



Voluntary Carbon Standard Version 2007.1

Verification Report

Name of Verification company:	Date of the issue:
Scientific Certification Services (SCS)	August 8, 2011
Report Title:	Approved by:
VCS Verification Report	Robert J. Hrubes
Client:	Project Title:
Redd Forests	Redd Forests Grouped Project: Protection of Tasmanian Native Forest

Summary:

This verification report describes the verification outcome of the Redd Forests Grouped Project: Protection of Tasmanian Native Forest for the monitoring period April 1, 2010 to the June 30, 2011 against the registered project documentation and the VCS 2007.1 and its supporting documents. This verification covers Addition 1: Connorville and also validates and verifies the inclusion of Addition 2: Charlton and Addition 3: Beaufront to the grouped project.

SCS conducted the verification on the basis of the monitoring methodology VM0010 (Version 1), the monitoring plan contained in the validated VCS Project Document and the monitoring report. The verification included: a) checking the provisions of the monitoring methodology and the monitoring plan were consistently and appropriately applied, and b) the collection of evidence supporting the reported data.

SCS planned and performed the verification by obtaining evidence and other information and explanations that SCS considers necessary to give reasonable assurance that reported GHG emission reductions are fairly stated.

The project has multiple proponents listed as follows: Addition 1: Connorville Estates Pty Ltd and Roderic Alan O'Connor; Addition 2: Eustance Allan Cameron Family Trust; Addition 3: Kenneth D. And Julian E.K Von Bibra, Jekpa Nominees, Julian E.K Von Bibra.

The project developer is Redd Forests. SCS has confirmed that the listed project proponents have the right to all and any reductions generated by their specific land areas included in the Project during the period April 1, 2010 to June 30, 2011.

In our opinion the GHG emissions reductions of the Redd Forests Grouped Project: Protection of Tasmanian Native Forest for the monitoring period April 1, 2010 to June 30, 2011 are fairly stated in the monitoring report. The GHG emission reductions were calculated correctly on the basis of the approved VCS methodology VM0010 (version 1.0) and the monitoring plan contained in the validated VCS Project Document.

SCS is able to verify with a reasonable level of assurance that the emission reductions from the Redd Forests Grouped Project: Protection of a Tasmanian Native Forest for the monitoring period April 1, 2010 to June 30, 2011 amount to 95 762 tCO₂-e equivalents after a 15% buffer pool deduction amounting to 16 900 t CO₂ equivalents.

Work carried out by:	Number of pages:
Dr Carly Green (Lead Auditor) Todd Frank (Technical Reviewer)	23

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1 Introduction

1.1 Objective

The objective of this verification is to ensure that the Voluntary Carbon Unit (VCUs) claims made by the Redd Forests Grouped Project: Protection of Tasmanian Native Forest for the monitoring period April 1, 2010 to June 30, 2011 are made in accordance with the project's validated Project Document and the VCS 2007.1 standard. The verification will assess if the project proponent adequately addressed unplanned reductions in project carbon stocks, any increase in project emissions or possible leakage outside the project boundary.

Additionally the validation and verification of new project instances (Addition 2: Charlton and Addition 3: Beaufront) against the validated Project Document and the standard is undertaken at this verification event.

1.2 Scope and Criteria

The scope of the verification was to:

- Validate documentation for two new project instances against the validated grouped project PD.
- Verify that actual monitoring systems and procedures are in compliance with the monitoring systems and procedures described in the monitoring plan.
- Evaluate the GHG emission reduction data and express a conclusion with a reasonable level of assurance about whether the reported GHG emission reduction data is free from material misstatement.
- Verify that reported GHG emission data is sufficiently supported by evidence.
- Ensure that reported emission reductions are complete and accurate in order to be verified.

1.3 Project Documents Reviewed

The following documents supplied by the project proponent were reviewed as part of this verification:

- Grouped Project: Protection of a Tasmanian Native Forest: Redd Forests' Monitoring Report for Verification under the Verified Carbon Standard, July 2011 Version 1.7
- Grouped Project: Protection of Tasmanian Native Forest. Addition 1 – Connorville Version 1.15
- Grouped Project: Protection of Tasmanian Native Forest. Addition 2 – Charlton Version 1.7
- Grouped Project: Protection of Tasmanian Native Forest. Addition 3 – Beaufront Version 1.6

- Monitoring Calculations – Addition 1 (Connorville) Version 1.4
- Monitoring Calculations – Addition 2 (Charlton) Version 1.1 Monitoring Calculations – Addition 3 (Beaufront) Version 1.0
- REDD Forests Grouped Project: Protection of Tasmanian Native Forests. Project Design Document Version 1.20, May 2011
- FullCAM plots (.plo files) for a random selection of strata from each instance.
- All Property Information Sheets from the Tasmanian Property Database
- Field data record sheets from a random selection of plots from a cross section of strata for each instance
- KML files for each instance
- Historical Forest Practices Plans which document the recent logging history on the project instances
- VM0010 – Methodology for Improved Forest Management – Logged to Protected Forest, Version 1.0
- Redd Forests Fieldwork Standard Operating Procedures Version 2.0
- Redd Forests Standard Operating Procedures for Data Entry and Management Version 1.8
- Redd Forests Quality assurance, document control, storage and review: Standard Operating Procedures Version 1.2
- Redd Forests Standard Operating Procedures for Stratification Version 1.3

1.4 VCS Project Description

The grouped project was initially validated on the May 13, 2010 with Addition 1: Connorville totalling 3249.65 hectares. The inclusion of two new instances (Addition 2: Charlton – 5871.29 hectares and Addition 3: Beaufront – 4430.57 hectares) at this verification event extend the total project area to 13551.51 hectares. The project aims to protect native Tasmanian forest which would, if not for the project, continue to undergo selective logging or be clear-felled and converted to pasture. The project area is the state of Tasmania, Australia.

The project proponents (Addition 1(Connorville): Connorville Estates Pty Ltd and Roderic Alan O'Connor; Addition 2 (Charlton): Eustance Allan Cameron Family Trust; Addition 3 (Beaufront): Kenneth D. And Julian E.K Von Bibra, Jekpa Nominees, Julian E.K Von Bibra) have all historically implemented a regime of selective logging and clear felling on most of the forest included on their properties. The landowners have all agreed under contract to join Redd Forests' Grouped Project: Protection of Tasmanian Native Forest to generate Voluntary Carbon Units (VCU) resulting from the avoided greenhouse gas emissions that will otherwise take place. This will allow the landowners to avoid continued forest degradation by utilising carbon finance. Protection of the project sites under an Improved Forest Management (IFM) model will both prevent the emissions generated from logging and allow the forest to approach its pre-logged conditions through natural regeneration.

VCS 2007.1 - Verification Report – Redd Forests – Grouped Project

Project Name:	Redd Forests Grouped Project: Protection of Tasmanian Native Forest
Project Registration No:	605
Methodology:	VM0010 (Version1.0)
Project's crediting Period:	1 st April 2010 – 31 st March 2034
Period verified in this verification:	April 1, 2010 – June 30, 2011

1.5 Level of Assurance

The verification report expresses a conclusion with a reasonable level of assurance about whether the reported GHG emission reduction data is free from material misstatement.

2 Methodology

2.1 Verification Approach

The approach taken to conduct this verification included:

- Review of project documentation including the approved selected methodology (VM0010), the project proponent's validated Project Documentation and Monitoring Plan and the first monitoring report for the period April 1, 2010 to June 30, 2011.
- On-site inspections, including; review of performance records, interviews with Project Proponents and Redd Forest staff, collection of field measurements to verify that the monitoring plan was implemented accurately, observation of established practices and testing of the accuracy of monitoring equipment
- Review of monitoring results and verification of the correct application of monitoring methodologies
- Review of calculations to quantify reductions in GHG emissions
- Review of the management systems to support the project operation and monitoring

2.2 Verification Team

The verification team consisted of Todd Frank (Project Manager), Dr Carly Green (Lead Verifier, VCS IFM Expert) and Zane Haxton (Technical Review).

2.3 Verification Timeline

The verification timeline covered the following elements:

- Preparations: Initial review of the project documentation and issuance of initial findings occurred between May 9, 2011 and July 30, 2011.
- On-site verification: Onsite field measurements, interviews with the project proponent and project developer's staff as well as review of QA/QC processes were conducted between January 24 – 28, 2011 for Connorville and July 13 – 15, 2011.
- Reporting, calculation checks and QA/QC: Conducted between July 18 – August 8, 2011.

2.4 Stakeholder Interviews

The following people were interviewed during this verification to gather and support evidence of the implementation of the monitoring plan:

- Roderic O'Connor – Project Proponent Addition 1
- John Cameron – Project Proponent Addition 2
- Julian von Bibra – Project Proponent Addition 3
- Stephen Dickey – Director Redd Forests
- Sarah Colenbrander – Project Manager Redd Forests
- Jarrah Vercoe - Project Manager Redd Forests
- Stephanie O'Donnell – GIS Specialist Redd Forests

2.5 Issuance of Findings

The SCS Lead Auditor issued 2 New Information Requests (NIR), 3 Non-Conformity Reports (NCR) and 2 Opportunity for Improvements (OFI), and re-analyzed new submissions. These discrepancies were resolved with responses formally submitted in the NIR/NCR/OFI forms and the details of these responses are in Appendix 1 to this report.

3 Verification Findings

3.1 Remaining Issues, Including Any Material Discrepancy, From Previous Validation

This is the first verification event for the Redd Forest Grouped Project: Protection of Tasmanian Native Forest project; as such there is no material discrepancy from any previous validation/verification to report.

<u>Conformance:</u>	Yes	☒	No	☐	N/A	☐
<u>Non-Conformity Reports:</u>	None					
<u>New Information Requests:</u>	None					
<u>Opportunities for Improvement:</u>	None					

3.2 Validation of New Project Instances

The validated Grouped Project PD states that that each new instance must have a project file that includes all information to demonstrate that the new instance conforms to the project design criteria, including compliance with the selected methodology. Project files for Addition 2 – Charlton and Addition 3 - Beaufront are presented consistently with the format and information presented in Addition 1 – Connorville, which was validated in May 2011. All the required applicability criteria are presented for each instance in these files and the required project files were cited by the validator, including the signed service agreement contracts between the Project proponents and Redd Forests.

During the field visit the condition of the forest was found to be consistent with the specified strata and the baseline estimations were confirmed based on the current condition of the forest, re-measurement of field plots to estimate biomass, and interviews with the Project Proponents. The threat of harvest was considered real for both properties given the current Forest Practices Plans for the instances and based on the presence of marked harvest coups cited during plot verification in at least one location (Addition 3 – Beaufront). These marked coups supported the Project Proponent's claims that timber harvesting takes place in forest of low standing biomass.

Reviews of the initial project modelling confirmed that the validated spreadsheets were used correctly to develop the baseline and project estimations relevant for this validation/verification.

<u>Conformance:</u>	Yes	☒	No	☐	N/A	☐
<u>Non-Conformity Reports:</u>	None					
<u>New Information Requests:</u>	VCS NIR 2011.1					
<u>Opportunities for Improvement:</u>	VCS OFI 2011.2					

3.3 Project Implementation

The appropriate project implementation was assessed during the field visit, by observing and reviewing operation records and interviewing relevant staff and the Project Proponents. During this process SCS was able to verify that the project has been implemented and operated as described in the VCS PD dated May, 2011 for the project.

The procedures to estimate the total carbon stock in selected pools within the project area and the uncertainty of the estimate at a given point in time have been implemented sufficiently. Verification of the project areas was successfully undertaken in the field by locating boundaries and the biomass stratification was found to be appropriate and accurate. The application of the FullCAM model to estimate forest carbon stock changes appears correct. A random selection of field sheets from each site were found to be complete and presented information that was consistent with re-measurements conducted in the field during the field inspection. Carbon stocks for all strata have been estimated as per the requirements of the methodology (VM0010).

<u>Conformance:</u>	Yes	☒	No	☐	N/A	☐
<u>Non-Conformity Reports:</u>	NCR 2011.5					
<u>New Information Requests:</u>	None					
<u>Opportunities for Improvement:</u>	OFI 2011.3					

3.4 Monitoring Components and Completeness

The project monitoring report defines a deviation from the monitoring plan. The validated monitoring plan states that the project will conduct monitoring and verification annually, however this monitoring/verification covers the period April 30, 2010 to June 30, 2011. The justification for this is that the initial validation/verification of the Grouped Project took longer than expected and therefore the monitoring period was extended. This deviation was considered to be valid and does not impact on the conservativeness of the project.

The project proponent's validated Monitoring Plan presents five areas of monitoring: Monitoring Project Area, Monitoring Carbon Stocks, Monitoring Natural Disturbances, Monitoring Illegal Logging and Monitoring Leakage. The parameters to be monitored for each of these components are specified in the projects validated monitoring plan and are discussed in Table 1 below.

Table 1: Monitoring Parameters

Key Monitoring Area	Relevant Parameter	Section of Monitoring Report	Findings
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Discussed			
Project Area	Determination of uncertainty in project area. Calculated by comparing cadastral parcels. <i>Area covered by stratum i (Ai)</i>	Project Area – page 6	The areas of the new project instances are consistent with the cadastral ownership boundaries registered on the Tasmanian Governments Property database. This approach can lead to confirmation that the property within the project boundary has not changed hands (i.e. that the listed project proponent is the current owner of the land within the project boundary) and also that the project Proponent has not increased land holding which is related to activity leakage monitoring requirements of the selected methodology. The discussion in the monitoring plan, conversations with the Project Proponent's as well as evidence provided indicate that this parameter is adequately monitored in accordance with the project documentation.
Carbon Stocks	Determination of uncertainty in the forest inventory. Determination of carbon stock in aboveground trees per unit area per stratum. Calculated from plot data Determination of carbon stock change in aboveground trees. Extrapolated from FullCAM modelling and	Carbon Stocks – page 6	These parameters will not be reassessed until the monitoring event scheduled for 2014, as detailed in the validated monitoring plan and PDD. For the purposes of the calculations the project ex-ante figures presented in the documentation are utilised for this verification event. The information presented is consistent with the information presented in the validated ex-ante estimations as expected.

	past plot data		
	Determination of carbon stock change in aboveground trees. Calculated from plot data.		
	<i>Diameter at breast height of tree (DBH)</i>		
	Determination of uncertainty in carbon sequestration projections.		
Natural Disturbances	Determination of the presence and extent of natural disturbance. Assessed by comparing satellite imagery. Area burnt in stratum i at time t (Aburn,i,t)	Natural Disturbances – page 7	A description of the approach taken to assess area burnt is described in this section. Satellite images were not available however track logs of property inspections were provided. This site inspection yielded no evidence of fire. During the field inspection the validator requested to be driven throughout the properties to inspect various strata and no evidence of fire was found. The documentation confirmed that there were no fires recorded within the project area during the specified monitoring period.
	Site visit to assess natural disturbances.		A description of the site visit is presented in the monitoring report for each instance. Signed forms which provide evidence of the monitoring events were supplied and supported by interviews with Jarrah Vercoe and the Project Proponent.
	Determination of carbon stock change in the carbon pools by natural		No natural disturbances were recorded and therefore the parameters were correctly reported as zero in the calculation spreadsheet provided.

	disturbances.		
Illegal Logging	Complete a Participatory Rural Appraisal <i>Result of limited illegal logging survey</i> <i>Area potentially impacted by illegal logging in stratum i (ADIST_IL, i)</i> <i>Total area of illegal logging sample plots in stratum i (APi)</i>	Illegal Logging – page 8	A Participatory Rural Appraisal was conducted at the first monitoring event as described in the monitoring report. The outcome of this found that illegal logging is not an issue in the area and therefore it is not necessary to assess the illegal logging parameters (i.e. ‘area potentially impacted by illegal logging in stratum i (ADIST_IL, i)’ and ‘total area of illegal logging sample plots in stratum i (APi)’). In accordance with the methodology this PRA process will need to be repeated every 2 years.
Leakage	Evaluate the dimensionless market leakage factor of zero. <i>Merchantable biomass as a proportion of total above-ground tree biomass for stratum i (PMPi)</i>	Leakage – page 9	In accordance with the selected methodology the geographic boundaries for the area within the country where market leakage is most likely to occur was specified as Tasmania as this has historically been the market for timber from private native forests . The leakage factor of zero was justified as specified in the monitoring plan. The detailed response to the approach is outlined in the SCS double approval elements report, which was completed as part of this verification.

In general it appears that the described project activity and monitoring events are in conformance with the registered project design document and selected methodology.

<u>Conformance:</u>	Yes ☒ No ☐ N/A ☐
<u>Non-Conformity Reports:</u>	NCR 2011.4 NCR 2011.7
<u>New Information Requests:</u>	NIR 2011.6
<u>Opportunities for Improvement:</u>	None

3.5 Accuracy of Emission Reduction Calculations

The calculations of the emission reduction in the spreadsheet and the monitoring report for the monitoring period were checked by SCS and found to be correct, as detailed below:

- The project area was quantified using commercial GIS software that has been shown to be reliable when compared against third party data stored in the Tasmanian Government Property Database.
- Vegetation cover typing was performed using industry best practice approaches.
- Stratified sampling of vegetation cover types was performed. SCS independently re-measured a subsample of tree measurements and re-measurements corresponded to the data and within the reported uncertainty estimates.
- Calculations that estimate carbon stocks per hectare based on field measurements of biomass were reviewed in detail. SCS found no significant project emissions to be included in the calculations for the monitoring period in question.
- SCS performed an independent risk rating and selected the risk buffer proportion used by the project. This analysis is presented in the SCS double approval elements report dated August 5, 2011.
- Calculations of net emission reductions for each instance were reviewed in detail and were found to use the specified inputs and coefficients, and the calculations were performed correctly.
- The transfers of data used in the calculation of emission reductions were checked by reviewing relevant documents, with no remaining issues outstanding.

Conformance: Yes ☒ No ☐ N/A ☐

Non-Conformity Reports: None

New Information Requests: None

Opportunities for Improvement: None

3.6 Quality of Evidence to Determine Emission Reductions

The project performed several kinds of project-specific measurements including a combination of interviews, mapping, modelling, statistics and field patrols.

Land cover was assessed for natural disturbance changes and carbon stock losses using SPOT images taken at the end of the monitoring period supplemented by field patrols. The FullCAM model was used to project biomass stocks during the monitoring period. This tier 3 model is specific to the project area and is used by the Australian Government for reported to the United Nations Framework Convention on Climate Change.

Multiple strategies were used to obtain data quality and accuracy in data entry including internal checks by two data entry personnel. Quality assurance and quality

control procedures exist and were used to check and clean data and calculations were checked by a minimum of two people.

The fieldwork is conducted by trained Redd Forest staff with expertise in tree identification and strong relationships with the project proponent have been developed to utilise their knowledge and experience of the project area.

Conformance: Yes ☒ No ☐ N/A ☐

Non-Conformity Reports: None

New Information Requests: None

Opportunities for Improvement: None

3.7 Management and Operational System

The quality assurance and quality control procedures in terms of sampling, stratification, maintenance and data reporting are appropriate. The project developer has a number of standard operating procedures that are relevant to data quality control both in the field and during data entry. These standard operating procedures describe a series of field measurement and data entry checks that are conducted. Random checks conducted by the validator of both the measurements taken in the field plots and the translation of the field sheets into the data storage files indicate a high level of accuracy in field work and stored data. During the field visit evidence of the implementation and ongoing improvement of the management system was evident.

Stored data, documents and contracts relevant to the project were observed to be stored in the file structure described in the validated Project Document. This file structure was demonstrated to the verifier during the field verification as well as during numerous skype calls with the head office in Sydney. Sarah was able to provide screenshots of the file structure to the verifier whilst in numerous phone meetings and was able to provide the files immediately to the verifier during the skype calls. This process of verification was considered adequate as demonstration that the head office was maintaining the file storage system as described in the PD. During the field visit the Tasmanian staff were equipped with all relevant field sheets and protocols relevant to the operations of that office.

Conformance: Yes ☒ No ☐ N/A ☐

Non-Conformity Reports: None

New Information Requests: None

Opportunities for Improvement: None

3.8 Net Greenhouse Gas Emissions

The project avoids 112 662 tCO₂-e being emitted for the verification period compared with the business-as-usual conditions of ongoing selective logging. These emissions are distributed across the three project instances (Addition 1 – Connorville 31 531 tCO₂-e; Addition 2 – Beaufront 44 267 tCO₂-e; Addition 3 – Charlton 36 864 tCO₂-e).

Unique instance identification number:	Carbon emissions avoided by the establishment of an Improved Forest Management project (tCO₂-e):	Voluntary carbon units generated once uncertainty and the VCS buffer have been considered (VCUs):
Addition 1 – Connorville	31,531	26,801
Addition 2 – Charlton	44,267	37,627
Addition 3 – Beaufront	36,864	31,334

The net greenhouse gas emissions are reported to be 95 762 tCO₂-e, which takes into consideration both the uncertainty deduction and the risk buffer deduction.

Applying the calculated project baseline emissions and the results of the monitoring showed that no detectable forest degradation or natural disturbance was found within the project boundary. Avoided emissions were calculated using the inputs and methods stated in the project document, and achieved emission reductions correctly presented in the monitoring report. As per VM0010, leakage was assessed based on an increase in annual extracted volume. The approach to demonstrate this showed that there was no increase and therefore in accordance with the project documentation, the leakage deduction factor of zero was appropriately applied. The detailed analysis of this can be found in the SCS double approval elements assessment report.

In accordance with the project documentation, uncertainty was assessed to conform to VCS 2007.1 and was reported as 95% confidence interval. The uncertainty is calculated to be below 15% using simple propagation of error as specified in VM0010 and is therefore uncertainty deduction is considered to be zero.

Conformance: Yes ☒ No ☐ N/A ☐

Non-Conformity Reports: None

New Information Requests: None

Opportunities for Improvement: None

4 Verification Conclusion

Scientific Certification Services (SCS) has performed the verification of the emission reductions that have been reported for the Redd Forests Grouped Project: Protection of Tasmanian Native Forest (the Project) and its instances (Addition 1 – Connorville; Addition 2 – Charlton; and Addition 3 - Beaufront) for the monitoring period April 1, 2010 to June 30, 2011.

SCS conducted the verification on the basis of the monitoring methodology VM0010 (Version 1), the monitoring plan contained in the validated VCS Project Document dated May, 2011, and the Monitoring Report covering all instances for the period April 1, 2010 to June 30, 2011. The verification included: a) checking whether the provisions of the monitoring methodology and the monitoring plan were consistently and appropriately applied, and b) the collection of evidence supporting the reported data.

SCS planned and performed the verification by obtaining evidence and other information and explanations that SCS considers necessary to give reasonable assurance that reported GHG emission reductions are fairly stated.

SCS has confirmed that the listed project proponents have the rights to all and any reductions generated by the Project during the period April 1, 2010 to June 30, 2011.

In our opinion the GHG emissions reductions of the Redd Forests Grouped Project: Protection of Tasmanian Native Forest for the monitoring period April 1, 2010 to June 30, 2011 are fairly stated in the Monitoring Report. The GHG emission reductions were calculated correctly on the basis of the approved VCS methodology VM0010 (Version 1.0) and the monitoring plan contained in the validated VCS Project Document of May, 2011.

SCS is able to verify with a reasonable level of assurance that the emission reductions from the Redd Forests Grouped Project: Protection of Tasmanian Native Forest for the monitoring period April 1, 2010 to June 30, 2011 amount to 95 762 tCO₂-e tonnes of CO₂e after a 15% buffer pool deduction amounting to 16 900 tonnes CO₂e.

Reporting period:	From 1 st April 2010 to 31 st March 2011
Project Reductions	112 662 t CO ₂ equivalents
Buffer Pool Deduction	16 900 t CO ₂ equivalents
Verified Emission Reductions	95 762 t CO ₂ equivalents

VCS 2007.1 - Verification Report – Redd Forests – Grouped Project



Dr. Carly Green

Lead Verifier

Contractor to Scientific Certification Systems

August 24, 2011

Dr. Robert J. Hrubes

Senior Vice President

Scientific Certification Systems

August 24, 2011

5 References

Project Specific Documentation

VM0010 – Methodology for Improved Forest Management – Logged to Protected Forest, Version 1.

Spreadsheets of all data necessary for verification of the emission reductions (Project Calculations – 2011-03-15.xls)

Redd Forests Fieldwork Standard Operating Procedures Version 2.

Redd Forests Standard Operating Procedures for Data Entry and Management Version 1.8

Redd Forests Quality assurance, document control, storage and review: Standard Operating Procedures Version 1.2

Redd Forests Quality assurance, document control, storage and review: Standard Operating Procedures Version 1.2

Redd Forests Standard Operating Procedures for Stratification Version 1.3

Background Documentation

Approved VCS methodology: “VM0010 – Methodology for Improved Forest Management – Logged to Protected Forest, Version 1.”

VCS Association, Voluntary Carbon Standard 2007.1, November 2008.

VCSA, VCS Sectoral Scopes (http://www.v-c-s.org/sectoral_scopes.html).

VCSA, Guidance for Agriculture, Forestry and Other Land Use Projects, 18 November, 2008.

VCSA, Tool for AFOLU Non-Permanence Risk Analysis and Buffer Determination, 18 November, 2008.

VCSA, Update to the VCS 2007.1: Tool for Non-Permanence Risk Analysis and Buffer Determination, 8 September, 2010.

VCS VT0001 Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities Version 1, 21 May, 2010.

6 Appendix 1: Verification Findings

NIR Number 2011.1 of 7 Dated 31th July 2011

Finding:

In the documentation, and also confirmed with Redd Forest staff, a procedure exists for excluding areas of forest from the project that have standing biomass at levels that are unlikely to be able to support timber harvest within the project timeframe. Please explain why Instance 2 has areas of forest included in the boundary but not included in the carbon accounting. Please also clarify if the project design requires their exclusion from the project boundary.

Proponent Response:

Addition 2 (Charlton) contained an area of forest which would not be viable for logging during the project's lifetime. This area (formerly Stratum 7) was included in the boundary and the forest inventory to produce a more comprehensive analysis of the document. It was not included in the subsequent carbon accounting process (Equations 3-27) because logging was not viable, and therefore the baseline and project scenarios were identical, with no credits generated.

This area has now been excluded from the project file (from v1.7) and project calculations (from v2.14).

The project design does not require the exclusion of such areas from the project boundary. However, inclusion of areas that do not support timber harvest within the projects' lifetime generates no benefits (i.e. carbon credits) and carries liabilities to the carbon stock, e.g. should natural disturbance occur in the forest. Therefore, in the future, Redd Forests will exclude such low-biomass forest from the project area in accordance with the stratification procedure described in the PDD.

Validator Response:

This response provides clarity with regard to Redd Forests approach to the treatment of forest areas with low volumes of biomass that are unlikely to meet harvest volumes during the project period. With the extraction of these areas the project area presented is now consistent with the text of the validated project PD.

OFI Number 2011.2 of 7 Dated 31th July 2011

Finding:

The new project instance files present a lot of repeated information cut and pasted from the PD. To improve project management efficiency and clarity in the material presented, much of this text could be removed from the Instance files without compromising conformance.

Proponent Response:

Not Provided

Validator Response:

As this is an OFI, no response was required to complete the verification process. Redd Forests' indicated that they will consider this OFI for future verification events.

OFI Number 2011.3 of 7 Dated 31th July 2011

Finding:

During the validation process of the new instances it was brought to the attention of the validator that the project proponents could not produce a signed copy of the contract. The flow of project documentation between Redd Forests and the Project Proponent is an important component of the project management framework. The Project Proponents were aware of the terms of the contracts, their roles and responsibilities and could confirm that they had signed the contracts. However the commitment and procedure for ensuring the Project Proponent had a copy of the signed contract should be enacted.

Proponent Response:

Not Provided.

Validator Response:

As this is an OFI, no response was required to complete the verification process. Redd Forests' indicated that they will consider this OFI for future verification events.

NCR Number 2011.4 of 7 Dated 31th July 2011

Finding:

The monitoring period for the first verification event has deviated from the validated monitoring plan however an explanation or justification has not been provided in the documentation as required by the standard. Please provide justification for the extended monitoring period upon which this verification is based.

Proponent Response:

The following text was added to the Monitoring Report v1.7 in the section, 'Monitoring Period'.

“The Monitoring Plan prescribes annual monitoring events for instances in the Grouped Project. For this particular monitoring report, the monitoring period for the instances has exceeded a year. This deviation from the Monitoring Plan was required because of the lengthy establishment and validation process: future monitoring events will conform to the temporal specifications in the Monitoring Plan. “

Validator Response:

The clarifying text is sufficient to explain the deviation to the project monitoring plan. The calculations are consistent with the extended monitoring period which is clearly stated as being April 1, 2010 to 30 June 30, 2011.

NCR Number 2011.5 of 7 Dated 31th July 2011

Finding:

During the field visit to the Beaufront Property (Addition 3), the project proponent Jilian von Bibra mentioned that he had recently purchased a new property. This property is not mentioned in the documentation nor are the details presented as specified in the validated PD on page 35. Please provide these details as required for the activity shifting leakage components.

Proponent Response:

The following text was added to Section 1.7 of the Project File.

“The proponent owns other forested land, 1,650 ha adjoining Beaufront and a 5,560 ha property 'Gladstone' located in the North East of Tasmania. The former contains only 100 ha of forests, and comprises a low density, non-merchantable woodland community. The latter was assessed by a certified Forest Practices Officer for inclusion within the instance. The officer concluded the following;

"I consider the standing carbon tonnes / ha would at best range between 35 – 45 t/ha and even if the average was higher I would question the wood quality as coastal sites are very susceptible to termite and ant attack, etc."

A full copy of the assessment can be provided to the validator for review. Since these areas will not be viable for harvesting within the next 25 years, there is no risk of activity shifting leakage by the project proponent. The project area in Addition 3 therefore includes all of the forested land under the ownership of the proponent that is viable for harvesting.

Validator Response:

The requirements for reporting of land owned by Project Proponents but not included in the project boundary. These requirements are listed for monitoring any potential activity leakage. Whilst the response indicates that the past management of timber harvest has lowered the forest volume to levels that would not lead to the recovery of harvestable volumes. However the requirement to provide the location of the property was not initially provided. Subsequent to this NCR response Redd Forests provided appropriate information on the additional property owned by Julian von Bibra so that this property can be included in future monitoring and verification events and activity shifting leakage can be monitored. This is sufficient to close this NCR.

NIR Number 2011.6 of 7 Dated 31th July 2011

Finding:

The grouped project monitoring plan states that the location of the stored data will be specified in the Monitoring Report. Whilst all the project proponents and the project manager contact details are listed, the specific location of the stored data is not explicitly stated. Please detail the location of the stored project data in the monitoring report for clarity and consistency with the project requirements.

Proponent Response:

The text in the monitoring plan reads:

"Redd Forests can and will coordinate the process if requested by the project proponent. Data collected through these monitoring events will be stored through the same process as the original data sheets. Field data sheets will be scanned, photocopied and stored in hard copy form by the project proponent, while electronic copies are held at:

- Redd Forests Sydney office: Unit 36, 75 Buckland Street, Chippendale, NSW 2008

and

- Redd Forests, Tasmanian Office: Level 1 – 148 Elizabeth Street, Hobart, 7000

Or at the offices of the entity performing the monitoring if not Redd Forests. For each monitoring event, the storage site for the new data collected will be specified in the monitoring report."

Therefore, the Monitoring Plan specifies where the data will be stored if Redd Forests is coordinating the monitoring event: Redd Forests' offices can be regarded as the default location. The Monitoring Report will only need to specify a location if an alternative entity is coordinating the monitoring event.

Validator Response:

The clarification text presented by the proponent is sufficient to close this issue. All data requests were adequately responded to by Redd Forests staff in both the Hobart and Sydney offices during the verification process.

NCR Number 2011.7 of 7 Dated 31th July 2011

Finding:

In accordance with the monitoring plan all monitoring reports should be signed by the Project Proponent. Please ensure the signed reports are provided to the Verifier.

Proponent Response: NA

Validator Response:

The signed reports were provided by Redd Forests prior to the completion of the verification.