NON-PERMANENCE RISK REPORT

Protection of the Bolivian Amazon Forest

Fermin Aldabe

Nicanor Salvatierra 179

Zona Central Riberalta Bolivia

Project Title	Protection of the Bolivian Amazon Forest
Version	0.0
Date of Issue	2 May 2012
Project ID	TBD
Monitoring Period	20 October 2012 to 31 Decembr 2012
Prepared By	Fermin Aldabe
Contact	Nicanor Salvatierra 179 Zona Central Riberalta Bolivia

1 INTERNAL RISK

Project Management		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Species planted (where applicable) associated with more than 25% of the stocks on which GHG credits have previously been issued are not native or proven to be adapted to the same or similar agro-ecological zone(s) in which the project is located. Not the case. There is no use of non native plants	0
b)	Ongoing enforcement to prevent encroachment by outside actors is required to protect more than 50% of stocks on which GHG credits have previously been issued. There was no previous issuance of credits	0

c)	Management team does not include individuals with significant experience in all skills necessary to successfully undertake all project activities (ie, any area of required experience is not covered by at least one individual with at least 5 years experience in the area). The management team has a forest engineer with more than 5 years of experience.	0
d)	Management team does not maintain a presence in the country or is located more than a day of travel from the project site, considering all parcels or polygons in the project area. The management team does maintain presence in country.	0
e)	Mitigation: Management team includes individuals with significant experience in AFOLU project design and implementation, carbon accounting and reporting (eg, individuals who have successfully managed projects through validation, verification and issuance of GHG credits) under the VCS Program or other approved GHG programs. The project proponent is doing the validation and verification process.	-2
f)	Mitigation: Adaptive management plan in place. In process of implementation	0
Total Project Management (PM) [as applicable, (a + b + c + d + e + f)] Total may be less than zero.		**0**

Financial Viability		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Project cash flow breakeven point is greater than 10 years from the current risk assessment. The NPV of the credits expected to be issued in this verification process will cover the cost of the whole project. The project pronent has savings that can cover the costs of the project from start to finish.	0
b)	Project cash flow breakeven point is between 7 and up to 10 years from the current risk assessment. The NPV of the credits expected to be issued in this verification process will cover the cost of the whole project. The project pronent has savings that can cover the costs of the project from start to finish.	0
c)	Project cash flow breakeven point between 4 and up to 7 years from the current risk assessment. The NPV of the credits expected to be issued in this verification process will cover the cost of the whole project. The project pronent has savings that can cover the costs of the project from start to finish.	0
d)	Project cash flow breakeven point is less than 4 years from the current risk assessment. The NPV of the credits expected to be issued in this verification process will cover the cost of the whole project. The project pronent has savings that can cover the costs of the project from start to finish.	0
e)	Project has secured less than 15% of funding needed to cover the total cash out before the project reaches breakeven. The NPV of the credits expected to be issued in this verification process will cover the cost of the whole project. The project pronent has savings that can cover the costs of the project from start to finish.	0
f)	Project has secured 15% to less than 40% of funding needed to cover the total cash	0

	out required before the project reaches breakeven. The NPV of the credits expected to be issued in this verification process will cover the cost of the whole project. The project pronent has savings that can cover the costs of the project from start to finish.	
g)	Project has secured 40% to less than 80% of funding needed to cover the total cash out required before the project reaches breakeven. The NPV of the credits expected to be issued in this verification process will cover the cost of the whole project. The project pronent has savings that can cover the costs of the project from start to finish.	0
h)	Project has secured 80% or more of funding needed to cover the total cash out before the project reaches breakeven. The NPV of the credits expected to be issued in this verification process will cover the cost of the whole project. The project pronent has savings that can cover the costs of the project from start to finish.	0
i)	Mitigation: Project has available as callable financial resources at least 50% of total cash out before project reaches breakeven. The NPV of the credits expected to be issued in this verification process will cover the cost of the whole project. The project pronent has savings that can cover the costs of the project from start to finish.	-2
Total Financial Viability (FV) [as applicable, ((a, b, c or d) + (e, f, g or h) + i)] Total may not be less than zero.		**0**

Opportunity Cost		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	NPV from the most profitable alternative land use activity is expected to be at least 100% more than that associated with project activities; or where baseline activities are subsistence-driven, net positive community impacts are not demonstrated. NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity	0
b)	NPV from the most profitable alternative land use activity is expected to be between 50% and up to100% more than from project activities. NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity	0
c)	NPV from the most profitable alternative land use activity is expected to be between 20% and up to 50% more than from project activities. NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity	0
d)	NPV from the most profitable alternative land use activity is expected to be between 20% more than and up to 20% less than from project activities; or where baseline activities are subsistence-driven, net positive community impacts are demonstrated. NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity	0

e)	NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity. NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity	0
f)	NPV from project activities is expected to be at least 50% more profitable than the most profitable alternative land use activity. NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity.	0
g)	Mitigation: Project proponent is a non-profit organization. Project Proponent is physical person.	0
h)	Mitigation: Project is protected by legally binding commitment (see Section 2.2.4) to continue management practices that protect the credited carbon stocks over the length of the project crediting period. Project Proponent has no legally binding commitment.	0
i)	Mitigation: Project is protected by legally binding commitment (see Section 2.2.4) to continue management practices that protect the credited carbon stocks over at least 100 years. Project Proponent has no legally binding commitment.	0
Total Opportunity Cost (OC) [as applicable, (a, b, c, d, e or f) + (g or h)] Total may not be less than 0.		**0**

Project Longevity		
a)	Without legal agreement or requirement to continue the management practice. The project proponent has no legal agreement and the project will last 30 years.	18
b)	With legal agreement or requirement to continue the management practice. The project proponent has no legal agreement and the project will last 30 years.	0
Total Project Longevity (PL) May not be less than zero		**18**

Internal Risk	
Total Internal Risk (PM + FV + OC + PL) Total may not be less than zero.	**18**

2 EXTERNAL RISKS

Land Ownership and Resource Access/Use Rights		
Risk	Risk Factor and/or Mitigation Description	Risk

Factor		Rating
a)	Ownership and resource access/use rights are held by same entity(s). Project proponent owns the property through his Limited Company.	0
b)	Ownership and resource access/use rights are held by different entity(s) (eg, land is government owned and the project proponent holds a lease or concession). Project proponent owns the property through his Limited Company.	0
c)	In more than 5% of the project area, there exist disputes over land tenure or ownership. Project proponent has Executive Title to the property and therefore there are no disputes.	0
d)	There exist disputes over access/use rights (or overlapping rights). Project proponent has Executive Title to the property and therefore there are no disputes.	0
e)	Mitigation: Project area is protected by legally binding commitment (eg, a conservation easement or protected area) to continue management practices that protect carbon stocks over the length of the project crediting period. Project Proponent has no legally binding commitment.	0
f)	Mitigation: Where disputes over land tenure, ownership or access/use rights exist, documented evidence is provided that projects have implemented activities to resolve the disputes or clarify overlapping claims. Project proponent has Executive Title to the property and therefore there are no disputes.	0
Total Land Tenure (LT) [as applicable, ((a or b) + c + d + e+ f)] Total may not be less than zero.		**0**

Community Engagement		
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Less than 50 percent of households living within the project area who are reliant on the project area, have been consulted. There are no household living within the project area.	0
b)	Less than 20 percent of households living within 20 km of the project boundary outside the project area, and who are reliant on the project area, have been consulted. There are no household living within the project area.	0
c)	Mitigation: The project generates net positive impacts on the social and economic well-being of the local communities who derive livelihoods from the project area. As set out in CBB project description	-5
Total Community Engagement (CE) [where applicable, (a+b+c)] Total may be less than zero.		**0**

Political Risk

Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating
a)	Governance score of less than -0.79. Bolivia political risk is between -.79 and -.32	0
b)	Governance score of -0.79 to less than -0.32. Bolivia political risk is between -.79 and -.32	4
c)	Governance score of -0.32 to less than 0.19. Bolivia political risk is between -.79 and -.32	0
d)	Governance score of 0.19 to less than 0.82. Bolivia political risk is between -.79 and -.32	0
e)	Governance score of 0.82 or higher. Bolivia political risk is between -.79 and -.32	0
f)	Mitigation: Country is implementing REDD+ Readiness or other activities, as set out in this Section 2.3.3.. As set out in Bolivia UN-REDD Programme Document – presented to Policy Board March 2010 (English) (http://www.unredd.net/index.php?option=com_docman&task=doc_download&gid=1685&Itemid=53)	-2
Total Political (PC) [as applicable ((a, b, c, d or e) + f)] Total may not be less than zero.		**2**

External Risk	
Total External Risk (LT + CE + PC) Total may not be less than zero.	**2**

3 NATURAL RISKS

Natural Risk: Fire	
Significance	**NA**
Likelihood	0
Score (LS)	0
Mitigation	0

Natural Risk:: Pest	
Significance	**NA**
Likelihood	0
Score (LS)	0
Mitigation	0

Natural Risk: Disease outbreaks

Significance	**NA**
Likelihood	0
Score (LS)	0
Mitigation	0

Natural Risk: Extreme Weather	
Significance	**NA**
Likelihood	0
Score (LS)	0
Mitigation	0

Score for each natural risk applicable to the project (Determined by (LS × M)	
Fire (F). Natural fire present once in more than 100 years. Atlas of Beni shows risk of fire as low. At page 204 states that a study carried out by OXFAM has determined that the amazonic forests in Beni show the lowest level of fire hazzard for the department. Natural fires are rare if not non-existent as there is no dry thunder and then it thunders is rains heavily. Interview with locals and Climate Station in Riberalta confirms this. Known firest are caused by humas. Fires did break out as deforestation activity increased. Now the government has pareded people going to jail with stiff sentences for not taking necessary precautions and there has not been any more incidents of uncontrolled fires. The deforestation permit request must include a signed declaration as to the precautions and responsibilities that must be undertaken when carrying out a deforestation plan. See deforestation plan. See http://www.oas.org/DSD/publications/Unit/oea54e/ch05.htm for an accepted definition or natural hazzard: "those elements of the physical environment, harmful to man and caused by forces extraneous to him." Therefore, man made fires do not form part of natural risks.	0
Pest and Disease Outbreaks (PD). There are no known pests or disease outbreaks in the area. Source: Ministerio de Desarrollo Rural y Tierras and Atlas Beni.	0
Extreme Weather (W). There are no extreme weather in the area such as tornados or huricanes. Climatological Station in Riberalta and Atlas Beni.	0
Geological Risk (G). There is no recorded seismological activity in the area as it is far away from the fire belt. Source USGS. Atlas Beni.	0
Other natural risk (ON). None known of	0
Total Natural Risk (as applicable, F + PD + W + G + ON)	

4 OVERALL NON-PERMANENCE RISK RATING AND BUFFER DETERMINATION

4.1 Overall Risk Rating

Risk Category	Rating
a) Internal Risk	18
b) External Risk	2
c) Natural Risk	0
Overall Risk Rating (a + b + c)	**20**

4.2 Calculation of Total VCUs

Concept	**Quantity**	**Units**
GHG emission reduction or removal equivalents by the project during the verification period/reporting period (20 October 2011 – 31 December 2011)	69,250	tCO2
Overall Risk Rating	20	%
Overall Non-Permanence Buffer	13850	tCO2