



FINAL CCBA PROJECT VALIDATION REPORT

'CHYULU HILLS REDD+ PROJECT'

17 JUNE 2015

Assessment Conducted by:

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Contents

Introduction.....	1
Objective.....	1
Scope and Criteria.....	1
Project Description	1
Validation Process	2
Method	2
Document Review.....	2
Interviews	4
Site Inspections.....	7
Review of Stakeholder Comments.....	8
Resolution of Discrepancies.....	8
Audit Team.....	8
General Section	10
G1 – Original Conditions in the Project Area	10
G2. Baseline Projections	17
G3. Project Design and Goals.....	20
G4. Management Capacity and Best Practices	25
G5. Legal Status	29
Climate Section.....	31
CL1. Net Positive Climate Impacts	31
CL2 – Offsite Climate Impacts (‘Leakage’)	33
CL3 – Climate Impact Monitoring	35

Community Section	37
CM1. Net Positive Community Impacts.....	37
Offsite Stakeholder Impacts	38
CM3. Community Impact Monitoring.....	39
Biodiversity Section	41
B1. Net Positive Biodiversity Impacts	41
B2. Offsite Biodiversity Impacts.....	43
B3. Biodiversity Impact Monitoring.....	44
Gold Level Section	45
GL1. Climate Change Adaptation Benefits.....	45
GL2. Exceptional Community Benefits.....	47
GL3. Exceptional Biodiversity Benefits	50
CCB Validation Conclusion.....	50
Appendix A – Public Comments	53
Comments Received During the Public Comment Period	53
Comments Received During the Site Visit	54
Appendix B – Validation Findings	56

Introduction

This report presents the findings of an audit conducted by SCS Global Services (SCS), to validate the claim made by The Chyulu Hills Conservation Trust that the Chyulu Hills REDD+ Project conforms to the Climate, Community and Biodiversity Project Design Standards (Second Edition). SCS has been accredited by the Climate, Community & Biodiversity Alliance (CCBA) to perform such validation audits.

Objective

The validation objective was an independent assessment by SCS of the proposed project activity against all defined criteria as defined by the Climate Biodiversity and Community Alliance (CCBA). The validation resulted in a conclusion by SCS as to whether the project activity was compliant with the CCB standards and whether the project should be submitted for registration with CCBA. The ultimate decision on the registration of a proposed project activity rests with CCBA.

Scope and Criteria

The scope of the audit consisted of the project, its activities, and its geographic extent, as described within the Project Design Document (PDD). The assessment was conducted against the criteria set out within the following guidance documents:

- Climate, Community and Biodiversity project Design Standards, Second Edition, December 2008 (“CCB Standards”),
- Rules for the use of the Climate, Community & Biodiversity Standards, Version December 2013 (“CCB Standards Rules”)

The project was assessed against all required criteria of the CCB Standards in order to determine whether the project could be validated at the “Approved” level. In addition, the project was assessed against at least one optional criterion, as set out by the CCB Standards, in order to determine whether the project could be validated at the “Gold” level.

Project Description

The Chyulu Hills REDD+ Project is located in the Makueni, Taita Taveta, and Kajiado counties of Kenya and is aimed at provided net positive climate, community, biodiversity benefits.

Validation Process

Method

The validation was performed through a combination of document review, interviews with relevant personnel and on-site inspections. At all times, the project was assessed for conformance to the criteria described in the 'Interviews' section of this report. As discussed in the 'Resolution of Discrepancies' section of this report, findings were issued to ensure that the project was in full conformance to all requirements.

Document Review

The PDD and supporting documentation were carefully reviewed for conformance to the validation criteria. In addition to the PDD, the following written documents (e.g., reports, memos, land deeds and titles) were reviewed to ensure conformance of the project to the validation criteria:

Table 1 Documents Reviewed

Document	File Name
Field Manual	Annex 3 - Standard Operating Procedure Chyulu - Biomass v2.8.1_2014-02-03
Field Soils Manual	Annex 4 - SOP - Chyulu Soil Field Sampling v3.1 04-14-2014
Field Soils Manual	Annex 5 - SOP - Soils Bulk Density v1.4 2014-04-14
Field Forest Leakage manual	Annex 6 - SOP - Chyulu Hills - Forest Leakage 04-15-2014
Field Grassland Leakage Manual	Annex 7 - SOP - Chyulu Hills Leakage Grassland 04-15-2014
Disturbance Monitoring Manual	Annex 8 - Standard Operating Procedure - Disturbance Monitoring - v1.0_2012-10-02
Forest Inventory Workbook	Annex 9 - Chyulu Hills_inventory v11
Grassland Inventory workbook	Annex 9 - Chyulu Hills_inventory_Grassland v5

Deforestation Rates workbook	Annex 14 - BEM Export Grid Forest PAA
Conversion Rates Grassland	Annex 14 - BEM Export Grid Grassland PAA
Point Removal Workbook	Annex 15 - BEM Problem Points
Methodological Annex Imagery	Annex 18 - Image Classification Protocol grassland
Methodological Annex Imagery	Annex 18 - Image Classification Protocol
GHG Summary Workbook	Chyulu Hills Project Area VER estimates v7
Forest GHG Workbook	Chyulu Hills_Forest_NERs U1 linear 1.9_v10_PD
Grassland GHG Workbook	Chyulu Hills_Grassland_NERs U1 linear 1.9_v13_PD
Disturbance Monitoring Process	MODIS Fire Product sample map dates
Process for Document Distribution	PDD DISTRIBUTION
Big Life Budget	Big Life USA 990 2013
Big Life Audit	BLF audited financial stmt 2013
Public Comments Reviewed	Info public comment period English
Project Area Stratification	stack16762_01m+01m+01o_ndvi_tc
Project Employee Safety Plan	CHCT Health and Safety Plan v1
Additionality Workbook	LandUse Alternative Evidence

Chyulu Hills Redd Project Budget	CHRP financial analysis v3 20150425 NPRA
David Sheldrick Wildlife Trust Budget	DSWT - AUDITED ACCOUNTS 31.3.2014
Kenya Wildlife Service Budget	KWS annual report 2013
Big Life Foundation Budget	MPT audited financial stmt 2013
Masai Wilderness Conservation Trust Budget	MWCT 2013 Audited Financial Statements
Project Areas GIS Files	Associated Shapefiles

Interviews

Interviews constituted an important component of the audit process. The following personnel associated with the project proponent and/or implementing partner were interviewed. The phrase “throughout audit” under “Date Interviewed” indicates that the individual in question was interviewed on multiple occasions throughout the audit process.

Table 2 Interviews Conducted with Project Personnel

Individual	Affiliation	Role	Date(s) Interviewed
Christina Ender	Wildlife Works LLC (WWC)	REDD+ Project Coordinator	Throughout Audit
Chris Tuite	Maasai Conservation Wilderness Trust (MCWT)	Consultant	Throughout Audit
Jeremy Freund	WWC	VP Carbon Development	Throughout Audit

Samuel Kasiki	Kenya Wildlife Service (KWS)	Biodiversity research and Monitoring	25 February 2015
Jane Wamboi	KWS	Biodiversity research and Monitoring	25 February 2015
Tom Ooola	KWS	Company Secretary and Principal Legal Adviser	25 February 2015
Wycliffe Mutero	KWS	GIS Specialist	25 February 2015
Simon Bird	WWC	Carbon development Associate	Throughout Audit
Dave Loubser	African Wildlife Foundation (AWF)	Principle Funder	Throughout Audit
Douglas Salta	Chyulu Hills National Park (CHNP)	Community Warden	27 February 2015
Neville Sheldrick	David Sheldrick Wildlife Trust (DSWT)	Pilot	27 February 2015
James Moutinna	DSWT	Forest Reserve	27 February 2015
Ochieng Mlati	DSWT	Community Projects	27 February 2015
Peter Mbote	CHNP	Warden	27 February 2015
Alfred Gichu	Kenya Forest service (KFS)	Head of Climate Change	25 February 2015

Emilio Mugo	KFS	Acting Director	25 February 2015
Community Leaders	Kuku Group Ranch	Community Liaisons	28 February 2015
Community Leaders	Kuku A Group Ranch	Community Liaisons	28 February 2015
Community Leaders	Rombo Group Ranch	Community Liaisons	28 February 2015
Community Leaders	Mbirikani Group ranch	Community Liaisons	28 February 2015
Lana Muller	MWCT	Data Management	1 March 2015
Dirk Van Der Goes	MWCT	Data Management	1 March 2015
Dr. Mwangi Githiru	WWC	Director of Social and Biodiversity Monitoring	27 February – 1 March 2015
Guy Elms	Raffman Dhanji Elms & Virdee	Legal advisor	25 February 2015
Julius Kimani	KWS	Deputy Director, Parks and Reserves	25 February 2015
Cyprion Mwawasi	WWC	Biomass Team	27 February – 4 March 2015
Moses Mwamodo	WWC	Biomass Team	27 February – 4 March 2015
Mwololo Muasa	WWC	Biomass Team Leader	27 February – 4 March 2015

Richard Bonham	Big Life Foundation (BLF)	Director of Operations	3 March 2015
Daniel Ole Sambu	BLF	Community Liaison	3 March 2015
Anthony Kasanga	BLF	Information and Data Officer	3 March 2015
Mr. Josphat Eurupe	Tsavo West National Park	Senior Warden	3 March 2015
Samson Parashina	MCWT	President and Cahairman of the Board	27 February – 4 March 2015

Residents of communities located near the project boundary (termed “local residents” within this report) were also interviewed. Whereas, a complete list of individuals is not available, the villages and village groups interviewed are listed below:

- Kuku Group Ranch
- Kuku A Group Ranch
- Mbirikani Group Ranch
- Rombo Group Ranch
- Langata Village
- Employees of Campi Ya Kanzi
- Usigili Womens Group
- Itilat womens Group
- Manyatta Womens Group
- Pastor and Elder Group Otulaki Village
- Self Help Women’s Group Kadhekakai
- Osirum Cultural Boma
- Free Pentecostal Church group
- Olbiri Village

Site Inspections

The audit team performed an on-site inspection of the project area on the dates 25 February – 5 March 2015. The main activities undertaken by the audit team were as follows:

- Interviews with project personnel to gather information regarding the project design;
- Interviews with members of the communities and other stakeholder groups to confirm the appropriate involvement of these groups;
- Interviews with government officials to confirm that the necessary approvals are in place;
- Review of records to ensure the appropriate design of the project; and
- Conduct of a visit to the project area to confirm the accuracy of the claims made in the PDD.

Review of Stakeholder Comments

The PDD was posted on the CCBA website for the CCBA public comment period from 26 June – 25 July 2014. Comments received are discussed in Appendix A of this report.

Resolution of Discrepancies

Any potential or actual discrepancies identified with respect to the validation criteria were resolved through the issuance of findings. The types of findings issued by SCS were characterized as follows:

Non-Conformity Report (NCR): An NCR signified a material 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.

Opportunity for Improvement (OFI): An OFI indicated an area that should be monitored or ideally, improved upon. OFI's were considered to be an indication of something that could become a non-conformity if not given proper attention, and were sometimes issued in the case that a non-material discrepancy was identified. OFIs were considered to be closed upon issuance.

All findings issued by the audit team during the validation process have been closed. All findings issued during the validation process, and the impetus for their closure, are described in Appendix B of this report. A total of 13 findings were issued.

Audit Team

The roles of the audit team members were as follows:

Lead auditor: Francis Eaton

Francis Eaton holds a Masters of Forest Science from the Yale School of Forestry and Environmental Studies and received his B.S. in Forestry from Northern Arizona University. The focus throughout his studies was forest management with emphases on sampling design and statistical analysis. His studies in the Southwest United States were concentrated in ecological restoration, conservation biology, and silviculture. He spent three years working collecting field data and completing data analysis on forest restoration projects utilizing thinning treatments and prescribed fire with the Ecological Restoration Institute. His work experience also includes complete biophysical inventories, estimation of timber volume, and wildfire risk assessments for two 3000 acre properties, as a forest consultant in northern New Mexico. Mr. Eaton has a long history of working with cattle and grazing lands and has spent over a decade working in the cattle production industry for the second largest cattle operation in the U.S. Mr. Eaton currently works as a verification forester for SCS and has a host of experience auditing AFOLU projects under the Verified Carbon Standard (VCS) and Climate, Community, and Biodiversity Alliance (CCBA) standards, as well as Improved Forest Management projects under the standards of the Climate Action Reserve (CAR), including projects in east Africa in Miombo, Mopane, Acacia, and Camiphora forest types. Finally, Mr. Eaton is an accredited as lead verifier under the State of California Air Resources Board (ARB) for U.S Forest Offset and Urban Forest project specialist.

Auditor: Dr. Letty B Brown

Dr. Brown holds a Ph.D. in Forest Science from the University of California, Berkeley, where she also completed her Master's in Range Ecology. Prior to joining SCS, Dr. Brown worked as a Forest Scientist at URS, where she led forest carbon offset project development and management of forest inventory for various clients. In this role she also worked on methodology development with the Verified Carbon Standard, developing methods for crediting wetland conservation projects in their Technical Working Group. Upon receiving her Ph.D. in 2007, Dr. Brown was a Fulbright Scholar and Postdoctoral Researcher in Brazil, designing and implementing remote-sensing and ground-based research to map and designate conservation targets for a portion of the Brazilian Atlantic Forest. Her background also includes forest restoration and ecological analysis, having created habitat conservation plans in California and managed teams of field researchers throughout her career. She is trained as an Arborist, and has extensive experience using GIS software, database software, and statistical software. Dr. Brown is proficient in Portuguese, French, and Spanish, in addition to her English fluency.

Local Expert: Dr. Yvettes Kalema

Dr. Kalema is an ecologist, environmentalist and an educator with 10 years practical experience in botanical Inventories, Conservation, Ecosystems Management, and Environmental and Social-Ecological Assessments. Her research interests are in the fields of Ecology, Environmental issues, Climate change, Diversity, Conservation of drylands, Social Ecological assessments, Sustainability of woodlands and Rural Livelihoods issues. She has a PhD (Plant Ecology), Msc (Environmental Sciences), Bsc (Botany, Wildlife

Management and Zoology), a Diploma (Range Management) and a certificate (Gene Bank Technology). During her PhD study, Dr. Kalema carried out a research in the woodland of Nakasongola with the aim of assessing the effects of land use (charcoal production, cultivation and grazing) on land cover and the implications on sustainability of woodland resources as well as the impacts on rural livelihood strategies. She has conducted various plant resources inventories and Environmental Impact Assessments in Tanzania. Ms. Kalema has attended a number of field Botanical training courses including one with Earth Watch in Taita Hills, Kenya, and carried out ecological studies on plants particularly the Acacias. Some of the results have been published in the book titled: Mkomazi: The Ecology, Biodiversity and Conservation of a Tanzanian Savanna, Coe, M, McWilliam N.; Stone, G. and Packer, M (Editors), The Royal Geographical Society, London, 1999. She worked as a Technical Advisor with Sustainable Land Management Programme in six cattle corridor districts Uganda (Consultancy) from July 2011 to 31st May 2012. Dr. Kalema has worked with SCS Global Services under Green House Gas Program as a Technical Expert in the project “Advancing REDD in the Kolo Hill Forests”, Kondoa District, North-Central Tanzania. She is currently working with National Agricultural Advisory Services as Sustainable Land Management Specialist in the South- Western Highlands of Uganda. Ms. Kalema is fluent in English, and Swahili, and highly computer literate.

Technical Reviewer: Zane Haxtema

Mr. Haxtema holds a M.S. in Forest Resources from Oregon State University (Corvallis, Oregon, USA) and a B.S. from The Evergreen State College (Olympia, Washington, USA). A well-rounded forestry professional, Mr. Haxtema held a wide variety of positions in forest research and management before coming to SCS, ranging from work on logging and tree planting crews to experience as a wildland firefighter and research assistant. A specialist in natural resource inventory, Mr. Haxtema holds significant expertise in sampling design, inventory management and growth modeling. Mr. Haxtema is well versed in a wide variety of methodological approaches for carbon accounting, having served as a lead auditor on a wide variety of projects under the Climate Action Reserve, the Verified Carbon Standard and the Climate, Community and Biodiversity Standards.

General Section

The General Section of the CCB Standards addresses original conditions in the project are baseline projections, project design and goals, management capacity and best practices, and legal status and property rights.

G1 – Original Conditions in the Project Area

The original conditions at the project area and the surrounding project zone before the project commences must be described. This description, along with baseline projections (see G2), will help to determine the likely impacts of the project

General Information

<p>G1.1 - The location of the project and basic physical parameters (e.g., soil, geology, climate).</p>	<p>The audit team reviewed the PDD and confirmed that the PDD contains an exhaustive description of the project location and the basic physical parameters. In addition, the audit team reviewed a suite of topography, climate, and soil maps and confirmed that the maps were consistent with the observations of the audit team while on site</p>
<p>Conformance - Y</p>	

<p>G1.2 - The types and condition of vegetation within the project area.</p>	<p>While on site, the audit team visited each of the strata listed in the PDD and confirmed that the description provided is an accurate description of what exists on the ground</p>
<p>Conformance - Y</p>	

<p>G1.3 - The boundaries of the project area and the project zone.</p>	<p>Prior to the site visit, the audit team reviewed the PDD and confirmed that it contained a map of the project area boundaries and the boundaries of the project zone. While on site, the audit team confirmed these boundaries using GPS. In addition, through interviews with local residents the audit team confirmed that the project zone, as delineated in the PDD encompasses the project area in which project activities that directly affect land and associated resources, including activities such as those related to provision of alternate livelihoods and community development, are implemented. See Appendix B for a discussion of the rationale for determining the boundaries of the project zone</p>
<p>Conformance - Y</p>	

Climate Information

<p>G1. 4 - Current carbon stocks within the project area(s), using stratification by land-use or vegetation type and methods of carbon calculation (such as biomass plots, formulae, default values) from the Intergovernmental Panel on Climate Change’s 2006 Guidelines for National GHG Inventories for Agriculture, Forestry, and Other Land Use or a more robust and detailed methodology.</p>	<p>The audit team reviewed the PDD and confirmed it contains a complete description of the current carbon stocks using stratification and methods of carbon calculation. In addition, the audit team confirmed that the carbon was calculated in conformance with the VCS VM0009 v3 methodology, a more robust methodology than the IPCC 2006 Guidelines for National GHG Inventories. While on site, the audit team observed the project biomass team re-measure a number of plots in the two highest stocked strata and performed their own re-measurements. The resulting calculations confirmed that the carbon data were collected in a high-quality manner by highly skilled professionals and that the reported carbon values are accurate or otherwise conservative</p>
<p>Conformance - Y</p>	

Community Information

<p>G1.5 - A description of communities located in the project zone, including basic socio-economic and cultural information that describes the social, economic and cultural diversity within communities (wealth, gender, ethnicity, etc.), identifies specific groups such as Indigenous Peoples and describes any community characteristics.</p>	<p>The audit team reviewed the PDD and confirmed it contains an exhaustive description of communities located in the project zone. While on site, the audit team held interviews with community members across the project zone and with a host of government officials and confirmed that the community characteristics described in the PDD are consistent with feedback provided while on site. In addition, the audit team has performed many CCB audits in the past and are of the opinion that the community characteristics information in the PDD provides a sufficient baseline for which the project and future verifiers can assess conformance</p>
<p>Conformance - Y</p>	

<p>G1.6- A description of current land use and customary and legal property rights including community property in the project zone, identifying any ongoing or unresolved conflicts or disputes and identifying and describing any disputes over land tenure that were resolved during the last ten years (see also G5).</p>	<p>The audit team reviewed the PDD and confirmed that it contains a complete description of current land use and customary and legal property rights including community property in the project zone. In addition, the audit team confirmed that the PDD identifies ongoing or unresolved conflicts or disputes and disputes over land tenure that were resolved during the last ten years. While on site, the audit team met with Guy Elms, a real estate attorney based in Nairobi, in order to gain an understanding of real estate law in Kenya and confirmed that legal property rights have been properly described in the PDD. Additionally, the audit team met with government officials from KWS and KFS and community leaders from the group ranches participating in the project who confirmed that the PDD presents an honest description of current land use and customary and legal property rights including community property in the project zone</p>
<p>Conformance - Y</p>	

Biodiversity Information

<p>G1.7 - A description of current biodiversity within the project zone (diversity of species and ecosystems) and threats to that biodiversity, using appropriate methodologies, substantiated where possible with appropriate reference material.</p>	<p>The audit team reviewed the PDD and confirmed that it contains a description of current biodiversity within the project zone, including threats to that biodiversity, using appropriate methodologies and appropriate reference material. While on site, the audit team interviewed officials from KWS and KFS who corroborated the claims in the PDD. In addition the audit team reviewed the suite of literature referenced in the PDD and confirmed the referenced claims to be accurate. Finally, the audit team has extensive experience working in eastern Africa and agrees with the description of</p>
<p>Conformance - Y</p>	

	biodiversity in the project zone
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<p>G1.8 - An evaluation of whether the project zone includes any of the following High Conservation Values (HCVs) and a description of the qualifying attributes:</p> <p>G1.8.1. Globally, regionally or nationally significant concentrations of biodiversity values;</p> <ul style="list-style-type: none"> a. protected areas b. threatened species c. endemic species d. areas that support significant concentrations of a species during any time in their lifecycle (e.g. migrations, feeding grounds, breeding areas). 	<p>The audit team reviewed the PDD and confirmed that it provides a description of the HCVs included in the project zone and a description of the qualifying attributes. In addition the audit team held meetings with government officials from KWS and KFS in order to understand how protected areas are created and which national species listings should be included where differences from the IUCN Redlist exist.</p> <ul style="list-style-type: none"> a. The audit team confirmed that the project zone includes both the Chyulu Hills National Park and a portion of the Tsavo West National Park, meeting the protected area requirements b. The audit team checked the list of threatened species against the IUCN Redlist and the Kenyan national species lists and confirmed that the species listed are characterized appropriately c. The audit team confirmed that the PDD describes the level of endemism for the species provided. Whereas, the audit team realizes that the CCB standards do not specifically speak to sub-species as described in the PDD, the CCB Standards are built on the concept of the precautionary principle and therefore the audit team agrees that the inclusion of sub-species for monitoring will only benefit the biodiversity of the project zone over the lifetime of the project d. The audit team reviewed the literature referenced in the PDD and confirmed that the claims made in the PDD are consistent with the literature. In addition, the audit team met with wardens from KWS while on site who further
<p>Conformance - Y</p>	

	corroborated these claims, confirming the requirements of significant concentrations during migration
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<p>G1.8 - An evaluation of whether the project zone includes any of the following High Conservation Values (HCVs) and a description of the qualifying attributes:</p> <p>G1.8.2 - Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance;</p>	<p>As stated above, the audit team reviewed a suite of literature describing the importance of the of the area project zone as a corridor for wildlife. While on site the audit team performed flyovers of a majority of the project zone and confirmed that conversion of natural landscapes has limited natural corridors for wildlife distribution making the project zone a nationally and regionally significant landscape level area. Given the extreme conversion pressure on the landscape, the audit team cannot say that many of the species inhabiting these areas meet the criteria for natural patterns of distribution and abundance, as it would be improbable for any areas to meet this criteria. However, the audit team met with officials who informed that the remaining patches of cloud forest in the project zone meet these criteria as all remaining cloud forests in Kenya are nationally significant</p>
<p>Conformance - Y</p>	

<p>G1.8 - An evaluation of whether the project zone includes any of the following High Conservation Values (HCVs) and a description of the qualifying attributes:</p> <p>G1.8.3 - Threatened or rare ecosystems;</p>	<p>As stated above the project zone contains a significant area of cloud forest which is becoming increasingly rare in Kenya. The area also is a water catchment for many of the surrounding communities. Through interviews with government officials and local community members, the audit team confirmed that, given the growing pressures on the water supply for this area, the project zone more than meets the criteria for this indicator</p>
<p>Conformance - Y</p>	

<p>G1.8 - An evaluation of whether the project zone includes any of the following High Conservation Values (HCVs) and a description of the qualifying attributes:</p> <p>G1.8.4. Areas that provide critical ecosystem services (e.g., hydrological services, erosion control, fire control);</p>	<p>See above</p>
<p>Conformance - Y</p>	

<p>G1.8 - An evaluation of whether the project zone includes any of the following High Conservation Values (HCVs) and a description of the qualifying attributes:</p> <p>G1.8.5. Areas that are fundamental for meeting the basic needs of local communities (e.g., for essential food, fuel, fodder, medicines or building materials without readily available alternatives); and</p>	<p>While on site, the audit team held interviews with community members across the project zone and confirmed that the PDD provides an accurate evaluation of fundamental areas for meeting the basic needs of communities. Many of the communities in the project zone rely on raising cattle for their livelihoods; given growing populations are the scarcity of resources, the project zone and the grazing lands it supports more than meet the criteria of this indicator</p>
<p>Conformance - Y</p>	

<p>G1.8 - An evaluation of whether the project zone includes any of the following High Conservation Values (HCVs) and a description of the qualifying attributes:</p> <p>G1.8.6 -Areas that are critical for the traditional cultural identity of communities (e.g., areas of cultural, ecological, economic or religious significance identified in collaboration with the</p>	<p>The audit team reviewed the PDD and confirmed it contains an evaluation of areas that are critical for the traditional cultural identity of communities. The PDD does not list any areas meeting the criteria for this indicator, nor did the audit team become aware of any such areas while on site</p>
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communities).	
Conformance - Y	

G2. Baseline Projections

A baseline projection is a description of expected conditions in the project zone in the absence of project activities. The project impacts will be measured against this ‘without-project’ reference scenario.

The project proponents must develop a defensible and well-documented ‘without-project’ reference scenario that must:

Baseline Projections

G2.1 - Describe the most likely land-use scenario in the absence of the project following IPCC 2006 GL for AFOLU or a more robust and detailed methodology, describing the range of potential landuse scenarios and the associated drivers of GHG emissions and justifying why the land-use scenario selected is most likely.	The audit team reviewed the PDD and confirmed that it contains a detailed description of the most likely land-use scenario in the absence of the project. In addition the audit team confirmed that the PDD provides information that is in conformance with the VCS VM0009 v3 methodology, a more robust and detailed methodology than the IPCC guidelines for AFOLU projects. While onsite, the audit team held interviews with officials from KWS and KFS and community members from across the project zone and confirmed that the information provided in the PDD describes an appropriate range of plausible land-use scenarios, identifies the agents and drivers of land conversion and accurately selected the most likely scenario
Conformance - Y	

G2.2 - Document that project benefits would not have occurred in the absence of the project, explaining how existing laws or regulations would	The audit team reviewed the PDD and confirmed that it adequately documents that the anticipated project benefits are truly additional
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<p>likely affect land use and justifying that the benefits being claimed by the project are truly 'additional' and would be unlikely to occur without the project.</p>	<p>and would not take place in the absence of the project. The audit team was provided with financial statements for each of the organizations participating in the project funding, along with the anticipated budgets for carrying out the project activities. The audit team was able to confirm that project was in conformance with the VT0001 Tool for the Demonstration of and Assessment of Additionality in VCS AFOLU Project Activities. Specifically, that there is a fundamental change in circumstances under which the proposed VCS AFOLU project activity will be implemented when compared to circumstances under which similar activities were carried out. Prior to the implementation of the project activities, many similar activities were taking place within the project zone, however, annual budgets and financial statements show that decreasing revenues and budget allocations are not sufficient to continue such activities, let alone expand on them, and therefore the project activity is additional</p>
<p>Conformance - Y</p>	

<p>G2.3 - Calculate the estimated carbon stock changes associated with the 'without project' reference scenario described above. This requires estimation of carbon stocks for each of the land-use classes of concern and a definition of the carbon pools included, among the classes defined in the IPCC 2006 GL for AFOLU. The timeframe for this analysis can be either the project lifetime (see G3) or the project GHG accounting period, whichever is more appropriate. Estimate the net change in the emissions of non-CO2 GHG emissions such as CH4 and N2O in the 'without project' scenario. Non-CO2 gases must be included if they are likely to account for more</p>	<p>The audit team reviewed the PDD and confirmed that it contains an estimate of the carbon stock changes associated with the 'without project' reference scenario described above over the crediting period. The audit team performed data checks to confirm that the carbon stock changes were carried out in conformance with the VCS VM0009 v3 methodology, a more robust and detailed methodology than the IPCC 2006 Guidelines for National GHG Inventories. In addition the audit team confirmed that the project had appropriately excluded non-CO2 gases from these estimates, as is allowed by the methodology. Moreover, the carbon stock</p>
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<p>than 5% (in terms of CO2-equivalent) of the project's overall GHG impact over each monitoring period.</p> <p>Projects whose activities are designed to avoid GHG emissions (such as those reducing emissions from deforestation and forest degradation (REDD), avoiding conversion of non-forest land, or certain improved forest management projects) must include an analysis of the relevant drivers and rates of deforestation and/or degradation and a description and justification of the approaches, assumptions and data used to perform this analysis. Regional-level estimates can be used at the project's planning stage as long as there is a commitment to evaluate locally-specific carbon stocks and to develop a project-specific spatial analysis of deforestation and/or degradation using an appropriately robust and detailed carbon accounting methodology before the start of the project.</p>	<p>changes were based on deforestation rates determined using a reference region adjacent to the project area, as is required by the methodology</p>
<p>Conformance - Y</p>	

<p>G2.4 - Describe how the 'without project' reference scenario would affect communities in the project zone, including the impact of likely changes in water, soil and other locally important ecosystem services.</p>	<p>The audit team reviewed the PDD and confirmed that it contains a description of how the 'without project' reference scenario would affect communities in the project zone, including the impact of likely changes in water, soil and other locally important ecosystem services. The audit team reviewed the conceptual flow diagrams provided in the PDD and confirmed that the project used the Social and Biodiversity Impact (SBIA) Manual in an appropriate manner to develop the community baseline in the 'without project' scenario. While on site the audit team held interviews with community members who</p>
<p>Conformance - Y</p>	

	expressed concerns similar to those stated in the analysis, given the current trends in land conversion. Based on the experience of the audit team observing the effects of deforestation and land conversion on water supplies, food security and overall livelihoods, the audit team confirmed that the description provided in the PDD is an accurate estimate of the effect of the 'without project' reference scenario on communities
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G2.5 - Describe how the 'without project' reference scenario would affect biodiversity in the project zone (e.g., habitat availability, landscape connectivity and threatened species).	The audit team reviewed the PDD and confirmed that it contains a description of how the 'without project' reference scenario would affect biodiversity in the project zone. It was obvious to the audit team that the project personnel have a strong understanding of the relationship between deforestation and biodiversity and appropriately employed all available resources to determine the likely effects of the 'without project' scenario
Conformance - Y	

G3. Project Design and Goals

The project must be described in sufficient detail so that a third-party can adequately evaluate it.

Projects must be designed to minimize risks to the expected climate, community and biodiversity benefits and to maintain those benefits beyond the life of the project. Effective local participation in project design and implementation is key to optimizing multiple benefits, equitably and sustainably. Projects that operate in a transparent manner build confidence with stakeholders and outside parties and enable them to contribute more effectively to the project.

The project proponents must:

Project design and Goals

G3.1 - Provide a summary of the project's major climate, community and biodiversity objectives.	The audit team reviewed the PDD and confirmed it contains a detailed summary of the project's
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Conformance - Y	major climate, community and biodiversity objectives. Moreover, the audit team confirmed that the information provided was done so in a way that facilitates assessment by both the auditor and the public. While on site the audit team interviewed community members across the project zone and confirmed that the project activities and objectives were the result of a collaborative efforts across all stakeholders participating in the project
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G3.2 - Describe each project activity with expected climate, community and biodiversity impacts and its relevance to achieving the project's objectives.	As stated above the PDD contains a detailed description of each project activity resulting from an exhaustive stakeholder consultation process. The PDD provides a breakdown of each activity and the expected impacts. Furthermore, the PDD provides a detailed description of the development process and how the activities and objectives were designed to result in net positive climate, community and biodiversity benefits
Conformance - Y	

G3.3 - Provide a map identifying the project location and boundaries of the project area(s), where the project activities will occur, of the project zone and of additional surrounding locations that are predicted to be impacted by project activities (e.g. through leakage).	The audit team reviewed the PDD and confirmed that the PDD contains a complete set of maps indicating the project location and boundaries of the project area(s), where the project activities will occur, of the project zone and of additional surrounding locations that are predicted to be impacted by project activities (e.g. through leakage)
Conformance - Y	

G3.4 - Define the project lifetime and GHG accounting period and explain and justify any	The audit team reviewed the PDD and confirmed that it defines the project lifetime as the GHG
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differences between them. Define an implementation schedule, indicating key dates and milestones in the project's development.	accounting period. Whereas, the language does not explicitly state this information using the language of the CCB Standards, the audit team confirmed that throughout the PDD the project lifetime is used synonymously with the GHG accounting period. In addition the audit team confirmed that the PDD contains a timeline of expected implementation and agrees that the project is designed using a realistic timeline based on the audit team's experience with such projects
Conformance - Y	

G3.5 - Identify likely natural and human-induced risks to the expected climate, community and biodiversity benefits during the project lifetime and outline measures adopted to mitigate these risks.	The audit team confirmed that the PDD identifies the likely natural and human-induced risks to the expected climate, community and biodiversity benefits during the project lifetime and outlines measures adopted to mitigate these risks. The audit team held meetings with officials from both KWS and KFS who have an extensive knowledge of the region who corroborated the risks provided in the PDD as realistic risks based on the project activities designed. Moreover, the audit team interviewed local community members who confirmed that the mitigation measures adopted were the result of collaborative efforts of those who expect to be greatly affected and confirmed that the mitigation measures adopted are designed to succeed
Conformance - Y	

G3.6 - Demonstrate that the project design includes specific measures to ensure the maintenance or enhancement of the high conservation value attributes identified in G1 consistent with the precautionary principle.	The audit team reviewed the PDD and confirmed that it demonstrates the project design includes specific measures to maintain high conservation values. As stated above, the PDD employed a suite of literature and institutional government
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Conformance - Y	knowledge to identify the HVC's contained within the project zone. The audit team confirmed that the information provided draws direct correlations between habitat protection and the respective HCV's. Based on this evidence the audit team agrees that the project activities are specifically designed to maintain the HCV's identified
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G3.7 - Describe the measures that will be taken to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime.	The audit team reviewed the PDD and confirmed that it includes a description of the measures that will be taken to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime. Moreover, the audit team agrees that from the onset of the project design, the project personnel focused on identifying the relationship between the agents and causes of deforestation and land conversion in order to implement project activities that will ensure sustainable land management. Based on the careful design of the project activities the audit team agrees that the description provided in the PDD is sufficient for meeting the criteria of this indicator
Conformance - Y	

G3.8 - Document and defend how communities and other stakeholders potentially affected by the project activities have been identified and have been involved in project design through effective consultation, particularly with a view to optimizing community and stakeholder benefits, respecting local customs and values and maintaining high conservation values. Project developers must document stakeholder dialogues and indicate if and how the project	The audit team confirmed that the PDD includes a detailed description of the stakeholder consultation process. While onsite, the audit team interviewed project FPIC officers and community members who confirmed that the consultation process was implemented as described in the PDD. Moreover, the audit team reviewed meeting minutes, photographic evidence and sign in sheets confirming the level of outreach that was performed by the project
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<p>proposal was revise based on such input. A plan must be developed to continue communication and consultation between project managers and all community groups about the project and its impacts to facilitate adaptive management throughout the life of the project.</p>	<p>personnel. Finally, interviews with village officials confirmed that the consultation process is ongoing with representatives from all participating communities being represented in order to learn from project successes and failures in order to ensure the project is being implemented using an adaptive management framework.</p>
<p>Conformance - Y</p>	

<p>G3.9 - Describe what specific steps have been taken, and communications methods used, to publicize the CCBA public comment period to communities and other stakeholders and to facilitate their submission of comments to CCBA. Project proponents must play an active role in distributing key project documents to affected communities and stakeholders and hold widely publicized information meetings in relevant local or regional languages.</p>	<p>As is the case in the community consultation section above, the audit team confirmed that the project design process has been implemented in a collaborative manner ensuring that all potentially affected stakeholders are included throughout the project design and implementation process. While onsite, the audit team interviewed community members across the project zone and confirmed that they were aware of the process for providing comments and were aware of the presence of the audit team during the site visit. It was apparent to the audit team that project information was provided in relevant languages and meetings were held in a culturally appropriate manner</p>
<p>Conformance - Y</p>	

<p>G3.10 - Formalize a clear process for handling unresolved conflicts and grievances that arise during project planning and implementation. The project design must include a process for hearing, responding to and resolving community and other stakeholder grievances within a reasonable time period. This grievance process must be publicized to communities and other stakeholders and must be managed by a third party or mediator to prevent any conflict of</p>	<p>While on site, the audit team interviewed project partners including KWS, KFS, MWCT, BLF, and members of local communities and confirmed that the grievance process described in the PDD is consistent with their understanding. Whereas, the project is technically still in design phase, no grievances have been raised as of this point, and however, the audit team observed public comments that had been collected by project personnel and written responses posted on</p>
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<p>interest. Project management must attempt to resolve all reasonable grievances raised, and provide a written response to grievances within 30 days. Grievances and project responses must be documented.</p>	<p>village news boards. The audit team agrees that the formalized process is consistent with the intent of the CCB Standards</p>
<p>Conformance - Y</p>	

<p>G3.11 - Demonstrate that financial mechanisms adopted, including projected revenues from emissions reductions and other sources, are likely to provide an adequate flow of funds for project implementation and to achieve the anticipated climate, community and biodiversity benefits.</p>	<p>The audit team reviewed the financial statements and budgets from each of the participating project partners and confirmed that the financial mechanisms adopted, including projected revenues from emissions reductions and other sources, are likely to provide an adequate flow of funds for project implementation and to achieve the anticipated climate, community and biodiversity benefits. The audit team confirmed that the project budgets were designed by individuals with a wealth of experience in designing avoided deforestation projects, including implementing activities designed to ensure success and confirmed that the budget carefully considers that cost of project implementation</p>
<p>Conformance - Y</p>	

G4. Management Capacity and Best Practices

The success of a project depends upon the competence of the implementing management team. Projects that include a significant capacity-building (training, skill building, etc.) component are more likely to sustain the positive outcomes generated by the project and have them replicated elsewhere.

Best practices for project management include: local stakeholder employment, worker rights, worker safety and a clear process for handling grievances.

The project proponents must:

Management practices and Best Practices

<p>G4.1 -Identify a single project proponent which is responsible for the project’s design and implementation. If multiple organizations or individuals are involved in the project’s development and implementation the governance structure, roles and responsibilities of each of the organizations or individuals involved must also be described.</p>	<p>The audit team reviewed the PDD and confirmed that it identifies all of the project proponents involved in the project development and implementation including the roles and responsibilities of each. In addition the audit team held interviews with each of the implementing partners and confirmed that the project proponent would be registered as the Chyulu Hills Conservation Trust. The audit team was provided with an executed copy of the Deed of Trust on 28 May 2015</p>
<p>Conformance - Y</p>	

<p>G4.2 - Document key technical skills that will be required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills. Document the management team’s expertise and prior experience implementing land management projects at the scale of this project. If relevant experience is lacking, the proponents must either demonstrate how other organizations will be partnered with to support the project or have a recruitment strategy to fill the gaps.</p>	<p>The audit team reviewed the PDD and confirmed that in documents the key technical skills that will be required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills. The audit team confirmed that the project management team includes members of Wildlife Works carbon LLC. and Conservation International, both of which have prior expertise and experience designing and implementing projects such as this one</p>
<p>Conformance - Y</p>	

<p>G4.3 - Include a plan to provide orientation and training for the project’s employees and relevant</p>	<p>The audit team confirmed that the PDD includes a plan to provide orientation and training for the</p>
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<p>people from the communities with an objective of building locally useful skills and knowledge to increase local participation in project implementation. These capacity building efforts should target a wide range of people in the communities, including minority and underrepresented groups. Identify how training will be passed on to new workers when there is staff turnover, so that local capacity will not be lost.</p>	<p>project’s employees and relevant people from the communities with an objective of building locally useful skills and knowledge to increase local participation in project implementation. While on site the audit team reviewed orientation and training plans for KWS, KFS, and MWCT and confirmed that they are designed to provide both orientation and training. In addition, the audit team interviewed community members currently employed by the implementing partners and confirmed that the training is designed to build capacity and target a wide range of community members including minorities and women. Furthermore, it was apparent to the audit team that training had already been passed down to new workers. Whereas, the employee orientation and training plan is not in place for the project as a whole, the audit team was provided with assurance that these plans will be included into one project plan as the project is implemented. It is the professional opinion of the audit team that, given the success in meeting these requirements thus far, the risk that this plan will not be implanted project wide during implementation is low</p>
<p>Conformance - Y</p>	

<p>G4.4 - Show that people from the communities will be given an equal opportunity to fill all employment positions (including management) if the job requirements are met. Project proponents must explain how employees will be selected for positions and where relevant, must indicate how local community members, including women and other potentially underrepresented groups, will be given a fair chance to fill positions for which they can be trained.</p>	<p>The audit team reviewed the PDD and confirmed that includes language to ensure equal opportunity employment. While onsite, the audit team interview local community members who confirmed that employment opportunities are posted on community bulletin boards and are available to all. Moreover, the audit team was provided with evidence that the biomass teams currently include females (a job normally provided to males only) confirming the projects willingness to promote equal opportunity</p>
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Conformance - Y	employment
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<p>G4.5 - Submit a list of all relevant laws and regulations covering worker’s rights in the host country.</p> <p>Describe how the project will inform workers about their rights. Provide assurance that the project meets or exceeds all applicable laws and/or regulations covering worker rights and, where relevant, demonstrate how compliance is achieved</p>	<p>The audit team reviewed the PDD and confirmed it includes an exhaustive list of laws and regulations covering workers’ rights. In addition, the audit team performed a web based review of employee rights in Kenya and confirmed that no laws or regulations have been omitted from the PDD. Finally, during the office portion of the site visit, the audit team reviewed the employee hiring process and confirmed that the process includes language informing employees of their rights</p>
Conformance - Y	

<p>G4.6 - Comprehensively assess situations and occupations that pose a substantial risk to worker safety. A plan must be in place to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be guaranteed, project proponents must show how the risks will be minimized using best work practices.</p>	<p>The audit team was provided with the Chyulu Hills Conservation Trust (CHCT) Health and Safety Plan and confirmed that it adequately assesses situations and occupations that pose a substantial risk to worker safety. As stated above, during the office portion of the site visit, the audit team reviewed the employee hiring process and confirmed that the process includes language informing employees of the potential risks of the occupation including best work practices</p>
Conformance - Y	

<p>G4.7 - Document the financial health of the implementing organization(s) to demonstrate that financial resources budgeted will be adequate to implement the project.</p>	See G3.11 above
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Conformance - Y	
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G5. Legal Status

The project must be based on a solid legal framework (e.g., appropriate contracts are in place) and the project must satisfy applicable planning and regulatory requirements.

During the project design phase, the project proponents should communicate early on with relevant local, regional and national authorities in order to allow adequate time to earn necessary approvals. The project design should be sufficiently flexible to accommodate potential modifications that may arise as a result of this process.

In the event of unresolved disputes over tenure or use rights to land or resources in the project zone, the project should demonstrate how it will help to bring them to resolution so that there are no unresolved disputes by the start of the project.

Based on information about current property rights provided in **G1**, the project proponents must:

Legal Status and Property Rights

G5.1 - Submit a list of all relevant national and local laws and regulations in the host country and all applicable international treaties and agreements. Provide assurance that the project will comply with these and, where relevant, demonstrate how compliance is achieved.	The audit team reviewed the PDD and confirmed that it contains an exhaustive list national laws and regulations regarding legal status and property rights. In addition, the audit team reviewed relevant land-use laws for Kenya and found no discrepancies with the PDD. Finally, while on site the audit team met with Guy Elms, a land law expert in Nairobi, who further confirmed that all of the applicable laws and regulations have been included in the PDD. The project intends to provide evidence on how compliance is achieved at each verification event
Conformance - Y	

G5.2 - Document that the project has approval	The audit team reviewed the PDD and confirmed
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<p>from the appropriate authorities, including the established formal and/or traditional authorities customarily required by the communities.</p>	<p>that it documents that it has approval from the local authorities. While on site, the audit team met with representatives of all the landowners and communities in the project area, who further confirmed this approval</p>
<p>Conformance - Y</p>	

<p>G5.3 - Demonstrate with documented consultations and agreements that the project will not encroach uninvited on private property, community property, or government property and has obtained the free, prior, and informed consent of those whose rights will be affected by the project.</p>	<p>While on site, the audit team reviewed the FPIC process implemented by the project personnel and confirmed through the review of meeting minutes and interviews with local communities that the project had obtained free, prior, and informed consent from all of the project participants. Furthermore, all of the land in the project is owned by the project proponents making this an area of low risk in the opinion of the audit team. Finally, the audit team was provided with a Deed of Assignment, in which all of the project participants have given rights to the project to implement the project</p>
<p>Conformance - Y</p>	

<p>G5.4 - Demonstrate that the project does not require the involuntary relocation of people or of the activities important for the livelihoods and culture of the communities. If any relocation of habitation or activities is undertaken within the terms of an agreement, the project proponents must demonstrate that the agreement was made with the free, prior, and informed consent of those concerned and includes provisions for just and fair compensation.</p>	<p>While onsite the audit team met with members from local communities, who confirmed that no individuals were relocated due to the project activities. In instances where activities important to the livelihoods of community were constrained, free, prior, and informed consent was granted during the stakeholder consultation process</p>
<p>Conformance - Y</p>	

<p>G5.5 - Identify any illegal activities that could affect the project’s climate, community or biodiversity impacts (e.g., logging) taking place in the project zone and describe how the project will help to reduce these activities so that project benefits are not derived from illegal activities.</p>	<p>The audit team reviewed the PDD and confirmed that it identifies a number of activities that could affect the project’s climate, community or biodiversity impacts. The audit team was able to confirm that this list was created through a collaborative effort by local officials and community members. The project has put mitigation measures in place to help reduce such activities as described in section G3</p>
<p>Conformance - Y</p>	

<p>G5.6 - Demonstrate that the project proponents have clear, uncontested title to the carbon rights, or provide legal documentation demonstrating that the project is undertaken on behalf of the carbon owners with their full consent. Where local or national conditions preclude clear title to the carbon rights at the time of validation against the Standards, the project proponents must provide evidence that their ownership of carbon rights is likely to be established before they enter into any transactions concerning the project’s carbon assets.</p>	<p>As stated in G5.3 above, all of the project participants, which includes all communities in the project area, have signed a Deed of assignment, which is a legally binding agreement giving the CHCT (the project proponents) clear title to the carbon rights at the time of validation against the Standards. The audit team was provided with this deed and confirmed that the signatures were consistent with the individuals interviewed on site</p>
<p>Conformance - Y</p>	

Climate Section

CL1. Net Positive Climate Impacts

The project must generate net positive impacts on atmospheric concentrations of greenhouse gases (GHGs) over the project lifetime from land use changes within the project boundaries.

The project proponents must:

Net Positive Climate Impacts

<p>CL1.1 - Estimate the net change in carbon stocks due to the project activities using the methods of calculation, formulae and default values of the IPCC 2006 GL for AFOLU or using a more robust and detailed methodology. The net change is equal to carbon stock changes with the project minus carbon stock changes without the project (the latter having been estimated in G2). This estimate must be based on clearly defined and defensible assumptions about how project activities will alter GHG emissions or carbon stocks over the duration of the project or the project GHG accounting period.</p>	<p>As stated in G1.4 and G2.3 the audit team confirmed that the project was in conformance to the VCS VM0009 v3 methodology with respect to calculating the current carbon stocking across the project zone and the expected baseline emissions. The audit team re-calculated the net change in emissions and confirmed that the estimated net change in GHG emission reductions was performed accurately and without material error for the entirety of the crediting period</p>
<p>Conformance - Y</p>	

<p>CL1.2 - Estimate the net change in the emissions of non-CO2 GHG emissions such as CH4 and N2O in the with and without project scenarios if those gases are likely to account for more than a 5% increase or decrease (in terms of CO2-equivalent) of the project's overall GHG emissions reductions or removals over each monitoring period.</p>	<p>As stated above in G2.3, the audit team confirmed that the exclusion of non-CO2 gases is in conformance with the methodology and is expected to result in conservative estimates of GHG emission reductions</p>
<p>Conformance - Y</p>	

<p>CL1.3 - Estimate any other GHG emissions resulting from project activities. Emissions sources include, but are not limited to, emissions from biomass burning during site preparation, emissions from fossil fuel combustion, direct emissions from the use of synthetic fertilizers,</p>	<p>See CL1.2 above</p>
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and emissions from the decomposition of N-fixing species.	
Conformance - Y	

CL1.4 - Demonstrate that the net climate impact of the project is positive. The net climate impact of the project is the net change in carbon stocks plus net change in non-CO2 GHGs where appropriate minus any other GHG emissions resulting from project activities minus any likely project-related unmitigated negative offsite climate impacts (see CL2.3).	As a result of the calculations described above in CL1.2 the audit team confirmed that the expected net climate impact of the project is positive
Conformance - Y	

CL1.5 - Specify how double counting of GHG emissions reductions or removals will be avoided, particularly for offsets sold on the voluntary market and generated in a country with an emissions cap.	The audit team reviewed the PDD and confirmed that it includes language attesting that project has no intentions to register the project under any other GHG accounting program than the VCS. It is the understanding of the audit team that each VCU issued as a result of the project activities will be individually serialized to avoid double counting of emissions. This indicator should be re-assessed at each verification event
Conformance - Y	

CL2 – Offsite Climate Impacts (‘Leakage’)

The project proponents must quantify and mitigate increased GHG emissions that occur beyond the project area and are caused by project activities (commonly referred to as ‘leakage’).

The project proponents must:

Offsite Climate Impacts ('Leakage')

<p>CL2.1 - Determine the types of leakage that are expected and estimate potential offsite increases in GHGs (increases in emissions or decreases in sequestration) due to project activities. Where relevant, define and justify where leakage is most likely to take place.</p>	<p>The audit team reviewed the PDD and confirmed that it determines the types of leakage that are expected and estimate potential offsite increases in GHGs. The audit team confirmed that the project was in conformance with the requirements of the VCS VM0009 v3 methodology with respect to leakage. The audit team re-calculated the products from the leakage emissions model and confirmed that the original calculations were performed accurately and without material error. Finally, while on site, the audit team held interviews with government officials and local community members who confirmed that illegal logging is not taking place within the project area and therefore an assessment of market leakage was not required</p>
<p>Conformance - Y</p>	

<p>CL2.1 2 - Document how any leakage will be mitigated and estimate the extent to which such impacts will be reduced by these mitigation activities.</p>	<p>The audit team reviewed the PDD and confirmed that it contains measures to mitigate leakage and the extent to which leakage will be avoided. In addition, the audit team interviewed local community members who were aware of the leakage mitigation activities and were involved in the development of such activities through the consultation process</p>
<p>Conformance - Y</p>	

<p>CL2.1 3 - Subtract any likely project-related unmitigated negative offsite climate impacts from the climate benefits being claimed by the project and demonstrate that this has been included in the evaluation of net climate impact</p>	<p>The audit team reviewed the PDD and confirmed that it provides the net climate impacts, including the subtraction of expected unmitigated leakage. The audit team re-calculated the net climate estimates and confirmed that the project</p>
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of the project (as calculated in CL1.4).	calculations were in conformance with the VCS VM0009 v3 methodology, were performed accurately and were free from calculation error
Conformance - Y	

CL2.1 4 - Non-CO2 gases must be included if they are likely to account for more than a 5% increase or decrease (in terms of CO2-equivalent) of the net change calculations (above) of the project's overall off-site GHG emissions reductions or removals over each monitoring period.	As stated above in CL1.2 above, non-CO2 emissions have been conservatively excluded from the project calculations
Conformance - Y	

CL3 – Climate Impact Monitoring

Before a project begins, the project proponents must have an initial monitoring plan in place to quantify and document changes (within and outside the project boundaries) in project-related carbon pools, project emissions, and non-CO2 GHG emissions if appropriate. The monitoring plan must identify the types of measurements, the sampling method, and the frequency of measurement.

Since developing a full monitoring plan can be costly, it is accepted that some of the plan details may not be fully defined at the design stage, when projects are being validated against the Standards. This is acceptable as long as there is an explicit commitment to develop and implement a monitoring plan.

The project proponents must:

Climate Impact Monitoring

CL3.1 - Develop an initial plan for selecting carbon pools and non-CO2 GHGs to be monitored, and determine the frequency of monitoring. Potential pools include aboveground biomass, litter, dead wood, belowground biomass, wood products, soil carbon and peat.	The audit team reviewed the PDD and confirmed that it includes a description of how carbon pools will be selected for monitoring. The audit team checked the monitoring plan against the requirements of the VCS Standard and the VM0009 v3 methodology and confirmed that all
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<p>Pools to monitor must include any pools expected to decrease as a result of project activities, including those in the region outside the project boundaries resulting from all types of leakage identified in CL2. A plan must be in place to continue leakage monitoring for at least five years after all activity displacement or other leakage causing activity has taken place. Individual GHG sources may be considered 'insignificant' and do not have to be accounted for if together such omitted decreases in carbon pools and increases in GHG emissions amount to less than 5% of the total CO2-equivalent benefits generated by the project. Non-CO2 gases must be included if they are likely to account for more than 5% (in terms of CO2-equivalent) of the project's overall GHG impact over each monitoring period. Direct field measurements using scientifically robust sampling must be used to measure more significant elements of the project's carbon stocks. Other data must be suitable to the project site and specific forest type.</p>	<p>of the required carbon pools have been included in the plan. Furthermore, the audit team confirmed that the plan includes a process for determining the frequency and intensity of monitoring, include accounting for leakage. As stated previously, non-CO2 gases have been conservatively omitted, as is allowed by the methodology. While onsite, the audit team observed the project biomass team re-measure a series of plots in two of the forest strata and one grassland strata plot and confirmed that the monitoring plan is robust and is in line with best practices for monitoring carbon stocks on the ground. Moreover, the audit team re-measured one plot in the highest stocked strata and confirmed that the high quality field measurements were being collected and a data management and storage system was in place to ensure accurate reporting</p>
<p>Conformance - Y</p>	

<p>CL3.2 - Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.</p>	<p>As described above, a full monitoring plan is current in place. The audit team confirmed that the plan is of high quality, including requirements for frequency and intensity of monitoring and allows for replications, as was evidence by the audit teams ability to replicate the process</p>
<p>Conformance - Y</p>	

Community Section

CM1. Net Positive Community Impacts

The project must generate net positive impacts on the social and economic well-being of communities and ensure that costs and benefits are equitably shared among community members and constituent groups during the project lifetime.

Projects must maintain or enhance the High Conservation Values (identified in **G1**) in the project zone that are of particular importance to the communities' well-being.

Net Positive Community Impacts

<p>CM1.1 - Use appropriate methodologies to estimate the impacts on communities, including all constituent socio-economic or cultural groups such as indigenous peoples (defined in G1), resulting from planned project activities. A credible estimate of impacts must include changes in community well-being due to project activities and an evaluation of the impacts by the affected groups. This estimate must be based on clearly defined and defensible assumptions about how project activities will alter social and economic well-being, including potential impacts of changes in natural resources and ecosystem services identified as important by the communities (including water and soil resources), over the duration of the project. The 'with project' scenario must then be compared with the 'without project' scenario of social and economic well-being in the absence of the project (completed in G2). The difference (i.e., the community benefit) must be positive for all community groups.</p>	<p>The audit team reviewed the PDD and confirmed it includes an estimate of the impacts on communities, including all constituent socio-economic or cultural groups such as indigenous peoples. The audit team confirmed that the project uses the Theory of Change methodology, as is suggested by the CCB Standards. The audit confirmed that the text in the PDD is well supported by a series of flow diagrams which allow for assessment by the auditor and the public. While on site, the audit team interviewed local community members who confirmed that the assumptions in the model were a result of the consultation process and are therefore clearly defensible. Furthermore, the focal issues used as indicators of change allowed the audit team to draw a clear comparison between the 'with project' and 'without project' scenarios. The PDD includes a detailed breakdown of anticipated impacts by group and shows the result to be net positive for all groups, therefore meeting the requirements of this indicator</p>
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Conformance - Y	
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CM1.2 - Demonstrate that no High Conservation Values identified in G1.8.4-6 will be negatively affected by the project.	Given that the community HCV's are inherently correlated with the climate benefits, the audit team agrees that avoided grassland conversion and avoided deforestation are expected to have only positive impacts on the community HCV's described in G1.8.4-6
Conformance - Y	

Offsite Stakeholder Impacts

The project proponents must evaluate and mitigate any possible social and economic impacts that could result in the decreased social and economic well-being of the main stakeholders living outside the project zone resulting from project activities. Project activities should at least 'do no harm' to the well-being of offsite stakeholders.

The project proponents must:

Offsite Stakeholder Impacts

CM2.1 - Identify any potential negative offsite stakeholder impacts that the project activities are likely to cause.	The audit team reviewed the PDD and confirmed that it addresses the identification of offsite stakeholders. While on site, the audit team interviewed officials of KWS, KFS, and community leaders from all of the group ranches who confirmed that the offsite stakeholder impacts described in the PDD are accurate. Furthermore, the audit team was provided with evidence of arrest records and photographic evidence of the illegal activities undertaken by offsite stakeholders. Also, the audit team held interviews with local community members who further confirmed the accuracy of the PDD.
Conformance - Y	

CM2.2 - Describe how the project plans to mitigate these negative offsite social and economic impacts.	The audit team agrees with the mitigation measures provided in the PDD that focusing on the wildlife human conflict is an area to best achieve success in mitigating these negative impacts.
Conformance - Y	

CM2.3 -Demonstrate that the project is not likely to result in net negative impacts on the well-being of other stakeholder groups.	Given that the project activities are designed to avoid deforestation and avoid grassland conversion, the audit team agrees that the result of the project is designed to provide a continued supply of drinking water to areas around the project zone, including major cities. Furthermore, by focusing on livestock management, there should be less grazing of project zone communities outside of the project and therefore avoiding negative impacts on other stakeholder groups
Conformance - Y	

CM3. Community Impact Monitoring

The project proponents must have an initial monitoring plan to quantify and document changes in social and economic well-being resulting from the project activities (for communities and other stakeholders). The monitoring plan must indicate which communities and other stakeholders will be monitored, and identify the types of measurements, the sampling method, and the frequency of measurement.

Since developing a full community monitoring plan can be costly, it is accepted that some of the plan details may not be fully defined at the design stage, when projects are being validated against the Standards. This is acceptable as long as there is an explicit commitment to develop and implement a monitoring plan.

The project proponents must:

Community Impact Monitoring

<p>CM3.1 - Develop an initial plan for selecting community variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project’s community development objectives and to anticipated impacts (positive and negative).</p>	<p>The audit team reviewed the community monitoring planned described in the PDD and confirmed that it employs the Theory of Change as suggested by the CCB Standards. The audit confirmed that the plan has selected variables that are directly linked to the project’s community development objectives and impacts. While on site, the audit team interviewed local community members who confirmed that the community variables were produced as a result of the consultation process and are anticipated to be positive</p>
<p>Conformance - Y</p>	

<p>CM3.2 - Develop an initial plan for how they will assess the effectiveness of measures used to maintain or enhance High Conservation Values related to community well-being (G1.8.4-6) present in the project zone.</p>	<p>See CM1.2 above</p>
<p>Conformance Y</p>	

<p>CM3.3 - Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.</p>	<p>See CM3.1 above. The audit team was provided with a full monitoring plan at the time of validation. Results of monitoring will be made publicly available during each verification event</p>
<p>Conformance Y</p>	

Biodiversity Section

B1. Net Positive Biodiversity Impacts

The project must generate net positive impacts on biodiversity within the project zone and within the project lifetime, measured against the baseline conditions.

The project should maintain or enhance any High Conservation Values (identified in **G1**) present in the project zone that are of importance in conserving globally, regionally or nationally significant biodiversity.

Invasive species populations must not increase as a result of the project, either through direct use or indirectly as a result of project activities.

Projects may not use genetically modified organisms (GMOs) to generate GHG emissions reductions or removals. GMOs raise unresolved ethical, scientific and socio-economic issues. For example, some GMO attributes may result in invasive genes or species.

The project proponents must:

Net Positive Biodiversity Impacts

<p>B1.1 -Use appropriate methodologies to estimate changes in biodiversity as a result of the project in the project zone and in the project lifetime. This estimate must be based on clearly defined and defensible assumptions. The ‘with project’ scenario should then be compared with the baseline ‘without project’ biodiversity scenario completed in G2. The difference (i.e., the net biodiversity benefit) must be positive.</p>	<p>The audit team confirmed that the PDD provides an estimate of the changes in biodiversity using the Theory of Change methodology, as suggested by the CCB Standards. The audit team agrees with the project assessment that the positive and negative impacts on biodiversity are directly linked to the health and existence of the ecosystems that comprise habitat for wildlife. Moreover, the audit team is intimately familiar with the importance of wildlife to the biodiversity of the ecosystems themselves. The audit team was also able to confirm that the PDD provides a transparent description of the net impacts by comparing the ‘with project’ and ‘without project’ scenarios that allows for assessment by the auditor and the public resulting in net positive</p>
<p>Conformance Y</p>	

	impact estimates
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B1.2 Demonstrate that no High Conservation Values identified in G1.8.1-3 will be negatively affected by the project.	Given that the biodiversity HCV's are inherently correlated with the climate benefits, the audit team agrees that avoided grassland conversion and avoided deforestation are expected to have only positive impacts on the biodiversity HCV's described in G1.8.1.3
Conformance Y	

B1.3 - Identify all species to be used by the project and show that no known invasive species will be introduced into any area affected by the project and that the population of any invasive species will not increase as a result of the project.	The audit team reviewed the PDD and confirmed that it includes language addressing species used by the project. See appendix B for a further discussion of this indicator
Conformance Y	

B1.4 - Describe possible adverse effects of non-native species used by the project on the region's environment, including impacts on native species and disease introduction or facilitation. Project proponents must justify any use of non-native species over native species.	N/A – This indicator is not applicable as no non-native species are used in the project
Conformance Y	

B1.5 - Guarantee that no GMOs will be used to generate GHG emissions reductions or removals.	N/A – This indicator is not applicable as no GMO's will be used to generate emission reductions or
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Conformance Y	removals
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B2. Offsite Biodiversity Impacts

The project proponents must evaluate and mitigate likely negative impacts on biodiversity outside the project zone resulting from project activities.

The project proponents must:

Offsite Biodiversity Impacts

B2.1 - Identify potential negative offsite biodiversity impacts that the project is likely to cause.	While on site, the audit team held meetings with wildlife experts from KWS and KFS who corroborated the claims in the PDD that the project is unlikely to result in negative offsite biodiversity impacts. In addition, the audit team has experience in the region and agrees that keeping ecosystems intact provides corridors for wildlife that potentially cause problems with human settlements. Finally, the audit team was provided with literature showing the correlation between habitat and human wildlife conflicts, further confirming the claims in the PDD.
Conformance Y	

B2.2 - Document how the project plans to mitigate these negative offsite biodiversity impacts	N/A – As no negative impacts are expected as a result of the project activities, no mitigation measures are necessary
Conformance Y	

B2.3 - Evaluate likely unmitigated negative offsite biodiversity impacts against the biodiversity benefits of the project within the project boundaries. Justify and demonstrate that the net	N/A – See B2.2 above
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effect of the project on biodiversity is positive.	
Conformance Y	

B3. Biodiversity Impact Monitoring

The project proponents must have an initial monitoring plan to quantify and document the changes in biodiversity resulting from the project activities (within and outside the project boundaries). The monitoring plan must identify the types of measurements, the sampling method, and the frequency of measurement.

Since developing a full biodiversity-monitoring plan can be costly, it is accepted that some of the plan details may not be fully defined at the design stage, when projects are being validated against the Standards. This is acceptable as long as there is an explicit commitment to develop and implement a monitoring plan.

The project proponents must:

Biodiversity Impact Monitoring

B3.1 - Develop an initial plan for selecting biodiversity variables to be monitored and the frequency of monitoring and reporting to ensure that monitoring variables are directly linked to the project’s biodiversity objectives and to anticipated impacts (positive and negative).	The audit team reviewed the PDD and confirmed that it contains a description of how the biodiversity variables were selected for monitoring. The audit also confirmed that the project followed the guidance provided in the SBIA Manual by linking the monitoring with the social impact assessment in order to promote successes in both areas. Finally, the audit team confirmed that the monitoring plan not only selects the variables to be monitored, but also links the monitoring directly to the major objectives of the project activities. Overall, the audit team agrees that the monitoring plan is designed by experienced professionals with a focus on understanding the relationships between biodiversity and the associated climate
Conformance Y	

	and community impacts
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B3.2 - Develop an initial plan for assessing the effectiveness of measures used to maintain or enhance High Conservation Values related to globally, regionally or nationally significant biodiversity (G1.8.1-3) present in the project zone.	See CM1.2 above. In addition, the monitoring plan described above includes specific monitoring for the biodiversity HCV's listed in G1.8.1-3
Conformance Y	

B3.3 - Commit to developing a full monitoring plan within six months of the project start date or within twelve months of validation against the Standards and to disseminate this plan and the results of monitoring, ensuring that they are made publicly available on the internet and are communicated to the communities and other stakeholders.	The biodiversity monitoring plan is described in B3.1 above. The audit team was provided with a full monitoring plan at the time of validation. Results from monitoring will be made publicly available at each verification event
Conformance Y	

Gold Level Section

GL1. Climate Change Adaptation Benefits

This Gold Level Climate Change Adaptation Benefits criterion identifies projects that will provide significant support to assist communities and/or biodiversity in adapting to the impacts of climate change. Anticipated local climate change and climate variability within the project zone could potentially affect communities and biodiversity during the life of the project and beyond. Communities and biodiversity in some areas of the world will be more vulnerable to the negative impacts of these changes due to: vulnerability of key crops or production systems to climatic changes; lack of diversity of

livelihood resources and inadequate resources, institutions and capacity to develop new livelihood strategies; and high levels of threat to species survival from habitat fragmentation. Land-based carbon projects have the potential to help local communities and biodiversity adapt to climate change by: diversifying revenues and livelihood strategies; maintaining valuable ecosystem services such as hydrological regulation, pollination, pest control and soil fertility; and increasing habitat connectivity across a range of habitat and climate types.

The project proponents must:

Climate Change Adaptation Benefits

<p>GL1.1 -Identify likely regional climate change and climate variability scenarios and impacts, using available studies, and identify potential changes in the local land-use scenario due to these climate change scenarios in the absence of the project.</p>	<p>The audit team reviewed the PDD and confirmed it includes regional climate change and climate variability scenarios and impacts, using available studies, and identify potential changes in the local land-use scenario due to these climate change scenarios in the absence of the project. The audit team reviewed the suite of literature referenced in the PDD and confirmed that the climate predictions of the literature are consistent with the claims in the PDD</p>
<p>Conformance Y</p>	

<p>GL1.2 - Identify any risks to the project’s climate, community and biodiversity benefits resulting from likely climate change and climate variability impacts and explain how these risks will be mitigated.</p>	<p>Whereas, the impacts of climate change are difficult to predict, the audit team agrees with the assessment in the PDD regarding the anticipation of climate change risks and the mitigation measures needed to avoid the expected risks. Based on the current information available, the audit team confirmed with a reasonable level of assurance that the PDD provides adequate information for meeting the requirements of this indicator</p>
<p>Conformance Y</p>	

<p>GL1.3 - Demonstrate that current or anticipated</p>	<p>The audit team reviewed the PDD and the</p>
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climate changes are having or are likely to have an impact on the well-being of communities and/or the conservation status of biodiversity in the project zone and surrounding regions.	referenced literature for this section and confirmed that PDD provides information that the anticipated climate changes are having or are likely to have an impact on the well-being of communities and/or the conservation status of biodiversity in the project zone and surrounding regions
Conformance Y	

GL1.4 - Demonstrate that the project activities will assist communities and/or biodiversity to adapt to the probable impacts of climate change.	The audit team reviewed the PDD and confirmed that it provides an adequate demonstration that the project activities will assist communities and/or biodiversity to adapt to the probable impacts of climate change. Whereas, the effects of climate change are uncertain, the audit team agrees that the mitigation and adaptive strategies provided in the PDD are appropriate for the communities and biodiversity in the project zone
Conformance Y	

GL2. Exceptional Community Benefits

This Gold Level Exceptional Community Benefits criterion recognizes project approaches that are explicitly pro-poor in terms of targeting benefits to globally poorer communities **and** the poorer, more vulnerable households and individuals within them. In so doing, land-based carbon projects can make a significant contribution to reducing the poverty and enhancing the sustainable livelihoods of these groups. Given that poorer people typically have less access to land and other natural assets, this optional criterion requires innovative approaches that enable poorer households to participate effectively in land-based carbon activities. Furthermore, this criterion requires that the project will ‘do no harm’ to poorer and more vulnerable members of the communities, by establishing that no member of a poorer or more vulnerable social group will experience a net negative impact on their well-being or rights.

Project proponents must:

Exceptional Community Benefits

GL2.1 - Demonstrate that the project zone is in a	The audit team reviewed the latest information
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<p>low human development country OR in an administrative area of a medium or high human development country in which at least 50% of the population of that area is below the national poverty line.</p>	<p>provided by the United nations development Programme (UNDP) and confirmed claims in the PDD that Kenya is a low development country (http://hdr.undp.org/en/countries/profiles/KEN)</p>
<p>Conformance Y</p>	

<p>GL2.2-Demonstrate that at least 50% of households within the lowest category of well-being (e.g., poorest quartile) of the community are likely to benefit substantially from the project.</p>	<p>While on site, the audit team visited a number of communities who can be considered in the lowest category of wellbeing, as they did not have readily available access to basic needs, such as clean drinking water, medical attention, and education. It is the understanding that the focus of the project mitigation activities are to focus on just such issues, beginning with those who are without. Given this strategy, the audit confirmed with a reasonable level of assurance that the project meets the criteria of this indicator</p>
<p>Conformance Y</p>	

<p>GL2.3 -Demonstrate that any barriers or risks that might prevent benefits going to poorer households have been identified and addressed in order to increase the probable flow of benefits to poorer households.</p>	<p>While on site the audit team held meetings with representatives from all the community groups who confirmed that representatives from each group will be represented as trustees of the CHCT. The audit team agrees with the claims in the PDD that elite capture, fewer chances of employment, and no representation in the decision making process are likely barriers or risks that might prevent benefits going to poorer households. Interviews with community members confirmed that the representatives to the trust have the full decision making responsibilities for the community members and they agree that this is the best way to ensure equality in benefit sharing. The audit team agrees</p>
<p>Conformance Y</p>	

	that the information provided in the PDD provides an adequate demonstration for meeting the criteria of this indicator
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<p>GL2.4 - Demonstrate that measures have been taken to identify any poorer and more vulnerable households and individuals whose well-being or poverty may be negatively affected by the project, and that the project design includes measures to avoid any such impacts. Where negative impacts are unavoidable, demonstrate that they will be effectively mitigated.</p>	<p>The audit team reviewed the PDD and confirmed that the measures taken to identify any poorer and more vulnerable households and individuals whose well-being or poverty may be negatively affected by the project are more than adequate given the audit team’s understanding of the social dynamics in the project zone. In addition, the audit team spoke with local women’s groups (groups that are often marginalized in the area) and confirmed that certain mitigation measures described in the PDD were the result of their input</p>
<p>Conformance Y</p>	

<p>GL2.5 - Demonstrate that community impact monitoring will be able to identify positive and negative impacts on poorer and more vulnerable groups. The social impact monitoring must take a differentiated approach that can identify positive and negative impacts on poorer households and individuals and other disadvantaged groups, including women.</p>	<p>As stated above, the project has demonstrated that the measures taken to identify any poorer and more vulnerable households and individuals whose well-being or poverty may be negatively affected by the project are more than adequate. Given that the main focal group identified are women and children, the audit team agrees that the monitoring plan is designed to take a differentiated approach that can identify positive and negative impacts on poorer households and individuals and other disadvantaged groups, including women</p>
<p>Conformance Y</p>	

GL3. Exceptional Biodiversity Benefits

All projects conforming to the Standards must demonstrate net positive impacts on biodiversity within their project zone. This Gold Level Exceptional Biodiversity Benefits criterion identifies projects that conserve biodiversity at sites of global significance for biodiversity conservation. Sites meeting this optional criterion must be based on the Key Biodiversity Area (KBA) framework of vulnerability and irreplaceability. These criteria are defined in terms of species and population threat levels, since these are the most clearly defined elements of biodiversity. These scientifically based criteria are drawn from existing best practices that have been used, to date, to identify important sites for biodiversity in over 173 countries.

Project proponents must demonstrate that the project zone includes a site of high biodiversity conservation priority by meeting either the vulnerability *or* irreplaceability criteria defined below:

Exceptional Biodiversity Benefits

<p>GL3.1 - Vulnerability - Regular occurrence of a globally threatened species (according to the IUCN Red List) at the site:</p> <p>GL3.1.1 - Critically Endangered (CR) and Endangered (EN) species - presence of at least a single individual.</p>	<p>The audit team reviewed the IUCN Red List and confirmed the claims in the PDD that the project zone is home to <i>Diceros bicornis</i> (black rhino), meeting the critically endangered criteria for this indicator (http://www.iucnredlist.org/details/6557/0).</p>
<p>Conformance Y</p>	<p>Furthermore, the audit team interviewed members of KWS who confirmed claims that 80% of the black rhino's home range is within the project area</p>

CCB Validation Conclusion

Following completion of SCS's duly-accredited validation process, it is our opinion the Chyulu Hills REDD+ Project conforms to the CCBA Climate, Community and Biodiversity Project Design Standards (Second Edition) at the Gold Level.

Appendix A – Public Comments

Prior to conducting the validation site visit, the audit team was provided with a list of public comments received during the public comment period (June 26-July 25 2014). In addition, the audit team received comments directly during the site visit. Comments received during the public comment period are a verbatim replication of the comments as they were received. Comments received during the site visit have been translated by the audit team and are meant as suggestions for the project proponents. A complete list of comments and how the comments from the public comment period have been considered in the project design (where applicable) are as follows:

Comments Received During the Public Comment Period

Chief Kirruti Chyulu on behalf of Kuku members

“This is to say the project document on the side of kuku is good we got leaders meeting and community meetings as well. The project document is perfect it will going 2 improve people livelihoods when implemented. But the community request if possible is 2 form an independent body that will handle two crucial areas both finance and Project implementation plans.”

Chief Kirruti Chyulu on behalf of Kuku members

“This is to let you know that we as Kuku community members are indeed supporting the project and the project document is clear and if implemented it will benefits the communities and sustainability will be assured. But we want some clarity on how financial mechanism will be and how the benefits will be shared? Secondly we want some clarity on who is representing Kuku on the newly formed trust because we had several meetings both leaders and community and we are wondering who is representing community component in the project? The community members are strong saying we need an independent body that is inclusive to handle finance and undertake implementation plans that has community face if at all you want success in the project. Due to experience in communtiy dynamic, members are saying they only want a community member trusted and has intergrity to represent community because that part has not be address and project cannot start in kuku.”

Daniel Kale

“Am Daniel Kale from kuku Group Ranch the project is very good and it rescue our environment also will benefit the members direct and also indirect for non-members . But the feeling of the members is to have an independent body that will manage the project finance and implemantation of their carbon credit that comes from their own land.”

Daniel Kale

“The project sound very good and definately will benefit the entire community also might change the living standard of the people. But the feeling of the community is to have an independent body that is going to handle the project finance and implemantation thanks.”

Kispan Jacob Ntete

“Am Kispan Jacob Ntete a diploma holder in wildlife management at Kenya Wildlife service training institute. A resident of iltilat village at Kuku group ranch bordering Tsavo west national park. Carbon project is of beneficial to the whole eco-system. The project is of more significant if it is link directly to the communities and not via Luca Belpetro and MWCT at large since we lack tranquility and transparency on them as a community. It's the right of the community to represent itself on participation and involvement and should be given a chance on decision-making processes.”

As a result of these comments the audit team confirmed that the Chyulu Hills Conservation Trust is comprised of representatives from each landowning entity, as well as community representations via the NGOs. Each community has a member who is a trustee and is required to be present for all decision making meetings. Moreover, the language of the trust requires that all financial decisions are decided by the trust (see section 7 of the CHCT Deed of Trust).

Comments Received During the Site Visit

WOMEN GROUP ILTILAT VILLAGE KUKU

They advanced that during employment women also should be considered because they can do anything.

Also they suggested that the project if possible should provide alternative means of income generating activities, since the community members are no longer depending on the forests i.e. selling firewood and charcoal, they need some activities that will help them earn the income.

COMMUNITY MEMBERS ROMBO VILLAGE

Awareness campaign should also involve the neighbors so that they know what is going on and the reasons behind protecting forests. They said by involving them in awareness campaign will help.

Alternative means of income generation should be emphasized since people used to get income using forest based resources now there is gap and they need income to support their livelihoods.

They also requested that regarding employment, the project should also consider them. The project should make sure that they get at a person from each village around the project area.

They also said they need more Game scouts since their area is at the border and the have people coming in.

They said they need more awareness campaign because they are far, they were visited once and most people still need awareness campaigns as their understanding is still low compare to those who are closer to the project office.

Women requested to be considered too in case of any employment opportunity.

COMMUNITY MEMBERS OF LANGATA VILLAGE

They said since the project is there to help the communities, the carbon funds should buy chain fence so that the communities can stop cutting trees, and that their livestock can be safe.

They also said they will need to be guided on how to use the money they are expecting to get from carbon project so that they can put it in good use.

They also wanted to know what happens if the trees are being uprooted by elephants and not the community members, are these trees going to be counted or left out. Also they wanted to know about the trees they plant in their gardens if they can sell them to the project.

CHYULU NATIONAL PARK

One of the KWS official suggested capacity building to Kamba people, he said it is still low compared to Maasai.

He also said KWS bursaries for group ranches should also include the Kamba/WaKamba currently they are excluded.

He also said that KFS should work hand in hand with KWS, he said sometimes KFS issue the license for charcoal production while KWS prohibit charcoal activities and that brings conflict of interest.

They also said that they are currently underfunded therefore they depend on donor funds; therefore, they think carbon funds will be helpful.

COMMUNITY MEMBERS ILATU VILLAGE (WOMEN AND ELDER GROUPS)

The major problem to the community is water, in case they get water close to the community they will be very happy.

In case there is any manual work in the project they are ready to volunteer manpower.

The project if possible to introduce income generating activities this will help to reduce dependence on forests.

The members also suggested if possible to visit Kasigau project to see how it works and learn some lessons that can guide them.

PASTORS AND ELDERS IN OLTUKAI VILLAGE KAJIADO

More awareness campaigns are needed as people need to move together and it should be more often not once in a long time.

Alternative means of income generating activities such as bee keeping, rangers etc will be highly appreciated.

Chance to visit Kasigau to be able to see and learn how carbon funds work and learn some lessons.

Appendix B – Validation Findings

The following tables include all issues raised during the validation audit. It should be noted that all language under “Client Response” is a verbatim transcription of responses to findings as provided by project personnel.

NIR 2015.1 dated 04/08/2015

Standard Reference: CCB Standards Section Edition G1.5; Rules for the Use of the CCB Standards Third Edition pg. 9

Document Reference: Chyulu Hills REDD+ Project PDD Section 1.3.3

Finding: The CCB Standards (The Standards) require that "The project proponents must provide a description of the project zone, containing all the following information:

A description of communities located in the project zone, including basic socio-economic and cultural information that describes the social, economic and cultural diversity within communities (wealth, gender, age, ethnicity etc.), identifies specific groups such as Indigenous Peoples and describes any community characteristics."

Additionally, the Rules for the Use of the CCB Standards (the Rules) define the Project Zone as "The area encompassing the Project Area in which project activities that directly affect land and associated resources, including activities such as those related to provision of alternate livelihoods and community development, are implemented." And communities are defined as "Are all groups of people—including Indigenous Peoples, mobile peoples and other local communities—who derive income, livelihood or cultural values and other contributions to wellbeing from the Project Area at the start of the project and/or under the with-project scenario. In cases where numerous small Communities can be shown to have homogeneous patterns of social organization, political structure and livelihoods, these Communities may be identified and listed as a Community. In identification of Communities, it is permitted to consider significance of user populations and of their level of use such that distant or intermittent user groups who have very limited dependence on the site need not be defined as Communities."

The Chyulu Hills REDD+ PDD defines the Project Zone as “the Project Area and the land within the boundaries of the adjacent communities potentially affected by the project”. And goes on to state "In the case of the Chyulu Hills REDD+ Project, these communities are defined as those living adjacent to the project area who would be directly affected by the project in some way. This includes many of the rural communities on the eastern side of the Project Area. It excludes, however, the larger towns of Makindu, Kibwezi and Mtito Andei, as there are a wider array of alternative livelihood options in those locales, and they are considered to be insulated from the effects of the Project."

While on site, it was apparent to the audit team that the exclusion of the larger towns was justified as the economies of such areas appear to have limited dependence on the site. What was not apparent, however, was the rationale for excluding other communities, particularly those to the west of the Project Area. Please provide justification, as to why such communities have not been included in the Project Zone. Also, please ensure that the rationale is congruent with the rationale for defining communities as defined above.

Client Response: The Project Proponent believes that the Project Zone has been delineated in accordance with the CCB Standard v2, and the CCB Rules v3. We applied a set of very specific, non-arbitrary reasons for choosing the currently described Project Zone to ensure it included all communities whose livelihoods depends on the Project Area and to minimize project politics and infighting over the future carbon benefits.

The primary reason for a difference in the delineation of the Project Zone between the Eastern and Western side of the Project Area is the difference in land ownership on each side and the effects that has on resource access. The Eastern side of the Project is a national park and national forest reserve, and as such the communities living outside the boundaries are more reliant on the resources inside the Project Area. Firstly, the majority of the deforestation threat on the Project’s eastern side is from the communities pushing up against the Project’s boundaries, including along the national parks and forest reserve boundaries. It must also be noted that there are no communities residing inside the Project Area on the eastern side, they all travel into the Project Area for resources. This is why we created a buffer for the Project Zone on the eastern side. As was seen by the auditors during the field visit, this threat is already visible, and the encroachment is spatially explicit in nature, pushing toward the project accounting area in a directional attack on the weakly protected areas governed by KWS, KFS and Sheldrick's.

Whereas, on the Western side of the Project the land is owned in Group Ranches, where the communities located in and residents of the area generally have ownership stakes in the ranch. Therefore the boundaries are more often enforced, and any resource use on the ranch is done with the permission, whether official or tacit, of the ranch owners. The communities on the Western side of the Project include Maasai pastoralists and sedentary agriculturalist living within the Project Area as well as people and communities living in the out-areas within the Project Area boundaries (areas not included in carbon accounting). The reasoning for including these communities as part of the Project Zone is that it is them who continuously depend on the land that they live on and derive livelihood, well-being and

cultural values from it. The primary threat to this region of the Project Area comes from these communities sub-dividing the ranches and fencing individual plots for conversion to agriculture. In times of stress (drought years or times where the rains are late), outside mobile people (Maasai herders) may move in from the adjacent ranches and beyond. According to local feedback and expert knowledge however, this is against the will of local landowners, who are however powerless to resist them. Building further on expert insight, this is not a frequent event as it only occurs in times of stress. As such, the level of use of these user groups is considered insignificant given that they come from distant places and have very limited dependence on the site. It would therefore not only be unfair to the landowners to spread the project benefits over a larger area, but also impossible to define who these mobile peoples are exactly, as they are unlikely to be the same people if and when they would return in a few years down the line. Therefore, since the group ranches are privately owned by the ranching companies, and do not have a legal protection, it is essential that the Project benefits and activities are focused on the communities living on the ranches and that are owners in the ranch. They are the primary peoples being affected by the Project and have the greatest ability to affect the Project's success.

The same applies to the charcoal burners living adjacent to the Project Area boundary on the Western side (Loitokitok etc). According to expert knowledge, while these people do occasionally utilize the Project Area for charcoal production, they are not sedentary on the Project Area or even undertaking frequent incursions, but instead move in for a limited period of time before continuing to other places. As such, these people have very limited dependence on the site, as they are not local and are able to move on as and when they desire. As these people have very limited dependence on the Project Area, and their livelihoods are not dependent on the solely on the Project Area resources, we believe it would be unfair and ineffective to include the entirety of these communities in the Project Zone.

We also cannot justify including only parts of the neighboring group ranch(es) in the Project Zone and excluding other parts of those same group ranches. This would lead to resentment and jealousy in the communities that live inside the Project Accounting Area (as defined in VM0009) that are included in the Project Zone versus the ones whom are excluded. Similarly, we cannot include entire group ranches outside of the project accounting area. This would stretch the minimal carbon financing over too many people and communities minimizing the effectiveness of the Project. Additionally, the communities inside the Project who fully depend on the Project Area would rightfully be wondering why other communities who are outside the project area to the west and not dependent on the Project Area were receiving benefits of the project. If we begin to include neighboring group ranches to the Project Area, it becomes very difficult to draw the line of which communities should be included in the Project Zone and which excluded? It is precisely because of these issues that we chose to draw the boundary of the Project Zone to coincide with the project accounting area (also corresponding to the GR boundaries) on the western side of the project.

Auditor Response: The response provided in the client response is consistent with what was discovered while on site (i.e., communities to the west are intermittent groups who have limited dependence on the project area). And therefore, the inclusion of such language in the PDD would be sufficient for resolving this issue.

Please note, however that the rules for the use of the CCB standards require the PDD to be provided in a way that facilitates assessment by the public and the auditor. Given that the updated version of the PDD

does not include the information provided in the findings response, this finding will remain open.

Client Response 2: The Project Proponent accepts this finding. We have updated the Chyulu Hills joint VCS/CCB PD to include the narrative that was provided to the auditor describing the process that was undertaken to define the Project Zone and the justification of the decisions made. Please refer to Section 1.2.2. sub-section Project Zone to view the updated text.

Auditor Response 2: The audit team reviewed the amended PDD and agree that the language now provides an appropriate justification for the delineation of the project zone.

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2015.2 dated 04/08/2015

Standard Reference: CCB Standards Section Edition G1.6

Document Reference: Chyulu Hills REDD+ Project PDD Section 1.3.4

Finding: The Standards require that "The project proponents must provide a description of the project zone, containing all the following information:

A description of current land use and customary and legal property rights including community property in the project zone, identifying any ongoing or unresolved conflicts or disputes and identifying and describing any disputes over land tenure that were resolved during the last ten years (see also G5)."

Additionally, the PDD states "Disputes over ranch boundaries have existed previously, but these have been solved amicably between the parties and with the involvement of surveyors." The information provided in the PDD does not meet the requirement that the Project Proponent identify and describe any disputes over land tenure that were resolved during the last ten years and therefore is not in conformance with the Standards.

Client Response: The Project Proponents accept this finding. There were two small disputes between the Group Ranches and Chyulu Hills National Park concerning the boundaries. These disputes have both been fully resolved in an amicable fashion. The Project Description has been revised to list both disputes and include details of the resolution. Please see section 1.3.4 "Current Land Use, Customary and Legal Property Rights, and any Ongoing or Unresolved Conflicts", sub-section "On-going or unresolved conflicts" for the revised text.

Auditor Response: As stated in the client response, the PDD has been amended to include any disputes that have been resolved over the last 10 years. The information provided in the amended PDD is sufficient for resolving this issue.

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2015.3 dated 04/08/2015

Standard Reference: CCB Standards Section Edition G1.8.1 (b)

Document Reference: Chyulu Hills REDD+ Project PDD Section 1.3.6.3

Finding: The Standards require that "The project proponents must provide a description of the project zone, containing all the following information:

An evaluation of whether the project zone includes any of the following High Conservation Values (HCVs) and a description of the qualifying attributes:

Globally, regionally or nationally significant concentrations of biodiversity values;

b. threatened species"

Additionally, footnote 14 states that "Species that qualify for the IUCN Red List threat categories of Critically Endangered (CR), Endangered (EN) and Vulnerable (VU). (See www.iucnredlist.org and Appendix B: Glossary for more information.) Additional national or regional listings should also be used where these may differ from the IUCN Red List."

During the site visit, discussions with Kenya Wildlife Service revealed that Kenya has national listings that differ from the IUCN Red List. Given that the PDD does not include these additional listings, the Project is not in conformance with the Standards.

Client Response: The Project Proponent accepts this finding. We have revised the PDD to include a full and complete list of the species present in the Project Area that qualify for the IUCN Red List. We have additionally added the list of the species that are present in the Project Area that are on found on the Kenyan National list as documented in the National List of Species listed in the Sixth Schedule of the Wildlife Conservation and Management Bill, 2013. Please see section 7.3.1.1 of the PD to find the added text detailing the species on the IUCN lists and the Kenyan National list.

Auditor Response: As stated in the client response, the PDD has been amended to include additional species lists using the national categorizations where they differ from the IUCN Red List. The information provided in the amended PDD is sufficient for resolving this issue.

Closing Remarks: The Client's response adequately addresses the finding.

NIR 2015.4 dated 04/08/2015

Standard Reference: CCB Standards Section Edition G1.8.1 (c)

Document Reference: Chyulu Hills REDD+ Project PDD Section 1.3.6.4

Finding: The Standards require that "The project proponents must provide a description of the project

zone, containing all the following information:

An evaluation of whether the project zone includes any of the following High Conservation Values (HCVs) and a description of the qualifying attributes:

Globally, regionally or nationally significant concentrations of biodiversity values;

c. endemic species"

In addition, footnote 15 states "Species for which the entire global range is restricted to the site, the region or the country (the level of endemism must be defined)."

It is not clear from the language in the PDD whether or not the species listed are "Species for which the entire global range is restricted to the site, the region or the country." Please update the PDD to include such information and if the listed species meet this definition, please include the level of endemism.

Client Response: The Project Proponent accepts this finding. Due to an editing error the PD stated that there are endemic species present, however there are actually endemic sub-species and races present in Project Area, not species. We have revised the PDD to include a full and complete list of the sub-species and races present in the Project Area that are considered endemic to the Project Area. This list can be found in section 7.3.1.3 of the PD. The PD has also been revised to make clear that there are no endemic species to the Project Area, region or Country present in the Project Area.

Auditor Response: As stated in the client response, the PDD has been amended to include a clear discussion of endemic species and sub-species and the level of endemism associated with each species. The information provided in the amended PDD is sufficient for resolving this issue.

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2015.5 dated 04/08/2015

Standard Reference: CCB Standards Section Edition G2.1; VCS VT001 - TOOL FOR THE DEMONSTRATION AND ASSESSMENT OF ADDITIONALITY IN VCS AGRICULTURE, FORESTRY AND OTHER LAND USE (AFOLU) PROJECT ACTIVITIES Sub-step 1(a)

Document Reference: Chyulu Hills REDD+ Project PDD Section 4.6

Finding: The Standards require that "The project proponents must develop a defensible and well-documented 'without-project' reference scenario that must:

Describe the most likely land-use scenario in the absence of the project following IPCC 2006 GL for AFOLU or a more robust and detailed methodology, describing the range of potential land-use scenarios and the associated drivers of GHG emissions and justifying why the land-use scenario selected is most likely."

In addition, the Project has implemented the VCS VT001 additionality tool as a more robust and detailed methodology. Given the use of the tool, the PDD must include the required elements of the tool. The outcome of Step 1(a) requires a "List of credible alternative land use scenarios that could have occurred on the land within the project boundary of the VCS AFOLU project."

As stated in Sub-step 1 a (a) "The identified land use scenarios shall at least include:

ii) Project activity on the land within the project boundary performed without being registered as the VCS AFOLU project;

iii) If applicable, activities similar to the proposed project activity on at least part of the land within the project boundary of the proposed VCS AFOLU project at a rate resulting from

- Legal requirements; or

- Extrapolation of observed similar activities in the geographical area with similar socioeconomic and ecological conditions to the proposed VCS AFOLU project activity occurring in the period beginning ten years prior to the project start date."

Further, Sub-step 1 a (b) states that "All identified land use scenarios must be credible. All land-uses within the boundary of the proposed VCS AFOLU project that are currently existing or that existed at some time in the period beginning ten years prior to the project start date but no longer exist, may be deemed realistic and credible. For all other land use scenarios, credibility shall be justified. The justification shall include elements of spatial planning information (if applicable) or legal requirements and may include assessment of economic feasibility of the proposed land use scenario

The PDD does not include a list of credible alternative land use scenarios that could have occurred on the land within the project boundary of the VCS AFOLU project including items ii) and iii), nor does the PDD provide a justification of such scenarios including the elements defined above and therefore is not in conformance with the Standards.

Client Response: The Project Proponents accept this finding. We have revised section 4.6, sub-step 1a to meet the requirements of the VCS Additionality Tool. This section was firstly reorganized to more closely follow the organization of the VCS guidance, secondly, a new credible land use scenario of activities similar to that of the Project Activity in the absence of the Project was added. Additionally, additional justification of the land use, including economic viability, has been added to the arguments to demonstrate their credibility. Please refer to section 4.6, sub-step 1a, point i, ii, and iii.

Auditor Response: The audit team reviewed the update PDD and agree that the information is now provided in a way that is in conformance with the VT0001 Additionality Tool. The information provided is consistent with what was observed during the site visit and is sufficient for resolving this issue.

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2015.6 dated 04/08/2015

Standard Reference: CCB Standards Section Edition G2.1; VCS VT001 - TOOL FOR THE DEMONSTRATION AND ASSESSMENT OF ADDITIONALITY IN VCS AGRICULTURE, FORESTRY AND OTHER LAND USE (AFOLU) PROJECT ACTIVITIES Sub-step 1 b

Document Reference: Chyulu Hills REDD+ Project PDD Section 4.6

Finding: The Standards require that "The project proponents must develop a defensible and well-documented 'without-project' reference scenario that must:

Describe the most likely land-use scenario in the absence of the project following IPCC 2006 GL for AFOLU or a more robust and detailed methodology, describing the range of potential landuse scenarios and the associated drivers of GHG emissions and justifying why the land-use scenario selected is most likely."

In addition, the Project has implemented the VCS VT001 additionality tool as a more robust and detailed methodology. Given the use of the tool, the PDD must include the required elements of the tool.

Sub-step 1 b of the tool states that "If an alternative does not comply with all mandatory applicable legislation and regulations then show that, based on an examination of current practice in the region in which the mandatory law or regulation applies, those applicable mandatory legal or regulatory requirements are systematically not enforced and that non-compliance with those requirements is widespread, i.e., prevalent on at least 30% of the area of the smallest administrative unit that encompasses the project area."

The PDD states that "The majority of the alternative land use scenarios listed in sub-step 1a represent illegal land uses," however the PDD, nor other documentation provided to the audit team does not " show that, based on an examination of current practice in the region in which the mandatory law or regulation applies, those applicable mandatory legal or regulatory requirements are systematically not enforced and that non-compliance with those requirements is widespread, i.e., prevalent on at least 30% of the area of the smallest administrative unit that encompasses the project area and therefore is not in conformance with the Standards.

Client Response: The Project Proponents accept this finding. The land-use scenario that was identified in sub-step 1b of the VCS additionality tool is the conversion of natural ecosystem for slash and burn agriculture, tree harvesting for charcoal production, firewood and woodcarving, with the predominant end land use in the Project Area primarily being agriculture. To demonstrate that this land-use scenario is common practice in this region and that land-use and conservation laws and regulations are systematically not enforced we utilized the data from the point sampling of satellite imagery that was completed for the Project's Baseline Emissions Model. The methods used for the collection of this data and details of this analysis are documented in section 4.5.8.5 – 4.5.8.8 of the PD. A grid of points was laid across the 5 counties (smallest Kenyan administrative unit) that encompass the Project Area, including Kajiado, Kilifi, Kwale, Makueni, and Taita Taveta. A team of analysts sampled each point using

LandSat imagery, documenting the land cover / land use of the pixel underlying the point was classified into one of the following categories: Non-Converted, Converted, Cloud/Shadow, Built-up and No Image. For this analysis the most recent year of collection was used 2013. All of the point collections were collated for 2013, and the total of observations for each county and land-use / landcover category was calculated. This provides us with a random sampling of points across the 5 administrative units containing the Project Area that were sampled for their current land-use / land cover status. From this data we can infer the general land-use trends for the area, and determine whether there is currently widespread conversion from natural ecosystems to agriculture in this region despite the laws and regulations of Kenya. The analysis of this data shows that the number of points showing the land-use of agriculture average across the 5 counties is 40%. This is higher than the 30% of land area in the smallest administrative unit showing the selected land-use scenario. Please refer to the file "LandUse Alternative Evidence.xlsx" that has been provided to see the raw data of the point observations and calculations for this analysis. Additionally, figure 18 in the PD shows satellite imagery of a Kenyan protected area near the Project Area that has under gone greater than 30% conversion to agriculture despite being a protected National reserve. The following text was added to the PD in section 4.6, Sub-Step 1b so as to meet this requirement of the VCS Additionality Tool "An analysis of the land cover / land use in the 5 counties (Kajiado, Kilifi, Kwale, Makueni, and Taita Taveta) in which the Project Area is located showed that greater than 30% of the land area has been converted to agriculture. This shows that conversion to Agriculture is a common and prevalent scenario in this area, and that laws and regulations on land use are systematically not enforced. The evidence of this analysis was provided to the validator."

Auditor Response: The audit team reviewed the process for identifying land-use and land use change in the project area and confirmed that the output used to determine the percentage of illegal activities constituting the baseline activities was appropriate. It is not clear, however that the smallest administrative unit encompassing the project area is the 5 counties, as provided in the response. According to the understanding of the audit team, the smallest administrative unit encompassing the project area is the country of Kenya, as the project area lays in three regions of Kenya (Coast, Rift, and Eastern). The information provided is not sufficient for resolving this issue and therefore this fining will remain open.

Client Response 2: The Project Proponent agrees with the Auditors interpretation of the VCS Additionality Tool guidance on the determination of common practice. However, we feel that the analysis that we performed and have already provided to the auditor provides a stronger demonstration of common practice land use changes in the region of the Project Area than an analysis at the Kenyan national Level would. As there is no equivalent data source available at the national level, requiring any analysis of land use change to be performed with vastly inferior data. We therefore contact Sam Hoffer, VCS Program Development Manager, to explain this issue and ask for VCS to accept our analysis as a valid test of common practice under the VCS Additionality Tool. Sam agreed that the analysis that we performed was a high quality and robust method to demonstrate the common practice land use change in the Project's region, and that similar data is not available to perform an equivalent analysis at the national level. However, he asked that that instead of the performing the analysis over the 5 counties of the reference area as we had done, that we limit it to the 3 counties that immediately encompass the Project Area. Therefore we have updated our analysis to include only the counties Taita Taveta, Makueni, and Kajiado. Please refer to the provided spreadsheet titled "LandUse Alternative Evidence V2.xlsx" for this updated analysis. Additionally, we have submitted to the Auditor the email exchange with Sam Hoffer of VCS confirming their acceptance of our land use change analysis.

Auditor Response 2: The audit team was provided with the email correspondence between the client and the VCSA (5/22/2015) and is able to close this finding based on such guidance from the VCSA.

Closing Remarks: The Client's response adequately addresses the finding.

NIR 2015.7 dated 04/08/2015

Standard Reference: CCB Standards Section Edition G2.1; VCS VT001 - TOOL FOR THE DEMONSTRATION AND ASSESSMENT OF ADDITIONALITY IN VCS AGRICULTURE, FORESTRY AND OTHER LAND USE (AFOLU) PROJECT ACTIVITIES Section 2.4.3

Document Reference: Chyulu Hills REDD+ Project PDD Section 4.6

Finding: The Standards require that "The project proponents must develop a defensible and well-documented 'without-project' reference scenario that must:

Describe the most likely land-use scenario in the absence of the project following IPCC 2006 GL for AFOLU or a more robust and detailed methodology, describing the range of potential landuse scenarios and the associated drivers of GHG emissions and justifying why the land-use scenario selected is most likely."

In addition, the Project has implemented the VCS VT001 additionality tool as a more robust and detailed methodology. Given the use of the tool, the PDD must include the required elements of the tool.

Step 2.4.2 states "Provide an analysis to which extent similar activities to the one proposed as the VCS AFOLU project activity have been implemented previously or are currently underway. Similar activities are defined as that which are of similar scale, take place in a comparable environment, inter alia, with respect to the regulatory framework and are undertaken in the relevant geographical area, subject to further guidance by the underlying methodology."

Additionally, Step 2.4.3 of the tool requires that "If activities similar to the proposed VCS AFOLU project activity are identified, then compare the proposed project activity to the other similar activities and assess whether there are essential distinctions between them. Essential distinctions may include a fundamental and verifiable change in circumstances under which the proposed VCS AFOLU project activity will be implemented when compared to circumstances under which similar activities were carried out.

While on site the audit team was made aware that there has been significant changes in the funding environment in which activities similar to the VCS AFOLU project activities were implemented. Whereas, the audit team agrees that the PDD includes a brief discussion describing the differences between the project activities and similar activities, the discussion provided does not provide an analysis as required by the tool. Please update the PDD or otherwise provide evidence about essential distinctions between

the project and similar activities including a verifiable change in circumstances under which the proposed VCS AFOLU project activity will be implemented when compared to circumstances under which similar activities were carried out.

Client Response: The development of the REDD+ project has been based on conservation and community support activities that have been conceived and developed over a significant number of years by the nine organisations that own or manage the land within the Project Area. However, all the organisations involved are under some level of financial pressure. For example, Kenya tourism suffered a decline of about 40% in 2014 and a further significant decline is projected for 2015 (<http://www.theeastafrican.co.ke/business/-/2560/2563536/-/78ymqt/-/index.html>). The decline in tourism impacts tourism-related revenues for KWS, MWCT, Big Life and DSWT. The other current major source of revenue for the project activities is through philanthropic fund-raising. All the entities that provide revenue to support the project recognise that there is currently an over-reliance on ecotourism related income and philanthropic donation and that both these sources may be subject to significant fluctuations.

In addition, all the organisations recognise that to carry out the project activities outlined in the PDD will require expansion of previous activities. This includes additional rangers, vehicles, aircraft and other equipment and expansion of the socioeconomic programs for local communities. Throughout the field visit by the validators, community members emphasised their needs for additional support for a wide range of programs (health, education, access to water, improved grazing and marketing for cattle, etc.). Furthermore there is the need to set up the proposed project office and the activities it will need to undertake with respect to coordination of programs and activities across the project area, expansion of monitoring to support on-going validation and verification, and the governance of the Chyulu Hills Conservation Trust.

The business plan therefore recognises the strategic need to provide additional revenue and to diversify the revenue stream. Ecosystem service payments, such as through the sale of REDD credits provides both potential expansion and diversification of future revenue.

The financial model (File: CHRP financial analysis v3 20150425 NPRA2014-15.xlsx) shows the overall current budget for project activities, combining expenditures by all the organisations covering the whole project area is about \$4.5 million (see Tab 2 of financial model). To enhance protection of the carbon stocks and expand needed support for the local communities to reduce the drivers of deforestation and build extra capacity through the proposed project office, additional funding is projected for years beginning in 2016. The figures in the model show costs increasing to about \$6.9 million in 2018. In the model a conservative assumption is made that philanthropic and other sources of philanthropic funding will remain constant (see Tab 1 and graphs in Tab 2), effectively reducing in significance due to inflation. It is then assumed that carbon sales will begin in 2016. The model takes a conservative approach to carbon sales, assuming over the crediting period that just under 50% of the available credits are actually sold. An initial carbon price of \$6 per VCU, only increasing to \$7 per VCU in 2020 and thereafter growing

(see Tab 15 Credit Delivery Schedule) at a rate of only 3% (see Tab 1 Key Assumptions). Please refer to the supporting file "CCB Response NA.7 Table 3.docx" to view Table 3 showing a comparison of the current budget in terms of costs per sq km.

The current year budget available per sq km varies widely across the land units in the Project Area, from between \$100 to \$300 for Chyulu Hills National Park and the Southern Chyulu Extension to over \$3000 for the Kibwezi Forest Reserve managed by DSWT. The budgets in the group ranch parcels are equivalent to \$1000 - \$1500 per km². Various analyses of the costs required to effectively manage conservation areas show similar wide variations depending on a variety of factors such as size, human population density, national development Index, etc. For example in a review paper of protected area costs, Balmford et al. (2003)¹ suggest that annual costs of effective protected area in developing countries in Africa, Asia and Latin America range from \$130 - \$5000 per km² with "typical" costs of ~\$1000 per km² per yr. These data are now 12 years old so "normal" costs for effective management in 2015 are likely to be \$1500 or more. In the project area the high costs associated with the Kibwezi Forest Reserve reflect the very high costs of the young elephant rehabilitation work. The very low budget for Chyulu Hills National Park reflects anecdotal reports that the park is very under-funded. It is also clear from the status such social programs as education and healthcare throughout the project area and project zone that the socioeconomic programs require significant additional financial resources. The REDD+ project can help to improve this situation.

The increasing challenge of basing project funding on philanthropic donations and receipts from ecotourism, particularly in the context of the impact of recent terrorism incidents in north-eastern Kenya, and the need to significantly increase the scope and extent of activities that support the protection of the carbon stocks to generate verified credits represents and support much needed community support programs represents a "verifiable change in circumstances under which the proposed VCS AFOLU project activity will be implemented when compared to circumstances under which similar activities were carried out".

Footnote:

1 Balmford, A., Gaston, K.J., Blyth, S., James, A., Kapos, V. Global variation in terrestrial conservation costs, conservation benefits, and unmet conservation needs. Proc. Nat. Acad. Sciences 2003 100(3), 1046 – 1050.

Auditor Response: The audit team reviewed the PDD and confirmed that it now includes a sufficient evaluation of the essential differences between the project activities and similar activities taking place in the project zone, including verifiable changes in circumstances in which the activities will be

implemented. The information provided is sufficient for resolving this issue.

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2015.8 dated 04/08/2015

Standard Reference: CCB Standards Section Edition G4.1

Document Reference: Chyulu Hills REDD+ Project PDD Section 1.4.1

Finding: The Standards require that the project proponents must:

"Identify a single project proponent which is responsible for the project's design and implementation. If multiple organizations or individuals are involved in the project's development and implementation the governance structure, roles and responsibilities of each of the organizations or individuals involved must also be described."

Whereas, the PDD includes a detailed list of project partners, along with their overall purpose, the PDD does not describe their roles and responsibilities with respect to the project design and implementation and therefore is not in conformance with the Standards.

Client Response: The Project Proponent accepts this finding. The Project Design Document (PDD) has been revised to include a detailed description of each project partner's role and responsibility. Please refer to section 1.4.1 of the PD to find this new text.

Auditor Response: As stated in the client response, the PDD has been amended to include the roles and responsibilities of the implementing project partners. The information provided in the amended PDD is sufficient for closing this finding.

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2015.9 dated 04/08/2015

Standard Reference: CCB Standards Section Edition G4.4

Document Reference: Chyulu Hills REDD+ Project PDD Section 2.6.2

Finding: The Standards require that the project proponents must:

Show that people from the communities will be given an equal opportunity to fill all employment positions (including management) if the job requirements are met. Project proponents must explain how employees will be selected for positions and where relevant, must indicate how local community members, including women and other potentially underrepresented groups, will be given a fair chance to fill positions for which they can be trained."

The PDD includes a description of how the Project will ensure equal opportunity employment, however the PDD does not include language explaining how employees will be selected for positions and therefore is not in conformance with the Standards.

Client Response: The Project Proponent accepts this finding. The Project Proponent is a strong advocate of ensuring that all members of the communities are provided with an equal opportunity in the hiring process. All of the Project Partners have a strong track record of hiring broadly from the communities, including women and minority groups. We have added additional text to the PDD to ensure to describe some of the ways that we will use to ensure that new employment positions are widely advertised and fully open to all qualified applicants regardless of gender, rank or ethic/tribal group. The following paragraph has been added to the PDD "Job applicants will be selected for an interview based on their skills and experienced required for the advertised positions. The HR department of the Project Office (to be formed) will be closely involved during the selection process in conjunction with a committee from the Project Office and the Head of the relevant department for which the vacancy is advertised. Employment vacancies will be publically advertised through the same channels that other Project news is publicized, such as through posters at local chiefs offices. Successful candidates will be selected in a democratic, non-discriminatory manner. Preference will be given to applicants who live in the local communities, if two applicants show the same capacity for a given position whereas one is local and the other one not. Unsuccessful candidates will be provided with an explanation for why they were not selected in order to assist them to improve if there is another vacancy in the future." Please refer to the PDD section 2.6.2 to see this new text.

Auditor Response: As stated in the client response, the PDD has been amended to include the project equal opportunity employment policy. In addition, a copy of the policy described in the PDD has been provided to the audit team. The information provided in the amended PDD is sufficient for closing this finding.

Closing Remarks: The Client's response adequately addresses the finding.

NIR 2015.10 dated 04/08/2015

Standard Reference: CCB Standards Section Edition G4.5

Document Reference: Chyulu Hills REDD+ Project PDD Section 2.6.3

Finding: The Standards require that Project Proponents must:

"Comprehensively assess situations and occupations that pose a substantial risk to worker safety. A plan must be in place to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be guaranteed, project proponents must show how the risks will be minimized using best work practices."

The PDD states "The Chyulu Hills REDD+ Project will ensure that workers' health and safety are protected to the best of the project's ability at all times and across all sites. Risks will be identified,

mitigation strategies produced and appropriate measures adopted in order to minimize any risks," however the PDD does not state that there is a plan must be in place to inform workers of risks and to explain how to minimize such risks. Please update the PDD or otherwise provide evidence that a plan is in place to inform workers of risks and to explain how to minimize such risks.

Client Response: The Project Proponent accepts this finding. A Worker Health and safety plan has been written for the Chyulu Hills REDD+ Project that ensures that all workers' health and safety is protected, and that all workers are informed about workplace risks. This health and safety plan provides a comprehensive list of the measures that will be taken to inform employees of their rights, to assign roles and responsibilities to supervisors and workers and provide a safe workplace culture. The full Health and Safety Plan has been provided to the auditor. The PD has been revised to reflect the development of this Health and Safety Plan, please refer to section 2.6.3 for the newly added text. This Health and Safety Plan will be provided to and fully explained to all employees of the Chyulu Hills Conservation Trust, the Project Proponent.

Auditor Response: As stated in the client response, the PDD has been amended to include the project health and safety plan. In addition, a copy of the plan described in the PDD has been provided to the audit team. The information provided in the amended PDD is sufficient for closing this finding.

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2015.11 dated 04/08/2015

Standard Reference: CCB Standards Section Edition G5.2

Document Reference: Chyulu Hills REDD+ Project PDD Section 3.1.3

Finding: The Standards require that "Based on information about current property rights provided in G1, the project proponents must:

Demonstrate that the project proponents have clear, uncontested title to the carbon rights, or provide legal documentation demonstrating that the project is undertaken on behalf of the carbon owners with their full consent. Where local or national conditions preclude clear title to the carbon rights at the time of validation against the Standards, the project proponents must provide evidence that their ownership of carbon rights is likely to be established before they enter into any transactions concerning the project's carbon assets."

Whereas the audit team is aware of the language included in the document memorializing the formation of the Chyulu Hills Conservation Trust, at the time of the site visit this agreement remained unsigned. Until the project proponents can provide documentation that they have clear, uncontested title to the carbon rights the project will not be in conformance with the standards

Client Response: The Project Proponent accepts this finding. The final draft of the document for the formalization of the Chyulu Hills Conservation Trust has been completed and it has been distributed to all of the Project Partners. We expect that all of the Project Partners will sign this document by May

15th. When all Project Partners have signed the document, the Chyulu Hills Conservation Trust will hold clear, uncontested title to the carbon rights in the Project Area, and will be authorized to manage the Project on behalf of the Project Partners.

Auditor Response: As the audit team has not yet received the signed trust document, this finding will remain open until such time the document is provided to the audit team.

Client Response 2: The Project Proponent is submitting the signed Chyulu Hills Conservation Trust deed and assignment of resource rights with this findings response. Please refer to the files provided "Duly Executed Trust Deed.pdf" and "Duly Executed Deed of Assignment.pdf" to find these documents. These documents are digital scans of the originally signed documents. All parties to the Deed signed this document, and all signatures have been witnessed by a certified Kenyan advocate. 14 copies of these two documents were printed and signed by all parties, so that all signatories will keep an original signed version and that original signed versions can be filed with the Kenyan government appropriately. This deed is currently be legally registered with the Kenyan Government which is the final formal step to create the Chyulu Hills Conservation Trust.

Auditor Response 2: The audit team was provided with the executed deed of trust, as well as the deed of assignment providing evidence that the project now has documented evidence of approval from the proper authorities.

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2015.12 dated 04/08/2015

Standard Reference: CCB Standards Section Edition B1.3

Document Reference: Chyulu Hills REDD+ Project PDD Section 7.1.3

Finding: The Standards require that "The project proponents must:

Identify all species to be used by the project and show that no known invasive species will be introduced into any area affected by the project and that the population of any invasive species will not increase as a result of the project."

The PDD states "No non-native species will be used in the Project Accounting Areas. While native species will be always prioritized whenever possible, some non-native food plants or agro-forestry trees may be used on farms as recommended by the Ministry of Agriculture for various uses including nitrogen fixation, soil stabilization, water retention and provision of wood products including fuel, besides increasing and diversifying yields. The PDD does not, however, identify the species used by the project and therefore is not in conformance with the Standards.

Client Response: The Project Proponent accepts this finding. This statement was included in the PDD due to an oversight during the final editing, and it has now been removed. The PDD has been revised to now state clearly and definitively that no non-native species will be planted or used in the Project Area

at all. The PD text now states “No non-native species will be used in the Project Accounting Areas. The Project does not include any planting in the Project Area as a Project Activity and does not intend to initiate any during the crediting period. All farms in the Project Zone have been excised from the Project Accounting Area a priori.” Please refer to section 7.1.3 to view the revised text.

Auditor Response: As stated in the client response, the PDD has been amended to clearly state that no non-native species will be used in the project. The information provided in the amended PDD is sufficient for closing this finding, however this should be re-evaluated during verification.

Closing Remarks: The Client’s response adequately addresses the finding.

NCR 2015.13 dated 04/08/2015

Standard Reference: CCB Standards Section Edition GL2.2-5

Document Reference: Chyulu Hills REDD+ Project PDD Section 6.3.2-5

Finding: The Rules for the use of the CCB Standards state that "There is no mandatory format or template for the PDD, but it shall be prepared in a way that facilitates assessment by the public and the Auditor."

Section 6.3.2-5 of the PDD do not include information describing how the project meets the criteria for the respective indicators and therefore do not facilitate assessment by the auditor and the public and there for is not in conformance.

Client Response: The client provided evidence for this finding outside the cover of this workbook.

Auditor Response: The PDD has been updated to include the evidence for how the project meets the requirements for the exceptional community benefits indicators and is now in conformance with the Rules.

Closing Remarks: The Client’s response adequately addresses the finding.

