



Plan Vivo
Carbon management and rural livelihoods

THE PLAN VIVO SYSTEM AND STANDARDS

FEBRUARY 2008

This Draft has been released for consultation purposes only.

The consultation period will continue until Monday 7th April.

Please submit all comments to BioClimate Research and Development (soon to become the Plan Vivo Foundation) by this date using the contact details below.

This document replaces all preceding versions of the Plan Vivo Standards and comes into force on _____.

Suggestions and Comments

Any suggestions or comments on the contents of this document may be emailed to planvivo@brdt.org, or alternatively sent by post to:

BioClimate Research and Development
Tower Mains Studios
18b Liberton Brae
Edinburgh
EH16 6AE

Tel: 0131 672 3782
Fax: 0131 672 9299
www.planvivo.org
www.brdt.org

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Scope and Structure

Scope

This document describes the governance and processes of the Plan Vivo System, the stages of developing a Plan Vivo project, and the Standards a project must meet to qualify as a Plan Vivo Project.

Project developers should consider using the Plan Vivo System where:

- They operate or plan to operate in developing countries to promote sustainable development;
- They work with or plan to work with small-scale farmers and/or rural communities to deliver long-term carbon sequestration and other ecosystem benefits;
- They wish to implement a sustainable land-use project with an emphasis on native or naturalised tree species.

Structure

Chapter one gives a brief introduction to the System, its history and purpose, and guiding principles and objectives. It also describes how the System is governed and developed.

Chapter two describes the different actors in the System, which include the Plan Vivo Foundation, Plan Vivo projects, expert reviewers, approved third-party verifiers, purchasers of Plan Vivo Certificates (buyers and resellers), technical consultants and research and funding partners.

Chapter three describes the different stages involved in developing and operating a Plan Vivo project, which include:

- Registering a project concept, which is the first step towards becoming a Plan Vivo project (**section 3.1**);
- Development and approval of technical specifications, which describe each land-use activity, calculate the carbon benefit, prescribe risk management and monitoring activities and contain analyses of leakage, additionality and permanence (**section 3.2**);
- Development and approval of the project operational manual, which describes the project's internal governance structure and procedures (**section 3.3**);

- Validation and project registration (**section 3.4**);
- Annual reporting, which allows the Plan Vivo Foundation to continually review the progress of projects and triggers Certificate Issuance (**section 3.5**);
- Third-party verification, which involves complete verification of the project against the Plan Vivo Standards by an accredited verifier approved by the Plan Vivo Foundation (**section 3.6**).

Chapter four contains the Plan Vivo Standards for approved projects. The standards provide the basis for the validation and verification of projects.



1 Introduction

What is the Plan Vivo System?

The Plan Vivo System enables communities in developing countries to access payments for ecosystem services. These payments strengthen the ability of developing country communities to protect, restore and improve the natural and productive ecosystems on which they depend and which also provide global public goods.

Plan Vivo was first conceived and developed in 1994, as part of a UK Department for International Development (DFID) funded research project in the Chiapas region of Southern Mexico. The development of the project was led by the Edinburgh Centre for Carbon Management (ECCM), in partnership with El Colegio de la Frontera Sur (ECOSUR), the University of Edinburgh and other local organisations. The project itself, Scolel Te ('the tree that grows'), is the longest standing Plan Vivo project.

The name of the System derives from the 'Plan Vivo' (living plan) that is created by farmers and communities and forms the basis of the land-use project activities.

What is a Plan Vivo?

A Plan Vivo or 'living plan' is a long-term plan for land management drawn up by an individual farmer or community (see Figure 1). Plan Vivos incorporate carbon sequestration or conservation activities which are funded by selling verifiable emission reductions in the form of Plan Vivo Certificates.

When drawing up Plan Vivos, farmers receive training and guidance from local technicians. Each Plan Vivo is evaluated on the basis of its suitability for the land and compatibility with the goals of the Plan Vivo System. Once a Plan Vivo is approved, the expected carbon benefit of the sequestration activities can be calculated using the project's technical specifications. The carbon benefit is then sold on the farmer or community's behalf by the project coordinator. It is sold in the form of Plan Vivo Certificates.

The total payment due to each producer is then divided into instalments and disbursed over many years provided the milestones in each producer's sale agreement are met. Monitoring of performance is carried out by project technicians who provide producers with continued advice and support.

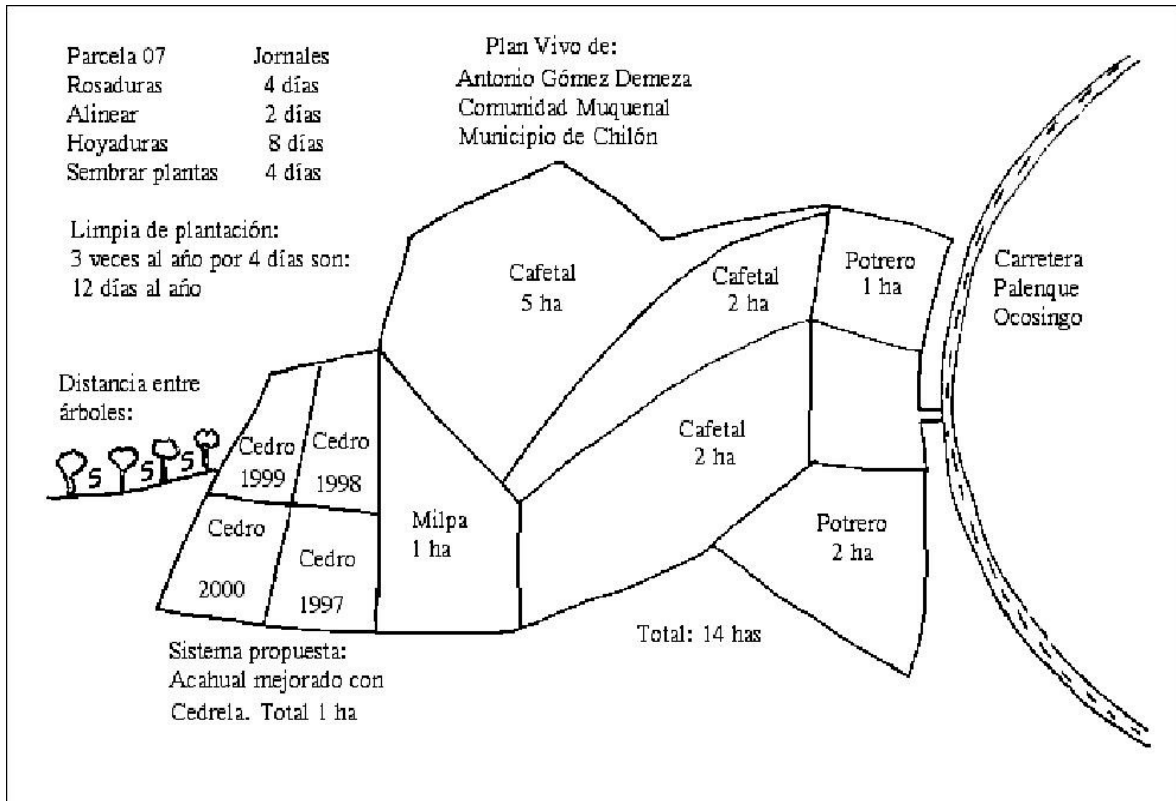


Figure 1: The first Plan Vivo, drawn up by Antonio Gomez Demera, a farmer in Chiapas, Southern Mexico, 1996.

What is a Plan Vivo Certificate?

A Plan Vivo Certificate is an environmental service certificate representing the long-term sequestration of one tonne CO₂e, plus additional ecosystem and livelihood benefits:

- Biodiversity conservation through expansion and strengthening of protected areas and native species;
- Poverty reduction and sustainable livelihoods through sustainable agriculture and micro-enterprises;
- Restoration of degraded and degrading ecosystems;
- Provision of sustainable bioenergy;
- Adaptation of natural and managed ecosystems to climate change (watershed protection, soil stabilisation, regulation of regional micro-climates).

Who Can Run a Plan Vivo Project?

Each project is run by an in-country project coordinator in consultation with local communities and farmers. The project coordinator is responsible for recruiting communities into the project and coordinating training, overseeing technical aspects and conducting monitoring of project activities, and coordinating carbon sales with individual farmers. The project-coordinator should be a non-governmental community-based organisation with strong links to local groups and, ideally, experience working with target communities.

Eligible organisations include:

- Existing local or national environmental non-governmental organisations (NGOs);
- Independent trust funds or not-for-profit companies (NFPCs) established specifically to deliver a Plan Vivo project.

Who are Plan Vivo producers?

The project coordinator identifies farmers or 'producers' who will implement activities eligible under the Plan Vivo System on their land). Producers may be whole communities in the case of community-owned land. Producers undergo training and specify which land-use activities they want undertake. Each producer (or whole community) draws up his or her own Plan Vivo which is reviewed by the project coordinator, modified if necessary, and approved if suitable.

Producers then form 'sale agreements' with the project coordinator for the calculated carbon benefit of their land management activities. The sale agreements place contractual long-term obligations on producers to manage their land according to their Plan Vivo, and on the project coordinator to monitor producers' performance against specified targets and time-frames and to make payments when producers meet their targets.

What carbon sequestration activities are eligible under the Plan Vivo System?

Eligible carbon sequestration activities under the Plan Vivo System are community-based:

- Agroforestry and small-scale timber, fruit or wood fuel plantations;
- Restoration of degraded or damaged ecosystems such as woodlands;

- Conservation of forests and woodlands under threat from deforestation.

1.1 The Rationale for Payments for Ecosystems Services

Land-use, land-use change and forestry (LULUCF) collectively accounted for 40% of global GHG emissions rises between 1997 and 2004 (IPCC 2007). The Intergovernmental Panel on Climate Change (IPCC, 2007), have found that:

“Forest related mitigation activities can considerably reduce emissions from sources and increase CO2 removals by sinks at low costs, and can be designed to create synergies with adaptation and sustainable development.”¹

The Plan Vivo System is designed specifically to create such synergies. It was developed to operate in rural communities in developing countries, where the continued conversion of forested to non-forested land is a major cause of increased levels of GHGs in the atmosphere. Land-use change in these countries is accelerating the degradation of local ecosystems and undermining the wellbeing of rural communities.

The Plan Vivo System provides reliable and tested methodologies, processes, and administrative and technical models that enable project developers to deliver real benefits from land-use carbon management projects. In addition to climate change mitigation and adaptation, project activities improve ecosystems and rural livelihoods.

Payments for Ecosystem Services (PES), in particular for carbon benefits, can provide the resources needed to help protect, restore and improve the ecosystems rural communities depend on for food, fuel, materials, medicines, soil fertility and other aspects of wellbeing. The Plan Vivo System ensures that payments go directly to communities. It empowers communities to take control of their own resources and work to break negative cycles of poverty and degradation of natural resources.

¹ IPCC, 2007: Summary for Policymakers. In: *Climate Change 2007: Mitigation. Contribution of Working Group III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change* [B. Metz, O.R. Davidson, P.R. Bosch, R. Dave, L.A. Meyer (eds)], Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA.

1.2 Applicability of the Standards

1. Start Date

Projects will typically use the Plan Vivo System from the outset. However, it is also possible for a project that is already running to become approved under Plan Vivo Project at a later date provided it can meet the Plan Vivo Standards.

2. Eligible Land Types

Plan Vivo Projects are for rural communities with the following land types:

- ✓ Small-holder owned or leased farmland;
- ✓ Community owned land;
- ✓ Land for which communities have agreed use rights with the owner (e.g. state land where communities have forest use rights).

3. Eligible Activities

Projects must promote **sustainable land-use practices** that benefit communities in rural areas. Sustainable land-use is defined as **the planned use of land, consistent with meeting livelihood requirements, protecting soils, watercourses and biodiversity.**

Eligible activities are:

- ✓ Agroforestry and small-scale timber, fruit or wood fuel plantations;
- ✓ Restoration of degraded or damaged ecosystems such as woodlands;
- ✓ Conservation of forests and woodlands under threat from deforestation;

1.3 Plan Vivo Guiding Principles

1. Effective and Transparent Governance

A Plan Vivo Project must have an effective and transparent governance structure. This is achieved by applying standardised procedures for registering, validating, verifying and reporting all project activities, so that information can be accessed, shared and interpreted easily. Projects must use the standardised Plan Vivo database for recording producer information, transactions, monitoring results and payments. Projects must submit annual reports which are published. Project activities must be based upon and carried out in accordance with independently reviewed technical specifications, Projects must document their processes in an operational manual which must be updated as processes change in response to circumstances.

2. Quantifiable, Additional and Permanent Carbon Storage

Plan Vivo Projects are highly additional; they work only with small-scale farmers and communities in developing countries who would otherwise lack the financial, technical and organisational capacity to implement sustainable land-use activities that result in carbon sequestration and other ecosystem benefits. Activities are not eligible if they are the direct result of legislative decrees or commercial land-use initiatives likely to have been fully enforced or economically viable in their own right without payments for ecosystem services.

The System is designed to achieve permanent land-use change in the project area. Activities need to have more than just long-term carbon sequestration benefits; they must be designed as part of an integrated plan for sustainable land-use which incorporates risk management. Producers are given extensive and regular support and training to ensure that ecosystem benefits and sustainable resource-use are not only initiated, but also become embedded in the area. Projects will only succeed if land-use practices implemented are viable over the long-term and provide sustainable economic benefits to communities over and above carbon payments.

3. Capacity-building, Diversification and Community-Led Design

For projects to have lasting impacts on ecosystems and livelihoods, they must become self-reliant and self-sustaining. Capacity must be built by utilizing local knowledge, expertise and resources, and involving producers in the planning process. The Plan Vivo System is geared towards transferring knowledge and skills to projects and reducing dependency on external support. The processes of project validation, review and verification include specific indicators to monitor progress towards sustainable land-use through capacity building and high levels of community engagement. Projects are required to show continuous improvement over time, and document outcomes of training and other processes such as verification or other reviews, to ensure that projects 'learn by doing'. Projects should also aim to diversify their activities and develop multiple income streams over-time to ensure that an over-reliance on the carbon market is not created.

1.4 Governance of the System

The Plan Vivo System is managed, developed and overseen exclusively by the **Plan Vivo Foundation**, whose governance structure is summarised below.

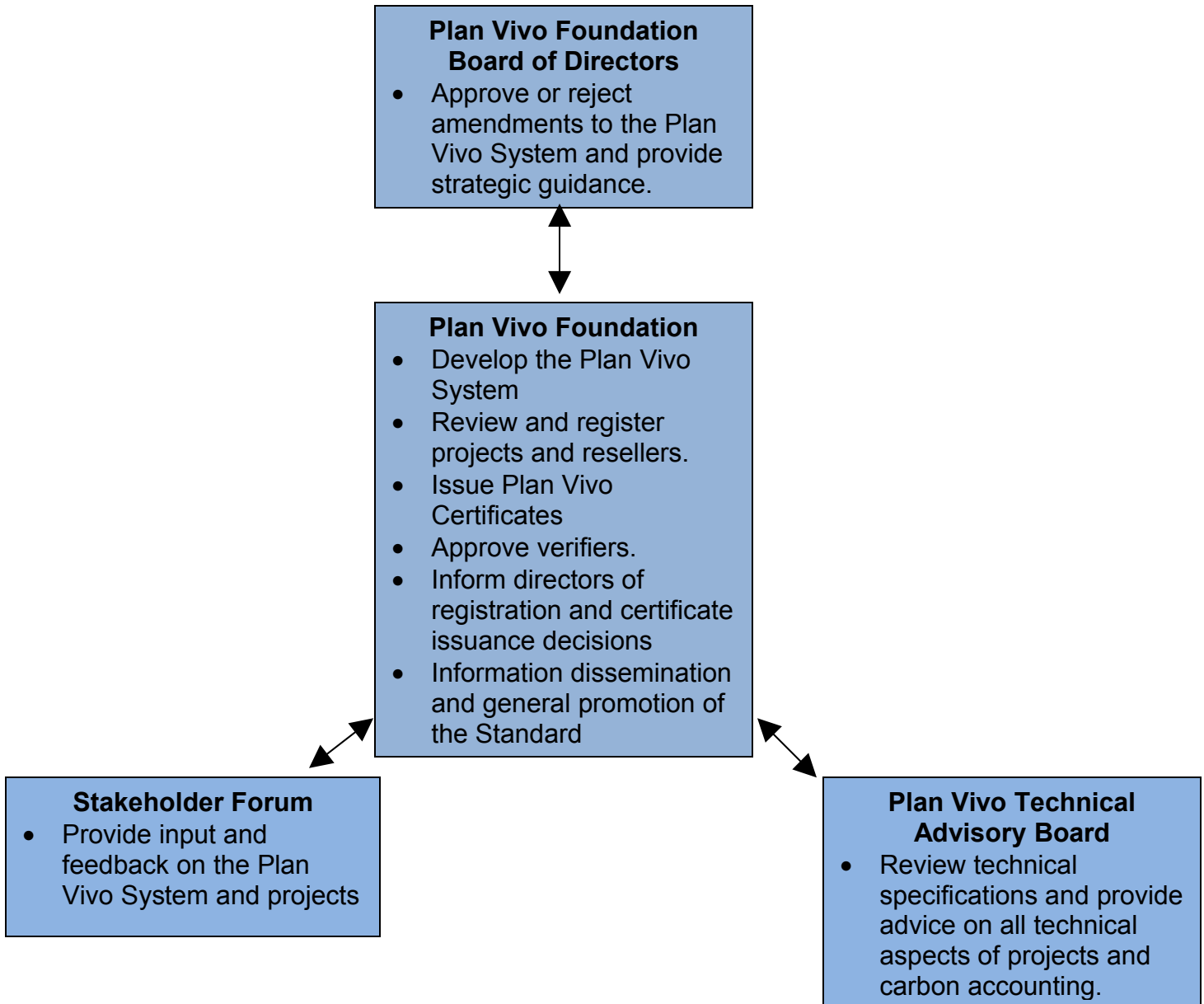


Figure 2: Plan Vivo Foundation Governance Structure.

The Foundation has the competence and responsibility to do the following:

- Take all decisions on the registration of project concepts and status of operational projects;
- Annually review projects based on project self-assessment (annual reporting) and periodically audit projects by undertaking site visits;

- Approve technical specifications and coordinate peer reviews;
- Issue Plan Vivo Certificates to purchasers of carbon credits on behalf of Plan Vivo projects and record all Certificate Issuances in a central database;
- Approve verifiers;
- Approve and register Plan Vivo Resellers and provide resellers with quality information about projects;
- Review, update and develop the Plan Vivo System and Standards in consultation with stakeholders;
- Maintain and disseminate clear and up-to-date information about the Plan Vivo System, standards and projects, principally through its website.

All amendments to the System must be approved by the Plan Vivo Foundation **Board of Directors**. The Directors' expertise includes forest ecology and conservation, environmental management, international development, business administration, finance, climate change and environmental sustainability, bioenergy and project management. The Board of Directors meets a minimum of four times per year.

The **Plan Vivo Technical Advisory Board (TAB)** provides independent, advice to the Foundation on all scientific and technical aspects of the System and the projects. TAB Board members are selected because of their professional expertise in forestry, land-use activities and monitoring as well as carbon accounting. The TAB Board meets no less than twice per year on an unpaid basis (expenses may be recovered) to discuss:

- The development of new technical specifications and carbon accounting methodologies;
- Outcomes of technical specification reviews;
- New developments in the science of carbon sequestration and climate change impacts;
- Other technical issues arising in Plan Vivo Projects.

The **Stakeholder Forum** is an informally constituted group representing the projects, research partners and other users and stakeholders in the Plan Vivo System. It feeds into the consultation process to ensure the System develops in a pragmatic way and continues to meet the needs of those who use or have a stake in it.

Funding

The Plan Vivo Foundation is primarily funded through a levy imposed on the issuance of Plan Vivo Certificates and project and reseller registration fees. It may also receive donations, grants and funding contributions from the private and public sector.

2 Actors in the System

This chapter describes the roles and competences of the main actors in the Plan Vivo System, shown in Figure 3 below.

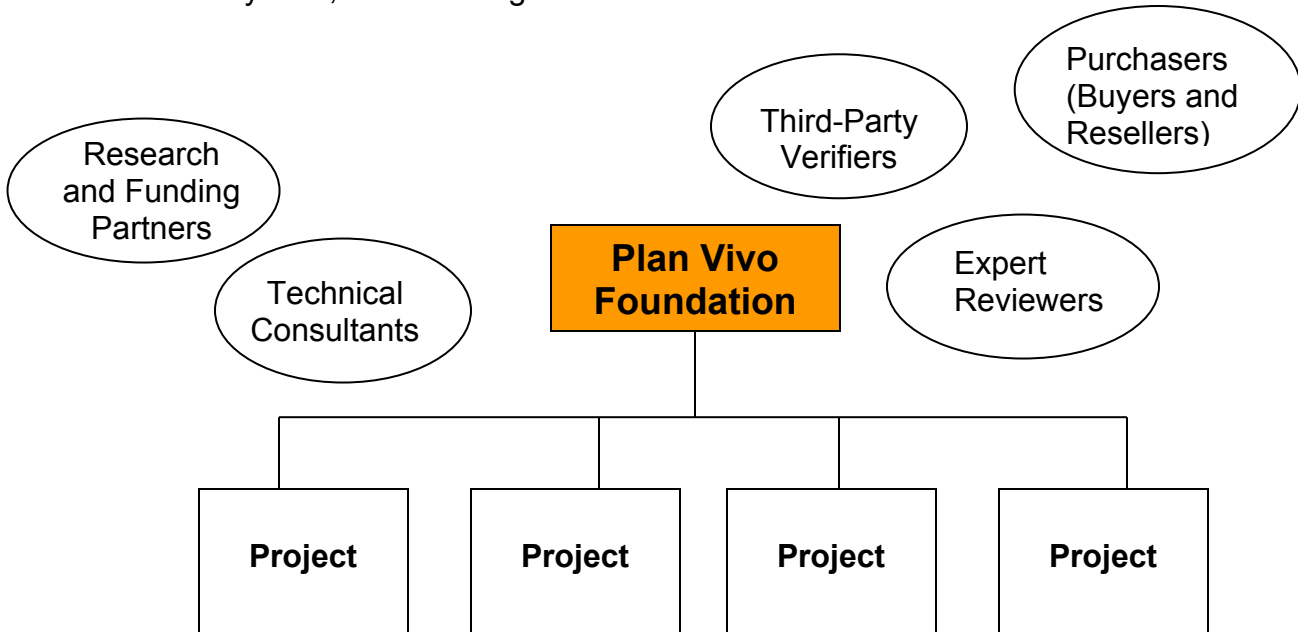


Figure 3: Actors in the Plan Vivo System

2.1 Plan Vivo Projects

The Project Coordinator

Plan Vivo projects are managed by a project coordinator, who is responsible for negotiating carbon sales with purchasers, forming sale agreements with producers, coordinating monitoring activities and administering payments to producers where monitoring milestones are met.

Producers

Plan Vivo producers are land-holders that have written and registered Plan Vivos, and signed sale agreements with the project coordinator agreeing to carry out specified monitoring and management activities in return for staged payments.

Project Social and Technical Teams

Projects must have an effective system of governance that includes technical and social capabilities. There is no prescribed structure for a Plan Vivo project as long as the governance structure is found to be effective, transparent and accountable, and able to support core project functions such as checking land-tenure, effective monitoring, training and coordinating community meetings.

2.2 Plan Vivo Foundation

See section 1.4.

2.3 Technical Consultants

Projects normally require some external technical assistance, especially in the early stages, to design and implement land-use systems and develop technical specifications. The Plan Vivo Foundation can provide advice on suitable organisations to contact.

2.4 Research and Funding Partners

Research institutes may be involved in providing technical information, helping develop technical specifications and supporting project technicians with:

- Biomass surveys;
- Baseline studies;
- Carbon modelling;
- Advice on particular technical problems;
- Training workshops for producers;
- Biodiversity surveys.

Most projects will also require external funding in the early stages in order to develop technical specifications, build internal capacity and carry out other aspects of project design and implementation. Once projects are capable of carbon sales, they become more reliant on carbon finance to fund operational expenses. Financial self-sufficiency through carbon sales is the goal of Plan Vivo projects. However, even fully operational projects may still require some external support until carbon sales reach a sufficient scale for carbon finance to provide complete financial independence.

2.5 Expert Reviewers

The Plan Vivo Foundation selects and commissions expert reviewers to conduct an initial validation of each new project. They are chosen on the basis of their professional experience, knowledge or expertise in any of the following:

- Forestry and carbon sequestration projects;
- Carbon accounting;
- Native ecosystems and social dynamics of the host country;
- Organisations involved in the project.

The names of reviewers are published on the Plan Vivo website.

2.6 Third-Party Verifiers

Verifiers assess projects against the Plan Vivo Standards based on terms of reference agreed between project coordinators and verifiers. Verifiers deliver a Verification Report to the project and the Foundation. Verifiers are chosen by projects but must be approved by the Plan Vivo Foundation (see section 3.5). Verification reports are published on the Plan Vivo website.

Wherever possible, projects should seek to make allowance for verification by building the costs into the price of carbon.

Approval of Verifiers

The Plan Vivo Foundation will approve verifiers that:

- ✓ Have appropriate experience and expertise in forestry and carbon sequestration projects;
- ✓ Have appropriate experience working in developing countries;
- ✓ Have documented experience in verifying GHG reductions and using sustainability metrics;
- ✓ Are accredited by an international certification authority such as the CDM, ISO, California Climate Action Registry, FSC or other forestry certification programmes.

2.7 Purchasers (Buyers and Resellers)

Purchasers of Plan Vivo Certificates may be companies, organisations and individuals that wish to compensate for or 'offset' their carbon footprint in a way that promotes sustainable development. Purchasers may purchase Plan Vivo Certificates directly from projects through the project-coordinator or use the Plan

Vivo ESCROW facility. Certificates are issued at the end of each year by the Plan Vivo Foundation.

Registration of Resellers

The accurate representation of projects and the way in which Plan Vivo Certificates are bought and sold in the market is essential to the Plan Vivo System as a whole.

Every purchaser wishing to resell Plan Vivo Certificates must therefore register as a Plan Vivo Reseller with the Plan Vivo Foundation and agree to comply with a Code of Good Practice which seeks to recognise and reinforce the importance of professional reselling, and promotes the transparent flow of quality information. A list of current Plan Vivo resellers can be viewed on the Plan Vivo website, along with contact details. Purchasers who are not registered as Plan Vivo Resellers cannot resell Plan Vivo Certificates, and the carbon benefit must therefore be 'retired'. Organisations wishing to become resellers should contact the Foundation for more information.

Resellers Code of Good Practice

The Code of Good Practice is designed:

- To prevent people from misrepresenting Plan Vivo Certificates and ensure the multiple benefits are communicated to purchasers;
- To ensure transparency and equal treatment of all resellers;
- To ensure the core proposition of Plan Vivo - channelling resources directly to rural communities – is fulfilled;
- To provide a high level of support to resellers by providing them with quality information about the System and the projects.

3 Project Stages and Processes

Figure 4 summarises how projects progress from the concept stage through to producing and selling Plan Vivo Certificates and becoming independently verified.

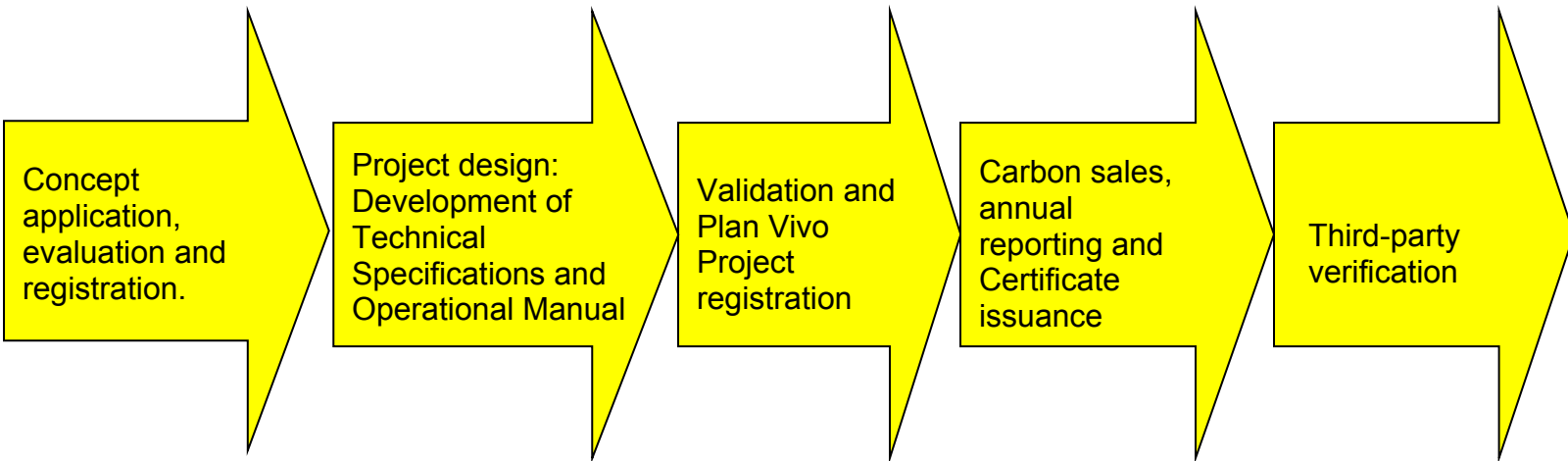


Figure 4: Stages of Project Development

Process	Carried out-by	Method	Result
Concept application	Project developer	Define main aspects of project including target groups, activities and describe area and project aims	Submit concept application to Plan Vivo Foundation
Concept evaluation and registration	The Plan Vivo Foundation	Desk-based review	Concept Registration (Certificate and entry into website register)
Project Design: Development and approval of Technical Specifications and operational	Project developer and other partners (i.e. research institutes, external technical support) in consultation	Research and formulation of technical specifications and design of governance system, review of	Approved operational manual and technical specifications.

manual	with communities and Foundation	outputs by the Foundation	
Validation	Expert Reviewer chosen by the Plan Vivo Foundation.	Field visit to review project against Plan Vivo Standards.	Project validation report
Plan Vivo project registration	Plan Vivo Foundation	Desk-based review of op.manual, technical specifications and validation report	Registered project competent to sell carbon sequestration benefits
Annual reporting	Project	Field assessments, compilation of sales, monitoring, and qualitative data	Annual Report and complete database submitted to Plan Vivo Foundation for consideration
Certificate issuance	Plan Vivo Foundation	Review of Annual Report and issuance of Certificates against carbon sales in that year	Certificates issued as confirmation to purchasers of delivery of ecosystem services
Third-party verification	Approved third-party verifier	Complete desk-based review of project documentation, including technical specifications, database and operational manual and field visit.	Verification report and corrective actions to strengthen the integrity of project and ensure continuous improvement.

3.1 Concept Stages

What is a project concept?

The first step towards becoming Plan Vivo Project is registering a Plan Vivo project concept.

A project concept defines the main elements of a proposed project and how it will contribute to sustainable livelihoods.

A project concept will be registered and published on the Plan Vivo website if, in the judgement of the Plan Vivo Foundation, the proposed project has the potential to enable communities to deliver effective, quantifiable ecosystem services.

Purpose

The purpose of project concept registration is to facilitate effective project design, and specifically to:

- Provide projects with access to information, guidance, support and specialist advice for development;
- Give projects a platform to attract investment and partnerships;
- Facilitate communication and information sharing between projects/prospective projects;
- Assess a project's long-term viability at an early stage and make recommendations about project design elements such as the institutional structure and roles, and the identification of effective local partners;
- Promote transparency - e.g. if a Project Concept fails to become operational, the reasons for this will be published;
- Help project developers keep costs down by using tested project design methods;
- Ensure project developers have 'host-country approval';
- Identify potential risks associated with land-tenure, creating bank accounts, conducting community consultation, or any other cultural, political or legal issues;
- Scope out the availability of technical data and make an estimate of the possible magnitude of the carbon sequestration benefit.

Application Process

The project developer must compile specific information about the proposed project and submit a report to the Plan Vivo Foundation using the standard Plan Vivo project concept template.

Producing a Plan Vivo Project Concept is a significant task. Project developers with less experience or technical expertise may need to engage external technical assistance from the outset. In many cases research carried out during a feasibility study will form the basis of the application.

Project developers wishing to use the Plan Vivo System are encouraged to contact the Plan Vivo Foundation in advance of undertaking a feasibility study in order to receive an application pack. The feasibility study can then be conducted with the Plan Vivo concept application in mind.

Recommended providers of technical assistance are listed on the Plan Vivo website, and project developers may wish to contact the Plan Vivo Foundation for advice in selecting one.

Before making any claim to develop a Plan Vivo project, project developers must first initiate a dialogue with the Plan Vivo Foundation with a view to registering a project concept.

Approval and Registration

Evaluation of a project concept involves a desk-based review carried out by Plan Vivo Foundation staff. All requested information must be submitted to the Plan Vivo Foundation. For a Plan Vivo concept to be registered and entered into the 'Plan Vivo Projects Register' it is necessary that:

1. The proposed project has the **demonstrable potential to provide quantifiable ecosystem services and promote sustainable livelihoods over a long-term period**. The main criteria for this are:
 - a) **Organisational Capacity**
Project coordinator, target groups and partners have the organisational capacity to undertake a long-term community-led project.
 - b) **Land-tenure**
Project involves land over which individuals or communities have ownership (or usufruct) rights.
 - c) **Suitable land-use activities**
Project activities will promote sustainable land-use and sustainable livelihoods, and produce quantifiable ecosystem benefits.
2. The project developer agrees to comply with the aims, principles and procedures of the Plan Vivo System. The application fee must be paid in full (for up-to-date information on fees see the Plan Vivo website, www.planvivo.org), which is a nominal fee to cover evaluation expenses.

Once a project is registered, the project developer may:

1. Claim to be developing a Plan Vivo project.
2. Install the Plan Vivo project database.
3. Use the Plan Vivo logo in its materials.

3.2 Development and Approval of Technical Specifications

What are Technical Specifications?

The carbon benefit of each Plan Vivo is calculated using technical specifications. A technical specification is an evidence-based document developed for each land-use activity in a single project. It includes analyses of project additionality, leakage, permanence and wider ecological impacts. A technical specification prescribes appropriate management and monitoring systems and what risk management measures should be applied.

Development

Developing technical specifications is an extensive process, and project developers should seek to involve local institutions as much as possible. External consultants or educational/research institutes may also be involved to provide technical information, help develop technical specifications, and support project technicians with:

- Biomass surveys;
- Baseline studies;
- Carbon modelling;
- Advice on particular technical problems;
- Training workshops for producers;
- Biodiversity surveys.

Further guidance on developing technical specifications can be found in the Plan Vivo Manual.

Review and Approval

The Plan Vivo Foundation will approve technical specifications if they have been:

- Peer reviewed to ensure the credibility of all assumptions used and calculations made;
- Assessed by the Plan Vivo Technical Advisory Board and found to meet the requirements below. Tools for assessing additionality and leakage, are included in the Plan Vivo Manual.

Requirements for Technical Specifications

Theme	Requirement
Description of activity	Suitability of activity described, including geographic area, ecosystem type, climatic conditions and social context
Carbon Accounting	Transparent assumptions with justifications
	Best available evidence used
	Implementation scenario included
	Ecosystem variables considered
Baseline	Baseline scenario defined clearly using appropriate indicators
Additionality	Analysis of additionality thorough and convincing
Leakage and other risks	Assessment indicates very low risk of potential leakage_
	Control measures likely to be effective and appropriate.
	Other potential risks considered and control measures described.

Management	Management objectives defined and appropriate to activity.
	Management requirements described properly and capacity to meet them is evident.
	Good practice measures identified.
Permanence	Impediments to permanence properly identified and assessed, measures to ensure permanence are practicable.
	Risk buffer recommendation included and appropriate in light of any potential risks of reversal.
Monitoring Procedures	Timeframes for monitoring are identified and appropriate.
	Targets for monitoring are identified and appropriate.
	Crediting period for monitoring is identified and appropriate.
	Monitoring indicators are clear and provide a sound basis for evaluating progress towards targets.
Biodiversity Impact Assessment	Biodiversity impact assessment included.
	Evidence that biodiversity impact likely to be positive.
Socio-Economic Impact Assessment	Socio-economic impact assessment included.
	Evidence that socio-economic impact likely to be positive.

Community-led Design	Evidence that activities designed to meet the needs of target groups.
	Evidence of participatory design (meetings).

3.3 Development and Approval of Operational Manual

Development

The operational manual should pull-together all relevant information on the project, including the technical specifications, in order for ease of access to information and to facilitate the compiling of annual reports etc.

The purpose of this manual is to ensure transparency of procedures, ensure institutional learning by documenting all improvements in procedures, and to avoid over-reliance on the knowledge of key staff members through maintaining an up-to-date set of procedures and explanatory notes.

Requirements

The operational manual should contain the following specific information:

1. Project Design

- Project-area description;
- Socio-economic Baseline;
- Purposes and sustainable development aims and objectives with reference to chosen target groups (a 'mission statement');
- Records of communication with national bodies;
- Records of preliminary discussions.

2. Project Organisation

- Institutional framework described with responsibilities of all organisations involved in the project defined;
- Legal status of Plan Vivo fund and names of any trustees or other persons;
- Staff list with a brief description of qualifications;
- Clear definitions of staff responsibilities²;
- Records of any internal or financial audits.

This section should demonstrate that within the project there is a clear structure for decision-making.

3. Systems and Procedures

² Note that individual projects may describe specific project roles differently. For example, a project may refer to their technicians as 'farmer coordinators'. The operational manual should clarify how each role is defined.

- Consultation Procedures;
- Monitoring Protocol;
- Procedures for database upkeep;
- Procedures for deciding which producers may enter the project and describing how sales are allocated;
- Procedures for making and recording payments to producers;
- Procedures for internal financial auditing;
- Procedures for monitoring and recording operational costs;
- Procedures for negotiating and recording sales;
- Appendices showing any templates used by the project, such as monitoring templates or sale agreement templates;

Also:

- Appendices showing any verification reports or certificates.
- Appendices holding all technical specifications or containing a link to technical specifications.

Review and Approval

Projects must submit their operational manual for review by the Plan Vivo Foundation before validation. The operational manual will be approved where:

- All of the required information is included;
- Procedures and systems described conform to the Plan Vivo Standards and Guiding Principles.

3.4 Validation and Project Registration

To become registered as a Plan Vivo project, a project must be validated and found to meet all Plan Vivo project standards as defined in Chapter 5.

A Plan Vivo project is a project the Plan Vivo Foundation has registered following validation that it is successfully implementing and developing the systems it requires to provide quantifiable ecosystem services and promote sustainable livelihoods.

Validation

Validation takes place following:

- A field visit by an expert reviewer, chosen by the Plan Vivo Foundation, confirming the project is implementing systems in accordance with the Plan Vivo Standards;

- Approval of the project's operational manual by the Plan Vivo Foundation;
- Approval of technical specifications by the Plan Vivo Foundation.

Registration

Following a successful review of the validation report and any other evidence deemed necessary by the Plan Vivo Foundation, projects are entered into the **Plan Vivo Projects Register**. This is published on the Plan Vivo website. Once registered, projects can enter into sales contracts with purchasers of Plan Vivo Certificates.

3.5 Annual Reporting and Certificate Issuance

Purpose

Annual reporting enables the Plan Vivo Foundation to oversee projects, certify that carbon sold is being sequestered, review progress and facilitate their continued development and improvement. The approval of annual reports also triggers the issuance of Plan Vivo Certificates for that year's vintage to buyers on behalf of projects.

Process

Each Plan Vivo project is required to submit its annual report and project database to the Plan Vivo Foundation by the 5th November. An annual reporting template is provided to all projects. This makes it more efficient for projects to collect and present the required information. It also ensures the Plan Vivo Foundation applies consistent criteria when assessing each project.

The Foundation will review annual reports and project databases **before the end of the calendar year**, unless reasonable circumstances exist for delay. The annual review process includes a re-assessment of each project's prescribed **risk buffer**. When the Plan Vivo Foundation approves the annual report it shall also define the size of the risk buffer that must be maintained for the following year.

If a project has good reasons for delaying submission, it may apply to the Foundation for an extension of up to 30 days. Failure to submit an annual report and the project database by the end of the extension period may result in suspension of Plan Vivo status.

Where a project has failed to supply the required information, or the information is inconsistent or inadequate, the Plan Vivo Foundation will inform the project and give it a reasonable timeframe within which to provide further or improved information.

Where an annual report or project database shows a violation of Plan Vivo Standards, **corrective actions** shall be imposed on the project with a time-frame for compliance (e.g. within 30 days, by the time of the next annual report, or by the time of the next allocation of carbon sales to producers etc.). The imposition of corrective actions does not affect the Plan Vivo status of a project or the issuance of Plan Vivo Certificates (i.e. an annual report may be approved with corrective actions attached).

Suspension

Where a project is found to be operating in a manner that grossly contradicts the aims and principles of the Plan Vivo System, Plan Vivo registration shall be suspended until the issue is resolved. Failure to resolve the issue shall result in termination of Plan Vivo registration.

Where projects **fail to comply** with corrective actions within the specified time-frame, Plan Vivo Registration shall be suspended until the issue is resolved. Projects are not permitted to sell Plan Vivo carbon benefits while Plan Vivo registration is suspended. Where the issue is determined to be irresolvable, Plan Vivo registration shall be terminated.

Approval

Approval of a project's annual report and project database triggers the issuance of Plan Vivo Certificates. It also means automatic continuation of Plan Vivo project registration.

Certificate Issuance

Plan Vivo Certificates for ecosystem services are denominated in tonnes carbon dioxide equivalent (tCO₂e). Each certificate is marked with a unique serial code (see figure 5) linking the carbon benefit to a specific project. The serial code is entered into a central register (which is publicly available on the Plan Vivo website), to ensure traceability and prevent double-counting. Projects levy a fee on the price of each tCO₂e sold in order to pay the Foundation a certification fee³.

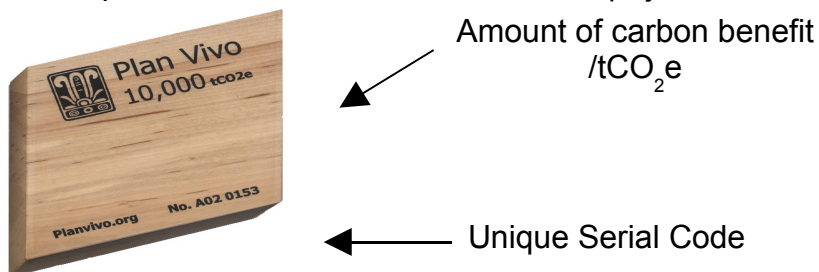


Figure 5: Example Plan Vivo Certificate

³ See www.planvivo.org for information on the certification fee.

By issuing Plan Vivo Certificates, the Plan Vivo Foundation confirms that, based on its analysis of all available information, the corresponding carbon benefit will be delivered in accordance with the Plan Vivo System. The Foundation does not take liability for Plan Vivo Certificates sold.

3.6 Third-Party Verification

Verification of a Plan Vivo project is a process involving evaluation and improvement of a project's systems, procedures and practices against the Plan Vivo standards. Verification is conducted by an independent, third-party organisation called a verifier. To verify a Plan Vivo project, the verification entity must be approved by the Plan Vivo Foundation (see section 2.6).

Verification raises project credibility and thus reinforces the value of Plan Vivo Certificates. It does so by ensuring Plan Vivo Projects comply with Plan Vivo Standards and identifying improvements required to ensure closer compliance with the standards. The verification process therefore provides greater certainty that ecosystem services are delivered and sustainable livelihoods promoted.

Verification is an expensive process. New projects are unlikely to have the resources to undertake verification. This is why projects are initially validated and registered based on expert review, and then required to work towards verification by a process of continuous improvement and by scaling up carbon finance through increased sales of Plan Vivo Certificates. This approach makes verification more cost-effective, as verifiers will be able to take a long-term perspective when evaluating systems for monitoring and administering payments and all other key project activities.

The Plan Vivo approach to verification ensures projects are able to operate as fully validated Plan Vivo Projects and then verify their robustness to the marketplace at a point that makes sense both economically and in terms of having sufficient information for verifiers to evaluate. The approach is designed to provide the maximum possible benefit for communities.

4 Plan Vivo Project Standards

This chapter contains the standards a Plan Vivo project must meet. Guidance on developing a Plan Vivo Project can be found in the Plan Vivo Manual.

Theme	Standard	Indicators for Validation/Verification
<p>Effective and Transparent Project Governance</p>	<p>Project has established an effective governance structure. Roles and lines of accountability are clear. The project coordinator has the following core capabilities:</p> <p>Administrative:</p> <ul style="list-style-type: none"> • Legal and organizational capacity to aggregate carbon from multiple land-owners and transact with purchasers. <p>Technical:</p> <ul style="list-style-type: none"> • Able to assist communities in planning and implementing productive, sustainable and economically viable forestry and agroforestry systems. <p>Social:</p> <ul style="list-style-type: none"> • Able to select appropriate target groups, inform groups about the Plan Vivo System and establish effective participatory relationships 	<ul style="list-style-type: none"> • Approved project operational manual containing all statutes, articles and agreements stating individual and organizational roles and responsibilities, as well as documented processes for key project activities. • Evidence of individual/organisation's relevant experience. • Evidence of community meetings (e.g. minutes, lists of attendees). • Evidence of effective communication between project coordinators and producers (e.g. records of training days, meetings, emails).

	<p>with producers.</p> <ul style="list-style-type: none"> • Able to consult communities effectively on a sustained basis. 	
<p>Capacity Building and Knowledge Transfer</p>	<p>Projects must, on an annual basis, demonstrate increased capacity in:</p> <ul style="list-style-type: none"> • Carbon marketing and contract negotiation; • Technical expertise • Ability to expand and develop its systems 	<ul style="list-style-type: none"> • Evidence of communications/negotiation with market buyers. • Evidence of transfer of management, monitoring or other technical competences and responsibilities from external consultants to project staff. • Evidence of project expansion, both in terms of scale and development of extra activities (e.g. new products)
<p>Community-led planning</p>	<p>Project has undergone a farmer/community-led planning process aimed at identifying and defining sustainable land-use activities that serve the community's needs and priorities.</p>	<ul style="list-style-type: none"> • Records of meetings and lists of attendees. • Training materials and team notes.

Carbon Benefits

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

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

- Carbon benefits are **additional**, i.e. the project and activities supported by the project could not have happened were it not for the availability of carbon finance. Specifically this means demonstrating, as a minimum (1) project does not owe its existence to legislative decrees or to commercial land-use initiatives likely to have been economically viable in their own right without payments for ecosystem services; and (2) in the absence of project development funding and carbon finance, financial, social, cultural, technical or traditional barriers would have prevented project activity.

Management and monitoring procedures actively encourage and reinforce the **permanence** of carbon benefits, including, as a minimum, the subtraction of a 10% risk buffer from the saleable carbon of each producer.

Potential sources of **leakage** and other risks of loss to carbon stocks have been identified and effective mitigation measures implemented.

- Activities relate to approved technical specifications which are being utilised by local technicians.
- Baseline analysis.
- Additionality analysis
- Evidence of subtraction and recording of risk buffer from database.
- Evidence of management regimes implemented to minimise risks.

Ecosystem benefits	Activities are limited to use of native (or naturalised) species and promote the restoration or protection of native ecosystems;	<ul style="list-style-type: none"> • Approved technical specifications. • Staff awareness of conservation aspects and priorities.
	Wider ecological impacts have been identified and considered.	

Livelihood Benefits	<p>Project has procedures for entering into sale agreements with producers based on saleable carbon from Plan Vivos, where:</p> <ul style="list-style-type: none"> • Farmers/communities have tenure or land-use rights; • Agreements specify quantity, price, buyer, payment conditions, risk buffer, and monitoring milestones; • Producers enter into sale agreements voluntarily. 	<ul style="list-style-type: none"> • Records of existing sale agreements or templates including type of landholding. • Staff are able to explain sale agreement conditions and process. • Records of consultation/ training meetings with communities. • Verbal evidence from producers.
	<p>Project has an effective and transparent process for the timely administration and recording of payments to producers, where:</p> <ul style="list-style-type: none"> • Payments are delivered in full when monitoring is successfully completed against milestones in sale agreements; • Payments are recorded in the project database to ensure traceability of sales. 	<ul style="list-style-type: none"> • Evidence of legally constituted and financially audited Plan Vivo Fund/ Account. • Approved Plan Vivo project Database with evidence of data management and back-up systems.
		<ul style="list-style-type: none"> • Staff able to explain processes for sale agreements and producer payments. • Other evidence of payments (e.g. financial audit reports, verbal evidence from producers).

Annual Reporting

Projects must on an annual basis:

- Accurately report progress, achievements and problems experienced;
- Transparently report sales figures and demonstrate resource allocation in the interest of target groups.
- Submit a copy of their database demonstrating effective data management and traceability of carbon sales.

- Approved annual reports

Glossary of Selected Terminology and Acronyms

Additionality	A project is 'additional' if it, and the activities supported by it, could not have happened were it not for the availability of carbon finance.
Afforestation	Establishing forest on land that, until then, was not classified as forest.
Agroforestry	Growing trees and crops on the same piece of land.
Biodiversity	The variety of ecosystems and living organisms (species), including genetic variation within species.
CO₂	Carbon Dioxide – One of the six greenhouse gases.
Deforestation	The direct human-induced conversion of forested land to another land-use or the long-term reduction of the tree canopy cover below the minimum 10% threshold.
Ecosystem	A community of plants and animals (including humans) interacting with each other and the forces of nature.
Forest	A land area of more than 0.5 ha, with a tree canopy cover of more than 10%, which is not primarily under agricultural or other specific non-forest land-use. In the case of young forests or regions where tree growth is climatically suppressed, the trees should be capable of reaching a height of 5m in situ, and of meeting the canopy cover requirement.
GHGs	Greenhouse gases: six gases are defined in the Kyoto Protocol as contributing to climate change: carbon dioxide, hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons and sulphur-hexafluoride. These are known as greenhouse gases.
Leakage	The unintended loss of carbon stocks outside the boundaries of a project resulting directly from the project activity.
Native Species	A species that has arrived and inhabited an area naturally, without deliberate assistance by man, or

would occur had it not been removed through past management.

Plan Vivo

Sustainable land-management plan for a specified piece of land, drawn-up by the land-holder.

Plan Vivo Project

A project the Plan Vivo Foundation has registered following validation that it is successfully implementing and developing the systems it requires to provide quantifiable ecosystem services and promote sustainable livelihoods.

Plan Vivo Project Concept

A registered project proposal that has been judged by the Plan Vivo Foundation as having the potential to help communities and assure effective, quantifiable ecosystem services and promote sustainable livelihoods.

Plan Vivo Reseller

A company, organisation or individual that has been registered by the Plan Vivo Foundation as an official reseller of Plan Vivo Certificates.

Reforestation

The establishment of forest on land that has been deforested.

Sustainable Land-Use

The planned use of land, consistent with meeting livelihood requirements, protecting soils, watercourses and biodiversity.

Validation

The initial evaluation of a project against Plan Vivo Standards, undertaken by an expert-reviewer (pre-registration).

Verification

The evaluation of a project post-registration, against the Plan vivo Standards, by an approved third-party verifier, to ensure continued compliance with Standards.

VERs

Voluntary Emissions Reductions – reductions made where there is no legal requirement to do so, i.e. out with Kyoto or any other regulatory scheme.

