project 2 GROUPED April 2013 v1.1 NCR Additions’		
Evidence used to close NCR: TOC added. Issue addressed.		
Date NCR closed:	29 July 2013	

5. Clarification (VCS Standard, Add9, line 152)

Verification			
VCS Criteria: VCS Standard 3.3, 3.16 Monitoring, Monitoring Report - 3.16.6 The monitoring report shall include all the data and information as set out in the monitoring requirements of the project description and the applied methodology. It shall be prepared using the VCS Monitoring Report Template and shall include the following: 1) A summary of the project details			
Evidence Used to Assess Conformance: Monitoring Report Section 1			
Findings: A summary of project details is included and is sufficient. However, Section 1.1 states "The properties are uniquely identified with the PIDs listed in Table No. 01." - This appears to be in Table 3 and not Table 1.			
Clarification (CL): Monitoring report Section 1.1 states "The properties are uniquely identified with the PIDs listed in Table No. 01." This information appears to be in Table 3 and not Table 1. Please clarify the quoted text in Monitoring report Section 1.1 accordingly.			
Date issued:		14 June 2013	
Project proponent response/actions:		Date Received:	TBD
Section 1.1 now correctly refers to the section outlining the PID's and states; "The properties are uniquely identified with the PIDs listed in section 1.7.			
Evidence used to close CL: Change made. Issue addressed.			
Date CL closed:		29 July 2013	

6. Clarification (VCS Standard, Add9, line 153)

Clarification (VCS Standard, Addn, line 155)			
Verification			
VCS Criteria: VCS Standard 3.3, 3.16 Monitoring, Monitoring Report - 3.16.6 The monitoring report shall include all the data and information as set out in the monitoring requirements of the project description and the applied methodology. It shall be prepared using the VCS Monitoring Report Template and shall include the following: 1) A summary of the project details			
Evidence Used to Assess Conformance: Monitoring Report Section 1			
Findings: Section 1.5 indicates the Project Start date for Addition 9 is 25 September 2011. However, the contract is dated 15 September 2011.			
Clarification (CL): Monitoring Report Section 1.5 indicates the Project Start date for Addition 9 is 25 September 2011. The contract, however, is dated 15 September 2011. Please revise Monitoring report Section 1.5 accordingly.			
Date issued:		14 June 2013	
Project proponent response/actions:		Date Received:	TBD
Section 1.5 of the monitoring report now states for Addition 9 a start date of; 15 th of September 2011.			
Evidence used to close CL: Change made. Issue addressed.			
Date CL closed:		29 July 2013	

7. Clarification (VCS Standard, Add9, line 154)

Verification		
VCS Criteria: VCS Standard 3.3, 3.16 Monitoring, Monitoring Report - 3.16.6 The monitoring report shall include all the data and information as set out in the monitoring requirements of the project description and the applied methodology. It shall be prepared using the VCS Monitoring Report Template and shall include the following: 2) The implementation status of the project.		
Evidence Used to Assess Conformance: Monitoring Report Section 2		
Findings: The implementation status of the project is included. However, Section 2.1 states "The 8 proponents do not hold any other forested properties in Australia or Tasmania that contains commercially viable forest, and therefore there is no opportunity for leakage through activity shifting." - there are 10 project proponents and not 8.		
Clarification (CL): Monitoring report Section 2.1 states "The 8 proponents do not hold any other forested properties in Australia or Tasmania that contains commercially viable forest, and therefore there is no opportunity for leakage through activity shifting." There appears to be 10 project proponents included in the grouped project and not 8. Please clarify the quoted text in Monitoring report Section 2.1 accordingly.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
Section 2.1 of the Monitoring report now states: <i>One of the proponents (addition 9) does hold other forested properties within Australia that contains commercially viable forest. The remaining 9 proponents do not have any other forested properties within Australia that are not contained within the project area.</i>		
Evidence used to close CL: Change made. Issue addressed.		
Date CL closed:	29 July 2013	

8. Clarification (VCS AFOLU Risk Tool, Add9, line 2)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2 - General - application of		

current version of tool		
Evidence Used to Assess Conformance: Risk Report Section 1		
Findings: Risk report Section 1 states "All additions to the Grouped project have the same risks, as stated within the Grouped Project PDD Version 1.20 and are therefore only recorded once." The Grouped Project PDD Version 1.20 however does not state this. Instead it reads "Some of these risks (notably fire, timber harvest and financial failure) will be analyzed individually for each instance." It also reads "The following elements of the risk analysis will require an individual assessment for each instance at validation and at all verification events, and will be included within the relevant file: • Risk of financial failure (Sub-step 1a) • Risk of devastating fire (Sub step 1a) • Risks of high timber value (Sub-step 1b) • Risk of technical failure (Sub-step 1a) • Risk of management failure (Sub-step 1a)"		
Clarification (CL): Risk Report Section 1 states "All additions to the Grouped project have the same risks, as stated within the Grouped Project PDD Version 1.20 and are therefore only recorded once." The verifier could not locate where this was stated in the Grouped Project PDD Version 1.20. Please revise the quoted text in Risk Report Section 1 accordingly.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
It is correct that the Grouped PDD Version 1.2 states that risks will be analyzed individually for each instance. The quoted text in the Risk Report Section 1 (page 2) has been revised. As with the validated Grouped PDD, instances are addressed separately, but due to the locality of each instance, and being in the same state, subject to the same laws, climate, markets and forest types, the risks are the same for these natural disturbances. This is reflected in the risk report revised text. As for the instance specific verification; Risk of financial failure is addressed in the financial viability part of section 1 (pages 4-5) of the risk report. An instance specific 30 year financial plan is also provided as separate excel files. These are provided again for review. No devastating fire has occurred in any projects over the last verification period (the risk report has had a modification to reflect this in section 3on page 11). Timber value Due to Forests Alive being the project developer for all projects and instances (as addressed in section 1) there is currently no foreseen risks associated with technical barriers to implementing these projects. An adaptive management plan has been provided for each project and instance to reduce the risk of management failure. The project proponents have a history of land management and are assisted by Forests Alive to implement these projects. Therefore, management failure is a very low risk.		
Evidence used to close CL: Text was updated in the Risk Report as requested. Issue addressed.		
Date CL closed:	29 July 2013	

9. Clarification (VCS AFOLU Risk Tool, Add9, line 7)

Verification
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2, Internal Risks, Table 1 Project Management - Management team does not include individuals with significant experience in all skills necessary to successfully undertake all project activities (i.e., any area of required experience is not covered by at least one individual with at least 5 years' experience in the area).
Evidence Used to Assess Conformance: Risk Report Section 1
Findings: It appears the text in Risk Report Section 1 is incomplete. Page 3 has "Virginia"

highlighted in yellow.		
Clarification (CL): Page 3 of the Risk Report shows "Virginia" highlighted in yellow. Please finalize the text of Section 1 of the Risk Report.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
The highlighted “Virginia” has been replaced with relevant text explaining her role in Forests Alive (page 3 of the risk report). Located in the file called; ‘Non Permanence Risk Reports’		
Evidence used to close CL: Information added to section 1 of the Risk Report. Issue addressed.		
Date CL closed:	29 July 29, 2013	

10. Clarification (VCS AFOLU Risk Tool, Add9, line 9)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2, Internal Risks, Table 1 Project Management - Mitigation: Management team includes individuals with significant experience in AFOLU project design and implementation, carbon accounting and reporting (e.g., individuals who have successfully managed projects through validation, verification and issuance of GHG credits) under the VCS Program or other approved GHG programs.		
Evidence Used to Assess Conformance: Risk Report Section 1		
Findings: Forests Alive has successfully developed this grouped project, as well as two other Non-grouped VCS IFM LtPF Projects. However, their team members have changed since the last verification.		
Clarification (CL): It is apparent that the Forests Alive Party Ltd. team has changed since the validations and verifications of the Grouped, Downie, and Pilot projects. It is unclear in Risk Report Section 1 which, if any, of the individuals listed were members of the team during the previous validations and verifications. Please indicate in Risk Report Section 2 each individual's experience in AFOLU project design and implementation, carbon accounting, and reporting under the VCS or other carbon accounting programs in order to justify this mitigation.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
No changes have been made to the project implementation team since the last verification period. The team has changed since the original project validations however; Jarrah Vercoe was present when the projects were validated. Lawrence Rimmer and Beatriz Garcia became part of the Forests Alive team in September, 2011. At this time, they received extensive training from then technical specialist Stephanie O'Donnell. The company has extensive SOPs in place to ensure that knowledge and skills are transferred to new staff members. Virginia Young became the Managing Director of Forests Alive in August 2012 but mainly deals with the political aspects of the organization and any technical project work is implemented by Jarrah Vercoe, Lawrence Rimmer and Beatriz Garcia. Text in section 1 under Jarrah Vercoe, Lawrence Rimmer and Beatriz Garcia has been added to reflect the statement above (Risk Report, section 1, pages 3-4). Located in the file called; 'Non Permanence Risk Reports'		
Evidence used to close CL: This information has been updated in the Risk Report to show a little more information about each of the team members and their roles with previous verifications. Issue is addressed.		
Date CL closed:	29 July 2013	

11. Clarification (VCS AFOLU Risk Tool, Add9, line 12)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2, Internal Risks - Table 2 Financial Viability		
Evidence Used to Assess Conformance: Risk Report Section 1; Addition 9 - 30 Year Adaptive Management Plan.doc; Addition 10 - 30 Year Adaptive Management Plan.doc		
Findings: Risk report Section 1 states "Justification for the financial viability score of -2" However, the total financial viability risk may not be less than zero.		
Clarification (CL): Risk report Section 1 includes a heading "Justification for the financial viability score of -2." However, the total financial viability risk may not be less than zero. Please revise the quoted heading in Risk Report Section 1 accordingly. Please ensure this is addressed for all relevant instances.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
Section 1 of the risk report has been changed to address CL 51. Located in the file called; 'Non Permanence Risk Reports'		
Evidence used to close CL: Risk Scores reviewed and Risk Report corrected. Issue is addressed.		
Date CL closed:	29 July 2013	

12. Clarification (VCS AFOLU Risk Tool, Add9, line 23)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2, Internal Risks - Table 3 Opportunity Cost		
Evidence Used to Assess Conformance: Risk Report Section 1; Addition 9 30 year Financial Plan.xlsx; Project Files		
Findings: Risk Report Section 1 refers to Table 8 in each project file for a financial analysis that justifies the score for opportunity cost. This table is Table 10 in the Project File for Addition 9.		
Clarification (CL): Risk Report Section 1 refers to Table 8 of the project file for a financial analysis that justifies the risk score for opportunity cost. For Addition 9, Project File Table 10 presents the financial analysis (vs. Table 8). Please update Risk Report Section 1 accordingly.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
The financial analysis sentence has now been changed to remove the specific “Table 8” reference and instead provide the location of the analysis in the project file (section 2.5). Located in the file called; ‘Non Permanence Risk Reports’		
Evidence used to close CL: Change made to both Risk Report and PDD. Issue is addressed.		
Date CL closed:	29 July 2013	

13. Non-Conformity Report (VCS AFOLU Risk Tool, Add9, line 24)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2, Internal Risks - Table 3 Opportunity Cost		
Evidence Used to Assess Conformance: Risk Report Section 1; 30 year Financial Plans; Project Files		
Findings: Addition 9 Project File Table 10 and Addition 10 Project File Table 8 do not appear to include NPV vales.		
Non-conformity report (NCR): Addition 9 Project File Table 10 and Addition 10 Project File Table		

8 do not appear to include NPV values. Please demonstrate to the verifier that the values presented in those tables represent NPV values. Else, update Addition 9 Project File Table 10 and Addition 10 Project File Table 8 to include NPV values.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
The tables referenced in the NCR above were provided as simple financial analysis, typical of the decision a landowner would face every year. The tables were created as a simple comparison between one years' worth of credit sales compared to an average harvest year (as undertaken and required within section 2.5 of the Grouped Project PDD '<i>simple cost analyses</i>'. Due to the tables only demonstrating one year at that point in time, there are no future values to consider. However, discounting is included in the more extensive 30-year financial plans provided. As a way to address this NCR above, an addition to each table has been made to incorporate the 30-year financial plan results. Please refer to the document in the file titled 'NCR 53, 54, 63 and 64 Simple Vs. Complex Financial Analysis'.		
Findings: Table 10 of the updated Project File for Addition 9 and Table 8 of the updated Project File for Addition 10 have been updated. However, the values for average yield per annum for both pulp/saw do not match the annual average in the updated Financial Plan files for either addition. Also the values in Table 10 and 8 for Annual Value to the project proponent for both logging and Carbon do not match the annual average in the updated Financial Plan files for either addition. The Carbon annual yield numbers match the financial plans for both additions but are pending receipt of the update project calculations file. Also, in both Financial Plan files, the costs of validation and verification should be included and the project start costs do not match those found in the contracts. Finally, for Addition 10, the current market price for saw logs presented in Project File Table 8 does not match the value used in the Financial Plan.		
Non-conformity report (NCR) (01 August 2013): Please address the findings and update the Financial Plans and Tables in the Project Files Accordingly. Please include NPV values as indicated in your Round 1 Response.		
Project proponent response/actions (14 August 2013): <u>Addition 9:</u> Comparing the Financial plan and table 10, the annual pulp and sawlog yields have been updated. The annual costs did match between them both while the 'findings' above say they do not. NPV's for comparison have now been provided below the Table 10 (taken from the financial plans). The project start costs include the cost of validation and the verification costs have been provided annually. <u>Addition 10:</u> Comparing the Financial plan and table 8, the annual pulp and sawlog yields have been updated. The annual costs did matched for the carbon project but needed to be updated for the logging scenario after the sawlog price was updated. The NPV's have been added below table 8. The project start costs include the cost of Forests Alive services (as stated in the contract) plus their share of the validation fee and the verification costs have been provided annually.		
Evidence used to close NCR: Addition 9 30 year Financial Plan.xlsx; Addition 10 30 year Financial Plan.xlsx; Cost Analyses.docx; Addition 9 Project File v1.1 Forests Alive Responses.doc; Addition 10 Project File v1.0 Forests Alive Responses.doc; Addition 9 Contract.pdf; Addition 10 ocontract.pdf. - The Financial Plans and Tables in the Project Files have been updated accordingly. NPV values are presented in both project files. The NPV from offsets is expected to be >50% higher than the revenue from logging. Item is addressed.		
Date NCR closed:	25 August 2013	

14. Non-Conformity Report (VCS AFOLU Risk Tool, Add9, line 30)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2, Internal Risks - Table 3 Opportunity Cost - NPV from project activities is expected to be at least 50% more profitable than the most profitable alternative land use activity		
Evidence Used to Assess Conformance: Risk Report Section 1; Addition 9 30 year Financial Plan.xlsx; Project File Table 10		
Findings: Independent calculations indicate that NPV from project activities is between 20% and 50 % higher than those from timber sales under the logging forecast.		
Non-conformity report (NCR): The verifier independently calculated NPV from project activities and from timber sales under the logging forecast. The results indicate that the NPV from project activities is between 20% and 50 % higher than those from timber sales under the logging forecast. Please demonstrate to the verifier that the NPV from project activities is at least 50% more profitable than those from timber sales under the logging forecast. Else, modify the selection for the risk score for opportunity cost accordingly. Please also address for all other instances as appropriate.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
There appears to be some confusion with the simple financial analysis and the 30 year financial plan. To address this NCR a document has been prepared (located in the file called <i>NCR 53, 54, 63 and 64 Simple Vs. Complex Financial Analysis</i> ' see document 'cost analyses' to demonstrate how the NPV of the project activities is greater than the NPV of the logging activities. After reviewing the financial plan the original statement has been shown to be correct. Therefore no modifications have been made to the risk score. Please refer to the document in the file titled 'NCR 53, 54, 63 and 64 Simple Vs. Complex Financial Analysis'.		
Findings: The updated Financial Plans were reviewed for Additions 9 and 10. Both now demonstrate that the NPV from project activities is at least 50% more profitable than those from timber sales under the logging forecast.		
Non-conformity report (NCR) (01 August 2013): Item is addressed, pending Item 53 above.		
Project proponent response (14 August 2013): The NPV values for additions 9 and 10 have been added under tables 10 and 8 respectively.		
Evidence used to close NCR: Addition 9 30 year Financial Plan.xlsx; Addition 10 30 year Financial Plan.xlsx; Cost Analyses.docx; Addition 9 Project File v1.1 Forests Alive Responses.doc; Addition 10 Project File v1.0 Forests Alive Responses.doc; Addition 9 Contract.pdf; Addition 10 ocntract.pdf. - The Financial Plans and Tables in the Project Files have been updated accordingly. NPV values are presented in both project files. The NPV from offsets is expected to be >50% higher than the revenue from logging. Item is addressed.		
Date NCR closed:	25 August 2013	

15. Non-Conformity Report (VCS AFOLU Risk Tool, Add9, line 51)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2, Table 7: Community Engagement - Less than 20 percent of households living within 20 km of the project boundary outside the project area, and who are reliant on the project area, have been consulted		
Evidence Used to Assess Conformance: Risk Report Section 2		
Findings: Risk Report indicates Community engagement risk has been assessed as zero because there are no 'local populations', including those living within or surrounding the project area (given as		

within 20km of the project boundary) that are reliant upon the project area for food, fuel, fodder, medicines or building materials. As per the risk tool, where local populations are not reliant on the project area, the risk is not relevant and is equal to zero. Risk Report indicates that local communities are not reliant on the project area but no evidence has been provided supporting this claim...what about loggers, mill owners, etc.		
Non-conformity report (NCR): Risk Report Section 2 states "Community engagement is not required to be assessed in the Grouped Project Instance because there are no 'local populations', including those living within or surrounding the project area (given as within 20km of the project boundary) that are reliant upon the project area for food, fuel, fodder, medicines or building materials and therefore the risk rating for community engagement is zero. However, the VCS AFOLU Non-Permanence Risk Tool (Section 2.3.2.1) requires evidence to support this (social assessments such as household surveys and PRAs). Please provide adequate evidence as per VCS AFOLU Non-Permanence Risk Tool Section 2.3.1 supporting the claim that the risk rating for community engagement is zero. Please address for all instances.		
Date issued:		14 June 2013
Project proponent response/actions:	Date Received:	TBD
The Non Permanence Risk Tool section 2.3.1 has been revised for the Grouped Project, Pilot and Downie and includes the following text; The project areas comprise privately owned, forested land that is managed for commercial timber extraction. Section 2.3.2.1 of the Non Permanence Risk Tool states that "<i>Where local populations are not reliant on the project area, the risk is not relevant to the project and the risk rating for community engagement (CE) shall be zero. Risk Analysis and Buffer Determination Evidence <u>may</u> include social assessments such as household surveys and participatory rural appraisals</i>". In this instance, social assessments are not relevant. As evidence, The Torrens Land Title legislation that determines the legal ownership (and use) of land within Australia confers 100% of the land management responsibility and use to the landowner. Due to the nature of the forest within the project area, (being assigned for commercial logging, primarily for low value products) and the legal structures governing land ownership and use within Australia, there are no communities that rely on the project areas for fuel, food, fodder, medicines or building materials. As evidence, the land is also subject to private timber reserves which '<i>enable landowners to have their land dedicated for long-term forest management</i>'. As further evidence, the key feature of Torrens Land Titles, is <i>that it captures all interests in a property, including transfers, mortgages, leases, easements, covenants, resumptions and other rights in a single Certificate of Title which, once registered with the State by a Registrar General or Recorder of Titles, is guaranteed correct by the State</i>. The land titles contain no references to any uses relating to food, fuel, fodder, medicine or building materials. Finally, Tasmanian Native Forests do not contain 'food', 'fuel' or 'medicines' and the project areas, quite clearly are managed for commercial logging, not grazing. Fodder is therefore excluded. None of the project areas are relied upon by 'local populations' for building materials. This is evident when examining the logging history and projections. Almost all logging is for low value, exports (woodchips). No logging events have been identified historically and projected for any additions to provide building materials for 'local populations'. Indeed logging is undertaken to support the export industry largely to China and Japan. Previous verification and validation exercises supported this information.		
Findings: The addition of this information satisfies the requirement that the project show that (if the community engagement score is 0) there are no populations who rely on the project area for food, fodder, medicines or building materials. If this is the case, then in order for the project to claim the mitigation credit, the project either needs to be certified under CCBA or conduct a "To achieve the mitigation credit, it shall be demonstrated that a current participatory assessment of the positive and		

negative impacts of the project activities on the local communities who derive livelihoods from the project area has been completed and demonstrates net positive benefits on the social and economic well-being of these communities. A participatory assessment is considered current where it is completed at least five years prior to the risk analysis. Certification against the Climate, Community & Biodiversity Standards (CCBS) or SOCIALCARBON Standard may be used to demonstrate that a project satisfies this mitigation requirement."	
Since the project is not certified against CCBA, then a PRA is required.	
Non-conformity report (NCR) (01 August 2013): A clarification has been sent to VCS in relation to this issue. In the meantime, the project can either conduct a PRA in order to receive the mitigation credit or rescore the Non-Permanence Risk rating.	
Project proponent response/actions (14 August 2013): The score has been revised from -5 to 0. This has no change to the final buffer of 14.5%. Refer to the file titled 'NCR #55 Non-Permanence Risk Report Project 2 GROUPED'.	
Evidence used to close NCR: Non-Permanence Risk Report Project 2 GROUPED.doc - The risk rating for this item has been corrected. Issue addressed.	
Date NCR closed:	25 August 2013

16. Clarification (VCS AFOLU Risk Tool, Add9, line 59)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2, Table 8 Political Risk - Governance score of 0.82 or higher		
Evidence Used to Assess Conformance: Risk Report Section 3		
Findings: Governance Score was calculated independently and found to = 1.60. The appropriate risk value of 0 has been selected. However the Governance Score is not reported and there is no text supporting the selection of the Political Risk Value.		
Clarification (CL): Please provide supplemental text in Risk Report Section 3 stating and justifying the value selected for Political Risk.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
The process and results of consulting the WGI have been provided in a table in the risk report (Page 11). Located in the file called; 'Non Permanence Risk Reports'		
Findings: Governance Score was calculated independently and found to = 1.60. The risk report does not appear to be using the average of the last 5 years' worth of data as required by the Risk Report. Please correct this reference in the Risk Report and resubmit.		
Clarification (CL) (01 August 2013): Please provide supplemental text in Risk Report Section 3 showing the governance score from the last 5 years' worth of data.		
Project proponent response (14 August 2013): Five years of stats have now been provided in the risk report.		
Evidence used to close CL: Non-Permanence Risk Report Project 2 GROUPED.doc - Supplemental text showing the governance score from the last 5 years' worth of data has been added to the Risk Report. Item is addressed.		
Date CL closed:	25 August 2013	

17. Non-Conformity Report (VCS AFOLU Risk Tool, Add9, line 63)

Verification	
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2 – Natural Risks: Fire Risk	
Evidence Used to Assess Conformance: Risk Report Section 3; Monitoring Report; Historical	

Harvesting Records (Folder)		
Findings: Risk report Indicates likelihood for fires to occur as every 10 to less than 25 years. Risk Report States "As part of the project, Forests Alive makes an assessment of fires that have occurred in the area since the 1960s." However, no information/evidence has been provided about the historical frequency of fire. Also, there is no justification regarding the significance level.		
Non-conformity report (NCR): Risk Report Section 3 states "As part of the project, Forests Alive makes an assessment of fires that have occurred in the area since the 1960s." However, no information/evidence has been provided about the historical frequency of fire. Please provide the verifier with information/evidence regarding the historical frequency of fire (Specific to all Additions (1, 2, 3, 5, 6, 7, 8, 9, 10, and 11) that justifies the likelihood category chosen. Also, please justify the significance level chosen for Risk of Fire in Risk Report Section 3.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
Additions 1, 2, 3, 5, 6, 7, 8, and 11 have all been validated and are now the subject of verification. Additions 9 and 10 are being validated and verified. As required at the point of validation additions 1,2,3,5,6,7,8 and 11 were assessed for their historical incidence of fire for the preceding 50 years, including in the prior 2012 verification process. This is detailed in section 1.11 of each addition file (<i>in the drop box folder titled 'NCR 59 Project Files All Additions'</i>). Section 1.11 of the Grouped Project PDD, V1.20 and Appendix 1 of the Grouped Project PDD, V.120 provides an explanation for the likelihood category that has been validated. The historical incidence of fire has been validated for these additions (excluding additions 9 and 10), verification refers to the verification period. A folder has also been placed in drop box titled '<i>NCR 57 ESI Verified Monitoring and Non Permanence Risk Report 2012</i>'. This contains last years monitoring report for each addition that was verified by ESI. The current monitoring report replicates the previous report in the treatment of fire likelihood and significance. This also contains last years Non Permanence Risk Report. The current Non Permanence Risk report replicates the treatment of the likelihood and significance of fire in light of the fact that no fires have occurred during the past 12 months that would change the treatment from the previous non permanence risk assessment. The absence of fire in the past 12 months is confirmed through the Spot Imagery and within section 3.2 (page 17) of the Grouped Project Monitoring Report. Verification of the validated projects requires an assessment of the incidence of fire <i>within the verification period</i>. Please refer to section 3.2 (page 17) of the Grouped Project Monitoring Report which states; <i>One fire has been reported to be close to the project area since the project commencement / during the current verification period.</i> <i>The fire encroached onto Addition 9's North Clyde Run property⁸. This was a ground fire and did not result in the loss of trees and subsequently the carbon stock in aboveground tree biomass. Furthermore, the fire did not encroach on any of the forest submitted into the Grouped Project. A map has been provided to demonstrate this.</i> Page 13 of the Non Permanence Risk Report states '<i>Based on a significance Minor significance score (5% to less than 25% loss of carbon stocks) and a likelihood score of every 10 to less than 25 years. As part of the project, Forests Alive makes an assessment of fires that have occurred in the area since the 1960s.</i> Identical to the text and process from 2012 the significance and likelihood values for fire in the Non Permanence Risk report have been detailed through equations 17-18 and have been applied in exactly		

⁸ Tasmanian Fire Service, www.tfs.tas.gov.au <accessed 24-4-2013>

the same way as the previously verified Non Permanence Risk Assessment, with consideration for the absence of fire events during the current verification period. Again this is evidenced through imagery. Because of this, the likelihood and significance score remains the same as the score that has been validated and verified for existing additions. Additions 9 and 10 have the same risk rating for fire. Events from the past 50 years are detailed in the project file, calculations, monitoring report and non-permanence risk report. These documents also explain that no fires have occurred within the current verification period and therefore the significance and likelihood scores remain the same as those validated and verified previously.

Evidence used to close NCR: Spot imagery concludes that no fires have occurred in the project area; however fire does obviously play a role in terms of risk. The project proponents have shown that fire risk has not changed since the validation and subsequent risk scores. Issue is addressed.

Date NCR closed: 30 July 2013

18. Non-Conformity Report (VCS AFOLU Risk Tool, Add9, line 64)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2 – Natural Risks: Fire Risk		
Evidence Used to Assess Conformance: Risk Report Section 3; Monitoring Report; Historical Harvesting Records (Folders)		
Findings: There is no justification/evidence that the project proponent has a proven history of effectively containing the risk of fire.		
Non-conformity report (NCR): Please demonstrate in Risk Report Section 3 how each of the 10 project proponents has a proven history of effectively containing fire.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
The following text has been added to section 3 of the Non Permanence Risk Report. <i>‘Each of the 10 project proponents has a history of effectively containing fire. This is supported by the prevalence of maintained access roads, fire breaks and by virtue of the fact that none of the forest within the project area has been destroyed by wildfire or burnt within the current verification period. No project proponent has seen a devastating fire since the start of the project and any fires are continually reported in the verification report and demonstrated through the imagery. Section 1.11 of the validated and verified project file for Additions 1,2,3,5,6,7, 8 and 10 outlines the historical incidence, response and infrastructure relating to fires within the project areas. Section 2.4.1 of the addition 9 and addition 10 project files outlines the historical incidence, response and infrastructure relating to fires within the project areas. By virtue of the fact that the none of the project areas have been destroyed by wildfire in the last 50 years and no fires occurred within the project areas during the summer of 2012-2013, combined with the information provided for each addition in the section outlined above, each of the 10 project proponents have a proven history of effectively containing fire. Located in the file called; ‘Non Permanence Risk Reports’</i>		
Evidence used to close NCR: Personal observations while on the site visit confirm that there are fire breaks and access points within the project areas that would constitute a mitigation score. Issue is addressed		
Date NCR closed:	30 July 2013	

19. Non-Conformity Report (VCS AFOLU Risk Tool, Add9, line 65)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2 – Natural Risks: Fire Risk		
Evidence Used to Assess Conformance: Risk Report Section 3; Monitoring Report; Historical Harvesting Records (Folder)		

Findings: Risk Report States “Each instance also maintains firefighting infrastructure and machines as detailed in each instance PDD.” This information is not included in the project files.		
Non-conformity report (NCR): Risk Report States "Each instance also maintains firefighting infrastructure and machines as detailed in each instance PDD." This information is not included in the Project Files for Addition 9 and 10 or the Monitoring Report. Further, the Project Files for Additions 1, 2, 3, 5, 6, 7, 8, and 11 were not provided to the verifier. Please address. See also Item 28 above.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
The following text has been added to page 12 of the risk assessment report:" Each of the 10 project proponents have a history of effectively containing fire. This is supported by the prevalence of maintained access roads, fire breaks and by virtue of the fact that none of the forest within the project area has been destroyed by wildfire or burnt within the current verification period. Project files for all additions are provided within the drop box. Folder titled “NCR 59 Project Files All Additions”.		
Evidence used to close NCR: Personal observations while on the site visit confirm that there are fire breaks and access points within the project areas that would constitute a mitigation score. Issue is addressed		
Date NCR closed:	30 July 2013	

20. Non-Conformity Report (VCS AFOLU Risk Tool, Add9, line 67)

Non-Conformity Report (VCS AFOLU Risk Tool, PDDs, link 67)		
Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2 – Natural Risks: Pest/Disease Risk		
Evidence Used to Assess Conformance: Risk Report Section 3; Validated PD Section 1.10		
Findings: Risk Report Section 3 States "Only fire is considered a natural risk to the project. The other, potential natural risks are discussed in detail within the Grouped Project PDD Version 1.20 which is available on the VCS website." PDD Section 1.11 justifies no loss for Pests, but not diseases.		
Non-conformity report (NCR): Risk Report Section 3 States "Only fire is considered a natural risk to the project. The other, potential natural risks are discussed in detail within the Grouped Project PDD Version 1.20 which is available on the VCS website." PDD Version 1.20 Section 1.11 adequately justifies no loss for Pests. However, diseases are not assessed in either PDD Version 1.20 or the Risk Report. Moreover, PDD Version 1.20 Section 1.11 states that "The greatest risks to Improved Forest Management projects within Tasmania are from fire or disease." Please include an assessment of risk of Disease in Risk report Section 3.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
Risks associated with disease have been added into the risk report (Section 3). Located in the file called; ‘Non Permanence Risk Reports’		
Evidence used to close NCR: The information provided in the risk report related to disease has been reviewed and found to be an adequate response to this NCR. Score is approved and the issue is addressed.		
Date NCR closed:	30 July 2013	

21. Clarification (VCS AFOLU Risk Tool, Add9, line 74)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2, Overall Risk - To determine the number of buffer credits that shall be deposited in the AFOLU pooled buffer account, the overall risk rating shall be converted to a percentage (e.g., an overall risk rating of 35 converts to 35%). This		

percentage shall be multiplied by the net change in the project’s carbon stocks (stated in the verification report), as set out in the VCS document Registration and Issuance Process. Where a project is divided into more than one geographic area for the purpose of risk analysis, the overall risk rating percentage for each area shall be multiplied by the net change in the project’s carbon stocks (stated in the verification report) in such geographic area.		
Evidence Used to Assess Conformance: Risk Report Section 4		
Findings: Risk Report Section 4.2 does not include the calculation of Total VCUs for Addition 9 or 10.		
Clarification (CL): Please include the calculation of Total VCUs for Addition 9 and 10 in Risk report Section 4.2.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
Additions 9 and 10 have been added to section 4 of the risk report. Located in the file called; ‘Non Permanence Risk Reports’		
Findings: This information was added, however it is not clear if these figures are correct, given that verifiers were not provided with an updated calculation document.		
Clarification (CL): Please confirm that these figures are the final totals as the last item in the process of completing the round 2 responses. Please indicate what version of the calculations files these totals were copied from as a means to confirming they are correct.		
Date issued:	01 August 2013	
Project proponent response/actions (14 August 2013): The values have been checked with Addition 9 and Addition 10 Project Calculations file v2 and are correct. The Non permanence risk reports and the calculation files are provided.		
Evidence used to close CL: Non-Permanence Risk Report Project 2 GROUPED.doc; Addition 9 Project Calculations v2.xlsm; Addition 10 Project Calculations v2.xlsm - Confirmed that the values presented in Section 4.2 of the Risk Report correlate to Addition 9 and Addition 10 Project Calculations files v2. Item is addressed.		
Date CL closed:	25 August 2013	

22. Non-Conformity Report (VCS AFOLU Risk Tool, Add10, line 16)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, Version 3.2, Table 2 Financial Viability - Project cash flow breakeven point is less than 4 years from the current risk assessment.		
Evidence Used to Assess Conformance: Risk Report Section 1; Addition 10 30 year Financial Plan.xlsx		
Findings: Addition 10 30 year Financial Plan.xlsx is not specific to Addition 10. For example, project start year, project start costs, and credits issued do not correlate. Additionally, a much more aggressive VCU value trend is included when compared to Addition 9. Also, "Redd Forest Commission" is not included.		
Non-conformity report (NCR): Addition 10 30 year Financial Plan.xlsx is not specific to Addition 10. Please update accordingly and re-submit to the verifier. In updating, please be sure that conservative pricing values are used for VCUs and that all relevant costs and revenues are included.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
Financial plan for Additions 9 and 10 have been updated to reflect the values consistent with all other additions.		
Findings: Addition 10 30 year Financial Plan.xlsx was reviewed and it has been updated. Project		

start year and number of credits issued have been updated. The VCU value trend matches that of Addition 9 and "Redd Forest Commission" is now included. However, other inconsistencies were observed. These are presented as a Round 2 NCR above under Item # 53.	
Non-conformity report (NCR) (01 August 2013): Item is addressed, pending Item 53 above.	
Project proponent response/actions (14 August 2013): See response to NCR #53.	
Evidence used to close NCR: Addition 9 30 year Financial Plan.xlsx; Addition 10 30 year Financial Plan.xlsx; Cost Analyses.docx; Addition 9 Project File v1.1 Forests Alive Responses.doc; Addition 10 Project File v1.0 Forests Alive Responses.doc; Addition 9 Contract.pdf; Addition 10 contract.pdf. - The Financial Plans and Tables in the Project Files have been updated accordingly. NPV values are presented in both project files. The project's cash flow breakeven point is less than 4 years from the current risk assessment. Item is addressed.	
Date NCR closed:	25 August 2013

23. Non-Conformity Report (VM0010, VM0010_ADD9, line 105)

Verification		
VCS Criteria: VM0010 V 1.1, Step 5 – Project Leakage, Step 5.1 Activity shifting leakage, There may be no leakage due to activity shifting. Where the project proponent controls multiple parcels of land within the country the project proponent must demonstrate that the management plans and/or land-use designations of other lands they control have not materially changed as a result of the planned project (designating new lands as timber concessions or increasing harvest rates in lands already managed for timber) because such changes could lead to reductions in carbon stocks or increases in GHG emissions. - This must be demonstrated through: historical records showing trends in harvest volumes paired with records from the with project time period showing no deviation from historical trends; forest management plans prepared ≥24 months prior to the start of the project showing harvest plans on all owned/managed lands paired with records from the with-project time period showing no deviation from management plans		
Evidence Used to Assess Conformance: Project File Section 1.13, Monitoring report Section 3.2		
Findings: Project File Section 1.13 states "Consistent with Step 5.1, a detailed assessment of Activity Shifting is undertaken in the Monitoring report for the first verification event that accompanies this PDD." However, Monitoring report section 2.1 indicates that "The 8 proponents do not hold any other forested properties in Australia or Tasmania that contains commercially viable forest, and therefore there is no opportunity for leakage through activity shifting." This is not true; as per Addition 9 Project File Table 6, Mark Cornelius owns approximately 3428 ha of commercially viable forest not included in the project.		
Non-conformity report (NCR): Addition 9 Project File Section 1.13 states "Consistent with Step 5.1, a detailed assessment of Activity Shifting is undertaken in the Monitoring report for the first verification event that accompanies this PDD." However, Monitoring report section 2.1 states "The 8 proponents do not hold any other forested properties in Australia or Tasmania that contains commercially viable forest, and therefore there is no opportunity for leakage through activity shifting." Please update Monitoring Report Section 2.1 accordingly.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
Section 2.1 ‘Activity Shifting’ of the Grouped Project Monitoring Plan has been updated to correctly identify that the proponent of Addition 9 does have land outside of the project area and contains an assessment of Activity Shifting.		
Evidence used to close NCR: The sections of the Monitoring Report (not the Monitoring Plan as stated in the response) has been updated and now includes the summation of the historic logging		

within the last 24 months and the logging within the monitoring period on lands owned by the project proponent but outside of the project. The information cannot be demonstrated however given that the submitted evidence is not able to be reconciled due to lack of information. This issue will remain addressed, however the previous NCR addressed the evidence needed to confirm the figures presented.

Date NCR closed: 30 July 2013

24. Non-Conformity Report (VM0010, VM0010_ADD9, line 107)

Verification

VCS Criteria: VM0010 V 1.1, Step 5 – Project Leakage, Step 5.1 Activity shifting leakage, There may be no leakage due to activity shifting. Where the project proponent controls multiple parcels of land within the country the project proponent must demonstrate that the management plans and/or land-use designations of other lands they control have not materially changed as a result of the planned project (designating new lands as timber concessions or increasing harvest rates in lands already managed for timber) because such changes could lead to reductions in carbon stocks or increases in GHG emissions. At each verification, documentation must be provided covering the other lands controlled by the project proponent where leakage could occur, including, at a minimum, their location(s), area and type of existing land use(s), and management plans.

Evidence Used to Assess Conformance: Project File Section 1.13, Monitoring report Section 3.2

Findings: Monitoring Report Section 3.2 States "Addition 9 has reported one logging event between July 2011 and January 2012 on a property not in the project area called Badger Hill. This harvest event took 3,593 tonnes of pulp wood, 579 tonnes of peeler log and 2,851 cm of sawlog. This area is under prescribed harvest regimes and this harvest event was not a result of activity shifting due to other properties owned by the proponent not being available for logging" - Could not correlate to Weighbridge records.

Non-conformity report (NCR): The verifier could not make a clear connection between the reported logging volumes in Monitoring Report Section 3.2 and "Addition 9 FPPs.pdf." Please show the verifier how the extracted volumes were determined for reporting in Monitoring Report Section 3.2. See also Items 71 and 72 below.

Date issued: 14 June 2013

Project proponent response/actions:

Date Received: TBD

Table 6 in the Addition 9 Project File and table 5 in the Monitoring Report have been updated to accurately show the property name for the Lake Leake Property as 'Lake Leake - Badger Hill'. This now correlates with table 5 "Property Tenure" within the project file for Addition 9 which shows 'Lake Leake – Badger Hill'.

With regard to the determination of extracted volumes, the weighbridge records for the logging event between July 2011 and January 2012 are provided within the drop box in a file called 'NCR 70', *Addition 9 Logging Records*. The totals from the weighbridge records have been summed and divided into categories of product and 12-24 month periods shown in the spreadsheet titled 'values' (within the drop box file outlined above). These values are:

Name of property	Commercial Forest Area Excluded from IFM	Logging extraction since project commencement <12 months	Logging extraction 24 months prior to project commencement
Lake Leake (Badger Hill)	310	Woodchip: 3458 T Sawlog: 761.71 T	Woodchip: 1821.1 T Sawlog: 558.7 T

The values now accurately reflect those in the weighbridge records within Table 6 in the PDD and Table 5 in the Monitoring report. See file ‘NCR 69, 70, 71 and 72 Addition 9 Weighbridge Records.		
Findings: Totals presented now match the calculations presented (file name Values.xls). It is still unclear what weighbridge records relate to what project site since they are not labeled and this NCR references the same files as a previous NCR. There are no file names that would enable verifiers to know which file belongs to what project site/ harvest etc.		
Clarification (CL): Please simply label the files so the verifiers can determine if the calculations were summed correctly for each of the product classes and please ensure that all evidence is presented that will allow verifiers to independently confirm the calculations of tons of material removed from each of the reported harvest area		
Date issued:	01 August 2013	
Project proponent response/actions:	Date Received:	14 August 2013
The figures are consistently reported as tons in both the PDD and the monitoring report. Each individual logging event in Table 6 has been established from the available records that have been provided by the project proponent to the project developer. Each file has been labeled separately for each logging event. Please refer to the folder titled ‘NCR #67 Table 6 – Evidence’. This folder contains individual records for each event and a summation of each event in tons. Text has also been added in section 1.13 stating; <i>Table No. 06 above has been compiled from all available records from the project proponent. These included weighbridge records, receipts for payment and forest practices plans. All of this information and summations have been provided to the validation agency for review.</i> In terms of the information contained within the weighbridge records and the FPP cover pages, this is the extent of the information that these documents contain with regard to volumes and product. . In terms of correlation with land areas, this is formed from the records and statements provided by the project proponent. There are no other forms of evidence that can be provided.		
Findings: ‘NCR #67 Table 6 – Evidence’ - The evidence provided is still unclear for the support of the figures in Table 6. The image file for Lake Leake “Weighbridge6.jpg does not have dates on all of the transactions. For the Woodbury Tier and Northern Clyde Run it is unclear how the final results values were determined as verifier calculations result in different values.		
Clarification (CL): Please resubmit image file “Weighbridge6.jpg” with dates included. Additionally, please provide a clarification for the calculation of the values reported for the Woodbury Tier and the Northern Clyde Run tracts.		
Date issued:	26 August 2013	
Project proponent response/actions:	Date Received:	30 August 2013
Please refer to the drop box folder titled: NCR #67, 69 and 71. There are three missing dates on the Weighbridge6.jpg. The remainder of the dates are shown on the weighbridge record. Each of the record sections are presented in monthly allocations (and summed at the end of each month). For example, the first section, on the left hand side contains the month and year. Where the day of the month has been left off the scan, the project proponent has added this in the column (third from the left). This follows the consecutive days of the month for each record. This pattern explains how the weighbridge record is interpreted. Each section is monthly, starting on the 20th-9th-2011. The next section starts on the 10 th -10th- 2011 followed by the 1 st -11 th -2011, 2 nd of 12 th -2011 and then 11 th -1 st -2012. The last 5 docket records relate to a different category of log (sawn wood) and the dates are evident on the left hand side in months and year for 4 of these. The final docket month (year is shown but the month is not clear) has been confirmed by the proponent by email to Forests Alive on the 28 th of		

August 2013. This date is confirmed as 7-12-2011. The email is provided in the drop box for review. This email also re-confirms the dates for docket numbers: 4427 20/10/11 4428 20/10/11 4512 07/12/11 All other records are marked with months and years and in almost all instances, the day as well. The values for Woodbury Tier and Northern Clyde Run have been determined from the records provided in the drop box file for the validation review. It is not clear what additional evidence can be provided.	
Evidence used to close CL: This Item is repetitive. This issue is covered under Item 67 above. This item can be closed.	
Date CL closed:	05 September 2013

25. Clarification (VM0010, VM0010_ADD9, line 108)

Verification		
VCS Criteria: VM0010 V 1.1, Step 5 – Project Leakage, Step 5.1 Activity shifting leakage, There may be no leakage due to activity shifting. Where the project proponent controls multiple parcels of land within the country the project proponent must demonstrate that the management plans and/or land-use designations of other lands they control have not materially changed as a result of the planned project (designating new lands as timber concessions or increasing harvest rates in lands already managed for timber) because such changes could lead to reductions in carbon stocks or increases in GHG emissions. At each verification, documentation must be provided covering the other lands controlled by the project proponent where leakage could occur, including, at a minimum, their location(s), area and type of existing land use(s), and management plans.		
Evidence Used to Assess Conformance: Project File Section 1.13, Monitoring report Section 3.2		
Findings: The values reported for the logging event reported in Monitoring Report Section 3.2 correlate to the pre-project harvesting volumes in Addition 9 Project File Table 6 and not harvest volumes since project commencement.		
Clarification (CL): The post project commencement reported logging volumes in Monitoring Report Section 3.2 do not correlate with the post project commencement reported logging volumes in Addition 9 Project File Table 6. Please update Monitoring Report Section 3.2 or Addition 9 Project File Table 6 accordingly.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
Table 6 in the Addition 9 Project File and Table 5 of the Monitoring Report have been updated to accurately show the ‘Post Project Commencement’ logging volumes for Lake Leake Badger Hill. These are supported by weighbridge records. Table 6 in the project file is now consistent with table 5 in the Monitoring Report. The figures provided reflect those in Tables 6 in the Project File and Monitoring Report and are supported by Weighbridge records (provided in the drop box folder titled ‘NCR 69, 70, 71 and 72 Addition 9 Weighbridge Records’.		
Evidence used to close CL: The figures presented now match between the project file and the monitoring report. There is still an issue with the evidence presented for the weighbridge records, however this NCR will be considered closed pending the resolution of the other NCR’s that consider this item. Issue addressed.		
Date CL closed:	30 July 2013	

26. Non-Conformity Report (VM0010, VM0010_ADD9, line 109)

Verification		
VCS Criteria: VM0010 V 1.1, Step 5 – Project Leakage, Step 5.1 Activity shifting leakage, There may be no leakage due to activity shifting. Where the project proponent controls multiple parcels of land within the country the project proponent must demonstrate that the management plans and/or land-use designations of other lands they control have not materially changed as a result of the planned project (designating new lands as timber concessions or increasing harvest rates in lands already managed for timber) because such changes could lead to reductions in carbon stocks or increases in GHG emissions. At each verification, documentation must be provided covering the other lands controlled by the project proponent where leakage could occur, including, at a minimum, their location(s), area and type of existing land use(s), and management plans.		
Evidence Used to Assess Conformance: Project File Section 1.13, Monitoring report Section 3.2		
Findings: The verifier could not locate a FPP for Badger Hill that has not expired.		
Non-conformity report (NCR): Regarding Addition 9, an active FPP for Badger Hill - Lake Leake could not be located. Please identify/provide the FPP or other documentation supporting the following statement found in Monitoring Report Section 3.2: "This area is under prescribed harvest regimes and this harvest event was not a result of activity shifting due to other properties owned by the proponent not being available for logging."		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
The FPP for ‘Lake Leake Badger Hill’ is now within the Drop Box folder titled ‘NCR 72, Addition 9 FPP’. This plan shows the ‘ <i>Plan Lifetime</i> ’ as 23/11/2004 to 30/06/2015’. The harvest plan for Lake Leake Badger Hill was developed 6 years prior to the IFM project and remains current.		
Evidence used to close NCR: Harvest plan was reviewed and found to be dated prior to the project start date, this evidence along with the harvest volumes helps to confirm that activity shifting has not occurred. Issue addressed.		
Date NCR closed:	30 July 2013	

27. Non-Conformity Report (VM0010, VM0010_ADD10, line 100)

Verification		
VCS Criteria: VM0010 V 1.1, STEP 5 – Project Leakage - Step 5.1 Activity shifting leakage - Where the project proponent controls multiple parcels of land within the country the project proponent must demonstrate that the management plans and/or land-use designations of other lands they control have not materially changed as a result of the planned project (designating new lands as timber concessions or increasing harvest rates in lands already managed for timber) because such changes could lead to reductions in carbon stocks or increases in GHG emissions.		
Evidence Used to Assess Conformance: Addition 10 Project File V.1.0 Section 1.13; Monitoring Report General		
Findings: There is no direct mention in the Addition 10 Project File as to whether the proponent owns multiple parcels of land within the country. Also, for all additions, evidence has not been provided indicating that there have not been any acquisitions or dispositions since the monitoring period start date.		
Non-conformity report (NCR): For Addition 10, please indicate in the Project File whether the project proponent owns multiple parcels of land within the country. Please explicitly indicate where this has been included and provide appropriate evidence supporting the claim. Also, for all Additions (1, 2, 3, 5, 6, 7, 8, 9, 10, and 11), please provide evidence that there have been no newly acquired commercially viable forestlands outside of the project area and no dispositions within the project area over the monitoring period.		

Date issued:	14 June 2013
Project proponent response/actions:	Date Received: TBD
Addition 10, project file has been updated, section 1.13 (3), now correctly state; <i>'The proponent (legal landowner) does not own any other native forested land within Australia'.</i> The grouped project monitoring report has also been revised. Section 3.2 page 17 now addresses acquisition and or disposition of viable forested land during the monitoring period. <i>In addition, each project proponent has communicated with the project developer during the past 12 months and indicated that no land within the project area has been subject to disposition and no new acquisitions of viable native forested land has taken place⁹.</i> It is not clear what additional evidence could be provided to demonstrate this as we have simply replicated all previous SCS and ESI validation and verification processes with respect to Leakage and Activity Shifting.	
Evidence used to close NCR: Changes have been made to the documents. The statement made by the project developer will be considered an attestation to this issue for this monitoring period and therefore no further evidence will be requested, as the verifiers did conduct a site visit where individual landowners were interviewed. It is suggested that at future verification events, that a statement from the Tasmanian government be presented that shows the total land holdings of the project area owners so that this item can be confirmed in a timely manner and through official records.	
Date NCR closed:	31 July 2013

28. Non-Conformity Report (Verif Only Checklist All Additions Downie Pilot VM0010 PDD JP, Standard 3.3, line 14)

Verification	
VCS Criteria: VCS Standard 3.3, Monitoring Report - 2) The implementation status of the project.	
Evidence Used to Assess Conformance: Mon report V1.1, section 2.1	
Findings: The implementation of the project is described in section 2.1. It does not describe the implementation status of the individual instances.	
Non-conformity report (NCR): Please provide a summary of the implementation status for each addition here.	
Date issued:	14 June 2013
Project proponent response/actions:	Date Received: TBD
Step 2.1, page 11 of the Grouped Project Monitoring Report states: The Grouped Project is registered with the VCS and is currently being actively implemented. This monitoring report comprises the 3rd verification event for additions 1, 2 and 3. This monitoring report comprises the 2nd verification event for additions 5, 8, 7 and 11. Additions 1, 2, 3, 5, 8, 7, 9, 10 and 11 are being actively implemented. Additions 9 and 10 are being validated and verified in 2013, this monitoring report represents the first verification period for additions 9 and 10. Table 1.5 also provides an indication of the project implementation status for each addition. Section 2.1 of the Pilot and Downie monitoring report states: The project is registered with the VCS and is currently being actively implemented. This monitoring report comprises the third annual monitoring event for the Pilot project.	
Findings: VCS Monitoring Report Project 2 GROUPED April 2013 v1.1 Forests Alive Responses.doc - Confirmed that the indicated text is included in Monitoring Report Section 2.1.	

⁹ Pers Comm, project proponents for additions, 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11 <September 2012 to march 2013>

However, Table 1.5 does not exist in the document. It appears this should be referring to Table 1.	
Non-conformity report (NCR) (01 August 2013): Please clarify the following text in Monitoring Report Section 2.1: "Table 1.5 also provides an indication of the project implementation status for each addition."	
Project proponent response/actions (14 August 2013): This sentence now reads: "Table 1 in section 1.5 provides an indication of the project implementation status for each addition with regards to start dates."	
Evidence used to close NCR: VCS Monitoring Report Project 2 GROUPED April 2013 v2.doc – The monitoring report has been modified to state "Table 1 in section 1.5 provides an indication of the project implementation status for each addition with regards to start dates." The issue has been addressed.	
Date NCR closed:	21 August 2013

29. Non-Conformity Report (Verif Only Checklist All Additions Downie Pilot VM0010 PDD JP, Standard 3.3, line 16)

Verification		
VCS Criteria: VCS Standard 3.3, Monitoring Report - 4) The calculation of net GHG emission reductions and removals.		
Evidence Used to Assess Conformance: Mon report, V1.1,		
Findings: Does not appear to reference the appropriate calcs sheets.		
Non-conformity report (NCR): Please reference the appropriate calc spreadsheets here.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
Please clarify this NCR, where should the reference to the calculation sheets be placed? As part of this NCR all calculation sheets have been provided.		
Findings: VCS Monitoring Report Project 2 GROUPED April 2013 v1.1 Forests Alive Responses.doc - This NCR was requesting that the Project Calculations spreadsheets be referred to in Monitoring Report Section 4. For example, in Section 4.1 Baseline emissions - see the spreadsheet xxxxxx.xls for quantification. Given the lack of clarity in the NCR as written, this will remain a Round 1 Item.		
Non-conformity report (NCR) (01 August 2103): Please reference the appropriate Project Calculations files in Monitoring Report Section 4.		
Project proponent response/actions (14 August 2103): The list of calculation files for each addition has been added under the section 4 heading as this relates to all the quantifications displayed in this section.		
Evidence used to close NCR: VCS Monitoring Report Project 2 GROUPED April 2013 v2.doc - Baseline calculation files have been referenced for each group addition within the report in section 4. This item has been addressed.		
Date NCR closed:	21 August 2013	

30. Non-Conformity Report (Verif Only Checklist All Additions Downie Pilot VM0010 PDD JP, AFOLU Version 3.3, line 11)

Verification	
VCS Criteria: VCS AFOLU Requirements V 3.3, 3.6 Leakage Management, Mitigation and Accounting - 3.6.3 Where projects are required to account for leakage, such leakage evaluation shall be documented in the appropriate section of the project description and/or monitoring report, as applicable.	

Evidence Used to Assess Conformance: Monitoring report V1.1, section 4.3		
Findings: Monitoring report includes an assessment of leakage in the appropriate section of the report; however it does not show the comparison of the most recent period against the 10 year values.		
Non-conformity report (NCR): The comparison of the most recent period (2011-2012) harvest on private land against the 10 year average does not show the actual value in tonnes, or make a comparison for this year, instead showing just a ‘partial logging’ occurring on an area of 1209 ha. The actual value for harvests in 2011-2012 is 134,042 and is indeed lower than the 10 year average. Please show this comparison in the report.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
The following text has been added to section 4.3, (Grouped page 24), (Pilot page 10) and (Downie Page 10) of the monitoring reports. “The 2011, 2012 annual report Indicates a total volume of native forest harvested as being 138, 854 tonnes. This constitutes an annual harvest of private native forests of 10% of the average volume from the preceding 10 year period”.		
Evidence used to close NCR: VCS Monitoring Report Project 2 GROUPED April 2013 v1.1 Forests Alive Responses.doc - Confirmed that Monitoring Report Section 4.3 was updated as indicated. Item is addressed.		
Date NCR closed:	31 July 2013	

31. Clarification (Verif Only Checklist All Additions Downie Pilot VM0010 PDD JP, AFOLU Version 3.3, line 11)

Verification		
VCS Criteria: VCS AFOLU Requirements V 3.3, 3.6 Leakage Management, Mitigation and Accounting - 3.6.3 Where projects are required to account for leakage, such leakage evaluation shall be documented in the appropriate section of the project description and/or monitoring report, as applicable.		
Evidence Used to Assess Conformance: Monitoring report V1.1, section 4.3		
Findings: Monitoring report includes an assessment of leakage in the appropriate section of the report; however, it does not show the comparison of the most recent period against the 10 year values.		
Clarification (CL): Please consider removing the language in section 4.3 of the monitoring report under the summary section which refers to how the analysis WILL BE conducted, as this appears to be a remnant paragraph from the PD		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
Text in the summary section as shown below has been <i>removed</i> from section 4.3 of the monitoring report for Grouped, Pilot and Downie: The market leakage factor of zero will be assessed at each monitoring event. The project proponent will need to provide evidence that annual extracted volumes have not increased above the baseline threshold during the monitoring period. To achieve this, the project proponent must obtain data about the net volume extracted from private native forests in Tasmania (the most probable site for market leakage to occur) during the monitoring period, or as close as possible. This should be contrasted to the average volume extracted from this area during the ten years prior to the project's start date. If the net volume is lower in the project scenario, or if spikes can be justified (for example, by unusual clearfell events by a major forestry company), it can be reasonably assumed that no market leakage has occurred as a result of the project.		
Findings: VCS Monitoring Report Project 2 GROUPED April 2013 v1.1 Forests Alive Responses.doc - Confirmed that the text was removed as indicated. However, word for word ex ante language from the PD still exists in Monitoring Report section 4.3.		

Non-conformity report (NCR) (01 August 2013): Please remove any additional word for word ex ante language originating in the PD from Monitoring Report Section 4.3. The Monitoring report should be "has been" vs. "will be."	
Project proponent response/actions (14 August 2013): The Monitoring report has been amended and the single reference to the words "will be" now reads "has been".	
Evidence used to close CL: VCS Monitoring Report Project 2 GROUPED April 2013 v2.doc - Confirmed that Monitoring Report Section 4.3 was updated as indicated; the use of "will be" has been replaced with the use of "has been". The issue has been addressed.	
Date CL closed:	21 August 2013

32. Non-Conformity Report (Verif Only Checklist All Additions Downie Pilot VM0010 PDD JP, PD-NotCoveredElsewhere_Grouped, line 12)

Verification		
VCS Criteria: PDD Requirements, Natural Disturbance - Changes to vegetation coverage will be determined by comparing images taken at the start of the project and as close to the monitoring event as possible. The images will be analyzed using an [ISOCLASS] unsupervised classification into 30 classes. This classification will be based on a composite imaged formed from all four SPOT bands plus the digital elevation model (DEM), topographic aspect and topographic slope.		
Evidence Used to Assess Conformance: NA in Monitoring Report or provided Files.		
Findings: An analysis of the changes in vegetation cover, as described here is not included in the Monitoring Report. The verifier is requesting a sample of the satellite imagery and spatial files resulting from the analysis for verification.		
Non-conformity report (NCR): Please complete an analysis of the changes in vegetation cover for Additions 1, 2, 3, 5, 6, 7, 8, and 11 as required by Section 3.2 of the Validated PD. Please include a description of the analysis in the Monitoring Report (methods, results) and indicate where this was added. Additionally, Addition 2 was randomly selected and the verifier is requesting the georeferenced input satellite imagery and spatial files resulting from the analysis for verification. Note Item XX (Row 14 below) in addressing this NCR.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
A description of vegetation assessment has been added to the monitoring report, Additional Information section. The results of this assessment have been included in the monitoring report. The files for Addition 2 have been added into the NCR 89 folder for review.		
Findings: VCS Monitoring Report Project 2 GROUPED April 2013 v1.1 Forests Alive Responses.doc; Addition 2 Vegetation Analysis Spatial Files - An analysis of the changes in vegetation cover has been completed. The analysis completed is a NDVI assessment and is an appropriate for assessing the changes in vegetation cover. However, this analysis does not meet the requirements of Section 3.2 of the Validated PD (i.e.it is not an [ISOCLASS] unsupervised classification formed from all four SPOT bands plus the digital elevation model (DEM), topographic aspect and topographic slope).		
Non-conformity report (NCR) (01 August 2013): Please complete an analysis of the changes in vegetation cover following the requirements of Section 3.2 of the Validated PD. Else include the NDVI assessment as a PD Deviation in the Monitoring Report.		
Project proponent response/actions: A description and reasoning for the application of NDVI analysis has been provided in section 2.2 of the monitoring report. This represents a permitted deviation to monitoring tasks.		

The deviation from the imagery analysis process described within the original PDD does not impact upon: Applicability of the methodology, Additionality; The appropriateness of the baseline scenario; The project remains in compliance with the applied methodology; The deviation is described and justified in the monitoring report; This description includes specific detail on reasons for the change occurring and the reasons for the change; and when the changes took place and will be included in all future monitoring reports.	
Evidence used to close NCR: VCS Monitoring Report Project 2 GROUPED April 2013 v2.doc – A PD deviation has been included in the monitoring report to address the deviation from SPOT unsupervised classification to an NDVI analysis. The deviation sufficiently addresses the criteria for monitoring deviation and will be used going forward. The issue has been addressed.	
Date NCR closed:	21 August 2013

33. Non-Conformity Report (Verif Only Checklist All Additions Downie Pilot VM0010 PDD JP, PD-NotCoveredElsewhere_Grouped, line 14)

2 - Not covered elsewhere - Grouped, line 17

Verification		
VCS Criteria: PDD Requirements, Natural Disturbance - These images must be included in the monitoring report for reference.		
Evidence Used to Assess Conformance: NA in Monitoring Report		
Findings: The classified images/resulting spatial files are not included in the Monitoring Report.		
Non-conformity report (NCR): Please include the classified images/spatial files resulting from the analysis of the changes in vegetation cover for Additions 1, 2, 3, 5, 6, 7, 8, and 11 in the Monitoring Report as required by Section 3.2 of the Validated PD. Please identify where these were added.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
The spatial files resulting from the vegetation analysis for all additions have been added to the NCR 90 folder. Images have been added to the monitoring report, Additional Information.		
Findings: VCS Monitoring Report Project 2 GROUPED April 2013 v1.1 Forests Alive Responses.doc - The NDVI classified images have been added to Monitoring Report Section 5.		
Non-conformity report (NCR): Item is addressed, pending Item 89 above.		
Date issued:	01 August 2013	
Project proponent response/actions (14 August 2013): A description and reasoning for the application of NDVI analysis has been provided in section 2.2 of the monitoring report. This represents a permitted deviation to monitoring tasks. The deviation from the imagery analysis process described within the original PDD does not impact upon: Applicability of the methodology, Additionality; The appropriateness of the baseline scenario; The project remains in compliance with the applied methodology; The deviation is described and justified in the monitoring report; This description includes specific detail on reasons for the change occurring and the reasons for the change; and When the changes took place and will be included in all future monitoring reports.		
Evidence used to close NCR: Item 89 above has been sufficiently addressed. The issue has been addressed.		
Date NCR closed:	21 August 2013	

34. Clarification (Verif Only Checklist All Additions Downie Pilot VM0010 PDD JP, VM0010 v1.1, line 21)

Verification		
VCS Criteria: VCS VM0010, v1.1 - Step 5.2 Market leakage - Leakage due to market effects is equal to the net emissions from planned timber harvest activities in the baseline scenario multiplied by an appropriate leakage factor: (See equation 23)		
Evidence Used to Assess Conformance: Monitoring report Section 2.1 and 4.3		
Findings: Market effects leakage = 0. This is supported by a detailed and plausible explanation of the falling prices of pulp wood as related to the increasing supply chain in the Tasmania area and in the regional markets. The impact of the project is expected to be minimal and not seen as an impact to the pulpwood market. The verifier confirmed that the most recent harvest volume (2011-2012) from privately owned native hardwood forests in Tasmania is well below the 10 year average prior to the project. However, this value is not explicitly reported in the monitoring report.		
Clarification (CL): Please clearly report the most recent (2011-2012) harvest volume (tonnes) from privately owned native hardwood forests in Tasmania (as reported by Private Forests Tasmania) in Monitoring Report Section 4.3. Please identify where this was added.		
Date issued:	14 June 2013	
Project proponent response/actions:	Date Received:	TBD
The following text has been added to the monitoring report. Section 4.3, page 26 (Grouped), page 10 (Pilot) and Page 10 (Downie) <i>'The 2011, 2012 annual report ¹⁰ indicates a total volume of native forest harvested as being 138, 854 tonnes. This constitutes an annual harvest of private native forests of 10% of the average volume from the preceding 10 year period.'</i>		
Evidence used to close CL: VCS Monitoring Report Project 2 GROUPED April 2013 v1.1 Forests Alive Responses.doc - Confirmed that Monitoring Report Section 4.3 was updated as indicated. Item is addressed.		
Date CL closed:	31 July 2013	

35. Non-Conformity Report (Risk Tool v3 Tab NCRs, line 10)

Verification		
VCS Criteria: VCS AFOLU Non-Permanence Risk Tool, V3.2, Internal Risks, Table 1 Project Management - Mitigation: Adaptive management plan in place.		
Evidence Used to Assess Conformance: Risk Report Section 1; 30 Year Adaptive Management Plan.doc		
Findings: The Management Plan states "Each proponent is provided with a copy of this plan with a clear understanding that they are required to update the plan throughout the 30 year project longevity period, including the financial plan outlined, below in order to reflect actual rather than projected revenue. It does not appear that the financial plan and adaptive plans have been updated.		
Non-conformity report (NCR): The plans for each instance provided appear to be the same as last year and do not indicate that they were updated. Similarly please confirm the financial plans been updated for actual revenues as stated in the adaptive management plan.		
Date issued:	14 June 2013	

¹⁰ Private Forests Tasmania, Annual report < http://www.privateforests.tas.gov.au/publications/annual_reports> (accessed 12th April 2013)

Project proponent response/actions:	Date Received:	TBD
The financial plans have been updated to and are located in the drop box file called 'NCR 53, 54, 63 and 64 Simple Vs. Complex Financial Analysis'.		
Findings: Financial Plans - A sample of the newly submitted Financial Plans were reviewed; they were found to be updated for actual costs/revenues as indicated. However, updated adaptive management plans have not been provided.		
Non-conformity report (NCR) (01 August 2013): Please provide the updated Adaptive Management Plans for Additions 1, 2, 3, 5, 6, 7, 8, and 11. Response (14 August 2013): Please refer to the drop box folder called ' <i>NCR #92 Adaptive Management Plans - All Additions</i> '		
Evidence used to close NCR: Adaptive Management Plans – The adaptive management plans were reviewed. No significant changes have occurred and they were updated for the financial plan update. The issue has been addressed.		
Date NCR closed:	21 August 2013	