

TEMPLATE

DEVIATION REQUEST FORM

PUBLICATION DATE **11.04.2022**

Version **5.0**

A. To be completed by Gold Standard

1 | Decision

1.1 | Date – 23/08/2022

1.2 | Decision

The requested deviation is approved.

The project is granted deviation from para 8.10.1 of the [Program of Activities Requirements and Procedures \(version 2.0\)](#) considering that the two countries in Batch 1 are homogenous on the grounds of additionality, baseline scenario, emission reductions and legislation. Thus, the project may proceed for design certification with the two countries of Batch 1 i.e., Costa Rica and Dominican Republic.

The validating VVB shall, through appropriate means at its disposal, evaluate the Project's compliance with the above-mentioned conditions and provides its opinion in the Validation Report.

SustainCert shall review both the PD's submission and the VVB's opinion of the same and take appropriate steps.

1.3| Is this decision applicable to other project activities under similar circumstances?

No

B. To be completed by the Project Developer/Coordinating and Managing Entity and/or VVB requesting deviation (Submit deviation request form in Microsoft Word format)

2.1| Background information

Deviation Reference Number	DEV_290	
Date of decision	23/08/2022	
Precedent (YES/NO)	No	
Precedent details	N/A	
Date of submission	03/06/2022 (version 01) 12/07/2022 (version 02) 16/08/2022 (version 03)	
Project/PoA/VPA	Project	ID – GSXXXX
	<input checked="" type="checkbox"/> PoA	ID – GS11707
	<input type="checkbox"/> VPA	ID – GSXXXX
Project/PoA/VPA title	BaumInvest Forest Landscape Restoration Programme	
Date of listing	24/06/2022. VVB validation on-going.	
GS Standard version applicable	Gold Standard for the Global Goals (GS4GG)	
Date of transition to GS4GG (if applicable)	N/A	
Date of transition to Gold Standard from another standard (e.g. CDM) (if applicable)	N/A	
Date of design certification/inclusion (if applicable)	N/A	
Location of project/PoA/VPA	Host country(ies): Costa Rica, Nicaragua, Colombia, Guatemala, Honduras, Belize, Panama, Dominican Republic, Paraguay	
Scale of the project/PoA/VPA	<input checked="" type="checkbox"/> Microscale <input checked="" type="checkbox"/> Small scale <input checked="" type="checkbox"/> Large scale	
Gold Standard Impact Registry link of the project/PoA/VPA	PoA DD and real case VPA DD submitted for preliminary review to SustainCERT 12/05/2022 and preliminary review closed on 24/06/2022.	
Status of the project/PoA/VPA	<input type="checkbox"/> New <input checked="" type="checkbox"/> Listed <input type="checkbox"/> Certified design <input type="checkbox"/> Certified project	
Title/subject of deviation	Exception for registration of multi-country PoA	
Specify applicable rule/requirements/methodology,	Programme of Activity Requirements and Procedures, Version 2.0, Clauses 8.10.1-5	

with exact paragraph reference and version number	
Specify the monitoring period for which the request is valid (if applicable)	<div>Start date End date</div> <div>Not applicable</div>
Submitted by	<div>Contact person name: Johann Thaler (consultant to BaumInvest AG)</div> <div>Email ID: johannfranz.thaler@gmail.com</div> <div>Organisation: BaumInvest AG</div> <div>Project participant: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></div>
Validation and Verification body (VVB opinion shall be included, where required by the applicable rules/requirements or request is submitted by the VVB).	<div>Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></div> <div>If yes; VVB name:</div> <div>VVB Staff name(s):</div>
Any previous deviations approved for the same project activity/PoA/VPA(s)?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

3.1| Deviation detail

1.3| Description of the deviation:

**Guidance* Use the space below to describe the deviation and substantiate the reason for requesting deviation from applicable rules/requirements. Please include all relevant information in support of the request. You are requested to follow the principles for requesting deviations, given in the [Deviation Approval Procedure/ Design Change Requirements](#).*

1.3| Deviation detail (to be completed by Project developer):

According to clause 8.10.1 of the Program of Activities Requirements and Procedures (version 2.0), a Multi-country Voluntary PoA must submit a real case VPA DD for each country considered in the validation of the PoA.

The CME has submitted a Multi-country Voluntary PoA DD for a total of 9 countries along with a real case VPA DD for one of these countries (Costa Rica) to SustainCert for Preliminary review. No VPAs from the other countries are currently available and will be submitted at a later stage.

After a careful analysis has been conducted, the CME comes to the conclusion that the 9 countries can be grouped into 4 batches, according to their similarities regarding a.) additionality, b.) baseline scenario, c.) emission reductions and d.) legislation. Hence, the CME requests that the 2 countries classified as batch 1 (Costa Rica, Dominican Republic) will be approved at the time of PoA Design Certification, i.e. that the PoA will be registered with the countries Costa Rica and Dominican Republic and a subsequent real case VPA for Dominican Republic can be included under the PoA at a later stage.

The other countries revealed to be less homogenous with Costa Rica and the Dominican Republic in regard to the baseline scenario. Hence, Panama, Colombia, Guatemala, Honduras, Belize are considered in batch 2, Nicaragua in batch 3 and Paraguay in batch 4. Those countries will be included under the PoA through a PoA Design Change as soon as a real case VPA of the respective batch is available.

All countries within the proposed PoA boundaries have been already included in the PoA Design Consultation and stakeholder groups from all countries have been consulted.

1.3| VVB opinion (to be completed by VVB, if applicable):

**Guidance* If required by SustainCERT or Gold Standard for this particular deviation, please add here the VVB's opinion.*

Not applicable

2.3| Assessment of the deviation:

**Guidance* Use the space below to describe how the deviation complies with the requirements, and, where applicable, the accuracy, completeness and conservativeness is ensured. Please include all relevant information in support of the request.*

1.3| Deviation assessment (to be completed by Project developer):

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a. Additionality (*Where applicable PoA level additionality shall be demonstrated taking into account all countries in the PoA boundary.*)

The PoA is a purely voluntary action implemented by the CME and is only possible because of carbon finance. It is therefore confirmed that in the absence of Gold Standard Certification related finance, none of the VPAs that will be implemented under the PoA would occur. There is no law or regulation in any of the host-countries which would make the implementation of reforestation projects mandatory ((see also section 3.2.1. d. legislation for more details).

b. Baseline scenario – (*the baseline situation (as defined by the applied baseline methodology/methodologies) for all countries in the PoA boundary shall be similar and this shall be justified.*)

According to the baseline scenarios as defined by the applied baseline methodology (the latest version of the A/R CDM “Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities”) the 9 countries within the PoA boundaries can be classified into 4 batches.

As a result, all of these countries have identified areas for forest landscape restoration, joined the Initiative 20x20¹, a country-led effort that aims to change the dynamics of land degradation in Latin America and the Caribbean, and set targets (though NOT legally binding) to improve degraded land through restoration programs as well as improve policy and the capacity to drive positive change.

What is missing for the implementation is the financing, which becomes more difficult and expensive the more degraded the land is. The BaumInvest Forest Landscape Restoration Program wants to make a contribution here with the help of the incentives of VER certificates.

¹ <https://initiative20x20.org/regions-countries>

The baseline scenario for the VPAs carried out in different countries within the framework of this PoA, consist of land under permanent meadows and pastures as per the FAO classification. This may consist of any of the following or a combination thereof:

- Pastureland (Grassland)
- Barren land (previous cropland)
- Previous forest-/shrubland which has been converted to non-forest land in the past and is non-forest for at least 10 years

In the course of a first submission to Gold Standard, the CME, based on recent land use data of the Food and Agriculture Organisation of the United Nations (FAO)², has analyzed the data under the category "land under permanent meadows and pastures" and put them into proportion to the total land area³ of the respective countries. The statistical analysis revealed that after having removed two outliers (Belize and Paraguay), the results of all other 7 countries (Costa Rica, Nicaragua, Honduras, Guatemala, Dominican Republic, Panama and Colombia) are within a 20% precision level, hence can be considered as statistically precise enough as per GS requirements (for more details see excel spreadsheet "Pasture_by_country_statistics").

This was not accepted by GS, hence the CME did a further analysis on forest cover and changes in forest cover.

The CME compared current forest cover and changes in forest cover over the period 2010 - 2020 for all 9 countries based on the latest data from the Global Forest Resources Assessment Report (FAO, 2020). The statistical analysis revealed that the 9 countries can be grouped into 4 batches, with the countries included in the first two batches showing similarities.

Batch 1: Costa Rica and Dominican Republic

² <https://www.fao.org/faostat/en/#country> (select country > select indicator "land" > "agricultural area")

³ <https://data.worldbank.org/indicator/AG.LND.TOTL.K2>

- Forest cover analysis meets the 20% precision level
- Change in forest cover is positive

Batch 2: Colombia, Honduras, Panama, Belize and Guatemala

- Forest cover analysis meets the 20% precision level
- Change in forest cover: annual deforestation rate < 1%

Batch 3: Nicaragua

Batch 4: Paraguay

The 2 countries Costa Rica and Dominican Republic (included under batch 1) can be considered as homogenous. Since both of them have a positive deforestation figure and a similar forest cover complying with the 20% minimum precision requirement when conducting the statistical analysis. 5 further countries in batch 2 are considered as homogenous since their deforestation figure is within a 1% threshold and their forest cover figures are within the 20% minimum precision requirement. The remaining 2 other countries Paraguay and Nicaragua are classified in two additional batches, since their deforestation rates is considerably higher than for the other 7 countries and the forest cover of both countries does not comply with the 20% minimum precision requirement when conducting the statistical analysis.

For the implementation of real case VPAs in the different countries within the PoA boundaries, PD will always i. own the CO₂ user rights or carbon sequestration rights for the project area, AND ii. hold an uncontested legal land title for the Project Area, AND iii. own the rights for timber and non-timber forest products for the project area, AND iv. hold all necessary permits to implement the project (planting permits, infrastructure permits, harvesting permits, etc.) for the duration of the crediting period as per Section 2.1.9 (LAND USE & FORESTS ACTIVITY REQUIREMENTS Version 1.2.1). The prerequisite for this is that the ownership of the land has been clearly clarified and the PD can buy the land, lease it or has usufruct rights. Sellers are usually private landowners with correspondingly large areas of land, which in the past were used for extensive livestock farming or as cropland or are previous forest/shrubland, who sell their land because farming / cultivation is no longer profitable (e.g. due to soil degradation).

Most appropriate for forest landscape restoration in all countries are economically weak remote rural regions. The population density in those areas is quite low and the communities and the local population are mostly characterized by relative poverty. The living conditions of the targeted communities adjacent to the project areas of the real case VPAs are considered to be homogeneous.

c. Emission reductions or other SDG Impact calculation *(where applicable) – a typical emission reduction calculation approach as per the applied methodology should be demonstrated in the PoA/VPA DD and the same approach shall be applied for VPAs from all countries in the PoA boundary.*

The typical emission reduction calculation approach as per applied GS A/R GHG Emissions Reduction & Sequestration Methodology (version 1.0) and the corresponding LUF AR Methodology Soil Carbon Tool (v1.0) (the applied Tool for Soil Organic Carbon) has been demonstrated in detail in the real-case VPA-DD Costa Rica submitted along with the PoA-DD. Since for GS LUF A/R Projects there is only one approved GS methodology, the same methodology will be applied for all VPAs across all countries included under the PoA.

d. Legislation – the legislation applicable to the applied technology shall be provided for all countries in the PoA boundary.

In the following, an analysis of the current legislation in terms of reforestation activities for each country is provided.

Costa Rica

Costa Rica is already well-known for its progressive environmental policies and sustainable development. Now, Costa Rica seeks to include restoration as part of its national development – Costa Rica’s guiding restoration goal is to integrate restoration into the nation’s inclusive green development model. Costa Rica’s objective is to restore 1 million ha of degraded land over a period of 10 years (Estrategia Nacional de Restauración de Paisajes de Costa Rica 2021-2050). Costa Rica’s National Fund for Forestry Financing (Fondo de Financiamiento Forestal de Costa Rica, or FONAFIFO, in Spanish) certainly provides financial support/subsidies

for reforestation activities (payments for ecosystem services). In return, the recipients of the subsidies must cede their emission reduction rights for CO₂ storage by the trees to the country of Costa Rica. However, it is not mandatory by any law, policy, or regulation to implement reforestation projects or to apply for the financial support/subsidies. Since the PD does not take advantage of the financial support from the Costa Rican government, the project developer (in this case BaumInvest AG) also remain the owner of the emission reduction rights.

National data from the report for the FCPF Emissions Reduction Program for the World Bank shows a continuous deforestation since the eighties (FAO Global Forest Resources Assessment, 2020).

The NDC Costa Rica mentions as contributions in terms of forests and biodiversity the increase and maintenance of its forest cover to 60%, while this type of cover does not compete with the agricultural sector and by 2030, the country intends to maintain a zero deforestation rate in mature forest.

Though the NDC mentions these targets, it should be emphasized that the implementation of forest landscape restoration activities is not mandatory by any law or regulation.

Panama

In 2019, Panama launched a National Forest Restoration Program (PNRF) for the period 2021-2025. The PNRF is a national instrument that is framed within the objectives of Law 1 Forestry of 1994, the Forestry Policy, the reforestation modalities established in Law 69 of 2017 that creates the forestry incentive program, the National Forestry Strategy, the National Forestry Development Plan and the NDC presented in 2016, as part of the national communication within the Paris Agreement. Panama has set the goal of restoring 1 million hectares within the next 20 years (Alliance for the Million Hectares).

However, it is not mandatory by any law or regulations to implement Forest Landscape restoration in Panama (Panama NDC, 2020).

Colombia

Colombia declares in its NDC (Activity 26) the goal of restoring 962,615 ha of destroyed or degraded forest ecosystems in terms of their function, structure and composition during the period 2015 - 2030, in accordance with the National

Restoration Plan (PNR). The annual restoration rate effort of the following governments until 2030 will be maintained at least at the level expected to be obtained at the end of 2022, i.e. 68,684 ha/year. The PNR promotes improvement of degraded areas under three approaches – restoration, reclamation, and rehabilitation. These approaches fall within a broad policy framework of biodiversity conservation and adaptation to global changes. However, the implementation of forest landscape restoration activities is not mandatory by any law or regulation. (Colombia NDC, 2020).

Nicaragua

Nicaragua has a national forestry program and a national reforestation plan (Plan Maestro de Reforestación) with the goal of reforesting a total of 2.8 million hectares. In Nicaraguas NDCs only general measures for land use, such as the implementation of the national reforestation plan and the reforestation of degraded land are mentioned. The implementation of forest landscape restoration activities is not mandatory by any law or regulation. (Nicaragua NDC, 2018).

Guatemala

Guatemala seeks to restore 1.2 million ha of degraded forest land by 2045 under the coordination of the national Forest service INAB, the National Protected areas council, the Ministry of environment and the Ministry of Agriculture. Guatemala's National Restoration Strategy, formulated by the country's multi-stakeholder Roundtable of Landscape Restoration (MFR), recognizes the local and global importance of restoration. The main policy instrument to support landscape restoration in Guatemala is the PROBOSQUE law that provides incentives to restoration activities. Guatemala's restoration efforts are also supported by private impact investors. In its NDCs, Guatemala mentions reforestation and the restoration of degraded areas as priority measures for adaptation and mitigation and sets a target for 2030 of how much tCO₂e it will absorb. More precise information is not provided. (Guatemala NDC, 2021) However, the implementation of forest landscape restoration activities is not mandatory by any law or regulation.

Belize

Belize has prioritized a total of 130,000 hectares to be restored by 2030. The country's goal is to implement restoration practices for 44,000 hectares of land inside

and outside protected areas, as well as the restoration of 6,000 hectares of degraded and deforested riparian forests by 2030 (Belize NDC, 2021). In addition, restoration will improve the management of 80,000 hectares of Belize's agricultural landscape through improved farming and agroforestry practices. Belize's recently completed National Landscape Restoration Strategy (NLRS) 2021-2030 will guide forest landscape restoration actions at the national level.

The implementation of forest landscape restoration activities is however not mandatory by any law or regulation.

Paraguay

Paraguay specifies in its NDC the goal of planting 187,942 ha of Energy Forests and to restore 4,588 ha of degraded forest ecosystems until 2030, in accordance with the National Development Plan (Plan Nacional de Desarrollo Paraguay 2030). In Paraguay, the law 536/95 for the promotion of forestation and reforestation ("Ley 536/95: Fomento a la forestación y la reforestación") from 1995, is established to grant tax incentives to several forest activities. However, the reforestation program has been virtually at a standstill for several years, due to a lack of financial resources. The latest (2020) "Implementation Plan of the National Forest Strategy for sustainable growth" mentions in its section 4 the intention to "review the gaps in the implementation of Law 536/95. The latest National Forestry Strategy for Sustainable Growth (2019-2030) seeks to reduce greenhouse gas (GHG) emissions from land use change through optimal management of forest resources but does not have any specific mention to forest landscape restoration actions. The implementation of forest landscape restoration activities is not mandatory by any law or regulation.

Dominican Republic

Dominican Republic has set the national goal of restoring 170,000 hectares by 2030, a target made by the government in 2018 to the Bonn Challenge global initiative. In this regards, 1.2 million hectares have been identified as having an opportunity for restoration. The country is as well part of the "Regional Strategic Program for the Management of Forest Ecosystems (Perfor)", which aims to guide and support the activities of the Forestry Services of the member countries, including forest landscape restoration activities.

However, the implementation of forest landscape restoration activities is not mandatory by any law or regulation.

Honduras

Honduras has proposed to implement restoration activities on an additional 300,000 hectares in addition to the 1 million hectares of forest of reforestation set as target under the Bonn Challenge and reflected in the first NDC (Honduras NDC, 2021).

In Honduras, Forest Landscape Restoration has been addressed under the National Program for the Recovery of Goods and Services of Degraded Ecosystems (MiAmbiente+, 2018). The National Forestry Program (PRONAFOR), with a 20-year period (from 2010 to 2030), is the guide for forest management, protected areas and wildlife, which has a subprogram for ecosystem restoration and climate change.

However, the implementation of forest landscape restoration activities is not mandatory by any law or regulation.

Barriers that prevent the implementation of forest landscape restoration projects without VER certificates or comparable financial incentives.

Forest landscape restoration activities on degraded land, planting predominantly native tree species with the purpose of conservation forests, that means no commercial harvesting of timber is taking place, face many barriers (technical, financial, environmental, etc.). Though most of the countries have set up targets for reforestation, their implementation is very unlikely without VER certificates or comparable financial incentives.

Two typical barriers to implement conservation forestry activities are the following:

- Investment barriers:

Similar activities have only been implemented with grants (national and international NGOs) or other non-commercial finance terms, as for instance, the „payments for ecosystem services“ provided from the governments of Costa Rica, Guatemala or Panama.

- Technological barriers:

Lack of resources such as machinery or know-how are a barrier to landowners to launch a natural restoration project. In particular seeds or seedlings of native tree species in terms of quantities and qualities and the know-how on the collection of the seeds, the pre-germination treatment or the most efficient cultivation in nurseries and planting of seeds is a major obstacle.

Commonalities in the countries on grounds of legislations in terms of reforestation activities

- All countries within the PoA boundary joined Initiative 20x20 and expressed their common need and ambition for forest landscape restoration.
- All of the countries within the PoA boundary have adopted national programs, plans or strategies in recent years that include measures for reforestation or restoration. However, none of the countries within the PoA boundary make forest landscape restoration activities mandatory by any law or regulation.

1.3| VVB opinion (to be completed by VVB, if applicable):

**Guidance* If required by SustainCERT or Gold Standard for this particular deviation, please add here the VVB's opinion.*

Not applicable

3.3| Impact of the deviation:

**Guidance* Use the space below to describe the impact of the deviation on project design, safeguarding principles assessment, SDG assessment, emissions reductions, monitoring frequency, data quality, potential risk or any other relevant aspect of the project. Please substantiate the impact assessment with relevant and verifiable data/information.*

1.3| Impact assessment (to be completed by Project developer):

The deviation has no impact on the project design, safeguarding principles assessment, SDG assessment, emission reductions, monitoring frequency, data quality or bears any other potential risk.

All projects (VPAs) across all countries will be developed as conservation forests, hence will be of the same project type. The safeguarding principles assessment and SDG assessment will be carried out at VPA level or for a group of VPAs in a country, hence are decoupled from this deviation request. Emission reductions, monitoring frequency and data quality do not depend on the country but have to always follow

the Gold Standard and methodological requirements outlined in the standard requirements and applied methodology regardless of the country.

1.3| VVB opinion (to be completed by VVB, if applicable):

**Guidance* If required by SustainCERT or Gold Standard for this particular deviation, please add here the VVB's opinion.*

Not applicable

4.3| Documents:

**Guidance* List of documents provided (note that once a decision has been made by Gold Standard, this deviation form along with supporting documents will be made public on the Gold Standard website. If any of the supporting documents are confidential, please indicate here to ensure they are omitted.)*

FAO – Global Forest Resources Assessment Reports 2020⁴

Request for Deviation_statistics_v1.0.xlsx

Country specific documents:

- Costa Rica:
 - "Contribución Nacionalmente Determinada de Costa Rica 2020 - Versión Completa.pdf"
 - "NDC Costa Rica 2020 - Contribución Nacionalmente Determinada de Costa Rica 2020 - Metas titulares.pdf"
 - Estrategia Nacional de Restauración de Paisajes de Costa Rica 2021-2050
- Panama:
 - "CDN1 Actualizada República de Panamá.pdf"
 - National Forest Restoration Program (PNRF)

⁴ <https://www.fao.org/3/ca9825en/ca9825en.pdf>

- Colombia:
 - "Colombia iNDC Unofficial translation Eng.pdf"
 - "Adjunto 1. Metas de adaptación_NDC de Colombia 2020.pdf"
 - "Adjunto 2. Medidas de mitigación_NDC de Colombia 2020.pdf"
 - National Restoration Plan (PNR)
- Nicaragua:
 - "Contribucion Nacionalmente Determinada Nicaragua 2018.pdf"
 - national forestry program
 - national reforestation plan (Plan Maestro de Reforestación)
- Guatemala: "Contribución Nacionalmente Determinada Guatemala 2021.pdf"
- Belize:
 - "Belize Updated NDC 2021.pdf"
 - National Landscape Restoration Strategy (NLRS) 2021-2030
- Paraguay:
 - "ACTUALIZACIÓN DE LA NDC DEL PARAGUAY 2021_Versión Final.pdf"
 - National Development Plan (Plan Nacional de Desarrollo Paraguay 2030)
 - "Implementation Plan of the National Forest Strategy for sustainable growth"
 - National Forestry Strategy for Sustainable Growth (2019-2030)
- Dominican Republic:
 - "Dominican Republic First NDC 2020.pdf"
 - "Regional Strategic Program for the Management of Forest Ecosystems (Perfor)"
- Honduras:
 - "NDC de Honduras_Primer Actualización.pdf"
 - National Program for the Recovery of Goods and Services of Degraded Ecosystems (MiAmbiente+, 2018)
 - The National Forestry Program (PRONAFOR)

Version number	Release date	Description
5	11.04.2022	Additional information added: <ul style="list-style-type: none"> - date of listing, design certification, transition - standard version - specific reference to a requirement deviated from

		<ul style="list-style-type: none"> - any previous deviations/design changes approved <p>Guidance on VVB opinion</p>
4	14.01.2021	
3	16.07.2020	
2	03.05.2018	
1	01.07.2017	Initial adoption