

# VERIFICATION REPORT FOR THE MADRE DE DIOS AMAZON REDD PROJECT



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## Summary

This report describes the verification audit of the Madre de Dios REDD+ Project (“the project”), (Project ID: 844) a REDD+ project located in the Madre de Dios department of Peru, that was conducted by SCS. The purposes of the verification audit were (1) to conduct, in accordance with the VCS rules, an ex-post independent assessment of the GHG emission reductions and removals that have occurred as a result of the project during the VCS verification period (1 January 2018-31 December 2018) and (2) to conduct, in accordance with the CCB rules, an ex-post independent assessment of the climate, community and biodiversity impacts that have occurred or are on track to occur as a result of the project during the CCB monitoring period (1 January 2014 - 31 December 2018). The verification audit was performed through a combination of document review, interviews with relevant personnel and on-site inspections. A total of 22 findings were issued during the process of verification for the monitoring period, which occurred concurrently. The project complies with all of the verification criteria, and the assessment team has no restrictions or uncertainties with respect to the compliance of the project with the verification criteria.

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## **1 INTRODUCTION**

### **1.1 Objective**

The objectives of the verification engagement were set out as follows:

#### **1.1.1 Verification Objectives Under the Verified Carbon Standard**

In accordance with Section 4.1 of the VCS Standard (see Section 1.2.2 below for full reference), SCS carried out an ex-post independent assessment of the GHG emission reductions and removals that have occurred as a result of the project during the verification period, conducted in accordance with the VCS rules. In accordance with Section 2.1.2 of the VCS Validation & Verification Manual, V3.1, the objectives of the verification engagement were to evaluate the monitoring report and assess the following:

- The extent to which methods and procedures, including monitoring procedures, have been implemented in accordance with the validated project description. This includes ensuring conformance with the monitoring plan.
- The extent to which GHG emission reductions and removals reported in the monitoring report are materially accurate.

The other objective of the verification engagement was to assess the non-permanence risk analysis.

This VCS verification corresponds to the following VCS monitoring period reporting: From 1 January 2018 to 31 December 2018.

#### **1.1.2 Verification Objective Under the Climate, Community & Biodiversity Standards**

In accordance with Section 4.1 of the CCB Program Rules (see reference in Section 1.3 below), SCS carried out an independent assessment of the project to determine whether the project design complies with the CCB rules.

This CCB verification corresponds to the following CCBS monitoring period reporting: From 1 January 2014 to 31 December 2018.

### **1.2 Scope and Criteria**

#### **1.2.1 Scope**

In accordance with Section 4.3.4 of ISO 14064-3:2006, the scope was defined as follows:

- The project and, where relevant, its baseline scenarios
- The physical infrastructure, activities, technologies and processes of the project
- The GHG sources, sinks and/or reservoirs that are applicable to the project
- The types of GHGs that are applicable to the project
- The verification period, as discussed in Section 5 of this report

#### **1.2.2 Criteria Under the Verified Carbon Standard**

In accordance with Section 4.1 of the VCS Standard (see below for full reference), the criteria for verification was the VCS Version 4, including the documents identified below. At the outset of the verification engagement, the criteria was VCS Version 3; in the course of the verification, the VCS

standard 4 was released. While the verifier team has made sure all of the requirements of this audit conform to the VCS Version 4, some references to the VCS Version 3 program documents will be found throughout the report, as this was the version under which the proponents implemented and developed their documentation for the audit of this monitoring period.

- VCS Standard, version 4.0, September 2019 and associated documents and templates
- VCS Agriculture, Forestry and Other Land Use (AFOLU) Requirements, version 3.6, June 2017
- VCS Program Guide, version 3.7, 21 June 2017
- AFOLU Non-Permanence Risk Tool, V3.3
- CCB & VCS Project Description Template, CCB V3.0, VCS V3.3
- The VCS-approved methodology VM0007 (“the methodology”), as applied to the project, consisting of the following methodology elements (as identified in Section 2.1 of the VCS PD, except that the latest version of any tools and modules was referenced, as required):
  - REDD Methodology Framework (REDD-MF), V1.2
  - Estimation of carbon stocks in the above- and belowground biomass in live tree and non-tree pools (CP-AB), V1.1
  - Estimation of baseline carbon stock changes and greenhouse gas emissions from unplanned deforestation (BL-UP), V3.2
  - Estimation of emissions from activity shifting for avoided unplanned deforestation (LK-ASU), V1.1
  - Estimation of greenhouse gas emissions from biomass burning (E-BB), V1.1
  - Estimation of emissions from fossil fuel combustion (E-FFC), V1.0
  - Methods for monitoring of greenhouse gas emissions and removals (M-MON), V2.1
  - Methods for stratification of the project area (X-STR), V1.0
  - Estimation of uncertainty for REDD project activities (X-UNC), V2.1

### **1.2.3 Criteria Under the Climate, Community & Biodiversity Standards**

In accordance with Section 1.1 of the CCB Program Rules (see below for full reference) the criteria for verification was established as follows:

- The most recent validated project description using the same edition of the Climate, Community & Biodiversity Standards (in this case, the first edition) that was used for that validation.
- All CCB Version 3 program documents, including the following:
  - CCB Standards First Edition (V1.0)
  - CCB Program Rules, V3.1
  - CCB Program Definitions, V3.0
  - CCB & VCS Monitoring Report Template, CCB V1.0, VCS V3.3

## **1.3 Level of Assurance**

### **1.3.1 Level of Assurance Under the Verified Carbon Standard**

In accordance with Section 4.1.8 of the VCS Standard, the level of assurance of this report, insofar as it describes work performed under the Verified Carbon Standard, is reasonable.

### **1.3.2 Level of Assurance Under the Climate, Community & Biodiversity Standards**

The concept of “level of assurance” was not relevant to work performed under the Climate, Community & Biodiversity Standards.

## 1.4 Summary Description of the Project

The REDD project is located in the Madre de Dios Region of Peru and is aimed at reducing emissions from unplanned deforestation and degradation. The project aims to reduce land pressure in the project area and its buffer zone by ensuring sustainable forest management in both of the timber concessions that make up the project, and to improve the living conditions of local communities through the implementation of a series of action intended to generate positive community and biodiversity benefits.

## 2 VERIFICATION PROCESS

### 2.1 Audit Team Composition (*Rules 4.3.1*)

A table indicating how the audit team meets each of the requirements of the CCB Standards Rules is below.

Area of required expertise	Individual(s) on audit team containing required expertise	Summary of relevant qualifications
Proficiency in a relevant local or regional language for the project location	Pablo Reed (Lead Verifier)	Native Spanish Speaker
Relevant agriculture, forestry and/or other land use experience in the project country or region	Pablo Reed (Lead Verifier) Zane Haxtema (Verifier)	Familiar with common forestry operations, agricultural practices, and deforestation pressures in the region and project country
Relevant social and cultural expertise	Pablo Reed (Lead Verifier)	Familiar with established social and cultural norms in this region of the Peruvian Amazon.
Relevant ecological and biodiversity expertise	Pablo Reed (Lead Verifier)	Familiar with ecosystem and biodiversity conservation best practices and measurements

### 2.2 Method and Criteria

The verification was performed through a combination of document review and interviews with relevant personnel, as discussed in Sections 2.3 through 2.5 of this report. At all times, the monitoring report and non-permanence risk analysis were assessed for conformance to the criteria described in Section 1.2 of this report. As discussed in Section 2.6, findings were issued to ensure conformance to all requirements.

The audit team created a sampling plan following a proprietary sampling plan workbook developed by SCS. Per Section 4.4.3 of ISO 14064-3:2006, the audit team identified possible risks of errors, omissions and misrepresentations with respect to the verification criteria. For each identified risk, the audit team assessed the likelihood of the material discrepancy occurring, the likelihood of the material discrepancy not being prevented or detected by the controls of the project and the likelihood of the material discrepancy not being detected by the audit team. Sampling and data testing activities were planned to address any risk where the likelihood of a material discrepancy not being detected by the audit team was judged to be unacceptably high. The audit team then created a verification plan that took the sampling plan into account.

## 2.3 Document Review

The implementation report (“Reporte CCB VCS 2018 December 2019”) (“IR”) and non-permanence risk report (“VCS NonPermRisk 2018.Post Audit F”) (“NPRR”) were carefully reviewed for conformance to the verification criteria. The project descriptions (“VCS\_PROJ\_DESC\_844\_11SEP2012.pdf” and “CCB\_PROJ\_DESC\_ENG\_844\_08JUN2009.pdf”) were also referenced in conducting this review. The following additional documentation, provided by project personnel in support of the aforementioned documents, was also reviewed by the audit team:

Document	File Name	Ref.
Workbook showing areas harvested by parcela de corte anual (PCA), year and stratum	Info_aprovechamient_MRY_REDD 2019 (1).xlsx	/1/
Report on harvest volumes from PCA 16, 17,18	CoC- 2018 MADERYJA SAC- PC 18.xlsx CoC- 2018 MADERYJA SAC-PC 16.xlsx CoC- 2018 MADERYJA SAC-PC 17.xlsx	/2/
Cash flow estimation and opportunity cost analysis workbook	cash flow REDD MDD risk2018.xlsx	/3/
Calculation workbook for quantification of emissions related to degradation in harvested parcels	INFORME REDD_v2.xlsx	/4/
Calculation workbook for quantification of carbon stock changes in the project area	CP EStimation 2018. Post Audit.xlsx	/5/
Calculation workbook for quantification of area disturbed in the project area	Degradacion en CMRA.xlsx	/6/
Workbook containing additional data on roads and skid trails, as requested by the audit team	Parcelas intervenidas al 2018_1.xlsx Parcelas intervenidas al 2018.xlsx	/7/
Calculation workbook for quantification of leakage emissions	Leakage Estimations 2018. Julio.xlsx	/8/
Calculation workbook for quantification of uncertainty	Uncertainty Analysis 2018.Post Audit.xlsx	/9/
Calculation workbook for quantification of GHG emission reductions and VCUs	VCUs anuales 2009 2018.xlsx VCUs Estimation 2018. Post Audit.xlsx	/10/
Spatial products related to monitoring of carbon stock changes within the project area	[various files]	/11/
Documentary evidence of ground-truthing as described on p. 23 of memoria descriptiva /14/	[various files]	/12/
Report on participatory rural appraisal (PRA) results	Diagnostico PRA Proyecto REDD 2017	/13/
memoria descriptiva (description of remote sensing methods and results)	01. memoria_M&M_julio_2019 modificado pos-auditoria.pdf	/14/
Thesis of Wilson Darling Morvely Veintemilla (source of wood density for "catuaba")	004-2-3-022	/15/
Evidence of FSC certification: MADERYJA	Certificado FSC MRY.pdf MADERACRE FSC FM_COC Certificate 14.3.2019 SPA-1.pdf MADERACRE FSC FM_COC Certificate 14.3.2019 SPA.pdf	/16/
"GUIA PARA EL MONITOREO Y EVALUACION DE LAS	Guia Monitoreo Operaciones Forestales M&E CMRA uv	/17/

Document	File Name	Ref.
OPERACIONES FORESTALES" for Maderacre (December 2014)		
"PLAN GENERAL DE MANEJO FORESTAL CONSOLIDADO MADERACRE" for Maderacre (January 2017)	PGMF CMRA Ene 2017	/18/
"PLAN GENERAL DE MANEJO FORESTAL, REFORMULADO" for Maderyja Rio Yaverija SAC (September 2011)	PGMF-Maderyja-Reformula- Div-set-2011	/19/
"PLAN DE CUSTODIA" for MADERACRE and MADERYJA (2018)	Plan de Custodia M&M act 2018-1.pdf Plan de Custodia M&M act 2018.pdf	/20/
KML file showing the validated project boundary, as uploaded to VCS project database	KML_844	/21/
Monitoring report for the 1 January 2009-31 December 2012 monitoring period, as uploaded to VCS project database	MONIT_REP_844_01JAN2009_31DEC2012	/22/
Monitoring report for the 1 January 2013-31 December 2013 monitoring period, as uploaded to VCS project database	MONIT_REP_844_01JAN2013_31DEC2013	/23/
Monitoring report for the 1 January 2014-31 December 2014 monitoring period, as uploaded to VCS project database	MONIT_REP_844_01JAN2014_31DEC2014	/24/
Monitoring report for the 1 January 2015-31 December 2015 monitoring period, as uploaded to VCS project database	MONIT_REP_844_01JAN2015_31DEC2015	/25/
Monitoring report for the 1 January 2016-31 December 2016 monitoring period, as uploaded to VCS project database	MONIT_REP_844_01JAN2016_31DEC2016	/26/
Validated project description (PD), as uploaded to VCS project database	PROJ_DESC_844_11SEP2012	/27/
Validated CCBA Project Description, as uploaded to the VCS project database	CCB_PROJ_DESC_ENG_844_08JUN2009.pdf	
Verification report for the 1 January 2013-31 December 2013 monitoring period, as uploaded to VCS project database	VERIF_REP_844_01JAN2013_31DEC2013	/28/
Supporting documentation relating to conduct of the PRA	[no digital files provided], reviewed during site visit however	/29/
Harvest records	[no digital files provided], reviewed during site visit however	/30/
Workbook with records of seeds and remnant trees_Biodiversity records	%plantulas y arboles remanentes.xlsx	/31/
List of Threatened Tree Species within Project Area	Especies amenazadas.xlsx	/32/

Document	File Name	Ref.
List of Threatened Fauna Species within project Area	FAUNA SILVESTRE-ESPECIES EN PELIGRO DE EXTINCION.xlsx Fauna Silvestre en peligro Rep 2018.xlsx	/33/
Biodiversity Impact Matrix	Matriz impactos biodiversidad.xlsx	/34/
Consolidated Report on Project Biodiversity Monitoring	Reporte Monitoreo Ambiental-Foretal 2018.xlsx	/35/
Areas of High Conservation Value Identification Report 2018	INFORME BAVC MADERYJA, DIC 2018.pdf	/36/
Reports on patrols of project boundaries and maintenance work during monitoring period.	Informe_N°_005_2018.pdf Informe_N°_006_2018-1.pdf Informe_N°_006_2018.pdf	/37/
Social Annex S-1 Stakeholder Outreach and Consultation on REDD project and Environmentally Friendly Projects: "Socializaciones MDDARP"	INFORME DE REUNION CON LOS MIEMBROS DEL COMITE CONSULTIVO DE RELACIONAMIENTO COMUNITARIO (2).pdf INFORME DE REUNION PUBLICA - PARTICIPACION CIUDADANA.pdf INFORME DE SOCIALIZACION DE AVANCES DEL PROYECTO MADRE DE DIOS AMAZON REDD PROJECT EN LA COMUNIDAD DE BELGICA.pdf INFORME DE REUNION DE PARTICIPACION CIUDADANA - PRESENTACION REDD (1).pdf INFORME DE REUNION DEL PROYECTO MADRE DE DIOS AMAZON REDD PROJECT EN IÑAPARI Y VILLA PRIMAVERA.pdf INFORME DE REUNION DEL PROYECTO MADRE DE DIOS AMAZON REDD PROJECT EN LA COMUNIDAD NATIVA DE BELGICA.pdf informe FSC-REDD-CCNN_2014.pdf Informe_presentacion_comite2014.pdf	/38/
Social Annex S-2 Joint Workshop with ANIA on REDD Project and Environmentally Friendly Projects: "TallerVP2015"	S-2_Reporte 4_ 1Taller ania VP11-15	/39/
Social Annex S-3 Citizen Participation and Consultative Committee reports 2016	Informe 25-2016-MRA-CC-RC (2) redd.pdf Informe 26-2016-MRA-Reunion Publica (2)redd.pdf	/40/
Social Annex S-4 Workshop on REDD and Project Objectives in Villa Primavera 2016	S-4_Reporte2_Taller VP 21-05-16.pdf	/41/
Social Annex S-5 Workshop on REDD and Project Objectives in Belgica with Mission Planente Urgence (French volunteer organization) 2016	S-5_Reporte5_BEL misi3nchiara11-8-16.pdf	/42/
Social Annex S-6 Workshops to Promote REDD Objectives for Environmentally Friendly Projects - Native Community of B3lgica. May, 2017.	S-6_Informe N°01-2017-ObjreddCCNNB.pdf	/43/
Social Annex S-7 Workshops to Promote REDD Objectives for Environmentally Friendly Projects - Villa Primavera Community, May 2017.	S-7_Informe N°02-2017-ObjreddVP.pdf	/44/

<b>Document</b>	<b>File Name</b>	<b>Ref.</b>
Social Annex S-8 Workshop on Citizen Participation and Consultative Committee 2017 for Dissemination of REDD Objectives 2017.	Informe 01-2017-REDD-CC-RC RvMN.pdf Informe 52-2017-MRA-CC-RC MDD REDD.pdf Informe 53-2017-MRA-Reunion PublicaREDD.pdf	/45/
Social Annex S-9 Dissemination of REDD 2017 Contest, REDD Objectives of Environmentally Friendly Projects. November, 2017.	Informe 05-2017-REDD- difusión de II Concurso(luz).pdf	/46/
Social Annex S-10 Dissemination of REDD Objectives and II Contest of Environmentally Friendly Projects. March, 2018.	Informe N° 02 ampliación de difus.pdf	/47/
Social Annex S-11 Talk at the Noaya Community Educational Institution to socialize REDD objectives and guide them in the II Friendly Projects Contest. April, 2018.	S-11_Reporte 007-A-PAM(VisitNoaya2).pdf	/48/
Social Annex S-12 Workshop on Citizen Participation and Advisory Committee for Dissemination of REDD Objectives and Progress of Environmentally Friendly Projects. April, 2018.	Informe 02-2018-REDD-CC-RC .pdf Informe 03-2018-REDD-Taller de Participación ciudadana.pdf	/49/
Social Annex S-13 Environmentally Friendly Projects Progress Report 2019	S-13_Estado de la Cuestión PAM 2015-20182.pdf	/50/
Social Annex S-14 Environmentally Friendly Project Designs and Proposals	Ficha Técnica CCNN Artesanías.pdf Ficha Técnica Ecoturismo.pdf Ficha Técnica ProductosAgro.pdf Ficha Técnica Villa Primavera.pdf Perfil CCNNBélgica- Artesanías.pdf Perfil Ecoturismo-2.pdf Perfil Noaya_ pdf.pdf Perfil ProductosAgrof.pdf Perfil Reforestación base.pdf Proyecto Bambú Final.pdf Proyecto Fondam -ANIA.pdf	/51/
Social Annex S-15 Capacity building workshop with 15 women artisans from the native community of Bélgica report	S-15_MONITOREO DE MISIONES Julio 2018REDD.pdf	/52/
Social Annex S-16 Report on Collaboration with University (UNAMAD) for Eco-tourism project	Informe N° visita técnica UNAMAD.pdf Reporte 009-A-PAM(VisitaRec Ecot).pdf Reporte 012-JI-PAM(Visita1 Ecot).pdf Reporte1_COLIBminam20-5-16.pdf	/53/
Social Annex S-17 Reports on Cacao Capacity Building and Plantation Efforts	Reporte 010-Jn-PAM(VisitaCacao1).pdf Reporte 013-JI-PAM(VisitaCacao2).pdf	/54/
Social Annex S-18 Skills in environmental education through the development of visits to Noaya by ANIA and REDD.	Reporte 003-A-PAM(VisitNoaya1).pdf Reporte 007-A-PAM(VisitNoaya2).pdf	/55/
Social Annex S-19 Development of an agreement between the Regional Management of Madre de Dios and	Convenio CEBA2018.pdf	/56/

Document	File Name	Ref.
Maderacre, as proponent of the REDD Project, to provide regular basic education spaces for the adult population of Iñapari to complete basic studies. By 2018, 43 beneficiaries, including the native community of Bélgica.		
Social Annex S-20 Environmentally Friendly Projects Implementation Timeline	S-20_Línea de tiempo PAM al 2018-2019.pdf	/57/
Social Annex S-21 Interinstitutional agreements and MOUs	Convenio ANIA.pdf Convenio Bélgica Aprov. Sosten.pdf Convenio CEBA2018.pdf Convenio de Salud 1.pdf Convenio de Salud 2.pdf Convenios CCNNB.pdf ConvenioSPDA-CP-Bélgica.pdf	/58/
Social Annex S-22 Monitoring Report on Environmentally Friendly Project BONI, or friendly kid's forest	Informe N°02-2017-ObjreddVP.pdf Reporte 001-2017 (04 may).pdf Reporte 003-2017 (Comitiva Alemán) 29Jun.pdf Reporte 008-A-PAM(VisitMonitBONIVP).pdf	/59/

## 2.4 Interviews

### 2.4.1 Interviews of Project Personnel

The process used in interviewing project personnel was a process wherein the audit team elicited information from project personnel regarding (1) the work products provided to the audit team in support of the IR and NPRR, (2) actions undertaken to ensure conformance with various requirements and (3) implementation status of the project activity.

The following personnel associated with the project proponent and/or implementing partner were interviewed.

Individual	Affiliation	Role	Date(s) interviewed
Lizardo Manuel Fachín Malaverri	Instituto De Investigaciones de la Amazonía Peruana	Remote Sensing and GIS Specialist	22 August 2019
Tatiana Lapeyre	Independent Consultant	GIS and Monitoring Specialist	22 August 2019
Nelson Kroll Kohel	Maderacre	Chief Forest Engineer	23 August 2019 – 27 August 2019
Milagros Nique Quispe	Maderacre	Social Scientist/Community Relations	23 August 2019 – 27 August 2019
José Luis Canchaya Toledo	Maderacre	Manager	22 August 2019 – 27 August 2019
Luis Nana Socualaya	Maderacre	Forest Engineer/ GIS Specialist	23 August 2019 – 27 August 2019

Individual	Affiliation	Role	Date(s) interviewed
Enrique Pacheco Villanueva	Maderyja	Manager – Monitoring and Evaluation	23 August 2019 – 27 August 2019
Miriam Chupan Minaya	Maderacre	Social Scientist/Community Relations	23 August 2019 – 27 August 2019
Milton Rene Huanca	Maderyja	Forest Engineer/ GIS Specialist	23 August 2019 – 27 August 2019

#### 2.4.2 Interviews of Other Individuals

Residents of local communities in and around the project area and zone, as well as other pertinent project beneficiaries and stakeholders, were also interviewed during the site visit:

Individual	Affiliation	Role	Date(s) interviewed
Teofila Huaman Yupaicana	Belgica Community Health Center	Head Nurse/Manager	24 August 2019
Ilson Lopez Anize	Belgica Native Community	President	24 August 2019
Yesenia Maribel Sosa Flores	Belgica Community School	Local School Teacher	24 August 2019
Jose Abraham	City of Inapari	Mayor	24 August 2019
Adale Jurado Acuna	Villa Primavera Community School	Local School Teacher	26 August 2019
Karla Sumalave Castellanos	Noaya Community School	Local School Teacher	26 August 2019
Lisbeth Estrada Quispe	Provincial Municipality of Tahuamanu	Forest Concessions Chief	26 August 2019

#### 2.5 Site Inspections

The objectives of the on-site inspections performed were to:

- Select samples of data and information from field observations in order to meet a reasonable level of assurance and to meet the materiality requirements of the project, as required by Section 4.1.2 of the VCS Standard;
- Perform a risk-based review of the project area and project activities to ensure that the project conformed to the requirements of the verification criteria throughout the verification period;
- Confirm the validity of information presented in the non-permanence risk report; and
- Assess the extent to which any monitoring was conducted in accordance with the requirements of the validated monitoring plans.

In fulfilment of the above objectives, the audit team performed an on-site inspection of the project zone on the dates 22 August 2019 through 27 August 2019. The main activities undertaken by the audit team were as follows:

- Interviewed project personnel (see Section 2.4.1 of this report) to gather information regarding the monitoring procedures and project implementation;

- Interviewed residents and beneficiaries from the main local communities (see Section 2.4.2 of this report) located in the immediate vicinity of the project area, as well as regional and environmental authorities and other relevant stakeholders, to confirm claims of the project proponents with respect to the extent of community engagement, project and monitoring implementation, and claimed benefits and impacts.
- Carried out on-site inspections of the project's monitoring methodologies through re-measurement of a number of skid trails and roads and located within the project area

The audit team visited the portion of the project area which had been subject to harvesting during the VCS monitoring period to remeasure skid trails, road widths, and log deck dimensions. These are the primary sources of degradation during the verification period. Several skid trails, roads, and landings were visited and re-measured using the monitoring methodology. GPS points were taken along the project area border for comparison with reported project area border locations.

## **2.6 Resolution of Findings**

Any potential or actual discrepancies identified during the assessment process were resolved through the issuance of findings. The types of findings typically issued by SCS during this type of verification engagement are characterized as follows:

- **Non-Conformity Report (NCR):** An NCR signified a discrepancy with respect to a specific requirement. This type of finding could only be closed upon receipt by SCS of evidence indicating that the identified discrepancy had been corrected. Resolution of all open NCRs was a prerequisite for issuance of a verification statement.
- **New Information Request (NIR):** An NIR signified a need for supplementary information in order to determine whether a material discrepancy existed with respect to a specific requirement. Receipt of an NIR did not necessarily indicate that the project was not in compliance with a specific requirement. However, resolution of all open NIRs was a prerequisite for issuance of a verification statement.
- **Observation (OBS):** An OBS indicates an area where immaterial discrepancies exist between the observations, data testing results or professional judgment of the audit team and the information reported or utilized (or the methods used to acquire such information) within the GHG assertion. A root cause analysis and corrective action plan are not required, but highly recommended. Observations are considered by the audit team to be closed upon issuance, and a response to this type of finding is not necessary.

As part of the processes for the verification of these monitoring periods, 18 NCRs, three NIRs and one OBS were issued. All findings issued by the audit team during the verification process have been closed. In accordance with Section 4.1.14 of the VCS Standard, all findings issued during the verification process, and the inputs for their closure, are described in Appendix A of this report.

### **2.6.1 Forward Action Requests**

This section is not applicable, as no forward action requests have been issued as part of this verification.

## **2.7 Eligibility for Validation Activities**

This section is not applicable, as SCS holds accreditation for validation for the relevant sectoral scope (scope 14; AFOLU).

### 3 VALIDATION FINDINGS

#### 3.1 Participation under Other GHG Programs

This section is not applicable, as the project is not, at this time, seeking registration under the VCS Program and an approved GHG program.

#### 3.2 Methodology Deviations

The below table identifies each methodology deviation applied to the project were validated as part of the verification engagement described in this report. The audit team concludes, in summary, that all such deviations are valid.

Identification of deviation	Assessment column 1*	Assessment column 2**
Methodology deviation 06: Deviation from Equation 5 of REDD-MF	Audit team agrees that deviation pertains solely to criteria and procedures for monitoring of buffer allocation, as set out in REDD-MF	Deviation has no impact on quantification of GHG emission reductions (and so does not negatively impact conservativeness of said quantification); deviation will result in increased accuracy of quantification of the number of credits to assign to the buffer pool
Methodology deviation 07: Deviation from requirement of M-MON to monitor parameter $ARRL_{forest,t}$ prior to any verification event (where verification is more frequent than every five years)	Audit team agrees that deviation pertains solely to criteria and procedures for monitoring, as set out in M-MON	Audit team agrees that deviation has no impact on quantification of reported GHG emission reductions (and so does not negatively impact conservativeness of said quantification)

- \*Assessment column 1 contains information regarding assessment of whether the deviation meets with the criteria and specifications for permitted methodology deviations.
- \*\*Assessment column 2 contains information regarding assessment of whether the deviation does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals (except where it results in increased accuracy)

#### 3.3 Project Description Deviations (*Rules 3.5.7 – 3.5.10*)

The below table identifies each methodology deviation applied by the project were validated as part of the verification engagement described in this report. The audit team concludes, in summary, that all such deviations are valid.

Identification of deviation	Assessment column 1*	Assessment column 2**	Assessment column 3***
Project description deviation 02: deviation from statement in PD that ENVI will be used for supervised classification	No impacts to applicability of methodology, as no applicability conditions contain any requirements for classification methods	No impacts to additionality, as classification methods do not have any bearing on procedures for demonstration of additionality	As documented in detail in Section 2.2.3 of the verification report for the 1 January 2009 to 31 December 2012 monitoring period, this deviation has no impact on the baseline

Identification of deviation	Assessment column 1*	Assessment column 2**	Assessment column 3***
			scenario, as the visual interpretation method was the method used in determination of the baseline deforestation rate (i.e., automated classification methods were not used for this purpose)

- \*Assessment column 1 contains information regarding assessment of whether the proposed deviation impacts the applicability of the methodology.
- \*\*Assessment column 2 contains information regarding assessment of whether the proposed deviation impacts additionality
- \*\*\*Assessment column 3 contains information regarding assessment of whether the proposed deviation impacts the appropriateness of the baseline/without-project scenario

Each of the deviations identified above is appropriately described and justified and, in respect of each of the above deviations, the project remains in compliance with the VCS rules.

### 3.4 Minor Changes to Project Description (*Rules 3.5.6*)

Through their latest implementation report, the project proponents have presented a series of minor changes to the indicators used for both the project’s community and biodiversity monitoring plans. According to the project proponents, said changes were enacted because it was determined, through years of experience in implementing project activities, that certain original indicators no longer provided relevant or useful information with regards to the project’s objectives. As a result, several indicators were discarded, and other, more relevant and useful indicators, were added in certain instances. In addition, the frequency with which certain indicators were monitored was also changed in order to better reflect field practices, capacity and conditions.

The complete list indicators for both the community and biodiversity monitoring plans are provided in section 2.2.3 of the implementation report. Each of the changes enacted, whether indicators were dropped, added, or the frequency of their monitoring was changed, was included in this section, along with justification for the changes enacted.

The verifier team agrees with the proponents in that the changes enacted are correctly and appropriately justified and that these changes can be considered “minor” per the CCB standard rules (V 3.1) as the enacted changes:

- Don’t represent a change in the project area.
- Don’t represent a significant change in the project activities, such as in the scope or scale of the project activities.
- Don’t represent a substantial change in the expected climate, community, or biodiversity impacts of the project.
- Don’t include a change of the project proponents responsible for implementation.
- Don’t involve a project that only met the requirements of the climate section waiver and did not use the *Climate, Community & Biodiversity Standards* CL1 – CL4 for the previous validation
- Don’t involve information to meet the requirements of a Gold Level that was not included in the project description for an earlier validation.

In conclusion, and despite these minor changes enacted, the verifier team is still assured that the project remains in compliance with the project’s original validated design.

### **3.5 Monitoring Plans (CL3.1, CM3.1, B3.1)**

Monitoring plans for the climate, community, and biodiversity impacts of the project have all been previously validated and verified. For the results achieved during the VCS and CCB reporting periods in question, the monitoring plans were found to adequately provide the means for internal data reviews and quality control measures, as well as the data presented by the project proponent included the results of these internal assessments, when applicable. The verifier team thereby considers that the information provided by the project proponents is sufficient and of the quality necessary in order to appropriately determine the GHG removals and other climate, community, and biodiversity benefits of the project. As mentioned in the preceding section of this report however, the proponents have chosen to enact minor changes to both the project's community and biodiversity monitoring plan's set of indicators as indicated in the preceding section of this report.

The verifier team has concluded that these changes were correctly designated as minor changes to the project description, per the corresponding CCB rules, and furthermore, that these changes were correctly identified and justified. The verifier team is still assured that the project remains in compliance with its original validated design, and that all of the enacted changes have no repercussions or effects regarding any net negative impacts on the wellbeing of project stakeholders, both within and beyond, the project area boundaries. In conclusion, the verifier team remains reasonably assured that the updated monitoring plans are appropriate for the project's design.

## **4 VERIFICATION FINDINGS**

### **4.1 Public Comments (Rules 4.6)**

The public comment period extended from 24 October to 24 November, 2019. As confirmed by the audit team through review of a forwarded email sent by Verra personnel on 25 November 2019, no comments were submitted during the public comment period.

### **4.2 Summary of Project Benefits**

Section 1 of the monitoring report provides complete information about the project's benefits, and also provides reference links to other sections of the monitoring report that describe these benefits in more detail. Achievements for the current monitoring period and for the project lifetime are detailed within their specific data categories columns. Data are sufficiently supported with evidence and records /R7/, which were verified during the on-site visit as well as the desk review conducted. In the opinion of the verifier team, the project benefits are credible based on the supporting documents provided by the project proponents and evidence gathered and received during the on-site visit.

### **4.3 General**

#### **4.3.1 Implementation Status (G3.4)**

The verifier team checked the monitoring plans contained in the latest versions of the VCS and CCBA Project Descriptions /27/ and compared them with the latest version of the proponents' implementation report to verify whether there was any difference that would cause an increase in estimates of the GHG emission reductions or any other notable changes to the perceived community and biodiversity benefits associated with the project. The verifier team confirmed that the implementation of project activities were done so in accordance with those stated monitoring plans, with the exception of minor project description deviations, which are described in detail in section 3.4 of this report.

The verifier team also confirmed that the monitoring of project implementation has been carried out in accordance with the monitoring plans contained in the registered PDs. According to the validated VCS PD, the project will achieve the expected GHG emission reductions and community and biodiversity benefits through two main outcomes:

Outcome 1 - Contribute to the sustainable development of rural producers living in the buffer zone of the project through the following activities:

- a) Socialization and dissemination of the project goals: the verifier team verified this activity through documentation, pictures, and interviews with community members that the project goals were presented in public events such as workshops, town meetings, and other events, mainly in the Villa Primavera and Belgica communities
  - b) Identification and selection of proposals for the environmentally friendly productive projects: The audit team was able to verify implementation of these activities through interviews with the recipients of the environmentally friendly productive projects contest winners from Inapari and from other buffer areas of the project
  - c) Development of the skills and capacities of the members of the associations linked to the selected projects
  - d) Design of the project profiles of the selected projects
  - e) Look for financing and/or co-financing for the approved profiles
  - f) Support on the implementation of the approved projects
  - g) Monitoring of the projects
- d-g) The team was able to verify implementation of the initiatives mentioned in the IR through review of documentation, materials employed, and interviews with respective community members and beneficiaries.

Outcome 2 - Reduce the vulnerability of the project area from external factors of deforestation and degradation through the following activities:

- a) Review and update of the custody plan
- b) Installation of more control posts in the project area
- c) Delimitation of 100% of the concessions boundaries
- d) Installation of more "Hitos" in the concessions vertexes
- e) Improve the signaling within the concessions
- f) Periodic and annual patrolling within vulnerable sectors
- g) Annual monitoring of possible invasions using satellite images
- h) In-field verification of sectors identified as potential points of invasion (due to deforestation)
- i) Development and implementation of mechanisms for the dissemination of environmental education among children, adolescents and communities involved in the project

The audit team confirmed that the Comunidad Nativa Belgica situated in the leakage belt, is still by far the most important neighbor of the REDD Project. During the site visit, it was evident that the members are still informed and continuously consulted about the project, and are well aware of the impacts of its implementation. Checkpoints, or control posts, were visited during the onsite visit and the team was also able to interview guards who confirmed the presence of project personnel in the area at all times in order to prevent illegal activities and to monitor who enters or leaves the concessions. The audit team also confirmed through visualization, interviews, photographs, and review of documentation that all the project boundaries have been clearly delineated in the field, that there exists periodic and annual patrolling of vulnerable areas that the proposed “hitos”, or boundary posts have been installed, and that signage within the concessions had also been improved.

The monitoring based on satellite images did not register illegal activities during the VCS monitoring period, and the audit team found that the procedures and level of accuracy necessary to comply with the methodology have been properly followed and in accordance with best practices with regards to land use change analysis using remote sensing. Based on the sampling effort, the verification team confirmed that the project meets the accuracy assessment requirement of the M-MON methodological tool.

The verifier team can also confirm that the monitoring of the project has been carried out in accordance with the revised monitoring plans and formulae contained in the registered VCS PD. As required by the monitoring plan of the PD and the applicable methodology, the project proponent effectively monitors the required parameters to determine the project's removals by sinks and emissions by sources. Section 4 of the M-MON module (monitoring module) of the methodology requires, as an applicability condition, that “If emissions from logging are not omitted as de minimis, logging may only take place within forest management areas that possess and maintain a Forest Stewardship Council (FSC) certificate for the years when the selective logging occurs”. The audit team confirmed that the concessions that underwent logging operations during this current VCS monitoring period worked under the auspices and guidelines of FSC certifications /18/. Evidence provided in the form of FSC certificates from the Rainforest Alliance show that both concessions hold FSC certification through 2022, and through review of the parcels and areas that underwent logging operations in the monitoring report, that these in fact lie within the geographic scope of each certificate.

The verifier team visited the portion of the project area which had been subject to harvesting during the VCS monitoring period to remeasure skid trails, road widths, and log deck dimensions. These are the primary sources of degradation during the verification period. Several skid trails, roads, and landings were visited and re-measured using the monitoring methodology. GPS points were taken along the project area border for comparison with reported project area border locations. These measurements were used to ensure that the operational and data collection procedures were implemented in accordance with the monitoring plan of the PDs and to verify the information flows for generating, aggregating and reporting monitoring parameters – as well as – the calculation of VCU's.

Verifiers were also able to corroborate the ways in which the project activities contribute to national sustainable development goals, as well as international ones, such as the UN Millennium Sustainable Development Goals via document review, onsite observations, and in in-person interviews with local stakeholders and project beneficiaries during the site visit.

Based on the verification activities, the verifier team has a reasonable level of assurance that no material discrepancies exist between the project descriptions and project implementation or between the actual monitoring systems, and the monitoring plans set out in the project descriptions and the applied methodologies. Furthermore, the verifier team can also confirm that the proposed project activity is not participating towards any other GHG program as confirmed by the audit team by checking with national authorities as well as checking the CDM, VCS, Gold Standard, and other relevant databases, both at the national level in Peru as well as Internationally. Therefore, the project does not participate under other GHG programs, nor does it generate any other forms of environmental credit.

The following discussion of previously validated methodology deviations was taken directly from previous verification reports for the project. None of the below deviations held any consequences for the

verification engagement described in this report, because none of them were applied during the VCS monitoring period under assessment, with the exception of deviations 6 and 7.

**Previously Validated Methodology Deviations**

Number	Verification Findings
01	<p>This deviation no longer applies because actual skid trail measurements have been collected in all the PCAs that underwent harvested during the verification period (i.e., there are no PCAs that are missing measurement data regarding skid trails). The audit team confirmed that measurements have been duly collected in respect of the area harvested during the verification period, as discussed further in Section 4.2.2 below.</p>
02	<p>This deviation was made irrelevant with the transition from ResourceSat-1 back to imagery from the Landsat program (in this case, Landsat-8). The original deviation pertained to the fact that data were sourced from the Resource-Sat1 program in lieu of the previously utilized Landsat imagery (see the verification report for the 1 January 2009-31 December 2012 monitoring period for details). Note that Step 1 of Section 5 of M-MON is unclear on what exactly is meant by “source”. However, given that the same processing specifications are utilized for all Landsat standard Level-1 data products, including Landsat-8 (the website <a href="https://landsat.usgs.gov/landsat-8">https://landsat.usgs.gov/landsat-8</a>, accessed 5 September 2018, states that “Landsat 8 data products are consistent with other Landsat standard Level-1 data products, using specifications described on the Landsat Processing Details page”), a common-sense reading would suggest that all Landsat products should be considered to be of the same “source” for purposes of application of the guidance in Step 1 of Section 5 of M-MON.</p>
03	<p>This deviation was noted during the verification audit for the 1 January 2009 to 31 December 2012 monitoring period (also conducted by SCS and led by the same lead auditor as has led the verification engagement documented in this report). The description of the noted deviation, as quoted from Section 2.2.1 of the verification report for the 1 January 2009 to 31 December 2012 monitoring period, is as follows:</p> <p>“For the quantification of uncertainty in emissions from construction of skid trails, logging decks and logging roads, the M-MON module requires that “The uncertainty in carbon stocks estimates and resulting emissions must be included in the estimation of with-project scenario uncertainty calculations performed using the module X-UNC (VMD0017) during each verification event unless indisputably conservative estimates are used”. The uncertainty in carbon stock estimates was not included in the estimation of with-project scenario uncertainty calculations.”</p> <p>“For the quantification of uncertainty in skid trail emissions, the audit team agrees that the uncertainty in carbon stock estimates does not have to be included, as discussed in Section 4.2 below. However, for quantification of uncertainty in emission from creation of logging decks and logging roads, sufficient evidence was not provided to the audit team to demonstrate that indisputably conservative estimates of carbon stock have been used. However, the total percent uncertainty calculated by the audit team (using statistically sound calculations and fully accounting for the uncertainty in the carbon stock estimates employed in logging deck and logging road emissions) was far less than 15%, as was the uncertainty reported by project personnel. Therefore, no deduction for uncertainty was required on the basis of either uncertainty calculation. On this basis, the deviation, which applies to the criteria and procedures for monitoring, can be considered to have no impact conservativeness of the quantification of GHG emission reductions, and is therefore considered appropriate with respect to the present monitoring period. It is noted that such a discrepancy with respect to the requirements of the methodology may prove to be a material discrepancy in a future monitoring period.”</p> <p>As noted above, at the time, the audit team had not been provided with evidence that indisputably conservative estimates of carbon stock had been used in the quantification of</p>

	<p>skid trail emissions, and neither had the uncertainty in carbon stock estimates been accounted for in the uncertainty calculations. In the uncertainty calculations for the verification period, it continues to be the case that uncertainty in carbon stock estimates is not accounted for in calculating the uncertainty of skid trail emission estimates. However, after the experience gained from five different verification engagements, SCS believes that, under the conditions in which skid trails are created in the project area, use of mean carbon stock estimates to calculate emissions is indisputably conservative, for the following reasons:</p> <ul style="list-style-type: none"> <li>• The accounting process required by M-MON treats emissions from skid trails as permanent within a given crediting period; however, skid trails in the project area are known to grow back within a relatively quick time period. Therefore, if small trees are killed in the process of skid trail creation, it is quite possible that those small trees could be replaced by other small trees by the end of the crediting period.</li> <li>• The audit team understands that, for obvious reasons, it is common practice to avoid large trees in skid trail construction wherever possible. Therefore, use of the forest carbon inventory data (which includes such large trees in the relative frequency in which they are found in the project area) to estimate emissions indisputably overestimates emissions (perhaps significantly so).</li> </ul> <p>Therefore, SCS has applied professional judgment to confirm that indisputably conservative estimates of carbon stock have been used in the quantification of skid trail emissions, and it is no longer believed that there is a methodology deviation in respect of the above.</p>
04	This deviation no longer applies because logging deck measurements have been collected for all log decks in parcels subject to harvest during the verification period (i.e., there are no PCAs that are missing measurement data regarding log decks). The audit team confirmed that measurements have been duly collected in respect of the area harvested during the verification period, as discussed further in Section 4.2.2 below.
05	This deviation no longer applies because measurements have been collected for all secondary roads in the area subject to harvest during the verification period (i.e., there are no PCAs that are missing measurement data regarding secondary roads). The audit team confirmed that measurements have been duly collected in respect of the area harvested during the verification period, as discussed further in Section 4.2.2 below.
06	This deviation remains relevant and is discussed in Section 3.2 above. The consequence of the deviation is that the number of credits to be deposited into the buffer pool is calculated in accordance with the VCS rules.
07	This deviation remains relevant and is discussed in Section 3.2 above. The verifier team agrees that deviation has no impact on quantification of reported GHG emission reductions (and so does not negatively impact conservativeness of said quantification).

### Previously Validated Project Description Deviations

The following project descriptions were previously validated:

Number	Verification Findings
01	This deviation was made irrelevant with the transition from ResourceSat-1 back to imagery from the Landsat program (in this case, Landsat-8; see description for parameter "Project Forest Cover Monitoring Map, Leakage Belt Forest Cover Monitoring Map" in Section 4.2.2 below regarding how this was confirmed).
02	This deviation remains relevant and is discussed in Section 3.3 above.

### Minor Changes to Project Description

Minor changes to the project design were validated as part of this verification engagement and as described in section 3.4 of this report.

### Overall Conclusion

In summary, with the exception of the deviations to the project description as discussed above, the audit team can confirm that the project has been implemented as described in the validated project description.

#### 4.3.2 Risks to the Project (G3.5)

In section 2.2.5 of the implementation report, the proponents have listed all of the potential natural and human-induced risks to the expected project benefits, along with a description of all of the enacted project activities and steps taken during the reporting period to mitigate such risks.

The verifier team ensured all of the risks originally identified by the project proponents in the project design were considered here once more, as well as others that may have been identified during project implementation. Through site visit observations, interviews conducted with project personnel and surrounding communities, and document assessment, the audit team confirmed the natural and human-induced risks to the expected project benefits.

Risks directly related to forest management activities, such as extinction of local populations of timber species, degradation of habitat, and reduction of genetic variability, were all mitigated against accordingly through the implementation of a polycyclic management system, a selective extraction and reduced impact harvesting model, and through a constant surveillance and monitoring regiment of the project's boundaries. These steps were confirmed by the verifier team via onsite observations, document review, and in interviews with project personnel and community members on the ground. Furthermore, the project's valid FSC certification /16/ offers additional assurance that these steps have been taken accordingly and in line with what has been reported in the implementation report.

Risks more associated with human activities such as illegal logging, forest fires caused by slash and burn practices, invasions, water contamination, and machinery accidents were also mitigated against appropriately during the monitoring period. Evidence that the concessions' Integral Custody Plans /18/19/20/ were implemented accordingly were witnessed throughout the site visit and were also corroborated via interviews with relevant stakeholders. The appropriate implementation of the required Participatory Rural Appraisal was confirmed during the site visit, which also showed that degradation and other unwanted activities have been kept to a minimum during each year of the monitoring period. Yearly remote sensing analysis has also allowed the proponents to identify and mitigate against any invasions or other illegal activities. Finally, it was also verified during the site visit that all forest management activities within the project area were carried out following a low impact scheme and in strict compliance with FSC criteria, giving the verifier team reasonable assurance that all of the stated mitigation actions reported by the project proponents were implemented as carried out accordingly.

In summary, and based on the evidence cited above, the verifier team concludes that reasonable steps have been taken to mitigate the identified risks.

#### 4.3.3 Local Stakeholder Identification (G3.6)

After conducting site visit observations and interviews with a wide range of stakeholders, the verifier team is reasonably assured that the proponent's claim that no new interest groups or social groups have been identified during the CCBS monitoring period is accurate and appropriate. In conclusion, the verifier team found no evidence to suggest that any relevant stakeholders to the process/plan identified in the validated project description have not been considered, identified, or consulted during the CCBS monitoring period.

#### **4.3.4 Accessibility of Project Documents (G3.7)**

The verifier team was able to confirm during the site visit that the project holds important project documentation, such as the PDD and the PIR, and on other forest certification subjects, in both electronic and printed format at the offices of Maderacre and Maderyja; and that this documentation is always made available to stakeholders, anytime, upon request.

Furthermore, and as was evidenced via interviews with local stakeholders, these project documents and other general project information are routinely shared and socialized with local stakeholders via a number of important forums, the most notable of which are the citizen participation workshops and advisory committees, which have been held continuously throughout the CCBS monitoring period, as well as through the socialization of the annual social monitoring results.

All citizen participation workshops and committees are carried out with attendance lists, reports and photographic records, which the verifier team was able to review during the site visit. Project documentation is also made available on the Greenox website, and summaries of key documents are translated into Spanish so as to facilitate their local consumption.

In the same way, the verifier team was also able to confirm that relevant and adequate information about potential costs, risks and benefits to communities has been provided prior to any decisions, and that appropriate actions were taken to explain the verification process to communities and other stakeholders.

In summary, it is the verifier team's opinion that the proponents have and continue to provide adequate and appropriate access to information to local communities and other stakeholders in a transparent manner.

#### **4.3.5 Required Technical Skills and Expertise (G4.1, G4.3)**

Section 2.3 of the proponent's implementation report provides summaries of the technical skills and expertise of the key individual members of the project's management team and of its implementation partners, which clearly shows that the project's management team has maintained the key technical skills and expertise required to properly implement a land management project. The verifier team was able to corroborate this information via direct interviews with these key project personnel as well as through onsite observations and interviews with other relevant stakeholders that could corroborate the team's experience.

Furthermore, the key management personnel have not changed since the project's start date and during the site visit the project proponent explained at great length the work structure for the implementation of the REDD project and the achievement of the project objectives. In conclusion, the verifier team considers that the permanent staff and consultants hired during the CCBS monitoring period have the necessary experience to efficiently implement the project activities, in accordance with the interpretation of the CCBA standard (as well as FSC and VCS).

#### **4.3.6 Scale of Management Capacity (G4.2)**

As was also mentioned in the preceding section of this report, the verifier team is reasonably assured that the main project proponents have the appropriate management capacity required for the scale of the project. Verifiers were able to confirm this via onsite interviews and observations which substantiated that all permanent and/or temporary staff hired by the project have enough technical capabilities (administrative, financial, and forestry) for the appropriate management of the project and the implementation of its proposed activities. When necessary, the project seeks additional advice and services through the hiring of experts, for example, such as in the analysis of satellite imagery to identify the potential deforestation areas, and through the hiring of an independent consultant to verify the claims made with regards to biodiversity monitoring.

#### **4.3.7 Financial Health of Implementing Organization(s) (G4.4)**

The verifier team was able to review the financial budgets /3/ for the project, and confirmed that the financial mechanisms adopted, including past and projected revenues from emissions reductions and other sources, are likely to provide an adequate and sufficient flow of funds for project implementation and to achieve the anticipated climate, community and biodiversity benefits well into the future. Furthermore, the verifier team was also to confirm that the project has already financed all its initial investment and that its annual activities are financed with sales that continue to be made in the voluntary carbon market.

#### **4.3.8 Protection of Property Rights (G5.1 – G5.2)**

The two forest concessions that make up the project, that of Maderacre & Maderyja, continue to operate under their respective concession contracts with the Peruvian Government. These contracts began in 2002, and are renewable for 40 years. In addition to this, and to avoid potential risks and conflicts with adjacent neighbors (the majority of which are also forest concessions) the limits of the project area have also been clearly identified using the coordinates registered under the concessions and in accordance with the property title of the nearest adjacent native community, that of Belgica. Community members and other stakeholders interviewed during the site visit all corroborate that the project has never encroached uninvited on any private, community, or government property throughout its history. Furthermore, all project area limits have been delineated with clear paths and informative signs, as was observed in the field, and was also confirmed in photographs and documented reports. Lastly, the verifier team was also able to confirm during field inspections, documentation review, and in interviews, that no people have ever settled inside the limits of the project in recent history and that therefore, project activities have never led to the relocation of property rights holders from their lands or territories.

#### **4.3.9 In-migration (G5.3)**

Verifiers were able to substantiate through review of previous validation and verification reports, as well as through previous and current remote sensing analysis, interviews with local stakeholders, and onsite observations, that there has never been in-migration into the project area since the project's inception, including the CCBS monitoring period in question.

#### **4.3.10 National and Local Laws (G6.1)**

The verifier team conducted interviews with project personnel and other relevant stakeholders during the site visit and was able to confirm that the project is in compliance with all relevant and applicable laws and/or regulations relevant to the project activities. The concessions of Maderacre & Maderyja continue with their concession contracts with the Peruvian Government, and an interview with the regional environmental authority in charge of forest concessions confirmed that the project has had no violations or other observations during the CCBS monitoring period.

While some new laws (listed below) have come into effect during the CCBS monitoring period, the verifier team was able to confirm that none have had any direct repercussions for the project, as confirmed with local environmental authorities. The most relevant new laws in this respect are:

- Framework Law on Climate Change No. 30754. Published on April 17, 2018<sup>1</sup>, but which is still not regulated.
- Law on compensation mechanisms for ecosystem services. Published on July 21, 2016, with no repercussions for the project, and

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<sup>1</sup> <https://busquedas.elperuano.pe/normaslegales/ley-marco-sobre-cambio-climatico-ley-n-30754-1638161-1/>

- Regulation<sup>2</sup> approved by DS 009-2016 MINAM<sup>34</sup>, also with no direct repercussions for the project.

Beyond this, the verifier team confirmed that project documentation contains a detailed description of Peru's worker rights laws and regulations and how the project's personnel are informed about these laws and regulations. Additionally, the project's operational plan contains detailed health and safety information regarding measures designed to inform workers about their rights, including specific duties for informing workers regarding the Safety Plan and safety roles, responsibilities and accountabilities.

#### **4.3.11 Approval (G6.2)**

As was stated in the preceding section of this report, the verifier team conducted interviews with project personnel and other relevant stakeholders during the site visit and was able to confirm that the project is in compliance with all relevant and applicable laws and/or regulations relevant to the project activities, including all relevant approvals from the appropriate authorities. The concessions of Maderacre & Maderyja continue with their concession contracts with the Peruvian Government, and an interview with the regional environmental authority in charge of forest concessions confirmed that the project has had no violations or other observations during the CCBS monitoring period, and that it still holds the necessary approval to continue with project activities.

#### **4.3.12 Optional Criterion: Adaptive Management – Feedback (G7.1)**

The verifier team is reasonably assured that the project and proponent's monitoring, feedback, and consultation programs have been used appropriately and according to the project design to receive feedback from local stakeholders, and that this feedback has in turn been used to steer and help improve project outcomes during the CCBS monitoring period.

The two main avenues through which this has been accomplished are through a citizen participation workshop and an advisory committee, which have served as the main instruments by which the project engages in constant consultation with its local stakeholders. The citizen participation workshops are a series of meetings that gather the principal representatives of local communities and institutions to examine and discuss the needs and opinions of the local population as they pertain to project activities and to the development of the region as a whole. Similarly, the mentioned advisory committee is where representatives from the concessions are in turn invited to participate in similar types of workshops that are convened directly by local communities or authorities. Such venues have steered important project decisions, such as mode and design by which the project's environmentally friendly projects have been implemented, as well laying out new initiatives that local communities would like to see the project implement in future years. Verifiers were able to corroborate the implementation and effects of these consultation venues through document review, as all workshops were carried out using attendance lists, reports, and photographic records /41-50/, as well as through interviews with relevant stakeholders and beneficiaries during the site visit.

#### **4.3.13 Optional Criterion: Adaptive Management – Internal Knowledge Sharing (G7.2)**

In section 2.6.2 of the implementation report, the project proponents make the claim that for each of the concessions, training workshops and talks are held at least once a year with its relevant personnel and other collaborators in order to review the project's progress, share best practices, and to help plan for the next year of activity implementation. Verifiers were able to confirm these practices through interviews with stakeholders on site, and also in their review of the project annual operation plans /20/ which serve as the project's most important short-term management tool, and the venue by which decisions are documented

<sup>2</sup> The new Regulation establishes that among the ecosystem services that can form part of a MRSE are: water regulation; maintenance of biodiversity; carbon sequestration and storage; landscape beauty; soil erosion control; provision of genetic resources; regulation of air quality; climate regulation; pollination; regulation of natural risks; recreation and ecotourism; nutrient cycling; and soil formation.

<sup>3</sup> [http://www.minam.gob.pe/wp-content/uploads/2014/06/ley\\_302105\\_MRSE.pdf](http://www.minam.gob.pe/wp-content/uploads/2014/06/ley_302105_MRSE.pdf)

<sup>4</sup> <https://busquedas.elperuano.pe/normaslegales/aprueban-reqlamento-de-la-ley-n-30215-ley-de-mecanismos-de-decreto-supremo-n-009-2016-minam-1407244-4/>

based on past performance, and where actions and out comes still to be implemented are discussed and planned with relevant project personnel.

#### **4.3.14 Optional Criterion: Adaptive Management – Project Flexibility (G7.3)**

The REDD project is based on what is established (and already validated) in the PD, and according to the rules of both the VCS and the CCBA standards. However, the project has also been able to install flexible mechanisms that have allowed changes to occur, even as implementation moves forward. The proponents claim that this has been achieved through adherence to the four fundamental pillars that have formed their adaptive management approach; that of the generation of knowledge, appropriate training, the joint planning of activities, and through systemic monitoring and feedback. Changes have been made to the validated project design and other aspects of the project's activities through the implementation and dissemination of annual operative plans, results, and through the general management plans of each of the concessions. These technical documents have constantly been registering community feedback, changing forest conditions, and other lessons learned in order to help advise in the annual planning of future project operations. The most notable changes to the original project design to date have been mode and design by which the project's environmentally friendly projects have been selected and implemented. Verifiers were able to confirm this through the review of project documentation, onsite observations, and in interviews with local stakeholders.

#### **4.3.15 Optional Criterion: Adaptive Management – Long-Term Sustainability of Benefits (G7.4)**

The main instruments and actions put in place in order to secure the long-term sustainability of the project's benefits are the general forest management plans /18/19/ and annual operation plans of each forestry concession /20/. The general forest management plans are approved by the appropriate environmental authorities and are used to ensure that the management of these forests is done in perpetuity according to their categorization as Permanent Production Forests (PPF), with strict restrictions on land use change. They propose the silvicultural systems to be implemented, such as (rotation cycle (CC), administrative division (DA) of the management unit, minimum cutting diameters (DMC), harvest intensities (IC) the proportion of seedlings for natural regeneration, etc.). The annual operation plans /20/ are in turn used to shift and adjust project activities once a year and in consultation with its forestry operations as well as with feedback from community members and other stakeholders with regards to the community benefits produced and other matters of consultation. By this means, the annual working plans serve as an important tool to make minor adjustments to activities in consultation with stakeholders so as to have their continued blessing and consent, while still adhering to the long-term management goals set out in their larger management plans. In conclusion, the verifier team found that these two instruments represent an adequate mode by which the project proponents has helped to ensure the long-term sustainability of its benefits.

#### **4.3.16 Optional Criterion: Project Implementation Knowledge Dissemination – Lessons Learned (G8.1 – G8.2)**

The modes by which relevant or applicable lessons learned by the project proponents have been documented and disseminated to other relevant parties to improve the success of and encourage the implementation of other land-based management projects have been the aforementioned annual operation plans /20/, the citizen participation workshops, and the advisory committees held with the project's main stakeholders. Verifiers were able to confirm the appropriate use of these management tools and venues for continued consultation and knowledge dissemination via onsite observations, document review /41-50/, and in interviews held with beneficiaries and stakeholders during the site visit.

#### 4.4 Climate

##### 4.4.1 Accuracy of GHG Emission Reduction and Removal Calculations

The GHG emission reductions and/or removals have been quantified correctly in accordance with the project description and (with the exception of the methodology deviations discussed in Sections 3.2 and/or 4.3.1.1 above) with the applied methodology.

For all instances in which values were transcribed between datasets (e.g., transcription from the project description to reporting workbooks, or between reporting workbooks), the audit team carefully traced values to ensure the absence of manual transposition errors.

An identification of the data and parameters used to calculate the GHG emission reductions and removals/or, and a description of the steps taken to assess each of them, follows.

##### 4.4.1.1 Data and Parameters Available at Validation

	<b>Steps taken by audit team to assess...</b>		
<b>Data/Parameter</b>	<b>Accuracy of GHG emission reductions and removals</b>	<b>Whether methods/formulae set out in project description have been followed</b>	<b>Appropriateness of default values</b>
Regional Forest / Non-forest Cover Benchmark Map	N/A (not used for monitoring)	N/A (not used for monitoring)	N/A (not used for monitoring)
Project Forest Cover Benchmark Map	N/A (not used for monitoring)	N/A (not used for monitoring)	N/A (not used for monitoring)
Leakage Belt Forest Cover Benchmark Map	N/A (not used for monitoring)	N/A (not used for monitoring)	N/A (not used for monitoring)
$A_i$	N/A (assessed at validation)	Visual inspection of spatial products displaying strata of harvested area to confirm that the validated stratification system has been used (through comparison to data shown in Chart 20 of PD /27/ and other sources provided at validation)	N/A (assessed at validation)
CF, $CF_j$	N/A (assessed at validation)	Confirmed that value of 0.49, as stated in Section 4.1 of PD /27/, was used in "CP Estimation" workbook /5/	N/A (assessed at validation)
$f_j(x,y)$	N/A (not directly used)	N/A (not directly used)	N/A (not directly used)
Carbon stock in all pools in the forest stratum (includes $C_{BSL,I}$ and $C_{P,post,I}$ )	N/A (assessed at validation)	Confirmed that values were correctly transcribed from Chart 22 of PD /27/ to "CP Estimation" workbook /5/ (note that the value in Chart 22 is different from that in Section 4.1 of PD, in respect of the "Deforestation for Agriculture (Corn)" post-deforestation class; project personnel have clarified that the value in Chart 22 is seen as	N/A (assessed at validation)

	<b>Steps taken by audit team to assess...</b>		
<b>Data/Parameter</b>	<b>Accuracy of GHG emission reductions and removals</b>	<b>Whether methods/formulae set out in project description have been followed</b>	<b>Appropriateness of default values</b>
		correct for this class and the value in Section 4.1 is the result of a typo)	
Change in the land use	N/A (not used for monitoring)	N/A (not used for monitoring)	N/A (not used for monitoring)
Emissions by biomass burning	N/A (not relevant; no biomass burning detected through monitoring of project area)	N/A (not relevant; no biomass burning detected through monitoring of project area)	N/A (not relevant; no biomass burning detected through monitoring of project area)

4.4.1.2 *Data and Parameters Monitored*

	<b>Steps taken by audit team to assess...</b>		
<b>Data/Parameter</b>	<b>Accuracy of GHG emission reductions and removals</b>	<b>Whether methods/formulae set out in project description have been followed</b>	<b>Appropriateness of default values</b>
Project Forest Cover Monitoring Map, Leakage Belt Forest Cover Monitoring Map	Review of relevant remote sensing documentation to ensure adherence to criteria documents, in-person interview with GIS/Remote Sensing consultant in charge of conducting latest analysis.	Reviewed process against Section 4.2 of PD /27/ to confirm that procedures set out in pp. 198-200 were generally followed, excepting the project description deviation as discussed in Section 3.3 above	N/A
Degradation PRA Results	N/A; parameter does not fall within the scope of verification (this parameter was monitored during the 1 January 2017-31 December 2017 monitoring period and verified as part of the corresponding verification engagement; see Section 4.2.2 of the 1 January 2017-31 December 2017 verification report for details	N/A; parameter does not fall within the scope of verification	N/A; parameter does not fall within the scope of verification

	<b>Steps taken by audit team to assess...</b>		
<b>Data/Parameter</b>	<b>Accuracy of GHG emission reductions and removals</b>	<b>Whether methods/formulae set out in project description have been followed</b>	<b>Appropriateness of default values</b>
Result of Limited Degradation Survey	N/A; parameter does not fall within the scope of verification (see above)	N/A; parameter does not fall within the scope of verification (see above)	N/A; parameter does not fall within the scope of verification (see above)
A <sub>burn,i,t</sub>	N/A (not relevant; no biomass burning detected through monitoring of project area; see “Project Forest Cover Monitoring Map” above)	N/A (not relevant; no biomass burning detected through monitoring of project area; see “Project Forest Cover Monitoring Map” above)	N/A (not relevant; no biomass burning detected through monitoring of project area; see “Project Forest Cover Monitoring Map” above)
A <sub>DefPA,i,u,t</sub> , A <sub>DefLB,i,u,t</sub>	Through independent recalculation using the “lb_tb_uso_cambio_2018” layer, audit team confirmed that quantification of area deforested in the leakage belt was free of material error (no area was found to be deforested in the project area during the monitoring period; see “Project Forest Cover Monitoring Map” above)	N/A; no particular methods set out in PD for quantification of deforested area from Forest Cover Monitoring Maps	N/A
A <sub>DegW,i</sub>	N/A (the PRA did not indicate a need for a degradation survey)	N/A	N/A
A <sub>DECKS,i,t</sub>	Review of process used to measure this parameter in the field to confirm absence of material error; as well as direct measurement.	N/A (no specific methods set out in PD /27/ aside from what is stated in methodology)	N/A
A <sub>DistPA,q,i,t</sub>	N/A (not relevant; no disturbances detected through monitoring of project area; see “Project Forest Cover Monitoring Map” above)	N/A (not relevant; no disturbances detected through monitoring of project area; see “Project Forest Cover Monitoring Map” above)	N/A (not relevant; no disturbances detected through monitoring of project area; see “Project Forest Cover Monitoring Map” above)
A <sub>ROAD,i,t</sub>	Direct remeasurement and comparison with reported results to confirm absence of material error.	N/A (no specific methods set out in PD /27/ aside from what is stated in methodology)	N/A
A <sub>RRL,forest,t</sub>	N/A (this parameter not currently being monitored; see methodology deviation discussed in Section 3.2 above)	N/A	N/A

	<b>Steps taken by audit team to assess...</b>		
<b>Data/Parameter</b>	<b>Accuracy of GHG emission reductions and removals</b>	<b>Whether methods/formulae set out in project description have been followed</b>	<b>Appropriateness of default values</b>
AP <sub>i</sub>	N/A (the PRA did not indicate a need for a degradation survey)	N/A	N/A
C <sub>DegW,i,t</sub>	N/A (the PRA did not indicate a need for a degradation survey)	N/A	N/A
C <sub>AB_tree_dest,i</sub>	N/A; C <sub>tree_AB_dest,i</sub> was set equal to C <sub>tree_AB,i</sub> (as allowed for by M-MON; see Section 6.2), which was assessed at validation	Confirmed that values reported in Section 3.2 of MR and used in quantification have been correctly transcribed from Chart 22 of PD /27/	N/A
C <sub>BB_tree_dest,i</sub>	N/A; C <sub>tree_BB_dest,i</sub> was set equal to the product of C <sub>tree_AB_dest,i</sub> and R <sub>j</sub> (as allowed for by M-MON; see Section 6.2), both of which were assessed at validation	Confirmed that values reported in Section 3.2 of MR and used in quantification have been correctly transcribed from Chart 22 of PD /27/ and are correctly calculated as the product of aboveground biomass and root-to-shoot ratio of 0.24	N/A
F <sub>LU</sub>	N/A (not used for monitoring)	N/A (not used for monitoring)	N/A (not used for monitoring)
F <sub>MG</sub>	N/A (not used for monitoring)	N/A (not used for monitoring)	N/A (not used for monitoring)
F <sub>i</sub>	N/A (not used for monitoring)	N/A (not used for monitoring)	N/A (not used for monitoring)
L <sub>sk, Lskid,i,t</sub>	<p>Through review of sampling design used to establish skid trail plots, audit team confirmed that it constituted “systematic sampling with a random start of the entire area logged” as allowed for by M-MON Section 6.2</p> <p>Through checks on a sample of skid trail plots in PCAs that underwent harvest in 2018, verifier team confirmed that field measurements were taken to a high standard of quality</p>	N/A (no specific methods set out in PD /XX/ aside from what is stated in methodology)	N/A

	<b>Steps taken by audit team to assess...</b>		
<b>Data/Parameter</b>	<b>Accuracy of GHG emission reductions and removals</b>	<b>Whether methods/formulae set out in project description have been followed</b>	<b>Appropriateness of default values</b>
	Audit team traced calculations through reporting workbooks to ensure absence of material error		
$V_{EXT,z,i,t}$ , $V_{EXT,j,z,i,t}$	<p>Audit team interviewed project personnel regarding the process for data collection and compilation, to ensure absence of material error</p> <p>Audit team recalculated volume based on measured data and confirmed the reported quantity was free from material error</p> <p>Audit team cross-checked reported data against information independently provided by the Forest Concessions Chief of Tahuamanu to independently verify the submitted information.</p>	Through independent data testing, audit team confirmed that the Smalian formula, as set out on p. 188 of PD /27/, has been used to calculate this parameter	N/A
$W_{SKID}$	<p>Through review of sampling design used to establish skid trail plots, audit team confirmed that it constituted “systematic sampling with a random start of the entire area logged” as allowed for by M-MON Section 6.2</p> <p>Through checks on a sample of skid trail plots in PCAs that underwent harvesting in 2018, the verifier team confirmed that field measurements were taken to a high standard of quality and that the width measurements were based distance between trees undamaged by skid trail</p>	N/A (no specific methods set out in PD /27/ aside from what is stated in methodology)	N/A

	<b>Steps taken by audit team to assess...</b>		
<b>Data/Parameter</b>	<b>Accuracy of GHG emission reductions and removals</b>	<b>Whether methods/formulae set out in project description have been followed</b>	<b>Appropriateness of default values</b>
	<p>creation on one side to trees undamaged by skid trail creation on the other side</p> <p>Verifier team traced calculations through reporting workbooks to ensure absence of material error</p>		
D <sub>j</sub> , D <sub>mn</sub>	<p>Through review of data sources for wood densities and interviews with project personnel regarding the selection process, the audit team is reasonably assured that the data sources used are the most applicable to the Madre de Dios region (and, thus, the most likely to accurately project emissions)</p>	<p>Audit team confirmed that the process for selection of wood densities follows the general guidance outlined in pp. 170-171 of PD /27/</p>	<p>Audit team cross-checked all wood densities against relevant source materials and confirmed that, in all cases, the data sources were nationally specific (and, thus, the validation procedures in M-MON were not required)</p>
PROP <sub>IMM</sub>	<p>Through review of the calculation of this parameter in the "leakage estimations" workbook as submitted for the 1 January 2017-31 December 2017 monitoring period (see Section 4.4.2 of the corresponding verification report), the audit team confirmed that it was conservatively calculated using census data</p> <p>As the parameter is technically subject to monitoring with each verification event (if verification occurs more frequently than every 5 years, per M-MON), the audit team confirmed that no census information that has been released more frequently than 2017 (the monitored value is derived from 2017 census</p>	<p>Audit team confirmed that the calculation followed the same process used in calculating the original value (see p. 160 of PD /27/)</p>	N/A

	<b>Steps taken by audit team to assess...</b>		
<b>Data/Parameter</b>	<b>Accuracy of GHG emission reductions and removals</b>	<b>Whether methods/formulae set out in project description have been followed</b>	<b>Appropriateness of default values</b>
	<p>data) that could be used to update this value (thus confirming that the previously monitored value remains appropriate)</p> <p>The audit team further judged the utilized value of 0.03 to be conservative because it is a rounded version of the value calculated in the “leakage estimations” workbook as submitted for the 1 January 2017-31 December 2017 monitoring period (the value calculated in the workbook, as taken out to eight decimal places, is 0.02701769); use of the rounded version will result in higher calculated leakage emissions than would be calculated using the unrounded version</p>		
COLB	Through recalculation, the audit team confirmed that this value was correctly calculated using an official, published source	While the quantification process was not exactly the same as that set out in the PD /27/ (see p. 411), audit team reviewed the quantification process to confirm it represented an improvement over the validated methods	N/A

#### 4.4.2 Quality of Evidence to Determine GHG Emission Reductions and Removals

The evidence used to determine the GHG reductions and removals was of sufficient quantity and appropriate quality. An identification of the categories of evidence used to determine the GHG emission reductions and removals, and a description of the steps taken to assess the sufficiency of quantity, and appropriateness of quality, of each category of evidence, follows.

Category	Steps taken by audit team to assess...		
	Reliability of the evidence, and source and nature of evidence (external or internal, oral or documented) for determination of GHG emission reductions or removals	Information flow from data generation and aggregation, to recording, calculation and final transposition into the MR	Appropriateness of implemented calibration frequency of monitoring equipment
Calculation workbooks	Replication of calculations to verify that workbooks are free of material error and, thus, reasonably reliable	Tracing of information through workbooks to source data	N/A
Analysis of remotely sensed imagery	Through review of procedures and independent review of satellite imagery, audit team can confirm this evidence is highly reliable	Through review of spatial analysis processes, audit team confirmed that data were appropriately transcribed into the calculation workbooks (see above)	Audit team confirmed that source data for this analysis is the Landsat program, an official program of the United States government that can be assumed to have industry-standard calibration procedures in place to ensure high-quality data
Reported data on harvest volumes	Discussions with project personnel regarding the information flow and independent confirmation of data with the Head of Forest Concessions for Tahuamanu (see Section 2.3.2 above)	Independent recalculation of volumes from measured variables (length and diameter at each end); tracing and vouching a sample of reported data against measurement data sheets	Discussions with project personnel regarding the instruments used to acquire measurements of length and width
Measured data on roads, skid trails and logging decks	Independent remeasurement of length and width measurements on skid trails and forest roads	Independent recalculation of degradation from low-level reported data to confirm absence of material transcription/compilation errors	Discussions with project personnel regarding the instruments used to acquire measurements of length and width

Overall, the evidence used to determine the GHG reductions and removals is of sufficient quantity (i.e., all necessary information has been provided to allow the audit team to trace and, as necessary, recalculate the quantification of GHG reductions and removals), and of appropriate quality (i.e., information presented is free of misstatements, whether material or immaterial) to allow the audit team to render a verification opinion.

**4.4.3 Non-Permanence Risk Analysis**

The reported value of the overall risk rating for 2018, as determined based on the risk analysis documented in the NPRR, was that of 10%.

Please note that even though the current verification covers calendar years 2014-2018, that the verifier team has only examined and evaluated the risk rating for calendar year 2018 during this verification, as the risk ratings for calendar years 2014-2017 have already been previously verified.

For these purposes, the verifier team did not perform a re-assessment of the risk analysis from first principles, but did assess the following:

- Whether any circumstances or conditions may have transpired since the previous risk analysis such that a previous determination having bearing on the risk rating is no longer valid
- Whether items meant to address certain risks are in place and functioning as intended

The audit team’s conclusions regarding the risk analysis are two-fold. The audit team concludes that:

- The assignment of risk scores to risk factors that did not change from the previous risk analysis remains appropriate and in conformance to the AFOLU Non-Permanence Risk Tool, to the extent that such assignment was appropriate and in conformance to the AFOLU Non-Permanence Risk Tool at the time of the prior risk analysis.
- The assignment of risk scores to risk factors that did change from the previous risk analysis is appropriate and in conformance to the AFOLU Non-Permanence Risk Tool.

A detailed review of the audit team’s conclusions may be found below.

*4.4.3.1 Internal Risk - Project Management*

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
(a)	<ul style="list-style-type: none"> <li>• During the site visit, the verifier team confirmed, through on-site inspections, review of management planning documents and interviews with project personnel, that the planting of species that are “not native or proven to be adapted to the same or similar agro-ecological zone(s) in which the project is located” continues to be excluded from the scope of the project activity</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Risk rating is appropriate
(b)	<ul style="list-style-type: none"> <li>• During the site visit, the audit team observed control posts and other evidence that ongoing enforcement to prevent encroachment by outside actors is required to protect more than 50% of stocks on which GHG credits have previously been issued.</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(c)	<ul style="list-style-type: none"> <li>The verifier team was able to confirm, through interviews with project personnel, that the management team continues to include individuals with significant experience in each of the skills required for effective project implementation</li> <li>The primary roles within Maderacre staff interviewed ranged from 10 to 14+ years, and their fluency with the project details was obvious</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(d)	<ul style="list-style-type: none"> <li>Through on-site inspections, the verifier team can confirm that the base of operations for Maderacre and Maderyja is located near the town of Iñapari, and thus within a day's travel from the project area. There are forest worker headquarters quite close to the project area.</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(e)	<ul style="list-style-type: none"> <li>The verifier team can affirm that the management team includes individuals that have already guided the project through successful validation, verification and issuance of GHG credits of the project under the VCS Program, as demonstrated by credit issuance relating to GHG emission reductions attributable to prior monitoring periods (the management team has remained largely constant over time).</li> </ul>	<ul style="list-style-type: none"> <li>Evidence of prior credit issuance may be found on the VCS Project Database (<a href="https://www.vcsprojectdatabase.org/#/vcus">https://www.vcsprojectdatabase.org/#/vcus</a>); which is presumed to be of high quality</li> </ul>	Risk rating is appropriate

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
(f)	<ul style="list-style-type: none"> <li>The verifier team interviewed project personnel with regards to their adaptive management, and reviewed the General Forest Management Plans /18/ /19/ to see defined objectives.</li> <li>The verifier team observed a reference to “redefining productive units” and procedures for changing high value conservation areas.</li> <li>These examples as well as analysis of these changes, and new calculations for commercial analysis, and adjusting the minimum cutting diameter are evidence of adaptive management being implemented.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed the General Forest Management Plans, which are thorough documents with high quality data that is consistent with supporting documentation.</li> </ul>	Risk rating is appropriate

4.4.3.2 *Internal Risk – Financial Viability*

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
(a)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(b)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(c)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(d)	<ul style="list-style-type: none"> <li>The verifier team determined through review of financial information that the project has indeed already reached its breakeven point through the sale of VCUs and timber.</li> </ul>	<ul style="list-style-type: none"> <li>The “cash flow” documentation /3/ /4/ reviewed is thorough and includes appropriate historical information.</li> <li>Evidence of timber volumes and sales /30/ were also reviewed and found to be of high quality.</li> </ul>	Risk rating is appropriate
(e)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(f)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(g)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(h)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(i)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate

4.4.3.3 Internal Risk – Opportunity Cost

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
(a)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(b)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(c)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(d)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(e)	<ul style="list-style-type: none"> <li>Review of the financial information /3/ /4/ supports the overall comparison of net present values from project activities and alternative uses.</li> <li>Interview with the Head of Forest Concessions for Tahuamanu (see Section 2.3.2 above) also indicated that there hadn't been significant changes in land use economics during the monitoring period.</li> </ul>	<ul style="list-style-type: none"> <li>The cash flow documentation /3/ /4/ includes appropriate values to the alternative values cited in the NPRR. While these values are somewhat outdated, there does not appear to be more recent information.</li> </ul>	Risk rating is appropriate
(f)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(g)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(h)	<ul style="list-style-type: none"> <li>Through an interview with the Head of Forest Concessions for Tahuamanu (see Section 2.3.2 above), the audit team confirmed that the relevant concession agreements remain in full force and effect</li> <li>Thus, on a sample basis, the verifier team has confirmed that all relevant concession agreements remain in full force and effect</li> <li>These agreements were previously confirmed to constitute legally binding commitments to continue management practices that protect the credited carbon stocks over the length of the project crediting period (see pp. 38-39 of verification report for the 1 January 2009-31 December 2012 monitoring period)</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
(i)	<ul style="list-style-type: none"> <li>Through an interview with the Head of Forest Concessions for Tahuamanu (see Section 2.3.2 above), the verifier team confirmed, on a sample basis, that the designation of the project area as a permanent productive forest (PPF) remains in full force and effect</li> <li>This designation was previously confirmed to constitute a legally binding commitment to continue management practices that protect the credited carbon stocks over at least 100 years (see p. 22 of verification report for the 1 January 2014-31 December 2014 monitoring period)</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate

*4.4.3.4 Internal Risk – Project Longevity*

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
(a)	<ul style="list-style-type: none"> <li>See item (i) under Section 4.4.1.3 above (per Section 2.2.4(5) of the AFOLU Non-Permanence Risk Tool, “Any project with a legally binding agreement that covers at least a 100 year period from the project start date shall be assigned a score of zero for project longevity”); thus, a zero score for project longevity is appropriate</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate

*4.4.3.5 External Risk – Land Tenure and Resource Access/Impacts*

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
(a)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
(b)	<ul style="list-style-type: none"> <li>Through an interview with the Head of Forest Concessions for Tahuamanu (see Section 2.3.2 above), the verifier team confirmed, on a sample basis, that ownership of the project area remains vested in the government of Peru, while resource access/use rights are granted via concession</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(c)	<ul style="list-style-type: none"> <li>Through an interview with the Head of Forest Concessions for Tahuamanu (see Section 2.3.2 above), the verifier team confirmed, on a sample basis, that no disputes over land tenure or ownership exist within the project area</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(d)	<ul style="list-style-type: none"> <li>Through an interview with the Head of Forest Concessions for Tahuamanu (see Section 2.3.2 above), the verifier team confirmed, on a sample basis, no disputes over access/use rights (or overlapping rights) exist within the project area</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(e)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(f)	<ul style="list-style-type: none"> <li>See item (h) under Section 4.4.1.3 above</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(g)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate

*4.4.3.6 External Risk – Community Engagement*

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
(a)	<ul style="list-style-type: none"> <li>The verifier team can confirm, through review of remotely sensed data indicating the absence of any land clearing and visits to the project area, that there are still no households located within the project area</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
(b)	<ul style="list-style-type: none"> <li>The verifier team can confirm, through review of the PRA results /13/, that there continue to be no households within 20 km of the project area that could be considered reliant on the project area, with a very small percentage of those interviewed reporting going for wood, timber, or wood for charcoal outside of their property.</li> </ul>	<ul style="list-style-type: none"> <li>The PRA is the result of a diligent effort conducted by qualified personnel according to current best practice, and is thus considered to be of high quality</li> </ul>	Risk rating is appropriate
(c)	<ul style="list-style-type: none"> <li>As there continue to be no communities who derive livelihoods from the project area, this mitigation score is not applicable</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate

4.4.3.7 External Risk – Political Risk

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
(a)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(b)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(c)	<ul style="list-style-type: none"> <li>Through independent recalculation of the governance score from the World Bank Institute’s Worldwide Governance Indicators for 2013-2017, as downloaded from <a href="http://info.worldbank.org/governance/wgi/#home">http://info.worldbank.org/governance/wgi/#home</a> on 14 August 2019, verifier team can confirm that the score has been appropriately calculated</li> <li>The resulting score is slightly different from the score reported in the NPRR, given that different years were included in the calculation in the NPRR; however, the audit team is reasonably assured that data for 2017 were not available at the time that the NPRR was produced and, as the resulting risk score is not sensitive to the exact calculation of the governance score.</li> </ul>	<ul style="list-style-type: none"> <li>The Worldwide Governance Indicators are required for use by the AFOLU Non-Permanence Risk Tool and are thus considered to be of high quality</li> </ul>	Risk rating is appropriate

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
(d)	<ul style="list-style-type: none"> <li>N/A`</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(e)	<ul style="list-style-type: none"> <li>N/A</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>	Risk rating is appropriate
(f)	<ul style="list-style-type: none"> <li>The Madre de Dios region of Peru is participating in the Governors' Climate and Forest Taskforce, as confirmed through review of their website (<a href="https://www.gcftf.org/">https://www.gcftf.org/</a>, accessed on August 8, 2019)</li> <li>Thus, at least one of the criteria necessary to claim the mitigation risk score has been met</li> </ul>	<ul style="list-style-type: none"> <li>The press release has been posted to the official website for the Governors' Climate and Forest Taskforce and can be considered to be of high quality</li> </ul>	Risk rating is appropriate

4.4.3.8 *Natural Risk*

<b>Risk</b>	<b>Assessment of rationale, assumptions and justification</b>	<b>Assessment of quality of documentation and data provided</b>	<b>Conclusion regarding appropriateness of risk rating</b>
<b>Fire</b>			
L		Documentation reviewed included previously submitted evidence to substantiate that there	Risk rating is appropriate
S			

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
M	<ul style="list-style-type: none"> <li>• Verifier team reviewed past verification reports to confirm that this risk was and continues to not be applicable to the project area.</li> <li>• Through interviews with project personnel as well as the Head of Forest Concessions for Tahuamanu (see Section 2.3.2 above), the verifier team confirmed that no known fires have recently occurred in the project area and, therefore, the risk remains not applicable to the project area, despite the use of fire for other local agricultural and livestock systems.</li> </ul>	<p>is a very low risk of occurrences of fire within the Madre de Dios Amazon REDD project area. This information is described and summarized below. No new evidence was provided for the monitoring periods in question, but interviews with stakeholders confirmed that these conditions have not changed.</p> <p>Evidence:</p> <p>Satellite Images of 30x30m, Landsat type: (a) images of the years 1990, 1995, 2000, 2005 and 2008 and (b) images of the years 2009 and 2010; which will be available to the auditors.</p> <p>There is a very low risk of occurrence of forest fires within the Madre de Dios Amazon REDD project area, because although it is common practice for local people to deforest for the installation of agriculture and livestock systems using fire, the fire spread to the surrounding forests is low, according to the INDECI statistics, which show that within Madre de Dios, although burning is a very common practice, a very low number of forest fire events are reported.</p> <p>Evidence (references):</p> <p><a href="http://www.indeci.gob.pe/estadisticas/res_2006/res_2006_a.pdf">http://www.indeci.gob.pe/estadisticas/res_2006/res_2006_a.pdf</a>  <a href="http://www.indeci.gob.pe/estadisticas/2007/1er_tri_a.pdf">http://www.indeci.gob.pe/estadisticas/2007/1er_tri_a.pdf</a>  <a href="http://www.indeci.gob.pe/estadisticas/2008/1er_tri_a.pdf">http://www.indeci.gob.pe/estadisticas/2008/1er_tri_a.pdf</a>  <a href="http://www.indeci.gob.pe/estadisticas/2009/1_eme_reg_fen.pdf">http://www.indeci.gob.pe/estadisticas/2009/1_eme_reg_fen.pdf</a>  <a href="http://www.indeci.gob.pe/estadisticas/2010/1_eme_reg_fen.pdf">http://www.indeci.gob.pe/estadisticas/2010/1_eme_reg_fen.pdf</a>  <a href="http://sinpad.indeci.gob.pe/UploadPortalSINPAD/COEN_Noticia/mon_nac_inc_forest_31.05.06.pdf">http://sinpad.indeci.gob.pe/UploadPortalSINPAD/COEN_Noticia/mon_nac_inc_forest_31.05.06.pdf</a></p>	
<b>Pest and Disease Outbreaks</b>			
L		Documentation reviewed included previously submitted evidence to substantiate that there	Risk rating is appropriate
S			

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
M	<ul style="list-style-type: none"> <li>• Verifier team reviewed past verification reports to confirm that this risk was and continues to not be applicable to the project area.</li> <li>• Through interviews with project personnel as well as the Head of Forest Concessions for Tahuamanu (see Section 2.3.2 above), the verifier team confirmed that no known pest/disease outbreaks have recently occurred in the project area and, therefore, the risk remains not applicable to the project area</li> </ul>	<p>is a very low risk of pest and disease occurrences within the Madre de Dios Amazon REDD project area. This information is described and summarized below. No new evidence was provided for the monitoring periods in question, but interviews with stakeholders confirmed that these conditions have not changed.</p> <p>Evidence:</p> <p>Satellite Images of 30x30m, Landsat type: (a) images of the years 1990, 1995, 2000, 2005 and 2008 and (b) images of the years 2009 and 2010; which will be available to the auditors.</p> <p>The amount of carbon stocks lost due to pests or diseases within the Madre de Dios Amazon REDD project area, which is a tropical natural forest, is insignificant, this due to the high heterogeneity of forest species and pest and diseases control species that occur within it. The processes of tree mortality in this ecosystem are part of its natural dynamics and these areas are quickly covered by the natural regeneration.</p> <p>This can be verified considering that the National Service of Agrarian Sanitation (in Spanish Servicio Nacional de Sanidad Agraria – SENASA) has not registered the occurrence of forest pests within the Madre de Dios Amazon REDD project area nor in its surroundings.</p> <p>Evidence (references): <a href="http://www.senasa.gob.pe/0/modulos/JER/JER_Interna.aspx?ARE=0&amp;PFL=2&amp;JER=1989">http://www.senasa.gob.pe/0/modulos/JER/JER_Interna.aspx?ARE=0&amp;PFL=2&amp;JER=1989</a></p>	
<b>Extreme Weather</b>			
L		Documentation reviewed included previously	Risk rating is
S		submitted evidence to substantiate that there	appropriate

M	<ul style="list-style-type: none"> <li>• Verifier team reviewed past verification reports to confirm that this risk was and continues to not be applicable to the project area.</li> <li>• Through interviews with project personnel as well as the Head of Forest Concessions for Tahuamanu (see Section 2.3.2 above), the audit team confirmed that no known extreme weather events have recently occurred in the project area and, therefore, the risk remains not applicable to the project area</li> </ul>	<p>is a very low risk of carbon stock loss due to extreme weather occurrences within the Madre de Dios Amazon REDD project area. This information is described and summarized below. No new evidence was provided for the monitoring periods in question, but interviews with stakeholders confirmed that these conditions have not changed.</p> <p>Evidence:</p> <p>Satellite Images of 30x30m, Landsat type: (a) images of the years 1990, 1995, 2000, 2005 and 2008 and (b) images of the years 2009 and 2010; which will be available to the auditors.</p> <p>The Madre de Dios department does not present important risks of extreme weather events. Except the case of a cyclical event called “friaje”, which is an incursion of Antarctic air masses that result in a sudden decrease in the air temperature (up to 15o C), increasing stratiform-type clouds, intensifying the winds and increasing the atmospheric pressure. The department most affected by this phenomenon, due to its geographic location, is Madre de Dios (Marengo, 1983). However, being this a natural cyclical event that does not reach freezing temperatures, it does not represent a risk to the permanence of the standing forest.</p> <p>As stated in the VCS Madre de Dios Amazon REDD PD Template, the project area mostly corresponds to the physiographic type of low hills, existing little flood areas that could suffer flooding in the event of heavy rain. Flooding is restricted to the lower terraces, being these events that characterize the natural dynamics of the forests of this area.</p> <p>Evidence (references):</p> <p><a href="http://www.indeci.gob.pe/estadisticas/res_2006/res_2006_a.pdf">http://www.indeci.gob.pe/estadisticas/res_2006/res_2006_a.pdf</a></p> <p><a href="http://www.indeci.gob.pe/estadisticas/2007/1er_tri_a.pdf">http://www.indeci.gob.pe/estadisticas/2007/1er_tri_a.pdf</a></p> <p><a href="http://www.indeci.gob.pe/estadisticas/2008/1er_tri_a.pdf">http://www.indeci.gob.pe/estadisticas/2008/1er_tri_a.pdf</a></p> <p><a href="http://www.indeci.gob.pe/estadisticas/2009/1_eme_reg_fen.pdf">http://www.indeci.gob.pe/estadisticas/2009/1_eme_reg_fen.pdf</a></p> <p><a href="http://www.indeci.gob.pe/estadisticas/2010/1_eme_reg_fen.pdf">http://www.indeci.gob.pe/estadisticas/2010/1_eme_reg_fen.pdf</a> Bernal et al 2001</p> <p><a href="http://sinpad.indeci.gob.pe/estadis/repemexcrono.aspx">http://sinpad.indeci.gob.pe/estadis/repemexcrono.aspx</a></p>	
<b>Geological Risk</b>			
L			

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
S M	<ul style="list-style-type: none"> <li>• Verifier team reviewed past verification reports to confirm that this risk was and continues to not be applicable to the project area.</li> <li>• Through interviews with project personnel as well as the Head of Forest Concessions for Tahuamanu (see Section 2.3.2 above), the verifier team confirmed that no geological events have recently occurred in the project area and, therefore, the risk remains not applicable to the project area</li> </ul>	<p>Documentation reviewed included previously submitted evidence to substantiate that there is a very low risk of carbon stock loss due to geological occurrences within the Madre de Dios Amazon REDD project area. This information is described and summarized below. No new evidence was provided for the monitoring periods in question, but interviews with stakeholders confirmed that these conditions have not changed.</p> <p>The hypsographic map (contour lines, in links below) shows that the Madre de Dios Amazon REDD project area is characterized by the low hills physiographic type, with no volcanoes within the area and its surroundings. The not so steep slopes of the hills, as well as the permanent presence of forests, can control any risk of major landslides. Madre de Dios is a geologically stable department, according to the National Geophysical Data Centre (in Spanish Centro Nacional de Datos Geofísicos – CNDG), being a region with no seismic activity (Bernal et al 2001), as shown in the following figure. The same can be verified in the INDECI statistics, which show that the occurrence of earthquakes, landslides and other geological phenomena are very rare in Madre de Dios.</p> <p>Evidence:</p> <p><a href="http://www.indeci.gob.pe/estadisticas/res_2006/res_2006_a.pdf">http://www.indeci.gob.pe/estadisticas/res_2006/res_2006_a.pdf</a>  <a href="http://www.indeci.gob.pe/estadisticas/2007/1er_tri_a.pdf">http://www.indeci.gob.pe/estadisticas/2007/1er_tri_a.pdf</a>  <a href="http://www.indeci.gob.pe/estadisticas/2008/1er_tri_a.pdf">http://www.indeci.gob.pe/estadisticas/2008/1er_tri_a.pdf</a>  <a href="http://www.indeci.gob.pe/estadisticas/2009/1_eme_reg_fen.pdf">http://www.indeci.gob.pe/estadisticas/2009/1_eme_reg_fen.pdf</a>  <a href="http://www.indeci.gob.pe/estadisticas/2010/1_eme_reg_fen.pdf">http://www.indeci.gob.pe/estadisticas/2010/1_eme_reg_fen.pdf</a> Bernal et al 2001  <a href="http://sinpad.indeci.gob.pe/estadis/repemexcrono.aspx">http://sinpad.indeci.gob.pe/estadis/repemexcrono.aspx</a></p>	Risk rating is appropriate

#### **4.4.4 Optional Criterion: Adapting to Climate Change and Climate Variability – Adaptation Measures (CL4.2)**

The verifier team is reasonably assured that the project proponents have carried out appropriate adaptation measures in order to minimize the negative climate change and climate variability impacts identified in the validated project design during the CCBS monitoring period. These measures include the establishment of an effective adaptive management system; the periodic monitoring of important forest dynamic and structure variables; wildlife surveys; and fires risk and safety measures and education. The implementation of these measures was verified via document review, onsite observations, and in interviews with project personnel, local stakeholders and project beneficiaries.

#### **4.4.5 Optional Criterion: Carbon Benefits Withheld from Regulatory Markets (CL5)**

The verification team was able to confirm the proponent's claim that 100% of their total carbon benefits have been sold in the voluntary market. This was corroborated via a review of their contribution to carbon sales in the voluntary market in Ecosystem Marketplace's state of the voluntary carbon market reports for the years that span the CCBS monitoring period.

(<https://www.cbd.int/financial/2017docs/carbonmarket2017.pdf>).

### **4.5 Community**

#### **4.5.1 Net Positive Community Well-Being Impacts (CM1.1, CM2.3)**

The verification team took several steps to ensure that the project's net community well-being impacts have been positive during the CCBS monitoring period, taking into account both the positive and possible negative impacts these may have had upon adjacent communities, as well as the impacts that may have resulted beyond the immediate project area and into the greater region.

The verifiers are reasonably assured that the project's activities have had a positive effect on the project area's surrounding communities and their well-being, as the constant consultation and feedback mechanisms implemented with the Native Community of Belgica and other smaller surrounding communities have allowed for the smooth operation and implementation of activities designed to improve the quality of life of local residents. These actions were designed under the sustainable development umbrella of spheres of positive social, economic, cultural and organizational change. The verifier team reviewed all of the information provided in Section 4.1 of the implementation report and was able to confirm that the project utilized appropriate methodologies, such as the livelihoods framework prescribed in the original project design, in order to estimate the net benefits to communities resulting from the project's implemented activities.

Furthermore, the verifier team was also able to confirm that every activity reported was accompanied with credible evidence that could substantiate its implementation, and that this process included spaces and forums to discuss the progress and evaluation of the predicted and actual, costs and risks, for all stakeholders involved. Verifiers were able to corroborate the reported implementation of all the measures reported via document review /39-59/, onsite observation, and in interviews with relevant stakeholders and beneficiaries during the site visit. The proponents also resorted to evaluate and quantify the project's impacts on community well-being by directly comparing what would have likely occurred under the no-project scenario. The verifier team can confirm that this evaluation was carried out following the characteristics and guidelines set out in the PDD, and that the values calculated and impacts obtained were done so using appropriate means, considering both the intensity and spatial scale of the impacts the project has had during the CCBS monitoring period. These quantitative and qualitative evaluations were then further corroborated by beneficiaries and stakeholders via interviews during the sit visit.

In conclusion, the verifier team is reasonably assured that the project's activities during the CCBS monitoring period have resulted in net positive outcomes for the project area's local and surrounding communities and that the assessment of impacts carried out by the proponents is accurate.

#### **4.5.2 Local Stakeholder Participation (CM1.2)**

The verifier team is reasonably assured that the project and proponent's monitoring, feedback, and consultation programs have been used appropriately and according to the project design to receive feedback from local stakeholders, and that this feedback has in turn been used to steer and help improve project outcomes during the CCBS monitoring period.

The two main avenues through which this has been accomplished are through a citizen participation workshop and an advisory committee, which have served as the main instruments by which the project engages in constant consultation with its local stakeholders. The citizen participation workshops are a series of meetings that gather the principal representatives of local communities and institutions to examine and discuss the needs and opinions of the local population as they pertain to project activities and to the development of the region as a whole. Similarly, the mentioned advisory committee is where representatives from the concessions are in turn invited to participate in similar types of workshops that are convened directly by local communities or authorities. Such venues have steered important project decisions, such as mode and design by which the project's environmentally friendly projects have been implemented, as well laying out new initiatives that local communities would like to see the project impulse in future years. Verifiers were able to corroborate the implementation and effects of these consultation venues through document review, as all workshops were carried out using attendance lists, reports, and photographic records /41-50/, as well as through interviews with relevant stakeholders and beneficiaries during the site visit.

#### **4.5.3 Conflicts and Grievances (CM1.3)**

According to what the people of the Bélgica Native Community and other local stakeholders indicated via interviews during the site visit, there have been no conflicts and/or complaints of note regarding the Maderacre and Maderyja forest concessions, or with the REDD+ project altogether, during the CCBS monitoring period in question. This corroborates the assertion made by the project proponents in section 4.1.3 of the implementation report.

Despite the absence of official complaints during the CCBS monitoring period however, verifiers were able to confirm that both forestry concessions continue to use and to socialize the existence of their validated protocols for grievance and redress procedures, the procedures and details of which are also included in section 4.1.3 of the implementation report. This was also corroborated in talks with the Bélgica Native Community, with workers from both companies, and with other relevant stakeholders in Inapari.

The advisory committee and citizen participation workshops put in place by the proponents have facilitated constant dialogue among project management and relevant stakeholders throughout the CCBS monitoring period, which the verifier team thinks contributed to the lack of major complaints filed against either forestry concession. In conclusion, the verifier team is reasonably assured the proponents have implemented their grievance redress procedure according to the project's validated design.

#### **4.5.4 Mitigation of Negative Impacts on Offsite Communities (CM2.2)**

The verifier team was able to verify that the project proponents have correctly identified and instituted mitigation actions against any of the potential negative impacts on offsite communities that the project may have had during the CCBS monitoring period. The list of potential negative impacts included in section 4.2.1 include all of the potentially negative effects identified in the project's original design, as well as others identified during the implementation of the project's activities. Through onsite observation and interviews with relevant stakeholders during the site visit, the verifier team found this list complete and accurate.

The proponent’s actions to mitigate against such impacts were also presented and summarized in the corresponding section of the implementation report. The measures mainly include the identification and implementation of a series of environmentally friendly projects with surrounding communities, constant community and stakeholder outreach and interaction venues with which to facilitate dialogue amongst groups, and also by providing training and labor opportunities to local community members. The verifier team was able to substantiate the implementation of these mitigation measures via onsite observations and in interviews with several of those direct beneficiaries. In addition, the verifier team was also able to verify that these efforts were also reinforced via environmental education and outreach workshops which have helped promote sustainable forest and land management in and around the Inapari region.

In summary, based on interviews and observations made onsite, the verifier team concludes that the project has adequately identified all negative offsite community impacts and has taken appropriate actions to mitigate against those impacts during the CCBS monitoring period.

**4.5.5 Monitoring Results (CM3.1)**

The verifier team took the following steps to verify that the community impact monitoring has been carried out in accordance with the project’s validated design.

<b>Steps taken to verify...</b>	
That the dates, frequency, community variables and sampling methods used are in accordance with the validated project design.	<ul style="list-style-type: none"> <li>• While on site, the verifier team interviewed project personnel involved in the social outreach and. Implementation of the environmentally friendly projects, and was able to confirm their competence to perform the designed activities and monitoring protocols implemented.</li> <li>• The verifier team reviewed and confirmed that the project’s community monitoring plan selected appropriate community indicators that are directly linked to the project’s community objectives, and that the appropriate sampling methods, dates, frequencies, and reporting methods were used.</li> <li>• While some modifications have been made to the original community monitoring indicators, the verifier was able to confirm that the changes enacted were appropriate, correctly justified, and correctly labeled as minor project description deviations. Details of these modifications can be found in section 3.4 of this report.</li> </ul>
The results of monitoring.	<ul style="list-style-type: none"> <li>• As stated in previous sections, the verifier team interviewed project personnel directly involved with the community monitoring and was able to confirm their competence and ability to carry out the monitoring adequately.</li> <li>• In addition, the verifier team was also able to confirm the accuracy of the results obtained via direct interviews with project beneficiaries.</li> </ul>

In summary, the audit team concludes that the community monitoring plan was carried out in accordance to the validated project design, with the exception of the minor project description deviations, detailed and validated in section 3.4 of this report.

**4.5.6 Optional Criterion: Capacity Building – Community Capacity Building (CM4.1 – CM4.4)**

While the implementation report does not address the implementation of indicator CM4.1 directly, the verifier team was able to confirm via interviews conducted during the site visit with project beneficiaries, as well as with the technical team of the concessions, that the project has structured its activities around the objective of creating and strengthening the capabilities of local stakeholders, in consideration of their most immediate needs. During such meetings held with members of local communities, the main one

being Belgica, members explained that they had, and continue to, express their main essential needs to both companies via various forums, and that whenever feasible and within reason, the project has responded favorably to such requests, including generating employment opportunities, improvements to the local health center and education centers, and with the impulse of alternative income generating activities.

In this second reporting period, the REDD project has continued to focus on the generation of capabilities through training courses provided to its staff, as well as members of the Bélgica Native Community, covering a wide range of subjects, such as: Chain of Custody procedures, Forest Inventory, Reduced impact logging, FSC certification, Industrial safety and First aid, Identification and Protection of High Conservation Value (HCV), Monitoring of Wildlife Fauna, among others. The Bélgica Native Community has received considerable support from the project in order to achieve and maintain its own FSC certification.

During the site visit, the verifier team was also able to confirm that each concession implements a policy encouraging the hiring of local labor, which has also allowed for the participation of women. While logging operations have traditionally employed mostly men, the project also impules a separate policy that strives to reach a minimum target of 5% of its workforce positions being filled by women. In addition, the verifier was able to confirm via interviews with women in the local community that their active participation is always encouraged in the various consultation forum, such as the citizen participation workshops, and a number of the direct beneficiaries of the implemented environmentally friendly projects have also been women.

Finally, and while the implementation report also does not directly address indicator CM4.4, community participation in the implementation of the project was found to be present in several forms, but primarily through the consultation channels of the advisory committee and citizen participation workshop, described in further detail in section 4.3.16 of this report.

In conclusion, the verifier team was able to establish with reasonable assurance that the project has increased the capacity of the project's employees and relevant community members.

#### **4.5.7 Optional Criterion: Best Practices in Community Involvement – Local Customs (CM5.1)**

The verifier team is reasonably assured that all project activities implemented during the CCBS monitoring period are compatible with local customs and practices. This was verified during meetings and in interviews with personnel located in camps located directly within the project areas under forest management, where they indicated that they understood and respected the culture and practices of the adjacent Bélgica native community, and where they mentioned they also received appropriate training with regards to a conduct code with which to conduct oneself with all local people, always respecting their rights and traditions, no matter the circumstances.

Furthermore, all project managers interviewed demonstrated a great understanding of local customs, as well as to the commitments each concession posses with their native community neighbors. Good relationships and knowledge from both companies was verified through meetings, in which emphasis was given to the fact that the REDD project and the activities of the community components were specifically designed and implemented according to local customs and practices. During meetings and interviews conducted with members of native communities during the site visit, stakeholders confirmed the good standing relationship between them and the concessions and further confirmed that their local traditions and customs have never been compromised because of the implementation of project activities.

#### **4.5.8 Optional Criterion: Best Practices in Community Involvement – Community Employment Opportunities (CM5.2)**

Verifiers were able to confirm that all of the professionals who comprise the staff of the Madre de Dios Amazon REDD project and its linked certified forest management operations have all been hired

according to their academic training and to the experience required for each job position. Other lower level management and technical positions are still filled by staff originating from either Iñapari or Ucayali; from neighboring forest operations, as well as from local native communities. While not all project jobs can be filled by local inhabitants due to the academic and experience levels required, verifiers were able to confirm that the proponents, whenever possible, have continued to implement their policy of trying to “Hire Locally”, giving priority to potential workers from its neighboring communities and following a strict policy for the selection and incorporation of personnel. While timber operations have traditionally always been staffed by males, the verifier team was able to confirm that the project has encourage and attempted to incorporate more and more women into their operations, as was confirmed in interviews with relevant stakeholders during the site visit. In conclusion, the verifier team is reasonably assured that all community members, including women and indigenous communities, were given a fair chance at filling positions for which they can be trained in the implementation of project activities.

#### **4.5.9 Optional Criterion: Best Practices in Community Involvement – Relevant Laws and Regulations Related to Worker’s Rights (CM5.3)**

Since both the Maderacre and Maderyja concessions that make up the REDD project have FSC management certification, the audit team is reasonably assured that both operations pay special attention in implementing policies and procedures that communicate and safeguard workers’ labor rights, at both the national and international level. Furthermore, the verifier team uncovered no evidence during the site visit that showed that the project was not complying with all relevant social and labor laws, regulations, and with the personal welfare of their staff.

Through documentation review and interviews during the site visit, the verifiers were able to confirm that the project keeps up with the appropriate payment of wages, social security fees, Labor of Ministry sealed contracts, registration and payments of the National Retirement Fund, gratuities, and settlement compensations. Moreover, both companies have agreements with the Health Center of Iñapari (CLAS) to expedite the attention of their workers in case of an emergency, and workers interviewed also indicated that they receive information through periodic talks about their labor rights and conditions, as well as laws that protect them at the national and international level.

In conclusion, the verifier team is reasonably assured that the project is in compliance with all relevant laws and regulations regarding worker’s rights, and that these are also disseminated and communicated to project workers accordingly.

#### **4.5.10 Optional Criterion: Best Practices in Community Involvement – Occupational Safety Assessment (CM5.4)**

The project proponents have provided an exhaustive list of all the substantial risks to worker safety that have arisen as a result of the implementation of the project activities in section 4.5.4 of the implementation report. Verifiers found this list complete, accurate, and in accordance with the description included in the validated project design, as well as in interviews with project personnel during the site visit.

In that same section of the implementation report, the proponent listed all of the precautionary measures they have put in place in order to inform their workers about those risks and how to minimize them. These include, amongst others, the implementation of the IPERC methodology to assess risk as they pertain to forest harvesting activities, mandatory and periodic training and coaching, “five minute chats” to discuss safety concerns before implementing risk procedures, and through the implementation a complete and appropriate occupational health and safety plan in all forest management operations. Verifiers were able to confirm the implementation of these measures through onsite observation, document review, and in interview with project personnel during the site visit. In addition, the concessions’ FSC certifications also help corroborate the implementation of these activities.

In conclusion, the verifier team is reasonably assured that the project has minimized risks to worker safety during the CCBS monitoring period.

## **4.6 Biodiversity**

### **4.6.1 Biodiversity Changes (B1.1, B2.3)**

The verification team took several steps to ensure that the project's net biodiversity impacts have been positive during the CCBS monitoring period, taking into account both positive and possible negative impacts upon biodiversity within the project zone, as well as impacts that go beyond the project area.

The verifiers are reasonably assured that the project's activities have had a positive effect on the project area's biodiversity, as the sustainable management practices implemented within both forest concessions have been able to preserve the ecological integrity of the area by preventing deforestation altogether, by implementing FSC certified sustainable and low impact forest management /16/, and by instituting operational and custody plans that include complete prohibitions on wildlife hunting, the identification and enforcement of restricted passage through areas of high conservation value, and through the implementation of a robust control and surveillance system to detect illegal activities /17/18/19/20/. Verifiers were able to confirm the implementation of all the measures mentioned above via document review, onsite observation, and in interviews with relevant stakeholders during the site visit.

Furthermore, the proponents have also resorted to their originally proposed mode of evaluation and quantification of the project's impacts on biodiversity (page 176 of the PDD), the results of which are also included in section 5.1.1 of their implementation report. The results obtained indicate that the impacts generated by the project on biodiversity continue to be positive in comparison to a non-project scenario. The verifier team can confirm that this additional evaluation was carried out following the guidelines set out in the PDD, and that the values calculated were done so correctly and appropriately, considering both the intensity and spatial scale of the impacts the project has had during the CCBS monitoring period, which were also corroborated by stakeholders via interviews during the sit visit.

This same approach was utilized to try and gauge the impacts that the project has had on off-site biodiversity, the results of which show that the project's activities have not resulted in any notable negative effects on the region's biodiversity during the CCBS monitoring period. These results and assumptions were confirmed by local and regional environmental authorities during the site visit, and it was also mentioned that, if anything, the projects efforts on raising awareness among local people about the proper management of forest resources and their conservation outside of the project area have only contributed positive effects on the region biodiversity.

In conclusion, the verifier team is reasonably assured that the project's activities during the CCBS monitoring period have only resulted in net positive outcomes for the project area and its surrounding's biodiversity.

### **4.6.2 Impacts of Non-native Species (B1.2)**

The REDD project is based on the management of natural populations, and not in the use of exotic invasive or non-invasive species. No evidence of use of invasive or non-native species was witnessed during the site visit.

### **4.6.3 Threatened Species (B1.3)**

As far as threatened species are concerned, the implementation report provides a complete list of all the species, including flora and fauna, that could be considered threatened within the project area, along with the measures the proponents have implemented during the CCBS monitoring period to ensure that these

have not been negatively affected. The verifier team confirms that the species identified include those originally provided in the validated project description.

The protective measures for flora described include sustainable forest management that, according to the proponents, works with “silvicultural variables appropriate to the species and application of reduced impact harvesting techniques to safeguard sufficient individuals to allow the species to maintain a healthy population and thus fulfill its ecological roles in the ecosystem”. With regards to fauna, the protective measures include a complete prohibition of hunting in the project area, restricted entry and constant monitoring and patrolling of project area boundaries, as well as special consideration and conservation of areas designated as important to wildlife or which hold high conservation values.

The verifier team was able to confirm that all of these protective measures have been in place throughout the CCBS monitoring period through document review, such as the project’s FSC certification /16/, the project’s management custody plans and reports /20/, as well through their biodiversity monitoring reports /35/. Furthermore, these implemented measures were witnessed first-hand during the site visit and were also corroborated through interviews with relevant stakeholders. In conclusion, the verifier team is reasonably assured that no threatened species identified in the validated project description were negatively affected by the project.

#### **4.6.4 Invasive Species (B1.4)**

Through interviews and observations made on-site, the verifier team confirmed the project team’s assertion that no invasive species have been introduced in or around the project area since all project activities are solely based on the management of native species by natural regeneration.

#### **4.6.5 GMO Exclusion (B1.5)**

As only project accounting areas are used to generate GHG emissions reductions or removals during the verification period, and the area is natural forest without reforestation or any sort of planting occurring, the audit team confirmed that no GMO’s were used to generate GHG emission reductions or removals during the verification period.

#### **4.6.6 Negative Offsite Biodiversity Impact Mitigation (B2.2)**

The verifier team was able to verify that the project proponents have correctly identified and instituted mitigation actions against any of the potential negative impacts on offsite biodiversity that the project may have had during the CCBS monitoring period. The list of potential negative impacts included in section 5.2.1 include all of the potentially negative effects identified in the project’s original design, as well as others identified during the implementation of the project’s activities. Through onsite observation and interviews with relevant stakeholders during the site visit, the verifier team found this list complete and accurate.

The proponent’s actions to mitigate against such impacts were also presented and summarized in the corresponding section of the implementation report. The measures mainly include the identification and implementation of a series of environmentally friendly projects with surrounding communities, which the verifier team was able to substantiate via onsite observations and in interviews with several of those direct beneficiaries; yet the verifier team was also able to verify that these efforts were also reinforced via environmental education and outreach workshops which have helped promote sustainable forest and land management in and around the Inapari region.

In summary, based on interviews and observations made onsite, the audit team concludes that the project had adequately identified all negative offsite biodiversity impacts and has taken appropriate actions to mitigate against those impacts during the CCBS monitoring period.

**4.6.7 Biodiversity Monitoring Results (B3.1)**

The verifier team took the following steps to verify that the biodiversity impact monitoring has been carried out in accordance with the project’s validated design.

<b>Steps taken to verify...</b>	
That the dates, frequency, biodiversity variables and sampling methods used are in accordance with the validated project design.	<ul style="list-style-type: none"> <li>• While on site, the verifier team interviewed project personnel involved in the wildlife surveys and in the identification of high conservation value areas, and was able to confirm their competence to perform the wildlife and vegetation monitoring protocols implemented.</li> <li>• The audit team reviewed and confirmed that the project’s biodiversity monitoring plan selected appropriate biodiversity indicators that are directly linked to the project’s biodiversity objectives, and that the appropriate sampling methods, dates, frequencies, and reporting methods were used.</li> <li>• While some modifications have been made to the original biodiversity monitoring indicators, the verifier was able to confirm that the changes enacted were appropriate, correctly justified, and correctly labeled as minor project description deviations. Details of these modifications can be found in section 3.4 of this report.</li> </ul>
The results of monitoring.	<ul style="list-style-type: none"> <li>• As stated in previous sections, the verifier team interviewed project personnel directly involved with the biodiversity monitoring and was able to confirm their competence and ability to carry out the monitoring adequately.</li> <li>• In addition, the audit team was able to independently confirm the accuracy of the GIS and remote sensing work performed by the project partners through validation and verification activities.</li> </ul>

In summary, the audit team concludes that the biodiversity monitoring plan was carried out in accordance to the validated project design, with the exception of the minor project description deviations, detailed and validated in section 3.4 of this report.

**4.6.8 Optional Criterion: Native Species Use (B4)**

Through interviews and observations made on-site, the verifier team confirmed the project team’s assertion that only native species have been used in or around the project area since all project activities are solely based on the management of native species by natural regeneration.

**4.6.9 Optional Criterion: Water and Soil Resource Enhancement (B5.1, B5.2)**

The project proponents have claimed that they have taken a series of actions during the CCBS monitoring period to prevent the alteration of watercourses by forest operations and the contamination of water courses by anthropogenic activities at camp sites in the project area. Verifiers were able to confirm that all these measures are clearly included in each of the concession’s General Forest Management Plans /18/19/, their Forest Operations Manuals, and in their Regulation for Forest Management Practices /17/. Additionally, verifiers found no evidence during onsite observations that would indicate that these measures were not put into effect during the CCBS monitoring period, and thus are reasonably assured as to their implementation.

Likewise, a list of the measures enacted by the project to avoid soil erosion and degradation were also correctly identified and substantiated in this section of the implementation report. Verifiers were able to directly observe during the site visit all of the measures listed by the proponents when visiting camp sites within the concessions, as well as in the road networks that link the various sections of the project area, and in areas that underwent harvesting during the VCS monitoring period.

Each of the concession’s FSC certifications also provide further evidence that the measures included in this section of their implementation report were enacted accordingly during both VCS and CCBA monitoring periods.

As a result, the verifier team is reasonably assured that the enacted measures put in place by the proponent during the CCBS monitoring period have improved the water and soil resources compared to the baseline scenario.

**4.7 Additional Project Implementation Information**

This section is not applicable, as the information listed in the corresponding section of the implementation report by the project proponents has already been considered and referenced throughout this report.

**4.8 Additional Project Impact Information**

This section is not applicable, as the information listed in the corresponding section of the implementation report by the project proponents has already been considered and referenced throughout this report.

**5 VERIFICATION CONCLUSION**

The audit team asserts, with no qualifications or limitations, that:

- The project complies with the verification criteria for projects set out in CCB Version 1 and VCS Version 4.
- The project has been implemented in accordance with the validated project description and any subsequently validated changes.
- In respect of the validation activities discussed in Section 3 above, the project complies with the validation criteria for projects set out in CCB Version 1 and VCS Version 4.

Verification/monitoring period for VCS reporting: From 1 January 2018 to 31 December 2018

The cumulative verified GHG emission reductions and removals as of the end of the above verification period are:

Year	Baseline emissions or removals (tCO <sub>2</sub> e)	Project emissions or removals (tCO <sub>2</sub> e)	Leakage emissions (tCO <sub>2</sub> e)	Net GHG emission reductions or removals (tCO <sub>2</sub> e)
2018	11,419,937.00	1,711,062.59	203,233.64	9,505,640.77
<b>Total</b>	11,419,937.00	1,711,062.59	203,233.64	9,505,640.77

The above calculations are for the cumulative GHG emission reductions from project start to the end of the verification period, as quantified in Equation 2 of REDD-MF.

The verified GHG emission reductions and removals achieved in the above verification period are:

Year	Baseline emissions or removals (tCO <sub>2</sub> e)	Project emissions or removals (tCO <sub>2</sub> e)	Leakage emissions (tCO <sub>2</sub> e)	Net GHG emission reductions or removals (tCO <sub>2</sub> e)
2018	1,054,842.01	155,714.79	34,315.13	864,812.10
<b>Total</b>	1,054,842.01	155,714.79	34,315.13	864,812.10

The above calculations were carried out by taking the respective quantities, as calculated for the end of the monitoring period on a cumulative basis, and subtracting the corresponding quantities as calculated for the end of the prior monitoring period on a cumulative basis. These calculations are being provided in order to comply with the requirement of the CCB & VCS Verification Report Template that “a conclusion on the quantity of GHG emission reductions or removals in tCO<sub>2</sub> equivalents achieved by the project during the verification period” be provided. The quantity of VCUs to be issued to the project (i.e., the GHG emission reductions achieved during the verification period, minus the quantity of VCUs to be issued to the buffer pool) is 774,899.38.

Verification/monitoring period for CCBS reporting: 1 January 2014-31 December 2018.

The audit team concludes that the climate change adaptive capacity and resilience, community and biodiversity benefits achieved by the project during the project implementation period are net positive and that the project has achieved, or is on track to achieve, its stated climate change adaptive capacity and resilience, community and biodiversity objectives. In addition, adaptive management; project implementation knowledge dissemination; adapting to climate change and climate variability; carbon benefits withheld from regulatory markets; capacity building; best practices in community involvement; and water and soil resource enhancement optional criterion points have been successfully verified by the verifier team, with distinction reached at the gold level.

**APPENDIX A: VERIFICATION FINDINGS**

Please see Section 2.6 above for a description of the findings issuance process and the categories of findings issued. It should be noted that all language under “Project Personnel Response” is a verbatim transcription of responses provided to the findings by project personnel. See Section 1.2.2 above for an explanation of references to VCS Version 3 program documents.

**NCR 1 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Initial Instructions

**Document Reference:** VCS CCB 2018 Report Eng.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The joint CCB/VCS Monitoring Report Template requires the following in the report’s title page:

- For “Project Proponents” category, to list the “Organization and contact name with email address and phone number”, and to “Identify the organization and contact name with email address and phone number”
- For the “Prepared By” category, to list the “Individual or entity that prepared the document, with contact information if different from that of primary project proponent”.
- To identify the “Issuance date(s) of earlier validation statements, dates of previous attempts at verification, etc.”

During document review and interviews, the audit team noticed that the monitoring report’s title page is missing several of the above mentioned and required bits of information.

Furthermore, there are several “error” messages imbedded in the report’s table of contents, which is required to be updated appropriately upon completion of the report.

**Project Personnel Response:** We have responded and updated 1) The organizations and contact names were added 2) the name and contact data for the people who elaborated the report were added 3) validation and verification dates were identified and the chart where "error" appeared was improved y se mejoro la tabla donde decia error

**Auditor Response:** Upon review of the newly submitted implementation report, the verifier team can now confirm that the proponents have made the appropriate adjustments in order to satisfy the template instructions included in the respective VCS and CCB Monitoring Report title page. In addition, error messages that originally appeared in the report’s contents page have now also been dealt with appropriately. As a result, this finding can be brought to a close.

**NCR 2 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 1.1

**Document Reference:** VCS CCB 2018 Report Eng.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The joint CCB/VCS Monitoring Report Template requires the following in section 1.1:

“For each outcome or impact, assess the net benefit the project has achieved during the monitoring period covered by this report and in the time since the beginning of the project lifetime. Achievements included in the Monitoring Period column shall be substantiated in this document as denoted by the corresponding section reference.”

During document review and interviews, the audit team noticed the following issues of non-conformance with the information reported in section 1.1:

- None of the outcomes or impacts listed in this section contain a section reference for their substantiation.
- Under the “Achievements during the Project’s Lifetime” column, short narratives of the project’s recent history have been provided, but these narratives fail to assess the net benefit the project has achieved cumulatively since the project’s inception and, furthermore, provide no details or figures as to outcomes achieved prior to the project’s current monitoring period (2014-2018). Only relevant data should be listed in this column, and if none is available, then it should be stated as such.

**Project Personnel Response:** In item 1.1 , it has been done and presented attached to the Implementation Report of Monitoring Report CCB Version 1, VCS Version 3, the Monitoring Report VCS, VCS Version 3, to improve the visualization of the carbon calculations. In table 1.1 and 1.2 net benefits and compliance actions as well as achievements during all the life of the project and accumulative benefits have been added in the corresponding column.

**Auditor Response:** Upon review of the newly submitted implementation report, the verifier team can now confirm that the proponents have made the appropriate adjustments in order to satisfy the template instructions highlighted in this finding and included in the respective VCS and CCB Monitoring Report for section 1.1, where unique project benefits are described and quantified.

Specifically, the proponents have now included appropriate section references for every outcome listed and have also modified the contents in the “achievements during the project lifetime” column so that these only include relevant information, as well as mentions of instances where direct quantifiable data is not available.

As a result, this finding can be brought to a close.

**NCR 3 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 1.2

**Document Reference:** VCS CCB 2018 Report Eng.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The joint CCB/VCS Monitoring Report Template requires the following in section 1.2:

“For each metric, quantify the net benefit the project has achieved during the monitoring period covered by this report and since the beginning of the project lifetime. Insert “not applicable” where the metric does not apply and “data not available” where the metric does apply but there are no means of quantification. Data included in the Monitoring Period column shall be substantiated in this document as denoted by the corresponding section reference.

During document review and interviews, the audit team noticed the following issues of non-conformance with the information reported in section 1.2:

- The vast majority of the outcomes or impacts listed in this section DO NOT contain section references for their substantiation.
- Under the “Achievements during the Project’s Lifetime” column, short narratives of the project’s recent history have been provided for most outcomes/benefits listed, but these narratives fail to assess the net benefit the project has achieved cumulatively since the project’s inception and, furthermore, provide no details or figures as to outcomes achieved prior to the project’s current monitoring period (2014-2018). Only relevant data should be listed in this column, and if none is available, then it should be stated as such.

**Project Personnel Response:** Item 1.2: the missing information for the implementation period has been added as well as the references to the section of the document where you can find additional information on the subject for the monitoring period 2014-2018. In table 1-3 references have been added when required.

**Auditor Response:** Upon review of the newly submitted implementation report, the verifier team can now confirm that the proponents have made the appropriate adjustments in order to satisfy the template instructions highlighted in this finding and included in the respective VCS and CCB Monitoring Report for section 1.2, where standardized project benefits are described and quantified.

Specifically, the proponents have now included appropriate section references for every category of benefit listed and have also modified the contents in the “achievements during the project lifetime” column so that these only include relevant information, as well as mentions of instances where direct quantifiable data is not available.

As a result, this finding can be brought to a close.

**NCR 4 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 1.2

**Document Reference:** VCS CCB 2018 Report Eng.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The joint CCB/VCS Monitoring Report Template requires the following in section 1.2:

“For each metric, quantify the net benefit the project has achieved during the monitoring period covered by this report and since the beginning of the project lifetime. Insert “not applicable” where the metric does not apply and “data not available” where the metric does apply but there are no means of quantification. Data included in the Monitoring Period column shall be substantiated in this document as denoted by the corresponding section reference.

Furthermore, the monitoring report template instructions further describe the specific metrics to be listed in this section of the report, such as:

- Net estimated emission removals in the project area, measured against the without-project scenario
- For REDD projects: Number of hectares of reduced forest loss in the project area measured against the without-project scenario
- Number of hectares of non-forest land in which improved land management has occurred as a result of the project’s activities, measured against the without- project scenario

During document review and interviews, the audit team noticed the following issues with the information reported in section 1.2. Either the template instructions were misunderstood or misconstrued, or the following reported outcomes were done so in error:

- Rather than present the net estimated emission removals in the project area measured against the without-project scenario, the proponents have instead listed the project’s total emissions from deforestation and degradation in both the project area and the leakage belt. In a discussion with the project proponents during the site visit, it was confirmed that the project did NOT generate any emission removals, only reductions.
- Rather than present the number of hectares of reduced forest loss in the project area measured against the without-project scenario, the proponents have instead listed other information, such as the amount of real and projected forest loss in the project area.
- The project proponents have listed the forested lands of the community of Belgica under the “number of hectares of non-forest land in which improved land management has occurred as a result of the project’s activities, measured against the without-project scenario. While the verifiers recognize that the project proponents were key in helping the community of Belgica to achieve their recent FSC certification, the forests of Belgica cannot be construed as “non-forest” and should therefore not be listed and reported under this category.

**Project Personnel Response:** Item 1.2 has been improved, Table 1-3: Net benefit achieved by the Project during the monitoring period. According to the request: 1) Specific metrics for emission reductions during the period and during all the project life have been added. 2) The number of hectares of forest loss within the project area has been added and compared to the without project scenario. 3) Emission reductions have been added and the first version has been improved to avoid misinterpretations.

**Auditor Response:** Upon review of the newly submitted implementation report, the verifier team can now confirm that the proponents have made the appropriate adjustments in order to satisfy most of the template instructions highlighted in this finding and included in the respective VCS and CCB Monitoring Report for section 1.2, where standardized project benefits are described and quantified.

Specifically, the proponents have now included the appropriate net estimated emission removals in the project area, as measured against the without-project scenario. Despite these improvements and modifications, however, this finding remains open for the following reasons:

1. Under the forest cover category, where the number of hectares of reduced forest loss in the project area measured against the without-project scenario are requested, the figure of “19,926.1 ha” of avoided hectares of forest loss has been reported in the achievements during the monitoring period column. If the project’s baseline at time of validation estimated that this number of hectares would be lost in the project area up until 2018, then this figure represents the project’s achievement in this category throughout its lifetime, and not only to the specific monitoring period in question (2014-2018). Directly related and in addition to this, the figure of “0 ha” now being reported in the achievements during the project lifetime column seems to have been included in error, as it directly contradicts the other figures provided in this category.

2. Under the improved land management category, where the report template requests the number of hectares of non-forest land in which improved land management has occurred as a result of the project’s activities measured against the without-project scenario, the proponents have failed to provide a section reference where the verifier team would be able to find corroborating evidence for the claim of better management of “the community’s non forest lands” in the amount of 75 ha. Furthermore, the proponents once again claim the benefit of helping to enlist the community of Belgica’s forests under FSC certification in this category. While the verifier team understands that the project proponents were key in helping Belgica achieve this certification, their forests DO NOT classify as “non-forest” land, and hence should not be reported in this category. Finally, there is no information provided in the “achievements during the Project lifetime” column for this category.

Due to the remaining issues just described, this finding remains open.

**Project Personnel Response 2:** In chart 1-3, the number of hectares of deforestation projected for the project area was modified. The 19,926 hectares do correspond effectively to the project lifetime. For the 2014-2018 period the number of projected deforested hectares was 8,121.1.

**Auditor Response 2:** Upon review of the newly submitted implementation report, the verifier team is now reasonably assured that the project proponents have correctly stated that the project has achieved 8,121.1 hectares of reduced forest loss in the project area measured against the without project scenario during the monitoring period and 19,926.1 hectares during the project lifetime. However, these figures are still not appropriately reported in table 1-3, as the achievements during the project lifetime for this category still list 0 ha.

As a result, this issue remains open until the table is updated accordingly.

**Project Personnel Response 3:** Chart 1-3 has been modified according to suggestions. The number of total hectares as well as the number of hectares that were protected during the period 2014 to 2018 have been ratified according to chart 25 of the PD (page 150).

**Auditor Response 3:** Upon review of the newly submitted implementation report and its corresponding evidence, the verifier team can now confirm that the proponents have correctly included the information regarding the project’s net benefit during the monitoring period and during its entire lifetime with regards to the number of hectares of reduced forest loss in the project area measured against the without-project scenario.

The correct figures are 10,177.8 hectares during the monitoring period and 21,982.8 hectares during the project’s lifetime. These figures are correct and cross referenced with what is stated in the validated project description. As a result this issue can be brought to a close.

**NCR 5 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 1.2

**Document Reference:** VCS CCB 2018 Report Eng.pdf

**Finding:** During document review and interviews, the audit team identified that the total number of people employed in project activities reported by the project proponents constituted the cumulative figures of jobs provided for each of the calendar years within their monitoring period, rather than a yearly average of people employed. This could be misconstrued as “double counting” of benefits, as the same positions are currently being counted and reported under each year of the monitoring period (x4). The verifier team requests these figures be revised to better reflect the true number of people being employed by project activities during the monitoring period.

**Project Personnel Response:** The number of people employed has been modified to the annual average of the project validation period (2014-2018).

**Auditor Response:** Upon review of the newly submitted implementation report and evidence provided as a result for this response, the verifier team is now reasonably assured that the employment figures provided are appropriate, free of the risk of double counting, and congruent with the documentation reviewed and information gained through interviews with stakeholders during the site visit.

As a result, this finding can now be closed.

**NIR 6 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 1.2

**Document Reference:** VCS CCB 2018 Report Eng.pdf

**Finding:** The verifier team request a clarification and/or further information regarding the reported benefits claimed by the project proponents in table 1-3 of the standardize benefit metrics section of the monitoring report. Specifically, and beyond providing the missing section references (see NCR3), the verifier team would like to know what kinds of activities and/or benefits the project proponents carried out in order to claim and arrive at the results listed under the livelihoods and well-being categories, as this is not clear from the documentation currently provided.

Furthermore, it was also learned during the site visit that employment figures were not included in the sum of these category results, when in fact and under the template instructions, employment can clearly be considered as an asset to the livelihood and well-being of project beneficiaries. Hence further information is solicited for the results presented in these two categories.

**Project Personnel Response:** For well-being, the total number of community members (either in total or women) whose well-being improved as a result of project activities was calculated from the average local population employed each year (269) and the number of beneficiaries of the Community of Villa Primavera (80 until 2018) and the Native Community Belgium (120 until 2018) for the execution of social programs, resulting in the sum of 469 indirect beneficiaries. Additionally, it was expressed to the sector that it has indirectly benefited from its well-being as a result of the social and economic activities of the project, which is the Iñapari district. This is represented by the economic dynamics that the project generates in its local suppliers, the hiring of local services, the increase in economic ventures, donations, the improvement of the Iñapari health center that serves the entire population, the improvement of income from For families that are represented in improving the general quality of life, the implementation of the Madre de Dios Amazon Redd Project means the most representative socio-economic core of the district. The population number is identified from an official source of Peru, it is the National Institute of Statistics and Informatics of Peru- INEI, which registered 2391 people from the Iñapari population for 2017. For health, the total number of people ( either in total or women) with better livelihoods or income generated as a result of the project activities, it was interpreted as that population with better economic income that allows better livelihoods or better quality of life. Then, it calculated from the average local population employed each year (269) and the number of beneficiaries of the Belgium Native Community per head of household (26 until 2018) and the average of local suppliers (69 until 2018), resulting the sum of beneficiaries 364. The results are found in table 1-3.

**Auditor Response:** Upon review of the newly submitted implementation report and evidence provided as a result for this response, the verifier team is now clear as to what types of benefits have been included and reported within the livelihoods and well-being categories of the project's standardized benefit metrics.

The verifier team concurs with the assumptions and categorizations the proponents have made for these types of benefits, including the categorization of "indirect beneficiaries" for the population of Inapari, as these conditions and characteristics were corroborated in interviews with the city's mayor and with other authorities and stakeholders during the site visit. Furthermore, the verifier team is reasonably assured that the benefits reported in these categories are all real and verifiable, as these have been corroborated through the review of project documentation and in direct interviews with beneficiaries during the site visit as well.

As a result, this issue can be brought to a close.

**NCR 7 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 2.1.1

**Document Reference:** VCS CCB 2018 Report Eng.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The joint CCB/VCS Monitoring Report Template requires the following in section 2.1.1:

“Provide a description of the implementation status of the project, including the following:

- A summary description of the implementation status of the technologies/ measures (e.g., plant, equipment, process, or management or conservation measure) included in the project.
- The operation of the project activity(s) during this monitoring period, including any information on events that may impact the GHG emission reductions or removals and monitoring.
- Describe how leakage and non-permanence risk factors are being monitored and managed.
- The total GHG emission reductions or removals generated in this monitoring period.

During document review and interviews, the audit team noticed the following issues of non-conformance with the information reported in section 2.1.1:

- Although a short description of how leakage is monitored is provided, there is no discussion of how the non-permanence risk factors are monitored and managed by the project.
- The proponents have failed to include the total GHG emission reductions or removals generated in this monitoring period in their implementation description.

**Project Personnel Response:** Item 2.1.1. Incorporation of required items. 1) description of monitoring of leakage, illegal logging, mentioning Chart 2-6 with other risk factors to the permanence of the project. 2) the total number of emission reductions has been incorporated as well as a summary chart of REDD calculations. 3) a description of the current implementation has been added.

**Auditor Response:** Upon review of the newly submitted implementation report, the verifier team can now confirm that the proponents have made the appropriate adjustments in order to satisfy the template instructions highlighted in this finding and included in the respective VCS and CCB Monitoring Report for section 2.1, where an adequate implementation description is required.

Specifically, the proponents have now included adequate descriptions for how they have managed and monitored both project leakage and non-permanence risks during the monitoring period, and they have now also provided the respective figures for the total GHG emission reductions or removals generated during the monitoring period.

As a result, this finding can be brought to a close.

**NCR 8 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 2.1.4

**Document Reference:** VCS CCB 2018 Report Eng.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The joint CCB/VCS Monitoring Report Template requires the following in section 2.1.4:

“Provide contact information and roles/responsibilities for any project participant(s) for which information was not provided in the cover page of this document. Copy and paste the table as needed.”

During document review and interviews, the audit team noticed that Greenoxx (table title) and Maderera Rio Acre Sac (table), were listed as other entities involved in the project, though these were already listed earlier in the report in section 2.1.3. This error should be corrected, and further, the audit team seeks confirmation from the project proponents that no other entity should be listed and reported in section 2.1.4 of the report.

**Project Personnel Response:** Information from Item 2.1.4 has been eliminated.

**Auditor Response:** Upon review of the newly submitted implementation report, the verifier team can now confirm that the proponents have made the appropriate adjustments in order to satisfy the template instructions highlighted in this finding and included in the respective VCS and CCB Monitoring Report for section 2.1.4, where information on other entities involved with the project should be listed.

Specifically, the proponents have made it clear that the main project proponents are the representatives from the Maderacre and Maderyja logging companies, as well as Greenoxx, who acts as the consultant for the project with regards to its commitments and requirements under the VCS and CCBA standards and rules. No other major entities are involved in project management.

As a result, this finding can be brought to a close.

**NCR 9 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 2.1.5,6

**Document Reference:** VCS CCB 2018 Report Eng.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The joint CCB/VCS Monitoring Report Template requires the following in sections 2.1.5 and 2.1.6:

“Indicate the project start date, specifying the day, month and year.”

“Indicate the project crediting period, specifying the day, month and year for the start and end dates and the total number of years.”

During document review and interviews, the audit team noticed that there are different start dates and project crediting periods for the project as they apply to the VCS and CCB standards. In this respect, a non-conformance is being emitted here because the proponents have only listed the start date and crediting period filed with the VCS standard, but have failed to provide this information as it pertains to the CCB standard in question.

**Project Personnel Response:** The start date of the CCB project has been added: December 2009 .

**Auditor Response:** Upon review of the newly submitted implementation report, the verifier team can now confirm that the proponents have now added the correct and respective start dates and crediting periods for the project in sections 2.1.5 and 2.1.6, as they pertain to the CCB standard. Since this is a joint VCS/CCB project however, the verifier team requests that the respective VCS start dates and crediting period also be mentioned in these sections. As a result, this issue remains open.

**Project Personnel Response 2:** In items 2.1.5 and 2.1.6, the Project Start Date and the Project Crediting Period both for VCS and CCB were added as requested. Please, note that the crediting period is the same for both Standards, since even though the project achieved its validation according to the CCB Standard since 2007, no credits could be issued until 2009 when the project was validated according to the VCS Standard. This due to the fact that CCB did not have a mechanism for issuing credits.

**Auditor Response 2:** Upon review of the newly submitted implementation report, the verifier team is now satisfied that the correct and appropriate project start dates and crediting periods, for both the VCS and CCB standards, have now been included in sections 2.1.5 and 2.1.6 of the implementation report. As a result, this issue can now be brought to a close.

**NCR 10 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 2.1.10

**Document Reference:** VCS CCB 2018 Report Eng.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The joint CCB/VCS Monitoring Report Template requires the following in section 2.1.10:

“Describe how the project contributes to achieving any nationally stated sustainable development priorities, including any provisions for monitoring and reporting same.”

During document review and interviews, the audit team notes that while a description of how the project contributes to the sustainable development of the forest, and specifically speaks to what “the State wants the concessions granted for 40 years to be”, the description has no mention of any nationally stated sustainable development priorities, including any provisions for monitoring and reporting same. Hence a non-conformance is being emitted until this is rectified.

**Project Personnel Response:** In Chart 2-6, item 2.1.10 the way the project contributes to the achievement of the sustainable development objectives has been added.

**Auditor Response:** Upon review of the newly submitted implementation report, the verifier team can now confirm that the proponents have made the appropriate adjustments in order to satisfy the template instructions highlighted in this finding and included in the respective VCS and CCB Monitoring Report for section 2.1.10, where a description of how the project contributes to achieving any nationally stated sustainable development priorities, including any provisions for monitoring and reporting same, is required.

Specifically, the proponents have now included descriptions as to how the project contributes to the United Nations Millennium and Sustainable Development Goals, to which Peru is a signatory of since Sept. of 2000.

As a result, this finding can be brought to a close.

**NCR 11 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 2.2.3

**Document Reference:** VCS CCB 2018 Report Eng.pdf; Validated CCB Proj Description:  
CCB\_PROJ\_DESC\_ENG\_844\_08JUN2009.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The joint CCB/VCS Monitoring Report Template requires the following in section 2.2.3:

“Document any community or biodiversity changes to project design not requiring a project description deviation that occurred during the monitoring period compared with the validated CCB project description. Include justification for the changes and demonstration that the changes are in conformance with the requirements of the Climate, Community & Biodiversity Standards criteria and indicators. Describe and report on any changes to project design applied in previous monitoring reports.”

Furthermore, the CCB Program Rules (v3.1) help distinguish between what is considered a minor change to the project description vs a project description deviation, by saying:

“Minor changes to the validated project design are allowed at verification. Significant changes in the project activities or substantial changes in the impacts of the project that are not described in a validated project description would make verification impossible and need to be addressed via a project description deviation.”

During document review and interviews, the audit team noted that both the community and biodiversity impact monitoring plans have undergone minor but significant changes, specifically to the selection and frequency of monitoring of their relevant indicators under the originally validated project design.

Significant additions or changes to the parameters/indicators used for community monitoring have been implemented (see NCR 14); while the frequency by which some parameters are measured and/or monitored under the validated biodiversity monitoring plan (NCR 17) have also changed. As such, these minor changes to the validated project design should be included, justified, and shown to be in conformance with the CCB standard in section 2.2.3 of the monitoring report.

**Project Personnel Response:** Information on the changes of biodiversity indicators has been included, both regarding frequency level and applicability. There are indicators that are no longer evaluated since it is considered that they do not provide relevant information to the project monitoring. It was possible to identify this while implementing the project. This is mentioned in item 2.2.3.

**Auditor Response:** Upon review of the newly submitted implementation report and its corresponding evidence, the verifier team can now confirm that the proponents have generally identified and justified changes to the parameters utilized for tracking the project’s benefits, for both its community and biodiversity monitoring plans, as minor changes to the original project description.

Despite this identification however, the descriptions of the mentioned changes currently included in section 2.2.3 of the report fail to provide the level of detail necessary to ensure that all of the enacted changes include an appropriate justification and can demonstrate that they are in conformance with the requirements of the standard.

Per the template instructions, the verifier team requests that the proponents present a full list of all of the specific enacted changes to each of the community and biodiversity monitoring plans (which indicators were specifically added, dropped, and/or modified), along with a justification for those changes. This will allow the verifier team to confirm that all enacted changes were done so according to the standard and that these can be also be considered as minor changes to the project description.

This issue remains open.

**Project Personnel Response 2:** A complete list of the indicators that were added, dropped or modified was added along with a justification for those changes. Information on changes in community and biodiversity indicators has been added, both with regards to frequency level and applicability. There are indicators that are no longer evaluated as it is considered that they do not provide relevant information for project monitoring and others that have been adjusted to better represent the results of the project. It was possible to identify this while the project was being implemented. This is mentioned in item 2.2.3.

**Auditor Response 2:** Upon review of the newly submitted implementation report and its corresponding evidence, the verifier team can now confirm that the proponents have correctly identified and justified changes to the parameters utilized for tracking the project’s benefits for both its community and biodiversity monitoring plans, as minor changes to the original project description.

The verifier team agrees with the proponents in that the changes enacted are correctly and appropriately justified and that these changes can be considered “minor” per the CCB standard rules (V 3.1) as the enacted changes:

- Don’t represent a change in the project area
- Don’t represent a significant change in the project activities, such as in the scope or scale of the project activities.
- Don’t represent a substantial change in the expected climate, community, or biodiversity impacts of the project
- Don’t include a change of the project proponents responsible for implementation
- Don’t involve a project that only met the requirements of the climate section waiver and did not use the Climate, Community & Biodiversity Standards CL1 – CL4 for the previous validation
- Don’t involve information to meet the requirements of a Gold Level that was not included in the project description for an earlier validation.

As a result, this finding can be brought to a close.

**NCR 12 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 2.2.5; VCS Non Permanence Risk Tool

**Document Reference:** VCS CCB 2018 Report Eng.pdf; VCS NonPermRisk 2018 7jul19

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The joint CCB/VCS Monitoring Report Template requires the following in section 2.3.3:

“Document the financial health of the implementing organization(s) to demonstrate that financial resources budgeted will be adequate to continue to implement the project.

Furthermore, the submitted VCS Non-Permanence Risk report submitted by the proponents (VCS NonPermRisk 2018 7jul19) make reference to a financial statement and a cash flow analysis in order to justify their financial viability and their opportunity cost risk scores. However, during document review and interviews, the audit team notes that neither of the documents referenced in the non-permanence risk report were included in the project documentation. Thus, a non-conformance will remain in place until the time the proponents can provide the requested financial information to the audit team for its review, as well as any additional information that may help document the financial health of the implementing organization.

**Project Personnel Response:** Information on financial health of the project was provided (cash flow) Se envio informacion sobre salud financiera. Cash flow

**Auditor Response:** Upon review of the newly submitted implementation report and its corresponding evidence, the verifier team can now confirm that the proponents have submitted the appropriate financial evidence and documentation to both satisfy the template instructions highlighted in this finding and included in the respective VCS and CCB Monitoring Report for section 2.3.3, as well as to substantiate the financial viability and opportunity risk scores reported in the project’s Non-Permanence Risk Report.

The submitted evidence clearly shows that the financial information supports the overall comparison of net present values from project activities and alternative uses, using appropriate values to the alternative values cited in the NPRR. An interview with the head of forest concessions for Tahuamanu corroborated this information and also indicated that there hadn’t been any significant changes in land use economics during the monitoring period.

As a result, this finding can be brought to a close.

**NIR 13 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 2.6 and 2.7 Optional Criterion  
**Document Reference:** VCS CCB 2018 Report Eng.pdf; Validated CCB Proj Description:  
CCB\_PROJ\_DESC\_ENG\_844\_08JUN2009.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The joint CCB/VCS Monitoring Report Template requires the following in sections 2.6 and 2.7:

“Sections 2.6.1 -2.6.4 should be completed for projects that claimed this point in their validated project design. If this section is not applicable, state so and leave blank.

**Feedback 2.6.1**

“Demonstrate how management actions and monitoring programs have provided reliable feedback that was used to improve project outcomes.”

**Internal Knowledge Sharing 2.6.2**

“Demonstrate that a management plan for documenting decisions, actions, and outcomes has been implemented to share experience within the project team.”

**Project Flexibility 2.6.3**

“Demonstrate how the validated project design has allowed changes to occur through a defined process. “

**Long-Term Sustainability of Benefits 2.6.4**

“Demonstrate that additional activities or actions have been planned or implemented in this monitoring period to secure long-term sustainability of project benefits.”

**Optional Criterion: Project Implementation Knowledge Dissemination 2.7**

“Describe how information about relevant or applicable lessons learned was documented and disseminated to other relevant parties to encourage the replication of successful practices.”

During document review and interviews, the audit team noted that at the time of validation, the original project design contained two basic feedback mechanisms for all management actions and for monitoring project programs. According to the original design, the first feedback is in the form of annual work plans which contain information about project activities, project outcomes, measures of success and lessons learned. The implementation and feedback on management actions and monitoring programs are then updated and documented in the annual work plan on a yearly basis. The second feedback mechanism is community feedback provided through community meetings, and as part of the community plan. This mechanism is related to the annual work plan because community feedback is incorporated into the annual work plan. Together, both of these feedback mechanisms were found to be reliable and to improve project outcomes.

Furthermore, in discussion and interviews held with project personnel during the site visit, the audit team learned of two seemingly important mechanisms by which the project proponents continuously interact and have ongoing engagement with the surrounding communities, that of the citizen participation workshops and of the consultative committees.

Despite these aspects of the original project design, and the mention of the importance of the just mentioned community feedback forums, there is no direct mention of either the use of an annual work plan or of the community feedback mechanisms in any of the discussions of sections 2.6 or 2.7. Clarification is sought as to if these two feedback mechanisms are still in effect for the project and why they haven't been included in these optional criterion sections of the monitoring report, which deal specifically with the adaptive management and knowledge dissemination characteristics of the project.

**Project Personnel Response:** A paragraph has been incorporated in response to this NIR

**Auditor Response:** Upon review of the newly submitted implementation report and its corresponding evidence, the verifier team still sees no reference to the two community feedback mechanisms discussed at length during the site visit (citizen participation workshops and consultative committees) in sections 2.6 and 2.7.; which according to project personnel, play an important role in the project's ongoing consultation with surrounding communities, and thereby, its general approach to adaptive management.

Furthermore, while there is now mention of the annual operational plan in section 2.6.4 of the monitoring report, which corresponds to the long-term sustainability of benefits, this operational plan seems to strictly speak to forest management activities, presenting little to no discussion in this section as to how the long term sustainability of the project's social and community benefits are also considered and ensured.

Additional discussions as to how the project's general adaptive management plan has considered the project's stakeholder consultation and community benefits and programs is still warranted throughout sections 2.6 and 2.7 of the implementation report.

As a result, this issue remains open.

**Project Personnel Response 2:** New information on adaptive management related to communities and biodiversity has been added.

**Auditor Response 2:** Upon review of the newly submitted implementation report, the verifier team notes that there is still no mention of either the citizen participation workshops and consultative committees in either of sections 2.6 or 2.7.

Furthermore, there is still no consideration or mention of how the project's adaptive management approach considers stakeholder consultation and/or community feedback and benefits, most notably in its discussions regarding feedback mechanisms and the long-term sustainability of community benefits.

As a result, this finding remains open.

**Project Personnel Response 3:** It has been specified that citizen participation workshops and advisory committee are spaces for dialogue where the project expresses all the information about the project, its progress, etc. The community raises questions, queries, opinions. If any request form or agreement is generated in these spaces, meeting minutes are prepared. On the other hand, so far there has been no rejection or dissatisfaction with the actions of the project. This has been included in greater detail in items 2.6 and 2.7. It is important to identify what was expressed in 3.1.3.

**Auditor Response 3:** Upon review of the newly submitted implementation report and its corresponding evidence, the verifier team can now confirm that the proponents have correctly included information regarding how the project's adaptive management plan considers community consultation and its community benefits as they pertain to feedback mechanisms, knowledge sharing, flexibility, and the long-term sustainability of the benefits reached. These considerations were observed during the site visit and also confirmed via interviews with relevant stakeholders. As a result m, this issue can now be brought to a close.

**NCR 14 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Sections 5.3.1(4) and 3.9.1; M-MON V2.1

**Document Reference:** CP EStimation 2018. Post Audit

**Finding:** The VCS Standard requires the following in Section 5.3.1(4): “The threshold for materiality with respect to the aggregate of errors, omissions and misrepresentations relative to the total reported GHG emission reductions and/or removals shall be five percent for projects and one percent for large projects.” Per Section 3.9.1 of the VCS Standard, the materiality threshold 1%, given that the estimated average annual GHG emission reductions are greater than 300,000 tonnes per year. A number of errors in the quantification of GHG emission reductions have been identified that, when assessed together, result in an error rate that exceeds the materiality threshold. These errors are identified below.

1. In the spreadsheet, “CP Estimation 2018. Post Audit.xlsx”, in the extracted timber tab, volume calculations in column I only seem to include extracted volumes from PCAs 16 and 17, but not for PCA 18.

2. Also in spreadsheet, “CP Estimation 2018. Post Audit.xlsx”, also in the extracted timber tab, there seems to be an error in the calculation of cell I47.

3. Also in spreadsheet, “CP Estimation 2018. Post Audit.xlsx”, also in the extracted timber tab, parameter C(EXT,z,i,t) seems to have been calculated by multiplying volume by wood density, and then by the 44/12 factor. However, this leaves out the carbon fraction, which is required by Equation 11 of M-MON:

4. Also in spreadsheet, “CP Estimation 2018. Post Audit.xlsx”, but this time in the CLR Logging Road tab, the calculation of carbon stock change attributable to road construction in PCA 16 seems to have been calculated erroneously.

**Project Personnel Response:** The errors found in the excel CP Estimation 2018 sheet were corrected. Post Audit:

1. Volume was recalculated including PCA 18
2. Cell I 47 of the Calculated Wood spreadsheet was recalculated
3. Parameter C extz, i, t was recalculated incorporating the default carbon factor 0.47, which is required in equation 11 M-MOM
4. Cell F17 of the CLR Logging road sheet, attributable to the carbon stocks of the PCA 16 road construction, was recalculated.

**Auditor Response:** Upon review of the newly submitted calculation workbook that estimates emissions from the degradation associated with the harvesting activities carried out within the project area during 2018, the verifier team can now confirm that the calculation errors first identified have now been corrected. As a result, materiality calculations with the latest data provided shows the error as being 0.1%. Therefore, the verifier team can conclude that the quantification of emissions for the monitoring period are free from material error. As a result, this finding can now be brought to a close.

**NCR 15 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 4.2.1

**Document Reference:** VCS CCB 2018 Report Eng.pdf; Validated CCB Proj Description:  
CCB\_PROJ\_DESC\_ENG\_844\_08JUN2009.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The VCS Monitoring Report Template requires the following in Section 4.2.1: “Describe the activities and/or processes implemented to mitigate the negative social and economic impacts on offsite communities.

During document review and interviews, the audit team noted that at the time of validation, the project proponents clearly understood what the potential negative offsite community impacts of the project might be. These potential impacts and how they would be mitigated are still documented in the PDD, section C.1.b . The negative social impacts on the project identified at validation include:

1. Oversized demands for support and social assistance from the population
2. Immigration flow increase as a consequence of knowing the existence of a project that can use workforce or take actions for social investment
3. Increase of the car flow through the inter-oceanic road, as well as through paths, due to the project operation
4. Entrance of foreign people with practices and cultural expressions that differ from the local ones.
5. Increased demand for supervision, control and coordination actions by public institutions that could generate extra workload or overflow of the installed capacity.

While the current section in the monitoring report, included as 4.1.4 (which should actually be included as section 4.2.1) includes an appropriate and comprehensive list of the possible negative impacts of project activities on external communities, along with measures to mitigate their impact, this list fails to recognize and provide mitigation measures for those possible negative impacts first identified in the project's original design.

**Project Personnel Response:** The risks considered in the project design, related to the possible impact and mitigation measures of said risks have been placed in table 4-2 , item 4.2

**Auditor Response:** Upon review of the newly submitted implementation report, the verifier team can now confirm that the proponents have made the appropriate adjustments in order to satisfy the template instructions highlighted in this finding and included in the respective VCS and CCB Monitoring Report for section 4.2.1, where the activities and processes implemented to mitigate the negative social and economic impacts on offsite communities are described.

Specifically, the proponents have now included appropriate descriptions of all of the mitigations implemented during the monitoring period to counteract the potential negative social and economic impacts the project might have on offsite communities, including those identified in the original project design.

The verifier team found these mitigation actions appropriate and was able to corroborate their implementation through document review, direct observations, and in interviews conducted with stakeholders during the site visit.

As a result, this finding can be brought to a close.

**NCR 16 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 4.2.1

**Document Reference:** VCS CCB 2018 Report Eng.pdf; Validated CCB Proj Description:  
CCB\_PROJ\_DESC\_ENG\_844\_08JUN2009.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The VCS Monitoring Report Template requires the following in Section 4.3.1: “Present the results of the community impact monitoring, according to the validated project design.”

During document review and interviews, the audit team noted that at the time of validation, the project proponents laid out an initial community monitoring plan that revolved around two detailed charts, which included: a) The Social Monitoring Program of the concessions (indicators that the concessions can monitor) (See Chart 64 of CBA PDD); and b) Other Social Monitoring Program indicators, of activities which depended on funds obtained from the implementation of the REDD project (carbon credits) (See Chart 65). Chart 64 shows the Indicator, Means of verification, Frequency and Responsible area, whereas Chart 65 shows in addition, the Group of interest, Policies followed and Social Responsibility Program according to each policy and which area is responsible for Management of the information.

While the first 16 parameters reported in section 4.2.1 (which should be titled section 4.3.1) share some resemblance to the original community monitoring plan presented in the validated CCBA project description, the rest of the remaining 28 parameters monitored were not included in the original community monitoring plan. It is not clear as to when these parameters were added to the community monitoring plan, and furthermore, their inclusion should at least be listed as minor changes to the validated project design in the appropriate section of the report, along with a justification for their inclusions, as well as proof that they are in conformance with the CCB standard in question.

**Project Personnel Response:** It has been expressed in item 2.2.3. Minor Changes to Project Description, the changes in the social and biodiversity indicators explaining the analysis for these modifications. The indicators continue to comply with the project design and the CCB standard.

**Auditor Response:** Please refer to NCR 10. This issue remains open until NCR 10 can also be satisfactorily resolved.

**Project Personnel Response 2:** Please, see NCR 10.

**Auditor Response 2:** NCR 10 has been brought to a close. Hence, this finding can now also be brought to a close.

**NCR 17 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 4.5.2

**Document Reference:** VCS CCB 2018 Report Eng.pdf;

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The VCS Monitoring Report Template requires the following in Section 4.5.2: “Where relevant, describe the activities and/or processes implemented to ensure community members, including traditionally underrepresented stakeholders, were given a fair chance to fill positions for which they can be trained.”

During document review and interviews, the audit team noted that a description of how women are given a fair chance to fill positions for which they can be trained was not included in section 4.4.2 (which should be section 4.5.2 to coincide with the correct report template) of the monitoring report.

**Project Personnel Response:** Included in Item 4.5.2, a paragraph that describes how the project gives a fair opportunity to women to occupy work posts. Also, numeration has been corrected. In item 4.4.2. the following was expressed: "the processes for the selection of personnel where communications are made on the local radio, posters or announcements to representatives of the communities to inform them that the Project and the companies require labor. The job opportunities offered follow a profile design of the position (according to skills, abilities, academic training, etc.) that, depending on the case, can be a position for men or women, the evaluations are equal for both genders and not men are prioritized over women, the selection criterion is for capacity development. If this is the case, the project promotes the labor participation of women through the same local communication channels mentioned above. This step corresponds to the recruitment stage"

**Auditor Response:** Upon review of the newly submitted implementation report, the verifier team can now confirm that the proponents have made the appropriate adjustments in order to satisfy the template instructions highlighted in this finding and included in the respective VCS and CCB Monitoring Report for section 4.5.2, where the activities and processes implemented to ensure how community members, including traditionally underrepresented stakeholders, were given a fair chance to fill project positions, are described.

Specifically, the proponents have now included an appropriate description as to how women are given a fair chance to fill vacant positions, and how they are given preference when it comes to training. The verifier team found this description accurate and adequate, as was confirmed through interviews with stakeholders during the site visit.

As a result, this finding can be brought to a close.

**NCR 18 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 4.5.3

**Document Reference:** VCS CCB 2018 Report Eng.pdf;

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The VCS Monitoring Report Template requires the following in Section 4.5.3: “Where relevant, demonstrate how compliance was achieved and describe activities and/or processes implemented to inform workers about their rights.

During document review and interviews, the audit team noted that a description of how workers are informed of their rights was not included in section 4.4.3 (which should be section 4.5.3 to coincide with the correct report template) of the monitoring report.

**Project Personnel Response:** Included in tem 4.5.3, a praragraph regarding when workers are told about their rights during capacity building trainings. Besides, numeration was corrected.In item 4.4.3. the following was expressed: The dissemination of labor rights and explanation of ballot procedures are explained in the Staff Inductions or trainings scheduled during the year.

**Auditor Response:** Upon review of the newly submitted implementation report, the verifier team can now confirm that the proponents have made the appropriate adjustments in order to satisfy the template instructions highlighted in this finding and included in the respective VCS and CCB Monitoring Report for section 4.5.3, where the activities implemented to inform workers about their rights are described.

Specifically, the proponents have now included an appropriate description of how and when workers are informed about their rights. This information was corroborated via interviews with project personnel during the site visit.

As a result, this finding can be brought to a close.

**NCR 19 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 5.3.1

**Document Reference:** VCS CCB 2018 Report Eng.pdf; Validated CCB Proj Description:  
CCB\_PROJ\_DESC\_ENG\_844\_08JUN2009.pdf; Especies amenazadas.xlsx  
FAUNA SILVESTRE-ESPECIES EN PELIGRO DE EXTINCION.xlsx  
Matriz impactos biodiversidad.xlsx

Reporte Monitoreo Ambiental-Forestal 2018.xlsx

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The VCS Monitoring Report Template requires the following in Section 5.3.1: “Present the results of the biodiversity impact monitoring, according to the validated project design.”

During document review and interviews, the audit team noted that at the time of validation, the project proponents laid out an initial biodiversity monitoring plan that would run according to the planned monitoring activities of chart 54 in the validated CCB project description. While several of the parameters listed in the latest monitoring report adhere directly to this chart, a vast number of others have been altered in some way (i.e the periodicity or frequency of monitoring has been changed), and other have been done away with all together. It is not clear as to when these parameters were altered in the biodiversity monitoring plan, and furthermore, their modification should at least be listed as minor changes to the validated project design in the appropriate section of the report, along with a justification for the adjustments, as well as proof that they are in conformance with the CCB standard in question.

In addition, section 5.3.1 makes reference to a table N. 23, which doesn’t exist in the monitoring report; and table 5-6 does not provide the appropriate changes in periodicity (only describes “current periodicity”) of the parameters that have been altered. The table also does not provide a justification for their change.

**Project Personnel Response:** The reference made in the report regarding Chart 23 has been corrected.

Chart 5-6 has been updated incorporating information on current frequency, as well as indicating those indicators that are no longer evaluated since it is considered they do not provide relevant information for the carbon calculations (this has been identified while implementing the project) .

**Auditor Response:** Please refer to NCR 10. This issue remains open until NCR 10 can also be satisfactorily resolved.

**Project Personnel Response 2:** Please, see NCR 10.

**Auditor Response 2:** NCR 10 has been brought to a close. Hence, this finding can now also be brought to a close.

**NCR 20 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;  
CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4, Section 2.2.5; VCS Non Permanence Risk Tool

**Document Reference:** VCS CCB 2018 Report Eng.pdf; Validated CCB Proj Description: CCB\_PROJ\_DESC\_ENG\_844\_08JUN2009.pdf

**Finding:** The VCS Standard requires the following in Section 3.16.6: “The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Monitoring Report Template or VCS+SOCIALCARBON Monitoring Report Template, as appropriate, and adhere to all instructional text within the template.”

The VCS Monitoring Report Template requires the following in Section 2.2.5: “Describe actions needed and implemented to mitigate likely natural and human-induced risks to the expected climate, community and biodiversity benefits during this monitoring period.”

During document review and interviews, the audit team noted that at the time of validation, the project proponents laid out an initial list of likely natural and human induced risks that could affect the project’s expected climate, community, and biodiversity benefits, along with the means to mitigate the effects of these risks (page 83 of the validated CCB PDD).

While the proponents have included a considerable list of activities they have implemented during the reporting period in order to mitigate against these risks, the list does not acknowledge or attend to several of the risks that were originally identified at the time of the project’s validation, mainly forest fires, invasions of human settlements, soil erosion, and water contamination. In order for section 2.2.5 to be complete, these originally identified risks should have also been considered, along with activities to mitigate against them. In the case that these are no longer risks to the project benefits, then these should be mentioned a such, and a justification as to why these are no longer considered threats should also be included.

**Project Personnel Response:** Chart 2-9 with the risks for the project that were missing according to the PD has been added to item 2.2.5

**Auditor Response:** Upon review of the newly submitted implementation report, the verifier team can now confirm that the proponents have made the appropriate adjustments in order to satisfy the template instructions highlighted in this finding and included in the respective VCS and CCB Monitoring Report for section 2.2.5, where the activities and processes implemented to mitigate against likely natural and human-induced risks to the expected climate, community, and biodiversity benefits are described.

Specifically, the proponents have now included appropriate descriptions of all of the mitigations implemented during the monitoring period to counteract the potential natural and human-induced risks to the expected climate, community, and biodiversity benefits, including those identified in the original project design, like forest fires, invasions of human settlements, soil erosion, and water contamination.

The verifier team found these mitigation actions appropriate and was able to corroborate their implementation through document review, direct observations, and in interviews conducted with stakeholders during the site visit.

As a result, this finding can be brought to a close.

**NIR 21 Dated 5 Sep 2019**

**Standard Reference:** VCS Standard V3.7, Section 3.16.6;

CCB\_VCS\_Monitoring\_Report\_Template\_CCBv1.0\_VCSv3.4; VMD0015 M-MON, v2.1.pdf

**Document Reference:** VCS CCB 2018 Report Eng.pdf; 01. memoria\_M&M\_julio\_2019.pdf

**Finding:** Part of the VCS Methodology in use (VMD0015 M-MON) requires the following (on Page 24) with regards to the documentation needed for the remote sensing portion of the change detection analysis:

“Classification accuracy assessment: Accuracy assessment technique used; coordinates and description of the ground-truth data collected for classification accuracy assessment; and final classification accuracy assessment.”

As was discussed during the site visit, while the remote sensing document submitted to the verifier team is quite comprehensive, there is insufficient information with regards to the accuracy assessment technique used for the analysis. In particular, the verifiers would like to see additional information and/or justification as to the choice of only 5 sampling points sites distributed in two sectors of the project area in order to conduct the precision evaluation.

**Project Personnel Response:** The descriptive memory of the deforestation analysis has been updated. In page 24, specific additional information has been incorporated, and/ or justification as to the selection of the 5 sampling points distributed in two sectors of the project area in order to carry out the accuracy evaluation.

**Auditor Response:** Upon review of the newly submitted implementation report and its corresponding evidence, the verifier team can now confirm that the proponents have included additional and appropriate information in the remote sensing analysis summary that further justifies the number and choice of sampling points utilized for the accuracy assessment conducted.

As a result, this issue can be brought to a close.

**OBS 22 Dated 25 Sep 2019**

**Standard Reference:** N/A

**Document Reference:** VCS CCB 2018 Report Eng.pdf;

**Finding:** Upon review of the newly submitted implementation report, the verifier team notes how tables 1-1, 1-2, and 4-1 are excessively long and difficult to read.

While not a requirement, presenting the summary figures for the various outcomes/impacts reported in these tables rather than listing every activity conducted under those outcomes, would greatly improve the readability and fluidness of the report. Additional detail and explanations could be included in the respective sections referenced in the tables and/or in annexes or additional documentation delivered along with the report.

Please note a root cause analysis and corrective action plan are not required, and that this finding is considered to be closed upon issuance, and a response is not necessary.