



# THE RAINFOREST STANDARD

Integrating social, environmental and economic well-being

**SOCIO-CULTURAL SOCIO-ECONOMIC**

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# **THE RAINFOREST STANDARD**

## **Integrating Social, Environmental, and Economic Well-being**

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# THE RAINFOREST STANDARD

## Integrating Social, Environmental, and Economic Well-being

### STRUCTURE: REQUIREMENTS AND PROTOCOLS

[Methodologies]

**The Rainforest Standard** consists of *Requirements* and protocols organized into five subject Sections: *Initial Conditions* (IC1-3) requiring a description of the natural, social, and legal status of the project area at the outset; Socio-cultural and Socio-economic requirements (S1-3), biodiversity considerations (B1-7), emission reduction considerations (ER1-5), and administrative operations (A1-8). A Glossary follows the five subject sections. Exhibits, Schedules, Templates, and an Appendix (*RFS Interactive Permanence Tool* link) follow the Glossary.

Initial Conditions	Socio-Cultural Socio-Economic	Biodiversity	Emission Reductions	Administration	Glossary
IC1: <i>Project Area Initial Conditions</i>	S1: Identifying and respecting de facto rightsholders	B1-1 to B1-3: Benchmarks	ER1: <i>Project Additionality</i>	A1: <i>RFS Website and Project Webpage</i>	Exhibits
				A2: <i>Experts, Representative Organizations, Commentators and Referees</i>	Schedules
IC2: <i>Project Participants</i>	S2: Transparency	B1-4 to B1-6 Monitoring, Reporting, Verification	ER2: <i>Emission Reduction Additionality and Baselines</i>	A3: <i>Project Validation</i>	Templates
				A4: <i>Monitoring, Reporting, Verifying</i>	Appendix
IC3: Legal Foundation	S3: Sustainable Quality of Life Benefits	B1-7: Data	ER3: CO <sub>2</sub> e Emission Reduction Calculations	A5: <i>Crediting Period, Project Life, Permanence Period</i>	
				A6: <i>Credit Registration, Transfer, Retirement</i>	
			ER4: <i>Leakage</i>	A7: <i>Defaults and Remedies</i>	
			ER5: <i>Permanence</i>	A8: <i>Fees</i> A9: <i>Miscellaneous</i>	

# THE RAINFOREST STANDARD

## Integrating Social, Environmental, and Economic Well-being

### SOCIO-CULTURAL SOCIO-ECONOMIC

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**S1: IDENTIFYING AND RESPECTING DE FACTO RIGHTSHOLDERS****OBJECTIVES:**

Consistent with the Principles of Inclusion and Participatory Consultation (see IC2 Rationale), *RFS Projects* must be designed to respect socio-economic and socio-cultural facts on the ground. To do so requires the accurate and complete identification of all *De Facto Rightsholders*, as well as of *De Jure Rightsholders* and other *Project Participants* (IC2). The emphasis on accurate and complete identification of *De Facto Rightsholders* is to provide assurance that *RFS Projects* are designed so that:

Existing rights to lands and resources, whether statutory or customary, will be identified and respected;

*Indigenous Peoples', Forest Dwellers' and Forest Users'* and local communities' traditional resource management knowledge and practice consistent with *The RFS* goal of reducing removal of *Tree Biomass* in *Eligible Forested Lands* will be identified and respected;

All applicable laws, international agreements and conventions, as well as customary law, including international conventions that call for protection of indigenous knowledge and practice are identified and complied with; and

*Project* activities identify and account for culturally relevant zoning categories (*Local Zonation*) (see IC1-3B) that recognize local knowledge and historical uses.



It is permitted and desirable, although not required, that a *Project* be designed to help formalize local customary recognized rights of indigenous, ribereño, caboclo, colono, mestizo, campesino, and other private landowners, local communities, and households.

**RATIONALE:**

A fundamental principle of *The RFS* is that full engagement of *De Facto Rightsholders* is essential for *Projects* to reduce removals of *Tree Biomass* in the long term. The focus in this section on *De Facto Rightsholder* engagement is based on the presumption that *De Facto Rightsholders* are not always afforded the same legal protections as *De Jure Rightsholders*. With respect to *De Jure Rightsholders*, *The RFS* requires that they be identified as *Project Participants*; they can then access the protections of existing laws to assure their rights in connection with the activities described in *The RFS*.

**REQUIREMENTS:**

**S1-1** As part of its *Initial Project Submission Documents*, the *Project Proponent* shall submit a list of all *De Facto Rightsholders* (*De Facto Rightsholders List*) in the *Project Area* (including *Indigenous Peoples*, local communities, *Forest Dwellers* and *Forest Users*).

**S1-2** To ensure that affected *De Facto Rightsholders* have an adequate opportunity to be included in or excluded from the *De Facto Rightsholder List*, the *Project Proponent* shall publicize the *De Facto Rightsholder List* (*De Facto Rightsholder Notice*) for 90 days (*De Facto Rightsholder Notice Period*) using:

- A. Locally recognized legal and traditional communication channels;
- B. Publication in all local newspapers at least three times;

- C. Broadcast at least three announcements over local radio or television, if available;
- D. Posting on the internet in a manner required by Section A2;
- E. Written notification to *Representative Organizations* with an interest in the *Project Area*,
- F. Written notification to *Governmental Authorities* with any jurisdiction over the *Project Area*;
- G. Written or traditional communication to all known *De Facto Rightsholders*.

**S1-3** Compliance with *De Facto Rightsholder Notice*. The *Initial Project Submission Documents* shall include:

- A. A written statement by *Project Proponent* that the *De Facto Rightsholder Notice* has been provided in accordance with S1-2A-G, describing the method of compliance with each of A-G, the dates thereof, and identifying any third parties participating in compliance (e.g. newspaper, radio, NGO).
- B. A *Personal Representation* by the *Project Proponent's* top executive officer (e.g., CEO, Principal Partner, Executive Director) in his or her personal capacity as well as by the *Project Proponent* that the information provided in S1-3A is accurate and complete in all material respects to the best of his/her knowledge and belief after a full, good faith investigation.

**S1-4** The *De Facto Rightsholder Notice Period* can be initiated by the *Project Proponent* at any time in its sole discretion, after or before *Presubmission Consultations* (see S2-1F1); however, to ensure that the *De Facto Rightsholder List* is not stale, the *De Facto Rightsholder Notice Period* shall not be valid if it was initiated more than 12 months prior to the *Initial Project Document Submission Date*.

**S1-5** The *De Facto Rightsholder Notice* shall state that, from the beginning of the *De Facto Rightsholder Notice Period* to 90 days after the *De Facto Rightsholder Notice Period* (*De Facto Rightsholder Claim Period*), any of the following may submit a written claim to the *Project Proponent* (*De Facto Rightsholder Claim*) that it, or any other *De Facto Rightsholder*, should be included or excluded from the *De Facto Rightsholder List* with its justification for the claim:

A. Any group claiming to be a *De Facto Rightsholder* as defined in IC2;

B. A *Representative Organization*

C. A *Governmental Authority*

**S1-6** Within 30 days of the expiration of the *De Facto Rightsholder Claim Period*, the *Project Proponent* shall list all *De Facto Rightsholder Claims* filed with them and shall include all such claims in its *Initial Project Submission Document* along with its response if it chooses not to list or delist the claimant. Failure to submit a *De Facto Rightsholder Claim* shall be considered a *Major Default* under subsection A7-2 and will be treated in accordance with the *Requirements* of that section.

## **S2: TRANSPARENCY DISCLOSURES and FREE, PRIOR, INFORMED *CONSENT***

### **OBJECTIVES:**

Consistent with the *Principles Of Inclusion And Participatory Consultation*, throughout the planning and development process *Project Proponents* shall provide accurate and complete information on all aspects of the *Project* to all *Project Participants*, afford all *Project Participants* the opportunity to contribute to the planning and execution of the *Project* and its activities, gain acceptance of the *Project* from all *Project Participants*, and continue to communicate openly and transparently with all *Project Participants* throughout the *Project Period*.

All communications with and by *Project Participants* shall be made in a manner that is recognized as readily understood by each *Project Participant* and culturally appropriate.

All understandings with and consents by *Project Participants* shall require their *Free, Prior, Informed Consent*.

The nature and pattern of distribution of benefits and responsibilities stemming from the *Project* and its activities shall be detailed in a documented understanding within and among all *Project Participants*.

Socio-economic and socio-cultural risks associated with receiving or not receiving potential benefits throughout the duration of the *Project* shall be fully disclosed, acknowledged, and accepted by all *Project Participants*.

**RATIONALE:**

One goal of *The RFS* is to ensure that *Rightsholders* are fully aware of all the risks, obligations, costs, and contingencies they might encounter at the outset of a *Project* or over time by entering into any agreement for the transfer of their CO<sub>2</sub>e emission reduction rights to any counterparty.

Consistent with fundamental principles of contract and equity, *The RFS* requires that each decision made by any *Rightsholder* be made with their *Free, Prior, Informed, Consent* (“*FPIC*”). Mindful of its twin underlying principles of credibility and practicability, *The RFS* seeks to require the maximum possible demonstration that each *Rightsholder* decision has been made and will continue to be made with their *Consent*.

The *RFS* operationalization of *FPIC* considers two constraints: (1) How to know whether an individual knows something; and (2) Whether the decision-maker actually has the time, inclination, and information to learn and understand everything that would allow them to make a “fully informed” decision? While neither of these constraints can ever be fully overcome, *The RFS* sets forth *FPIC Requirements* that it believes achieve a reasonable level of confidence that *Rightsholders* will have had as much information with which to make their decisions as would satisfy the quality of *FPIC* normally required in social, legal, and commercial interactions.

**REQUIREMENTS:**

**S2-1** The *Project Proponent* shall provide a written disclosure statement (“*Proponent Disclosure*”) to each *Project Participant* (including all those on the *De Facto Rightsholder List*), which shall provide or state the following:

- A. A legible copy of all maps and schedules required by IC1;

B. A complete description of the *Project* and its activities, with an emphasis on its goal of reducing or eliminating removal of *Tree Biomass* from *Eligible Forested Land*. The description shall include a clear and highlighted statement that planted forests are not subject to the *Requirements* of *The RFS*; that any activity in such planted forests (such as harvesting or additional planting) will have no affect on any benefits, neither decreasing them through harvesting nor increasing them with plantings.

C. The requirement for a *Rightsholder Benefit Plan* in accordance Section S2-4;

D. That *Project Proponent* is required to provide a *Rightsholder Benefit Plan* in accordance Section S2-8;

E. An update as to the current status of *Project* planning and development;

F. Schedule of workshops or meetings (or other forms of communication sanctioned by authorized members of the *Rightsholder*) publicized and open to all to inform all members of each *Rightsholder* of the matters described in S2-1 (*"Participatory Consultations"*) and to get their feedback.<sup>1</sup> The schedule shall provide for a minimum of:

1. Two such events per *Rightsholder*, which shall be scheduled and shall take place prior to the *Initial Project Submission Date* (*"Pre-Submission Consultation"*);

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<sup>1</sup> Sections S2-1F1 and S2-1F2 require two workshops or meetings: in the first meeting information will be presented and questions asked, but participants will not have had time to digest and discuss the information. The second meeting assures participants that they will have an opportunity to give their feedback after they have had time to consider it. In contrast, S2-1F3 and S2-1F4 require only one meeting since these are informational only and do not require feedback, although there should be an opportunity for *Project Participants* at such a meeting to clarify any matter about which they feel uncertain.

2. Two such events per *Rightsholder* which shall be scheduled and shall take place between the *Initial Project Submission Date* and *Final Project Submission Date* (“*Final Submission Consultation*”);
3. One such event per *Rightsholder* within 180 days after *Project* validation (“*Validation Consultation*”); and
4. One such event per *Rightsholder* 90 days prior to each subsequent verification (“*Verification Consultation*”).

G. That *Participatory Consultations* shall afford every individual on whose behalf the *Participant Acknowledgment* (see S2-2 below) purports to speak a full opportunity to understand the content of the *Proponent Disclosure*, to ask any questions they might have about its contents, to receive replies to such questions they deem adequate, and to provide his or her opinion about the content.

H. Names of the institutions and individuals who have control over decision-making, fund management, and information dissemination on behalf of the *Project Proponent*;

## **S2-2 Compliance with Proponent Disclosure and Participatory Consultation Requirements.**

A. The *Initial Project Submission Documents* shall include:

1. A written statement by *Project Proponent* that:
  - a. The *De Facto Rightsholder Notice* has been provided in accordance with S1-2A-G, describing the method of compliance with each of A-H, the dates thereof, and identifying any third parties participating in compliance; and
  - b. The two *Pre-Submission Consultations* have taken place.

2. A *Personal Representation* by the *Project Proponent's* and *Project Developer's* top executive officer (e.g., CEO, Principal Partner, Executive Director) in his or her personal capacity as well as by the *Project Proponent* and *Project Developer* that the information provided in S2-2A1 is accurate and complete in all material respects to the best of his/her knowledge and belief after a full, good faith investigation.

B. The *Final Project Submission Documents* shall include:

1. A written statement by *Project Proponent* that the two *Final Submission Consultations* have taken place.
2. A *Personal Representation* by the *Project Proponent's* and *Project Developer's* top executive officer (e.g., CEO, Principal Partner, Executive Director) in his or her personal capacity as well as by the *Project Proponent* and *Project Developer* that the information provided in S2-2B1 is accurate and complete in all material respects to the best of his/her knowledge and belief after a full, good faith investigation.

C. *Verification Request* documents shall include:

1. A written statement by *Project Proponent* that:
  - a. the *Validation Consultation* has taken place; and that
  - b. the *Verification Consultation* has taken place.
2. A *Personal Representation* by the *Project Proponent's* and *Project Developer's* top executive officer (e.g., CEO, Principal Partner, Executive Director) in his or her personal capacity as well as by the *Project Proponent* and *Project Developer* that the information provided in S2-2C1 is accurate and complete in all material respects to the best of his/her knowledge and belief after a full, good faith investigation.



**S2-3** With its *Initial Project Submission Documents*, the *Project Proponent* shall submit a written acknowledgement ("*Participant Acknowledgement*") from each *Project Participant* (other than *Governmental Authorities*), signed by those with legal or traditional authority to do so, that includes the following:

A. Whether the *Project Participant* believes it has the legal or customary right to remove *Tree Biomass* from *Eligible Forested Lands* in the *Project Area*;

B. Whether the *Project Participant* believes any other *Project Participant* has the legal or customary right to remove *Tree Biomass* from *Eligible Forested Lands* in the *Project Area*;

C. Whether the *Project Participant* believes it has a primary right to all or part of the CO<sub>2</sub>e emission reduction credits for reduced removal of *Tree Biomass*;

D. A *Representation* that each member of the *Project Participant* (partner, shareholder, family, group, or individual – as the case may be) has had the full opportunity to participate in *Participatory Consultations*;

E. Names of the institutions and individuals who have control over decision-making, fund management, and information dissemination on behalf of the *Project Participant*;

F. Description of the process the *Project Participant* has established for giving and documenting free, prior, informed *FPIC* in culturally appropriate and accessible forms and in accordance with law and international agreements;

G. Acknowledgment that the *Project Participant* has given its *Free Informed Prior Consent* for all *Project* activities that affect it and its members and their resources;

H. Acknowledgment that the *Project Participant* understands it has the right to refuse to participate in the *Project*; and

I. Description of the process the *Project Participant* has in place to resolve disputes among its members over rights to remove *Tree Biomass* and/or to carbon emission reduction credits.

**S2-4** Prior to *Final Project Document Submission*, the *Project Proponent* shall obtain a *Rightsholder Benefit Plan* from each *Rightsholder* signed by those with legal or traditional authority to do so, and by any non-governmental or governmental organization with regulatory authority over such matters.

A. The *Rightsholder Benefit Plan* shall include at a minimum the following (see Template S2-4):

1. An accurate and complete description of all benefits of any kind that may be received by the *Rightsholder* during the *Project Period* from the *Project Proponent*, NGOs, *Governmental Authorities*, other *Rightsholders*, or other private parties including direct or indirect monetary payments, in-kind payments, or other incentives to reduce removal of *Tree Biomass*, switch to alternative livelihoods, or change residence patterns directly or indirectly;
2. An accurate and complete description of the *Rightsholder Benefit Plan* agreement by the *Rightsholder* and its members, that includes at a minimum the following:
  - a. the nature of the property to be distributed (e.g. cash, credit, in-kind supplies or equipment, vouchers for health or education services)
  - b. the share of net benefits to go to each *Rightsholder* member

- c. the allowable expenses that may be deducted from gross benefits and identify who may receive payments for the services expensed;
- d. the form of annual reporting of income and expense in a format that is designed to be understandable by all *Rightsholders*;
- e. a mechanism for dealing with disputes among members or groups of members of a *Rightsholder*
- f. a mechanism to monitor changes in the distribution of benefits and costs and to make this information available in a transparent manner to all *Rightsholders*; and
- g. Identification of individuals, positions, or groups responsible for benefit collection and distribution.

B. *Indigenous Peoples* or *Traditional Community Life Plans* (or a *Community Document* in the case of *De Facto Rightsholders*) authorized in accordance with the legal and traditional *Requirements* of the *Rightsholder* (and, if required by law or tradition, sanctioned by any non-governmental or governmental organization with regulatory authority with respect to such plans) shall be deemed sufficient to satisfy the *Rightsholder Benefit Plan* requirement of S2-4A, provided such plans or documents address the *Rightsholder Benefit Plan Requirements* of section S2-4A2-a,b,e-h.

**S2-5** Prior to the *Final Project Submission Date*, *Project Proponent* shall provide a *Master Rightsholder Benefit Plan*.

A. The *Master Rightsholder Benefit Plan* shall:

1. List all *Rightsholder Benefit Plans*;

2. Consolidate the *Rightsholder Benefit Plans* and demonstrate the absence of any inconsistencies or conflicts among the *Rightsholder Benefit Plans*;
3. Provide a mechanism(s) for dealing with disputes between *Rightsholders*; and
4. Describe and acknowledge:
  - a. the fiduciary obligation of the *Project Proponent* to provide each *De Facto Rightsholder* with the benefits described in their *Rightsholder Benefit Plan*, including the amount, method and timing of payments; and
  - b. the agreements underlying S2-4A obligations, including remedies for any defaults thereunder, which agreements shall be attached to and made part of the *Master Rightsholder Benefit Plan*.

#### **S2-6 Master Rightsholder Benefit Plan Compliance.**

A. *Credit Verification* is contingent on compliance with the *Master Rightsholder Benefit Plan*. In the event that the documentary evidence does not demonstrate full compliance, credits will not be verified. As part of any *Verification Request*, the *Project Proponent* shall submit documentary evidence that it has complied with the *Master Rightsholder Benefit Plan*.

1. Documentary evidence of compliance shall include:
  - a. a *Personal Representation* by the *Project Proponent's* top executive officer (e.g., CEO, Principal Partner, Executive Director) in his/her personal capacity rather than official capacity, representing that he or she has personal knowledge of compliance with each *Rightsholder Benefit Plan* as well as by the *Project Proponent* itself; and
  - b. Either:

(1). An acknowledgment of receipt of benefits from authorized representatives of the *De Facto Rightsholder*;  
or

(2). Documentary evidence of payments such as evidence of monetary payments or delivery of goods or services.

B. Notwithstanding the *Requirements* of subsection S2-6A, in the event that a *De Facto Rightsholder* declines to continue to participate in the *Project*, credits can be verified in accordance with the following procedure.

1. A *Rightsholder* is considered as having declined to continue to participate in the *Project* if it has:

- a. Given written notice to that affect;
- b. Failed to respond in accordance with the dispute mechanism sanctioned by the *Master Rightsholder Benefit Plan*;
- c. Otherwise failed to accept documented good faith efforts of the *Project Proponent* to provide the benefits required by the *Rightsholder Benefit Plan*.

2. The *Verification Request* shall describe in detail which of the three criteria above is the basis for the *Project Proponent's* claim that the specified *De Facto Rightsholder* has failed to continue its participation, and shall provide a *Personal Representation* by the *Project Proponent's* top executive officer (e.g., CEO, Principal Partner, Executive Director) in his/her personal capacity rather than official capacity, representing that he or she has personal knowledge of the discontinued participation of the *De Facto Rightsholder* in question and the basis therefor.

3. If the *Verification Request* procedure required by Section A4-2 concludes without contradicting the claim that the *De Facto Rightsholder* has discontinued its participation, a *Verification Certificate* shall be issued as if Subsection S2-6A has been fully complied with.

4. Within one year from the date the *Verification Certificate*, *Project Proponent* shall submit an amended *Master Rightsholder Benefit Plan* that has eliminated the withdrawn *De Facto Rightsholder*.

**S2-7** Any institution authorized to hold any assets to be distributed under a *Rightsholder Benefit Plan* or *Master Rightsholder Benefit Plan* shall meet minimum financial *Requirements* set forth in Section A9-A.

**S2-8** Prior to the *Final Project Submission Date*, the *Project Proponent* shall prepare and deliver to each *Rightsholder* a *Rightsholder Benefit Plan* and obtain from each *Rightsholder* a *Rightsholder Risk Acknowledgement* signed by those with legal or traditional authority to do so.

A. The *Rightsholder Benefit Plan* shall describe accurately and completely:

1. Any risks to traditional livelihoods that changing their activity patterns might entail;
2. The full range of circumstances that could result in their not receiving all or some benefits described in the *Rightsholder Benefit Plan*;
3. All obligations, explicit or implicit, agreed to be undertaken in connection with receiving any benefits;
4. The range of contingencies that could deprive them of their benefits (e.g., their voluntary removal of *Tree Biomass* or by other *Rightsholders*, corruption, market price shifts, investment failures, internal and external conflicts, et al.);
5. Options for eliminating or reducing risks to projected benefit streams; and
6. The extent of their benefits and risks in relation to the benefits and risks of other participants in the “value chain.”

B. The *Rightsholder Risk Acknowledgement* shall acknowledge the risks described in S2-7A1-6 and expressly accept such risks.

**S2-9 Free, Prior, Informed Consent (FPIC).**

A. With its *Final Project Submission Documents*, *Project Proponents* shall provide evidence to demonstrate that *Rightsholders* have had sufficiently accurate and complete information in a timely and culturally appropriate manner to allow a reasonable person to make an informed decision in connection with any consent, acknowledgment, or acceptance required of the *Rightsholder*.

B. Sufficient evidence of compliance with *RFS FPIC Requirements* (see Template S2-9B) shall consist of delivery of the following with respect to each *Rightsholder*:

1. Evidence of completion of required *Participatory Consultations*;
2. *Proponent Disclosure*;
3. *Project Participant Acknowledgement*;
4. *Rightsholder Benefit Plan*;
5. *Rightsholder Risk Acknowledgement*; and
6. *Personal Representation* of *Project Proponent* signed by its top official (e.g. President, Executive Director, Chief, Leader) in his/her personal capacity rather than official capacity, representing that he or she has personal knowledge of compliance with respect to the minimum *Requirements* for demonstrating *Rightsholder FPIC* in S2.

C. If the *Requirements* of any law or regulation with respect to *Free, Prior, Informed Consent* governing *De Facto Rightsholders* or other *Project Participants* are more restrictive than the *Requirements* of S2-9, such

*Requirements* shall supervene S2-9 and be deemed to satisfy the *Free, Prior, Informed Consent Requirements* of this Section S2-9.



**S3: SUSTAINABLE QUALITY OF LIFE BENEFITS****OBJECTIVE:**

The *Project* shall be designed and managed to sustainably maintain or augment the quality of the socio-economic or socio-cultural domains a *De Facto Rightsholder* determines is in accordance with its goals and preferences; *Projects* are expected to achieve measurable, sustainable *Quality Of Life Benefits* (“QOL Benefits”) for *De Facto Rightsholders*.

**RATIONALE:**

The *RFS* seeks to balance its goal of facilitating sustainable tangible improvements in the quality of life of *De Facto Rightsholders* with the autonomy of those *De Facto Rightsholders* to determine for themselves how they choose to use benefits stemming from the *Project*.

Only *De Facto Rightsholders* are referenced in this section because of the concern that the Quality of Life (“QOL”) of *Indigenous Peoples*, local communities, and other forest-dependent groups could be adversely affected by carbon market revenues, while in general there is little or no concern about adverse affects on the quality of life of *De Jure Rightsholders*. However, in those cases where *Forest Dwellers* or *Forest Users* are *De Jure Rightsholders*, *QOL Benefits* must be measured and monitored in accordance with the *Requirements* of this Section S3 throughout the *Project Period*.

**REQUIREMENTS:**

Section S3-1 sets out the *QOL* benefit *Requirements* for validation of the *Final Project Submission Documents*. Section S3-2 sets out the *QOL* benefit *Requirements* for subsequent *Project* verifications.

**S3-1 QOL Benefit Validation Requirements:** As part of its *Final Project Submission Documents*, the *Project Proponent* shall submit a Quality of Life document (“*QOL Document*”) from each *Project Participant* that is an *Indigenous People*, local community, or *Forest Dwellers* or *Forest Users* (whether a *De Jure Rightsholder* or on the *De Facto Rightsholder List*) describing their plans, if any, for sustainably maintaining or improving quality of life socio-economic or socio-cultural domains. *Indigenous Peoples* or local community *Life Plans* (or *Community Documents* in the case of other *De Facto Rightsholders*) authorized in accordance with the legal and traditional *Requirements* of the *Rightsholder* (and if required by law or tradition, sanctioned by any non-governmental or governmental organization with regulatory authority with respect to such plans) shall be deemed sufficient to satisfy the *QOL Document* requirement if they address the same or similar issues. Every *QOL Document* shall at a minimum specify the following:

A. Changes to be measured, monitored, and verified in the following domains (“*QOL Domains*”), at least two of which shall be from Group A, and one from Group B.

Group A:

1. Household income
2. Access to health care
3. Education
4. Diversity of income sources
5. Infrastructure facilities.

Group B:

1. Use of traditional integrated forest management practices.
2. Access to and security of land and resource tenure
3. Sustainable *Eligible Forested Lands Resource Use*
4. Level of conflict over resources

B. The method for establishing a *QOL Benchmark* for each *QOL Domain* selected:

1. If a *Governmental Authority*, recognized NGO, or *Peer-reviewed Literature* has published data not more than five years old establishing a benchmark for the *QOL Domain* covering a community within the *Project Area*, such benchmark must be used by the *Project Proponent* (“*Validated QOL Benchmark*”). (If there is more than one *Validated QOL Benchmark*, the one indicating the best performance shall be used.)
2. When *Validated QOL Benchmarks* are not available, the following shall be used as guidelines for establishing *QOL Benchmarks* (“*Permissible QOL Benchmarks*”):
  - a. Existing data sources considered reliable or valid by any one of the following can be used:
    - (1) Data published by a *Government Authority*;
    - (2) Data from *Representative Organizations*;
    - (3) Data published in *Peer-reviewed Literature*;
    - (4) Data collected locally for the intended purpose using sampling protocols appearing in *Peer-reviewed Literature* or an in-print statistics textbook.
  - b. A *Participatory Rural Appraisal*, *Diagnostic Of Rural Participation*, or *Sustainability Impact Assessment* from the approved list (see Schedule S3-1), prepared in accordance with minimum *Requirements*:
    - (1) Of a *Governmental Authority*;
    - (2) A *Representative Organization*;
    - (3) Published in *Peer-reviewed Literature*; or
    - (4) An in-print textbook.
  - c. Multiple iterative collaborative consultations with *Rightsholder* members, one or more *Governmental Authorities*, and a *Representative Organization*.
  - d. For any benchmark established pursuant to S3-1B2a–c to be deemed a *Permissible QOL Benchmark*, a *QOL Validation Certificate* must be provided by the *Proponent QOL Expert(s)* (see Exhibit E for minimum

qualifications required of a *Proponent QOL Expert*). The *QOL Validation Certificate* shall state:

- (1) In the case of S3-1B2a, that the data are reasonably accurate with respect to the referenced domain;
- (2) In the case of S3-1B2b, that the data were collected in accordance with the method's published *Requirements* including sampling protocols, data collection methods, and data analysis; and
- (3) In the case of S3-1B2c, evidence that the data from the consultations was reasonably accurate and complete and reasonably applied to derive the benchmark.

C. The identity of the individuals and or organizations responsible for developing the *QOL Benchmarks*, including any participation of local groups in planning, implementation, and assessment of *QOL Benchmarks*.

D. A commitment to reconsider and revise the *QOL Document* every five years from the *Final Project Submission Date*.

E. Goals for improvement (*QOL Domain Goal*) in each *QOL Domain* in relation to the *QOL Benchmark*.

F. A monitoring and reporting plan ("*QOL Monitoring Plan*") prepared by a *Proponent QOL Expert* that incorporates:

1. Transparent monitoring and reporting procedures for each *Project Participant* for which a *QOL Document* is required.
2. Any courses or programs the *Project Proponent* has elected to make available for training local community members in validated scientific methods for measuring, monitoring, and/or verifying activities in *QOL Domains*. Trained local

community members can be employed in all aspects of the studies including data collection, analysis, and interpretation; outside monitors and experts may participate when invited.

3. Protocols for monitoring and reporting changes in the *QOL Domains* identified in the *QOL Document*. Results shall be reported in writing ("*QOL Report*"), signed by the *Project Proponent* representing that the report has been completed in accordance with the *QOL Monitoring Plan*. Monitoring and reporting shall be conducted and the *QOL Report* filed not less frequently than once every two years. Thus, the first *QOL Report* shall be due within two years from the *Project Start Date* and then every two years from the previous *QOL Report* filing. (See A5-2A for method to determine *Project Start Date*.)

**S3-2 Verification Requirements:** For *Project Credits* to be verified, the *Project Proponent* must be in compliance with the *Requirements* of this Section S3-2.

A. The *Project Proponent* must file a *QOL Report* prepared by a *Proponent QOL Expert* for each *Project Participant* for which a *QOL Document* is required within two years of the *Project Start Date* and then within two years of the immediately previous *QOL Report*;

B. Within 30 days of receiving a *QOL Report*, a *QOL Report Card* shall be issued by *The RFSMU* that compares the *QOL Report* results with *QOL Benchmarks* in each *QOL Domain* identified by the *QOL Document* as one for which change is to be measured, monitored, and verified and previous *QOL Reports*. The *QOL Report Card* shall be made public through the *Project Webpage*, the *RFS Website*, and to the *Rightsholder* members;

C. In the event that a *QOL Report Card* shows that the increase from the *Benchmark* is below any *QOL Domain Goal*, the immediately subsequent *QOL Report* shall set forth a

detailed program for achieving the *QOL Domain Goal* during the new *QOL Monitoring Plan* term.

D. In the event that a *QOL Report Card* shows an absolute decrease from a *QOL Benchmark*, the immediately subsequent *QOL Report* shall provide the following:

1. An explanation for the failure to improve the *QOL Benchmark*; and
2. A set of remedies for overcoming the failure to improve the *QOL Benchmark*.

E. *Suspended QOL Verification*. When a *QOL Report Card* has shown an absolute decrease from a *QOL Benchmark*, the issuance of otherwise verifiable credits will be suspended in accordance with the Table S3-2E: *QOL Credit Issuance Suspension Schedule*. Any suspended credits will be issuable when and only when a subsequent *QOL Report Card* shows there has been an increase in the *QOL Domain* in which there had been a decline. The *Project Proponent* may provide a new *QOL Report* as soon as six months of any suspension and a new *QOL Report Card* will be provided within 60 days thereof.

Table S3-2E: <i>QOL Credit Issuance Suspension Schedule</i>	
Years after <i>QOL Report Card Benchmark</i> Decrease	% Credits Suspended Per Domain
<1	1
1 to <2	3
2 to <3	5
3 to <5	10
5 or more	20