

Decision and corrective action for grievance against Global Woods' Kikonda Forest Reserve Project

Background

In November 2015, Gold Standard was made aware of serious allegations around land use rights in an FSC-certified concession (SGS-FM/COC-009362) in the Kikonda Forest Reserve, managed by Global Woods, in Uganda, Gold Standard project GS2990. Shortly thereafter, Gold Standard opened an official grievance investigation, which it published to the Consultations and Grievances page of its [website](#). On 12 December 2015, further allegations, including a potential conflict of interest, were cited in a [der Spiegel article](#).

In this project, Gold Standard recognizes FSC certification as fulfilling the social safeguards and requirements. FSC certification requires mandatory local stakeholder consultations, and insists on a grievance mechanism being in place to ensure local stakeholders can report issues that affect them. Additionally, the Policy for the Association of Organizations with FSC strictly forbids any organization associated with us to be involved in unacceptable activities, including the violation of traditional and human rights in forestry operations. Evaluating adherence to this policy is a key concern of FSC.

Investigation

Gold Standard partnered with FSC in their investigation of the project allegations and outlined and published its own [Investigation Plan](#) and committed to take immediate action to fully remediate any code of conduct or project violation that is confirmed within the report. Gold Standard hired Climate Focus, an independent consultant, to conduct a thorough investigation of both the project and the conflict of interest allegations. Climate Focus was selected based on their expertise in carbon markets as well as a recommendation from WWF. The investigation was coordinated internally by Gold Standard General Counsel Lisa Rosen, outside the influence of the technical or certification teams.

On 21 April 2015, Gold Standard requested clarifications to several issues raised in Climate Focus' draft report and undertook a thorough review process to ensure clarity on the complexities of the allegations and project realities. Over several months, Gold Standard received sufficient clarifications, and subsequently mediated a lengthy and thorough and review process to address all technical project issues with the Gold Standard Technical Governance Committee (TGC), its primary independent governance body for standard and technical development, as well as its subcommittee on Land Use.

In parallel, the Gold Standard Board of Directors made a judgement on the conflict of interest allegations and findings.

Key Findings, Decisions and Corrective Action

A key finding of the investigation is that while uncertainty around land tenure indeed exists within the Kikonda Forest Reserve, it is confirmed that the land issues are happening outside the Gold Standard project area designated for eligibility to issue carbon credits. This critical conclusion underscores that the environmental integrity of the project is not in question.

In light of the allegations, the Global Woods project was placed under 'special monitoring.' On 6 October 2016, a pathway to resolving all issues raised in the Climate Focus report was been agreed upon between Gold Standard TGC and the Global Woods project. Specific decisions concerning the response to non-compliances included measures to further review evidences of corrections to management practice, a review of land titles and project area mapping and a commitment to undergo Performance Certification in February 2017. If the project does not fulfil its commitments or undergo Performance Certification, it will be suspended. During the Performance Certification, the project auditor shall focus on all matters raised in review of relevant allegations. Gold Standard holds option to join audit as witness, and the auditor shall provide details of team and work plan to Gold Standard for comment before attending site.

The table below provides further detail about all allegations, the key findings of the Climate Focus report, and the course of action to address any relevant issues confirmed.

Alleged Human Rights Violations within the Global Woods Kikonda project

It is relevant to note that in this project, Gold Standard recognises FSC certification as fulfilling the social safeguards and requirements.

Allegation	Key report findings	Course of action
Use of violence against people on project land, including destruction of private property	Several allegations were confirmed. Global Woods immediately terminated the responsible staff members, and later paid compensation to the affected parties, though this process only concluded in late 2015.	The project proponent must provide immediate evidence for GS review on the response to the incidence of violence, notably how management, recruitment and training practices have been updated and how monitoring has improved.
Land title issues and illegal expulsion to make way for plantations	Aggrieved party was temporarily expelled based on the assumption that the party was trespassing, which was beyond project manager's mandate; there exist overlapping claims to the piece of land in question and the property rights are therefore disputed, a common occurrence in Uganda; FSC has conducted multiple field audits in the territory and deemed the disputes to be 'of no substantial magnitude'; Global Woods is and has been participating in boundary opening exercises to seek resolution.	The project proponent must provide immediate evidence for GS review on the approach to dispute resolution and stakeholder feedback mechanisms. In the Feb 2017 certification cycle, the auditor must ensure that the Project Area definition and requirements are properly mapped and recorded in MR/Certification Report and are re-checked in detail for any disputes. This would imply that future area expansion into the KFR would follow that pathway as opposed to being deemed included in the existing Project Area.
Chemicals used in the plantations cause harm to cattle	No evidence of a link between cattle mortality and project operations.	Per Gold Standard Requirements, the use of chemicals must be minimised and properly managed. GW has committed to monitor its use of chemicals in the area and has indicated a preference for mechanical weeding and is working with Ugandan National Forestry Authority to coordinate this. The use of chemicals will be checked at each verification.

Alleged Conflict of Interest (COI) between Gold Standard and Global Woods

Allegation	Key report findings	Course of action
A COI between the Kikonda Project and Gold Standard was alleged to result from the employment of Moriz Vohrer as Gold Standard Technical Director, Land Use & Forests and the role of his father Manfred Vohrer as founder, chairman, and shareholder of the Kikonda project developer Global Woods.	<p>The report confirmed existence of a COI because 1) Moriz Vohrer is a past employee of Global Woods, the company that owns the project, 2) his father Manfred Vohrer had and maintains a financial interest in Global Woods International, the company that owns rights to the project's carbon credits, and 3) Moriz Vohrer remains a legal shareholder of Global Woods International. Points 2 and 3 were not disclosed in the COI Annex to his service agreement as part of Gold Standard's acquisition of Carbon Fix Standard (CFS).</p> <p>The report also states, "it seems ... clear that there Moriz Vohrer has not taken advantage of his position with GSF to promote his own financial or family interests."</p>	<p>Though the report stated that Moriz Vohrer did not take advantage his position, his past employment at, familial connection with, and most importantly the continued ownership of shares in Global Woods International represent a failure to disclose a conflict of interest within the relevant signed service agreement with Gold Standard. As Gold Standard must hold its staff to the highest standards of transparency and integrity, Gold Standard and Moriz Vohrer jointly agreed that it is in their shared best interest that his contract not be renewed when would have come to a close in September 2016 and Moriz Vohrer ceased working on behalf of the Gold Standard, effective on 31 May 2016.</p> <p>Because it is clear Pieter van</p>

	<p>The report also maintains that within Carbon Fix Standard it was widely known that both Moriz and Manfred Vohrer had been involved in the Kikonda Project, suggesting that despite the fact that relevant documentation was shared during the Gold Standard due diligence process on CarbonFix, a formal COI should have been also reported by former CarbonFix CEO and Gold Standard staff member Pieter van Midwoud.</p>	<p>Midwoud had knowledge of Manfred Vohrer’s ownership interest in Global Woods International and should have disclosed this in the COI Annex to his service agreement, Gold Standard issued van Midwoud a disciplinary warning.</p> <p>Finally, Gold Standard committed to implement COI training for all current staff, board members, and review Technical Governance Committee and COI policies and revise appropriately.</p>
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Broader TGC recommendations for the Land Use sector

The project accusations – those both confirmed and those unsubstantiated – underscore the inherent complexities in land use projects, particularly those in certain regions. The source of land conflicts between individuals, state authorities and project developers can often be associated with the challenges between formal and traditional governance in a given country.

There are several implications and areas identified for improvement resulting from the issues arising at Kikonda. As of October 2016, these are currently being worked through by Land Use Subcommittee:

- All transition projects from Carbon Fix are already required to undergo Performance Certification at 3 years. For most projects this takes place around Q3 2016 to Q1 2017 and each are being contacted to ascertain progress and further commitment.
- The requirements for definition of project area are under review and each of the transition projects will be checked for similar issues to Kikonda. Their areas will be re-defined as needed.
- The rules for dual certification with FSC are under review as this has been found to cede control to third parties on behalf of Gold Standard. This review will seek to keep the strength of relationship with FSC but will bring back control of the requirements to Gold Standard.
- The use of Validated Certificates is being reviewed as part of the Land Use vision.

More broadly the technical team will work together with General Counsel to improve the grievance/non-compliance pathway approach following the lessons learned through this investigation.

All parties involved share a common goal of navigating these challenges, addressing issues, and constantly improving the way projects are developed and implemented to contribute to climate security and to help communities in all landscapes prosper along a sustainable pathway.

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