



Scolet Te
OPERATIONAL MANUAL



**NATURAL RESOURCES MANAGEMENT AND CARBON
SEQUESTRATION**

AMBIO*

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INTRODUCTION

The Scolel té Project - Natural Resources Management and Carbon Sequestration - is the result of the effort and cooperation of a team comprised of several independent organisations, but the project is mainly managed by two institutions:

AMBIO is a Mexican Non Governmental organisation which establishes and maintains the connection, coordination and organisation of field activities with the social organizations, groups and producers involved in the sale of carbon sequestration services.

ECCM (The Edinburgh Centre for Carbon Management) is an organisation located in Edinburgh, Scotland. ECCM carries out the quantification of CO₂ emissions from enterprises concerned by the mitigation of this greenhouse gas which results from their industrial activities.

AMBIO and ECCM together form the **Bioclimatic Fund Trust** (FBC). This trust works as a small independent banking institution, whose aim is to give financial advice, negotiate and administrate economic resources related to the purchase and sale of carbon sequestration services, through the appropriate management of agroforestry and forestry systems. The FBC is a Fund which plays the role of an umbrella for all the organisations, groups and communities interested in selling carbon sequestration services. The administration and operation of the FBC is under the responsibility of AMBIO in San Cristóbal de Las Casas, Mexico, and ECCM in Edinburgh, Scotland.

AMBIO through the FBC is:

- A contact between industrial companies interested in the mitigation of their CO₂ emissions and small producers in Mexico who offer carbon sequestration services.
- A training centre for rural producers interested in offering carbon sequestration services.
- The body in charge of the administration and management of economic resources and of the monitoring of field activities related to carbon capture.

The Plan Vivo System (PVS) has been developed for the management of carbon sequestration services, and is directed towards small producers and rural communities at a small scale to promote sustainable rural development.

The procedures used by the Scolel Té Project are based on the Plan Vivo System (www.planvivo.org). The present document describes those procedures, as well as all the information and processes generated by the purchase and sale of carbon.

Appendix 1 gives a general overview of the Scolel té Project and explains its management.

1. SEARCH FOR BUYERS

Currently, the project does not have its own resources to search for carbon buyers, and subsequently, its strategy is to establish national and international links to facilitate the search for buyers. However, it is important to mention that those international buyers are still in limited numbers, and that the possibility to carry out major sales depends on them.

2. DEFINITION OF PRIORITY ZONES

The zones or areas considered as a priority for the establishment of the carbon sequestration project are concentrated in the states of Chiapas and Oaxaca. Most of these areas have a high biodiversity with fragile ecosystems. They also have strong social needs and are mainly inhabited by various indigenous groups.

3. SURVEYS AND TRAINING VISITS TO THE COMMUNITIES INTERESTED

This approach involves communities, groups and/or organizations that have made previous contact with AMBIO and have shown their interest in the sale of carbon sequestration services.

The community training tackles themes of importance for the carbon project as well as issues that have to be part of the knowledge of the people involved, such as climate change, greenhouse effect, carbon sequestration, environmental services, agroforestry and forestry systems, operation of the Scolel té Project, Bioclimatic Fund Trust, participation of AMBIO-ECCM. It also explains the commitments, obligations and rights that people have when they become part of this initiative.

3.1 Community surveys

Right after the first visit, a file on the community is created, where are described and evaluated its main social and environmental characteristics, and are noted down important modifications that have been done. Most of this information is obtained by interviews directly with local people and technicians or by observations made by AMBIO technicians, and only a few very accurate questions are asked to the inhabitants.

The purpose of these surveys is to complete and compare the information of the Planes Vivos¹ with the observations made during visits by AMBIO technical team. It means that the technical team has to know the place directly, which, when evaluating the Planes Vivos, will allow them to decide whether the management options and species proposed by the producers are appropriate or not.

3.2 Planning advice

Once the availability of the group to work is known (sometimes between 1 and 3 visits are necessary to reach this level), as well as the social and ecological conditions of the area, the organisation chooses community technicians which are then properly trained to implement the Planes Vivos. The technical training, combining workshops and field visits, addresses the basis of the Planes Vivos and provides the minimum knowledge to execute them adequately. The training focuses on activities considered as essential regarding the planting, the plan vivo contents and the selection of the most appropriate systems.

The viability of several agroforestry and forestry systems in the community is discussed with the producers, considering:

- Land availability and quality.
- Agroforestry or forestry systems already established in the community.
- Identification of timber species useful for the community.
- Participation level and system management; individual, collective or communal.
- Level of participation and management of the systems; individual, collective or communal.
- Number of families which can be involved.

¹ Planning tool for all the activities that the producer will carry out on the plot selected for carbon sequestration.

- Capacity to organise community tasks (tree felling for self consumption, fuel, water pipes, etc.).

After 1 or 2 meetings, the community must decide if it wishes to go a step further, i.e. elaborate its Planes Vivos, or to stop the process without any commitment being made.

3.3 Community technicians

Scolel té has one community technician for each community and/or group registered in the Project. This technician is elected by a community assembly or group.

The degree of participation of the community technicians depends on their experience and presence within the communities. Some of them do not only support technical activities but also provide information to AMBIO technical team regarding social issues faced by the communities in their region, in order to facilitate the implementation of the project.

Community technicians let AMBIO know about issues such as:

- Internal conflicts which at any time could affect the fulfilment of the objectives of the project.
- Intention to use the Project for a political or religious goal.
- Elitist rules or customs (for political, religious or personal reasons).
- Forced participation in the Project, i.e. participation is not on a voluntary basis.

In addition, together with the groups, they analyse the planning and implementation of the agroforestry and forestry systems, so that these can be socially acceptable.

4. CARBON SALE

The possibility to sale carbon is offered to those organisations which are already working in the areas involved, and to groups or systems identified as priorities by the Project. In fact, a preference is given to the groups which have previously worked responsibly in these areas or in priority environmental areas and which use technically and socially viable forestry and agroforestry systems to manage their natural resources (Appendix 2), as well as to the groups which have been identified during the visits by the technical team as being able to offer carbon sequestration services. The Project looks for several interested organisations and/or groups able to satisfy the demand. The implementation of the sale can be done in several ways which are described below.

4.1 Direct sale

This works as follows: when AMBIO becomes aware that one or several companies are willing to pay for the carbon sequestration service, the details of this potential transaction are communicated to the social organisations interested in the sale of carbon.

Once the details of the sale are made clear (quantity, price and date), AMBIO team discusses the possibility of the sale with the groups and organisations, considering:

- The size of the investment.
- The number of communities and producers which can be involved in this sale.
- Uncertainties related to the sale.
- Conditions and steps for the commercialisation of the carbon sequestration service through the FBC.

4.2 Reserve Fund

This Fund is involved when several producers wish to carry out reforestation activities, knowing in advance that there is no current immediate carbon buyer. In this case, the carbon is registered as part of the **Reserve Fund**. The reserve fund is managed independently from what has been already registered, administrated and sold.

For this kind of carbon, AMBIO can help with the implementation of the Planes Vivos without any commitment regarding the price or sale. The procedures for the elaboration and evaluation of the Planes Vivos for the reserve fund are identical to the ones involved in direct sale. The Planes Vivos registered are included as part of the Reserve Fund, which is negotiable when appears a buyer, or can be bought by FBC for contingency purpose; in both situations, purchase prices are not guaranteed. The FBC controls the size of the Reserve Fund taking into account the expectations of carbon sales for the following years.

The advantage for the producers is that their reforestation activities are kept registered and at the same time, the future sale of environmental service is supported. On the other hand, the FBC obtains better sales opportunities, since it offers buyers a more diverse portfolio of forestry and agroforestry activities in various social areas, systems and organisations.

It has to be said that Reserve funds are monitored once buyers are associated to them, and payments are made according to the situation identified during the monitoring of the plantation (maintenance, survival of the trees, etc.).

5. REPARTITION OF THE CARBON SALE BETWEEN COMMUNITIES

5.1 Communication of the sale to the community

Once a group of communities interested in the sale of the environmental service is identified, AMBIO decides upon the repartition of the carbon sale between organisations, groups and communities, taking into account their participation history and quality of the data and results presented in the monitoring.

The parties involved in the sale are explained that the priority is to develop forestry and agroforestry systems that are compatible and complementary to the rural way of life in the long term, and that the objective is not to develop systems for the only sake of carbon sale. It is also emphasized that the participation is voluntary and that agreements between the FBC and producers do not imply the transfer of land ownership or the purchase of land, but only entail compliance with the Plan Vivo and the Registration Letter².

5.2 Agreements for the planning and participation in the sale

Once the group gets access to the sale of the environmental service, the rights and responsibilities of the parties involved (FBC . Communities) are clearly established through a simple act in order to avoid confusions and conflicts in the future. To limit the risk of an issue arising between communities, local organisations and AMBIO make clear that the design and implementation of a %Plan Vivo+ (individual or communal) is an agreement between all the parties involved. For this purpose, everyone needs to know with clarity the way people are going to work from the beginning of the Project.

To keep track of these commitments, an %Act of the Planning Agreements+ (Appendix 3) is written, which addresses the following points:

- It gives a list of the producers, families or groups wishing to get involved.
- It defines if the work will be carried out individually, in a group or by a whole community, and determines which activities will be individual or collective.

² It is given by the FBC to the producer, recognizing and validating the activities taking place in the plot for the sale of carbon sequestration services.

- It clarifies who are the persons acting as contacts between the Fund and the community (commissioners, community technicians, group representatives, etc.)
- It decides on the dates of the group/community assemblies to report progress made in the Project.
- It agrees upon the dates for the development and review of Planes Vivos.
- The community has to agree on the respect of the principles and norms of the Fund (Appendix 4).
- The Fund, through AMBIO, has to agree on the respect of the rules and customs of the community.

All the points mentioned above are negotiated with AMBIO representatives who have experience of community work and rural organisations.

6. DEVELOPMENT OF THE PLANES VIVOS

In order to know precisely which activities the producers will carry out for the sale of environmental services, it is necessary to establish a Plan Vivo. The Plan Vivo is a tool for the planning, management and monitoring of the carbon captured in the agroecosystems of the producers. The elaboration, design and application of those are based on the necessities and opportunities of the Family Unit.

The Plan Vivo includes a map which locates all the plots belonging to the producer, with their surface area and current use, a sketch of the plot which is going to be reforested with its surroundings and a calendar of the activities which are going to take place in the plot, established according to the work dynamics of the producer.

It is recommended that producers elaborate the plan vivo in a participative manner so that the opinion of the whole family is taken into account.

From the data obtained through the Plan Vivo, it is possible to determine:

- If the producer is not sacrificing an area necessary for the subsistence of its family.
- If the proposal of the producer is not leading to increased carbon losses from activities in other plots.
- The most economically important livestock farming activities for the producer.

- The agroforestry or forestry system which will be implemented and the technical specifications to be used.
- The programme of the activities and the time needed to establish the system.
- The cost to establish the agroforestry or forestry system.
- The quantity of carbon which can be sequestered by the system.

7. EVALUATION AND REVISION OF PLANES VIVOS

Once the Planes Vivos are established by each one of the producers or groups, they will be organised by group/community, and will be presented to AMBIO technical team for them to be reviewed and evaluated, and to make the necessary corrections and observations in order to:

1. Ensure that the Systems proposed are viable technically and socially.
2. Confirm that the producers were involved in the design of the Planes Vivos.
3. Estimate the quantity of carbon that can be captured.

The Planes Vivos that are viable technically, environmentally and socially, are registered in the project database, and can then receive technical and economical support through carbon sales.

7.1 Evaluation criteria

Based on the criteria considered in the evaluation format for individual (Appendix 5a) and communal (Appendix 5b) Planes Vivos, AMBIO technicians elaborate a report on the Planes Vivos received. Some of the points considered are:

1. Current use of the proposed area.
2. Land ownership.
3. Plot location and surface area.
4. Agroforestry or forestry system to be established.
5. Objectives of the system.
6. System's general environmental characteristics and timber species proposed.
7. Establishment and management of the system (land preparation, planting density and methodology, pruning activities, plot clearing, etc).
8. Implementation costs.
9. Carbon quantity to be captured in the area.

If the producer is already registered in the database and wants to increment the carbon capture area, the plan vivo is then evaluated following the format presented in Appendix 5c to avoid evaluating again the whole plan vivo, thus only focusing on the area to be considered for the increase, and the impact of this over the entire producer's land.

7.2 Technical specifications and carbon calculation

The estimation of the carbon sequestration potential for a plot is based on the technical specifications of the forestry systems developed in the region. A technical specification is a technical guide made by AMBIO-ECCM through which are characterised the different agroforestry and forestry systems used for the carbon capture. It describes the management aspects for the carbon sequestration process of an agroforestry or forestry system and defines the monitoring tasks which allow to verify that the carbon sequestration is actually taking place. Appendix 6 includes a list of all the technical specifications employed at the present time.

Using the technical specifications, it is possible to evaluate the technical and economical viability of the different agroforestry and forestry systems that are employed on the plots for the sale of the carbon sequestration service. In addition, it is possible to identify potential problems that can occur during the forest cycle, and finally, they allow an estimation of the quantity of carbon that can be stored in each system.

The technical specifications are applied in the following manner: if the proposed activities fulfil the minimum requirements mentioned by the technical specifications, the carbon sequestration potential estimated is then assigned to them. If they are slightly different, then it can be suggested to the producer to modify his plan vivo without changes in the management objectives. However, if the system proposed is very different from those already implemented, it is necessary to create a new technical specification before the plan vivo can be registered, and the quantity of carbon will be assigned temporarily based on the closest system known.

The procedure for the modification of any technical specification is described in section 12.1 of this document.

7.3 Initial carbon evaluation

For this activity, it was necessary to make an initial carbon baseline which included the most important agroforestry and forestry systems. The initial quantity of carbon varies according to the system, surface area and environment. The aim of this baseline is to make comparable

payments to the producers with the same kind of system, to facilitate the administration, and to avoid possible internal conflicts.

7.4 Selection of the Planes Vivos evaluated

Once the revision has been done by the technicians, the Planes Vivos are given to the administration with an evaluation report. Those Planes Vivos with relatively small problems will be passed on to the technical coordination team to make the pertinent observations and will then be given back to the producers for their correction. The Planes Vivos with very severe problems will not be accepted and an explanation will be given to the producers about this decision. However, these Planes Vivos can be rewritten for a new review in the next cycle.

After the technical review, a definitive answer for each Plan Vivo presented is given within a period of 30 working days, delivering the authorization for the execution of the activities planned by the producers.

It is important to mention that due to the principles which guide their elaboration and application, the Planes Vivos need to be revised annually (at least during the first three years), so that the Fund can ensure that they are really based on the technical, social and economic conditions and necessities of the family or community. If it is not the case, then appropriate changes are made to guarantee their viability. This revision needs to be done in parallel with the annual monitoring of the plots. Any change perceived as necessary for the establishment or management of the system will be notified to the coordination team so that they can assess the extent to which this will affect initial plans.

7.5 Community team

The Project involves various professionals and community technicians to support the producers during the elaboration and evaluation of the Planes Vivos, and provides regular advice on various aspects (Appendix 7). A list is available which gives information on the experience of each of the persons involved directly or indirectly in Scolel té. It is important to mention that community technicians have received appropriate training to carry out these activities, but it is not recommended for them to do the evaluation of the Planes Vivos of those producers that they have been supporting in the elaboration of these latter, or producers from their own community.

8. PLOT REGISTRATION AND FORMALISATION OF THE COMMITMENTS

This is one of the most important parts for the viability of the carbon sales, and therefore, appropriate tools have been developed, which are on the one hand reliable and allow to do the necessary observations to ensure transparency and robustness of the actions, and on the other hand, are simple, easy to understand by the producers and underline the commitments attached to the sale.

8.1 Act of the general agreements for the provision of carbon sequestration service

If the results of the verification of the Planes Vivos are positive, the producer must be aware of the agreement letter from the FBC, in which are exposed in a general manner some of the conditions attached to the areas registered by the FBC for the provision of environmental services by carbon sequestration (Appendix 8a, 8b and 8c).

8.2 Registration letter and carbon account book

The **registration letter** is the document which attests that the activities carried out for carbon capture are supported by the FBC. Registration letters (Appendix 9) are given to the producers or groups together with the results of the revision and observations made by the administration and technicians, and may contain one of the following answers:

1. Accepted: Planes Vivos that are properly technically and socially planned.
2. Conditional: Planes Vivos which contain minor mistakes and can be corrected by giving direct advice to the producer or group, those latter committing themselves to rewrite and resubmit the Plan Vivo for a new revision. If appropriate changes are made that are technically and socially relevant, the conditional letter will be replaced by a letter of Acceptation.
3. Rejected: Planes Vivos that are considered not to be technically and socially viable.

Once the producer is made aware of the results of the revision, quantity of carbon expected to be stored and commitments to fulfil, he has the option to accept or refuse the proposal.

After the Planes Vivos have been revised and accepted, a technical file is open for each producer, registered into the FBC electronic database and a Carbon Account Book is given to each producer or group (Appendix 10).

Thanks to this book, the producer can know exactly his carbon balance and financial state. He knows the quantity of carbon he is allowed to sell (sale commitment), who is his buyer, the quantity of carbon accredited by each monitoring, quantity of carbon he is actually selling and the price. This allows him to sell at an appropriate time, when it is the most convenient for him and when he can rely on technical support.

8.3 Information management - Database

In order to gain a better control over carbon and financial transactions, a database has been developed to access simply, reliably and concretely the state of carbon sales and the accreditation process.

Currently, the database includes information such as the list of the producers and the different plots that they have registered. It also contains direct information on each plot such as: sale capacity and time to comply with the aims of the transactions, monitoring results, problems which have arisen in the plots (pests, diseases, disasters, etc.), parties involved in the purchase and sale of carbon, quantity of carbon traded, time of transaction, price, etc. Amongst other things, the database allows to establish a clear relation between the different actors involved.

To make this database clear enough for all people interested in consulting it and revising it, the FBC created a general guide for its understanding and use (Appendix 11).

9. TECHNICAL MONITORING AND CARBON ACCREDITATION

The carbon accreditation for each producer is based on the results of the monitoring. The technical monitoring aims at revising and evaluating the quality of the work carried out and subsequently leads to the accreditation of the corresponding carbon. Moreover, this helps to identify the problems and find the appropriate solutions.

9.1 Monitoring planning

The monitoring is carried out by community technicians. It is done within all the plots registered, in years 1, 2, 3, 5, 8, 15, 20 and 25 after planting. The results of each monitoring are integrated into the technical file of each producer, and the information produced is analysed and stored in the database. Until now, this is the principal tool which guarantees the compliance and quality of the sale.

9.2 Indicators used for the monitoring

In order to achieve what is planned in each system, clear objectives were defined for each one of the plantation stages. This is intended to help evaluating more homogeneously and using the same criteria the development of the plantations within the different agroforestry and forestry systems.

Monitoring tasks are defined for each system in its technical specifications, which evaluate each one of the critical stages through specific actions, ensuring therefore that the estimated carbon capture is actually taking place. Although the systems vary, the main indicators generally used during the monitoring are as follows:

- During the first three years, the technical monitoring evaluates the establishment of the forestry or agroforestry system within the initial area, planting density, survival rate and condition of the trees (see Format, Appendix 12), as well as the technical problems arising.
- From year 5 until harvest, information is collected following the Format 3 (Appendix 13). This format ensures that the management of the resources is taking place according to what was initially decided in the Plan Vivo. At this stage, the monitoring includes diameter and average size of the plantation, in addition to the survival of the trees. This last format has not yet been applied. We will do several modifications to this format taking into account the information given by the research thesis currently in progress.

9.3 Carbon accreditation

As it has been already mentioned, each producer has its own carbon account, which contains the results of all the monitoring and the corresponding carbon accreditation. The quantity of carbon to accredit after the monitoring depends on the total sequestration potential of the plot, as well as on the percentage of the tasks implemented and monitored at each stage. One of the main indicators is the density of living trees in the plot, considering the system and the initial planting density mentioned in the Plan Vivo. If the results are optimal, the accreditation of carbon is made as explained below:

1st accreditation: Year 1 (20% of the total)

2nd accreditation: Year 2 (20% of the total)

3rd accreditation: Year 3 (20% of the total)

4th accreditation: Year 5 (20% of the total)

5th accreditation: Year 8 (20% of the total)

If the monitoring does not register 100% according to the previous year, the quantity of carbon accredited at this stage is proportional to the percentage of the tasks implemented. If in any of the monitoring years the producer does not manage to comply with the activities initially planned, the duration of the process is increased.

Carbon accreditation is registered in the database and within the carbon account book of each producer. Indeed, the account book contains all the information related to carbon accreditations and transactions. Carbon accreditation depends on the progress detected by each monitoring, expressed as a percentage. In the database, carbon accreditation is recorded in two parts: one corresponds to each monitoring and the other is the accreditation cumulated through the time being of the plantation. Appendix 14 presents a sketch of the general process involved during monitoring.

9.4 Contingency Fund

As part of the rules, within the Project, and before any sale commitment, an agreement is reached with the producers to sell only 90% of the total carbon which can be stored in the plot, the other 10% being considered as a **Contingency Fund**. This Fund is created to support contingency measures, primarily in the same plot, but it can also be considered for the same project.

As said previously, this contingency fund is used in case of external or internal natural disasters³ which can affect sales commitments. It is important to mention that although this carbon is not committed for sale, it is monitored together with the carbon sold, but registered separately. All this information is gathered in the database as well as in the carbon account books of the producers. The producers become aware of this fund from the beginning since it is mentioned in the registration letter and carbon account book.

³ Externalities are defined as actions which are external to the Project but can, at a certain time, affect the plots; internal refer to the ones inside the plot.

9.5 Verification of the monitoring data

The monitoring is carried out in all the plots by community technicians. AMBIO technical team then monitors only 10% of the total in order to verify and compare the information provided by community technicians. In the case of a difference of more than 10%, the work done by community technicians is reviewed. If it appears that the technicians have not done properly the monitoring, then it has to be done again. If this failure is due to a lack of training, the technical teams has to programme a training course and will verify that data are properly collected in the following year.

Each year, when the monitoring is ending, the technical team writes a general report with details such as number of plots monitored, plots still to be monitored, and results from the verification of the monitoring done by community technicians.

The formats used during the monitoring and the results of these latter are attached to the file and database of each seller, to ensure that the monitoring is done properly.

The reports from both the internal and external monitoring are given to the technical coordination of the Project.

10. ADMINISTRATION OF CARBON SALES

The administration is under the responsibility of AMBIO technical team, which organises, plans and executes the activities of purchase and sale between carbon buyers and sellers. AMBIO has the duty to keep both parties informed on the Carbon and financial state of the accounts.

10.1 Sales repartitions

As previously mentioned at the beginning of this document, carbon sale takes place through the FBC, and priority is given to the zones or regions that AMBIO considers to be of major importance. Once the different organisations and/or groups have manifested their interest in taking part in the sale at this moment, the technical and administrative team designates the zones or regions to be integrated to this sale. Criteria for the designation depend on the conditions of each sale, on the quantity and price involved, as well as on the previous performance of these organisations.

10.2 Sales commitments

When carbon is ordered, sales commitments are established with producers having Planes Vivos already registered in the database. The formal commitment is registered in the account book and defines the quantity of carbon that the producer can sell (only when it has been accredited) and the price of carbon which will be paid per ton.

For both the new producers and the ones already participating, commitments are established based on the expectations of carbon available for sale (90% of the total carbon storage potential). For the first five years the commitment is made for 80% of the carbon to be sold. The aim of the FBC is to make a commitment that is sufficient to cover the carbon demand in any year. This means that each purchase order will be fulfilled by the sales achieved during the last 5 years.

The administration needs to identify clearly and to control sales commitments, identify the different buyers, know exactly how much is being sold to each one, determine the dates of the commitments, and needs to identify who is covering each demand. All this information is obtained from the FBC database, whose management and regular update is the responsibility of AMBIO.

10.3 Carbon sales and payments

Carbon sales take place after each monitoring in the plots. If the producers already have a sale commitment and have carbon available in their account, they can go ahead with the transaction. The exact quantity a producer can sell depends on the carbon balance on his account, and on the details of its sale commitment.

The mechanism involved in the payment is the following: once a producer mentions his interest in selling accredited carbon, the administration has the responsibility to compare the information of the carbon account book with the one contained in the database. This will allow to determine the maximum quantity of carbon which can be transferred to the buyer. The price paid for the carbon is fixed by the sale commitment. When the sale takes place, the administration transfers the money to the account of the producer who can then withdraw it when he wishes, or the payment is done in cash directly to the producer.

At the same time, all this information is written down in the carbon account book of each producer, in order to allow him to know his carbon and financial state. The payment to the

producers for the sale of carbon is one of the fundamental activities of the administration. Consequently, this payment is completely depending on what was mentioned before but also on the price of the purchase-sale established in the registration letter and in the carbon account book. The frequency of revision and update of carbon account books depends on the transactions done by the producers and on the administration itself.

Each payment will take place once the reports corresponding to the previous years are available and demonstrate that the producer has complied with the requirements of the evaluation and with the commitments detailed in the plan vivo and registration letter.

Payments can be done by cheque or payment orders through local banks, directly to producers, or through commissions elected by them.

10.4 Advance payments

In a few cases, the Fund can provide a small quantity of money to support the planning of certain activities. This economic resource is made available when the Planning Agreements Act is signed. The criteria used to decide if a group can access this money are defined through the conditions mentioned in the Investment Letter (Appendix 15); the following conditions apply:

- Its Plan Vivo is registered and is part of the Fund, and the registration letter has been signed, i.e. a sale commitment is already valid.
- It can justify the need for this investment.
- If the producers are already working with the FBC, this latter must not have a negative experience regarding the work they have done or the management of their finance.
- If the producers, groups or communities are new, the FBC needs a report from a community technician having experience on the level of the organisation, where it is important to emphasize that producers are aware of the responsibilities attached to the sale of carbon through the FBC.
- It can rely on the support from its group, community or organisation.
- It can demonstrate that he already started to fulfil its commitments as described in the Plan Vivo.

10.5 Payments authorizations

The payment of the producers requires an authorization signed by the two members of the trust. The administration of the project presents a budget to the trustees with a list of the producers to be paid with details of their carbon balance and sales commitments. If everything goes well, payments take place shortly after that.

10.6 Reports for the buyers

Reports are given regularly - at least annually - to the buyers in order to increase their trust and ensure clarity regarding the management of the resources which enter the FBC. For this purpose, within the database is included information processed in such a way to give easy and fast access to the general situation of the sales and the situation of each one of the buyers. Amongst other things, these reports contain information on the quantities of carbon committed, quantities accredited, the timescale of the commitments, the regions where the carbon is coming from, producers responsible for the supply, etc.

11. COMMUNICATION WITH THE GROUPS OF PRODUCERS

In addition to the visits and meetings organised by the Project Team with the communities and as part of the planning and monitoring activities, the FBC relies on two important formal forms of communication with the producers.

11.1 Social monitoring

The main goal of the social monitoring is to collect information on the social impact of the sale of environmental service by carbon sequestration within communities and family units. With the contribution of the community technicians and technical team, a questionnaire was designed (Appendix 16) and interviews took place with 10% of the producers registered. These allowed collection of more objective information on the technical aspects of the forestry and agroforestry systems, social and economic benefits from the Project, as well as on the issues and achievements regarding the training and communication by the FBC towards the communities.

This monitoring is intended to take place once a year in order to detect regularly the problems faced by communities, prepare solutions, design training programmes and improve the communication with the communities and groups involved. Due to various reasons, this monitoring could not be implemented annually and this will need to be discussed. However, several research theses on the social aspects of the Project have been written.

11.2 Biannual meetings

In addition, the technical and administrative team of the Project organises biannual meetings gathering all the groups and organisations involved in the sale of carbon. The aim is to communicate on the progress and problems which have arisen during the implementation of the activities, to plan the work which will take place during the semester, to agree with the groups

upon the dates for the next monitoring, and to give an administrative report. Eventually, several important themes are tackled, to strengthen activities complementary to the Project or to develop activities reinforcing the project itself.

12. CONTROL OF THE DOCUMENTATION

The procedures followed by the Project have been described in this document, as well as in the documents attached as Appendices. Any modification to one of these procedures has to go through a consultation and evaluation process involving the administrators of the FBC (AMBIO and ECCM) and the representatives of the producers. The final decision regarding a modification must be analysed and approved jointly by AMBIO and ECCM. In addition, the modifications must be discussed during biannual meetings, before a final decision can be taken. If a modification were to be made in this manual or in any other document, the new version would be aggregated to the archives of the FBC in AMBIO and ECCM. For this reason, each document of the list appears with the date of its last modification, this date also appearing in the main text of every single document.

12.1 Modification of the technical specifications

The modification of technical specifications can occur in special cases. For example, new specifications can be developed when it is made clear during preliminary discussions with a community or *ejido* that the producers wish to use forestry or agroforestry systems which are different from those described by existing technical specifications. If the system proposed is not too different (for example, the same species but a different density), then it is possible to create a variant of the technical specification and to re-estimate its carbon sequestration potential.

However, the documents describing these new technical specifications need to be approved by AMBIO and ECCM before being used. On the other hand, if the system proposed is completely different (e.g. including species with very different yields), then it is not possible to make minor changes to a given specification, but a new one has to be developed, with accurate data on the species of interest.

13. LIST OF DOCUMENTS USED

APPENDIX	DOCUMENT	LAST MODIFICATION OR REVISION DATE
1	Operation of Scolel té	October 2006
2	Areas, groups and priority systems for the FBC	October 2006
3	Planning Agreements Acts	October 2006

4	Principles and Norms of the Fund	September 2004
5 (a)	Format of individual Planes Vivos for reforestation	July 2002
5 (b)	Format for the evaluation of Planes Vivos for forest maintenance and management	September 2004
5 (c)	Format for the evaluation of expanding areas in individual Planes Vivos	June 2003
6	<p>Technical specifications used by FBC</p> <p><i>Subtropical Areas:</i></p> <ul style="list-style-type: none"> ❖ Improved Acahual ❖ Living fence ❖ Restoration ❖ Forest management <p><i>Tropical Areas:</i></p> <ul style="list-style-type: none"> ❖ Taungya ❖ Improved Acahual ❖ Living fence ❖ Improved coffee plantation ❖ Forest management 	September 2004
7	Technical staff contributing to the FBC	October 2006
8a	Agreement Letter from the FBC	September 2004
8b	Agreement Letter from the FBC (community level, restoration system)	September 2004
8c	Agreement Letter from the FBC (community level, maintenance)	September 2004
9	Registration Letter	September 2004
10	Carbon Account Book Example	August 2001
11	Guide for the use of the database	October 2006
12	Monitoring Format 2 - establishment	October 2006
13	Monitoring Format 3 - maintenance	November 2001
14	Monitoring Process Sketch	October 2006
15	Investments Letter	September 2004
16	Social Monitoring Interview Format	August 2001