



# **CCBA PROJECT VALIDATION AND VERIFICATION REPORT**

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**ALTO MAYO CONSERVATION INITIATIVE, SAN MARTIN, PERU**

**PROJECT PROPONENT: CONSERVATION INTERNATIONAL**

**REPORT DATE: DECEMBER 4, 2012**

***Validation Conducted by:***

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## Table of Contents

|        |   |    |
|--------|---|----|
| 1.0    | Introduction.....                                 | 1  |
| 1.1.   | Contact Information .....                         | 1  |
| 1.2.   | Objective.....                                    | 1  |
| 1.3.   | Scope and Criteria .....                          | 1  |
| 1.4.   | Project Description .....                         | 2  |
| 1.5.   | Summary of Validation Conclusion .....            | 2  |
| 2.0    | Methodology .....                                 | 4  |
| 2.1.   | CCBA Standards .....                              | 4  |
| 2.2.   | Auditor Qualifications.....                       | 4  |
| 2.3.   | Audit Process.....                                | 5  |
| 3.0    | Stakeholder Comments .....                        | 6  |
| 3.1.   | CCB Validation Findings .....                     | 6  |
| 3.2.   | General Section .....                             | 7  |
| 3.2.1. | G1 – Original Conditions in the Project Area..... | 7  |
| 3.2.2. | G2 – Baseline Projections .....                   | 11 |
| 3.2.3. | G3 – Project Design and Goals .....               | 14 |
| 3.2.4. | G4 – Management Capacity and Best Practices ..... | 20 |
| 3.2.5. | G5 – Legal Status and Property Rights .....       | 23 |
| 3.3.   | Climate Section.....                              | 26 |
| 3.3.1. | CL1 – Net Positive Climate Impacts .....          | 26 |
| 3.3.2. | CL2 – Offsite Climate Impacts (‘Leakage’) .....   | 28 |
| 3.3.3. | CL3 – Climate Impact Monitoring.....              | 30 |
| 3.4.   | Community Section .....                           | 32 |
| 3.4.1. | CM1 – Net Positive Community Impacts.....         | 32 |
| 3.4.2. | CM2 – Offsite Stakeholder Impacts.....            | 33 |
| 3.4.3. | CM3 – Community Impact Monitoring.....            | 35 |
| 3.5.   | Biodiversity Section .....                        | 37 |
| 3.5.1. | B1 – Net Positive Biodiversity Impacts .....      | 37 |
| 3.5.2. | B2 – Offsite Biodiversity Impacts.....            | 39 |
| 3.5.3. | B3 – Biodiversity Impact Monitoring.....          | 41 |
| 3.6.   | Gold Level Section .....                          | 42 |
| 3.6.1. | GL1 – Climate Change Adaptation Benefits .....    | 42 |
| 3.6.2. | GL2 – Exceptional Community Benefits .....        | 44 |
| 3.6.3. | GL3 – Exceptional Biodiversity Benefits .....     | 46 |
| 4.0    | CCB Validation Conclusion.....                    | 47 |
| 5.0    | Corrective Action Requests .....                  | 47 |

Appendix A CCBA Compliance Checklist

Appendix B Stakeholder Comments

## 1.0 Introduction

This report presents the findings of an audit conducted by Scientific Certification Systems (SCS), to validate and verify the claim made by Conservation International that the Alto Mayo Conservation Initiative 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 and verification audits.

### 1.1. Contact Information

Project Developer contact information:

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### 1.2. Objective

The validation objective is an independent assessment by SCS of the proposed project activity against all defined criteria as defined by the Climate Biodiversity and Community Alliance (CCBA). Validation will result in a conclusion by SCS whether the project activity is compliant with the CCB standards and whether the project should be submitted for registration with CCBA. The verification objective is an assessment of the actual project implementation against that same standard. The ultimate decision on the registration of a proposed project activity rests with CCBA.

### 1.3. Scope and Criteria

The project was assessed against the CCB Standards Second Edition to determine which of the fourteen required and three optional CCB Standards criteria the project satisfies. An “Approved” project is one which satisfies all 14 of the required CCB Standards criteria.

Any potential or actual material discrepancies identified during the assessment process 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 validation 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 validation statement.

**Opportunity for Improvement (OFI):** An OFI indicated an area that should be monitored or ideally, improved upon. OFIs 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 A of this report.

## **1.4. Project Description**

The following summary description of the project is quoted from documentation prepared by the project proponent:

The Alto Mayo Protected Forest (AMPF) covers approximately 182,000 hectares of land in the Peruvian Amazon of extremely high value for biodiversity conservation and watershed protection. This area forms part of the Abiseo-Condor-Kutukú Conservation Corridor, one of the most threatened ecosystems in the world which houses an incredible number of endemic plants and animals of global importance. In addition, runoff from the Alto Mayo forests gives rise to several major rivers which provide clean and abundant water supplies and support several economic activities of the local population living in the Alto Mayo basin. For example, the Yuracyacu River provides water for the cities of Yuracyacu and Nueva Cajamarca, while supporting the irrigation of over 9,000 hectares of rice cultivation downstream. Its forests are also recognized for their importance in preventing soil erosion, protecting soils in the lowland areas from torrential flows and floods, and for their scenic beauty. The Alto Mayo forests also store a significant amount of carbon, whose release in the atmosphere through deforestation results in the emission of large quantities of greenhouse gases (GHG) which contribute to climate change. Conserving the Alto Mayo forests is therefore critical for mitigating global climate change, conserving biodiversity, and ensuring the provision of ecosystem services to the local population. For these reasons, the Peruvian government established the Alto Mayo Protected Forest in 1987 as part of the National System of Protected Areas.

Despite the designation of the Alto Mayo forests as a Natural Protected Area (NPA) by the State, insufficient funds for managing the area, the building of a national highway in 1975 that crosses the AMPF, and the high rates of migration from the Andes to the Amazon region have resulted in widespread settlement inside the area, making it one of the NPAs with the highest deforestation rate in Peru. The threats to the area have

increased in the last decade with the linking of the highway to other regional mega-development projects such as IIRSA2

In response, Conservation International and its allies in the region designed the Alto Mayo Conservation Initiative (AMCI), whose main goal is to promote the sustainable management of the AMPF and its ecosystem services for the benefit of the local populations and the global climate. The AMCI recognizes that the key to achieving significant GHG emissions reductions (ERs) and other ecological gains in the AMPF is designing a new mechanism to give the forest an economic value that competes with alternative uses of the land. Currently, conventional coffee production is the primary economic activity among settlers in the AMPF, despite the illegality of this activity under the land use restrictions of the NPA. The conventional coffee production techniques used by the vast majority of coffee producers within the AMPF are highly unsustainable. Most coffee plantations do not utilize organic fertilizers, pest control methods, or effective post-harvest management techniques, causing coffee plantations to quickly lose productivity. When production decreases, most coffee producers convert plantations to pastureland and deforest new areas to establish new coffee plantations. These poor management techniques dominate the coffee production systems in all the sub-basins of the AMPF and encourage the cycle of deforestation.

Conservation Agreements (CAs) are being established between local communities and the AMPF Head Office in order to increase the productivity and sustainability of their coffee plantations, thereby increasing individual family incomes and reducing their need to deforest other areas to establish new coffee plantations. Specifically, settlers are being instructed on the production of organic, shade-grown coffee, thereby replacing the current traditional coffee plantations with sustainable, low-impact agro-forestry systems with the goal of restoring degraded areas. In parallel, the AMCI is investing in strengthening the governance and enforcement capabilities of the AMPF Head Office in order to equip them with the necessary skills and resources to successfully manage the complex dynamics between local populations and the Protected Area's conservation goals and to address other drivers such as illegal land trafficking. Additionally, the AMCI is performing extensive outreach and sensitization activities to build awareness among the local population and increase their involvement in conservation activities. With the financial support of carbon financing, these actions are facilitating the conservation of large expanses of forest with associated climate change mitigation benefits, while also creating opportunities for the sustainable development of local communities.

## **1.5. Summary of Validation Conclusion**

Following completion of SCS's duly-accredited validation process, it was our conclusion that the Alto Mayo Conservation Initiative conforms to the CCBA Climate, Community and Biodiversity Project Design Standards (Second Edition) at the Gold Level (see Appendix A).. The project proponents provided satisfactory responses to the NCR, NIRs, and OFIs issued as a result of the initial evaluation and it is our opinion that the project fully meets the standards.

## **1.6. Summary of Verification Conclusion**

Following completion of SCS's duly-accredited verification process, it was our conclusion that the Alto Mayo Conservation Initiative conforms to the CCBA Climate, Community and Biodiversity Project Design Standards (Second Edition) at the Gold Level (see Appendix A), and has delivered net positive impacts to climate, communities, and biodiversity. The project proponents provided satisfactory responses to the NCR, NIRs, and OFIs issued as a result of the initial evaluation and it is our opinion that the project fully meets the standards.

## **2.0 Methodology**

SCS was retained to assess the project's conformance to the VCS standard, beginning work in January 2012. Ryan Anderson and Tatiana Lepeyre visited the project area from 21 February 2012 to 25 February, 2012 in order to collect information about the project's conformance with the VCS standard. The results of the VCS validation visit are documented in the report titled "Validation Report – Alto Mayo Conservation Initiative," issued by SCS on 19 July, 2012. In June 2012, SCS began an assessment of the project against the CCB standards, beginning with a desk audit of Project documentation and phone calls and email correspondence with Conservation International. A second site visit was conducted from 3-7 July, 2012 to collect evidence regarding CCB-specific aspects of the project. Information collected during both visits was used to assess the project's conformance with the CCB standards. A further review of documentation, audit findings, and public comments submitted to the CCBA was conducted in the lead up to issuance of audit findings that the project proponents had an opportunity to respond to. This final report has been issued based on the satisfactory response to the issued findings.

### **2.1. CCBA Standards**

SCS conducted its evaluation to validate claims that the Project conforms to the CCBA Climate, Community and Biodiversity Project Design Standards (Second Edition) ("the CCB Standards"). The CCB Standards require conformance to 14 criteria in each of 4 categories: 1) General (5 criteria), 2) Climate (3 criteria), 3) Community (3 criteria), and 4) Biodiversity (3 criteria). In addition, applicants can achieve a higher level of validation through the application of three criteria in the Gold Level section. Gold level validation can be achieved by projects that meet the core requirements and at least one optional Gold Level criterion.

### **2.2. Auditor Qualifications**

#### **Lead Auditor: Ryan Anderson, Contractor to SCS**

Mr. Anderson holds a BS in Environmental Science from the University of Denver and an MS in Natural Resource Science and Management (Forestry) from the University of Minnesota with emphasis in forest biometrics and remote sensing. Mr. Anderson works as a technical consultant to forest carbon project developers, is an approved CAR and ARB lead verifier, and has served as lead verifier for carbon offset projects around the world applying the CCBA, VCS, and CAR standards. He worked for five years with the University of Montana's Numerical Terradynamic Simulation Group, where he conducted research focused on the development and application of physiologically-based models of terrestrial ecosystem carbon, nitrogen, and water cycles. Ryan is a coauthor of VCS approved methodology VM0009.

**Verifier: Tatiana Lapeyre, SCS Contract Verification Forester and Technical Expert**

Tatiana Lapeyre is a Verification Forester and earned her Master's degree in Environmental Management from Universidad Nacional Agraria La Molina in Perú. With over 12 years of professional experience in the environmental sector, she has planned, developed, evaluated and supervised environmental impact assessments and environmental management plans. Her project experience includes work in various economic sectors including forestry, agriculture, mining, and conservation projects. She also has post-graduate qualifications in Environmental Auditing and specialized skills for auditing Agricultural Operations.

Initially, Tatiana coordinated and assisted with development of the Inventory of Greenhouse Gases in exchange for land use in Peru in 2000. Over the last five years she has specialized in Environmental Services and REDD projects, while also working on concept notes, full project documents, and PDDs for REDD projects under the Verified Carbon Standard (VCS) and Climate Community and Biodiversity Standards (CCB). More recently she has participated on validation and verification teams for several forest carbon offset projects in Perú under the VCS and CCB standards. In summary, Tatiana has comprehensive knowledge of environmental problems at the national level and vast experience addressing challenges related to Climate Change and REDD.

**Technical Reviewer: Zane Haxtema, SCS Verification Forester**

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.

## **2.3. Audit Process**

The audit process included the following steps:

- Initial Review of Project Documentation
- Site visit 3-7 July, 2012 that included:
  - Meeting with project team
  - Meeting with San Martin Regional Government
  - Meeting with FERIAAM (Indigenous Federation of Awajun Communities of the Alto Mayo)
  - Meeting with Alto Mayo Protected Forest Head Office
  - Meeting with Proyecto Mono Tocon
  - Meeting with Park Rangers in Venceremos and Yuracyacu
  - Meetings with conservation agreement subscribers
  - Meeting with CAPEMA organic coffee association

- Meeting with project field technicians
- Review of stakeholder comments
- Issuance of NCRs, NIRs, and OFIs
- Project proponent response to NCRs, NIRs, and OFIs
- Further document review and draft report preparation
- Technical review and approval of the draft report by SCS
- Issuance of the final report to Conservation International

### **3.0 Stakeholder Comments**

The Project Design Document (PDD) was posted on the CCBA website on 22 June, 2012 and the public comment period extended through 22 July 2012. No comments were received via the CCBA online comment process. The project proponents also conducted their own process to engage stakeholders. That process has been documented in a report titled “Reporte de acciones realizadas en el marco del proceso de Consulta Pública del PDD bajo los estándares CCB.” This document details the way in which project documentation was distributed throughout the project zone and stakeholders were invited to comment. The project proponent additionally held a series of eight meetings to explain the project to stakeholders and invite comment. This process is further discussed in the findings related to indicator G3.8.

#### **3.1. CCB Validation and Verification Findings**

This report of our validation findings addresses each of the CCBA criteria and indicators. For each criterion, the CCBA indicators are listed along with a description of the evidence that was considered, and reference the findings from the audit when applicable. These findings can include Non-Conformity Reports (NCRs), Opportunities for Improvement (OFIs) and New Information Requests (NIRs), and are compiled in Section 5. In the case of non-conformance, a Non-Conformity Report stipulates the deficiency and its relation to the CCB protocol. NCRs indicate broad non-conformance at the criterion level that must be satisfied prior to project validation. An Opportunity for Improvement is issued when overall conformance with a criterion has been achieved but in instances where actions could be taken to further ensure compliance with an indicator. A New Information Request indicates when additional information is necessary to complete the validation. All NIRs must be received prior to project.

Throughout the remainder of the report, Conservation International will be referred to as the “Project Proponents” or “the Proponents”. The Project Proponents collated much of their Project information in a document entitled “Iniciativa de Conservacion del Bosque de Proteccion Alto Mayo-ICAM Documento de Diseno del Proyecto”, dated June 2012, which is available to the public on the CCBA website (<http://www.climate-standards.org>). The CCBA refers to such documents as Project Implementation Project Design Documents (PDD). The implementation of the project is documented in a document entitled “Iniciativa de Conservacion del Bosque de Proteccion Alto Mayo-ICAM Reporte de Implementacion del Proyecto.” The CCBA refers to such documents as Project Implementation Reports (PIR). Project Design Documents (PDD).



## 3.2. General Section

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

### 3.2.1. 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.

**Indicator G1.1.** The location of the project and basic physical parameters (e.g., soil, geology, climate).

**Findings:** The proponent's PDD has a section for section G1.1 that includes information regarding the project location, area geography, climate, soils, and hydrographic features. The provided descriptions are substantiated with citations, maps, and data. Observations made by the audit team during the site visit were consistent with the descriptions provided.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator G1.2.** The types and condition of vegetation within the project area.

**Findings:** Section G1.2 of the proponent's PDD describes the vegetation of the project area. The descriptions are substantiated by relevant citations. The primary vegetation types in the project area include premontane forests, cloud forests, dwarf forests, pajonales (high elevation wet grasslands), coffee fields, fallows, and pasture. Observations made by the audit team during the site visits were consistent with the descriptions provided by the proponent in the PDD.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator G1.3.** The boundaries of the project area and the project zone.

**Findings:** The project area includes the forested areas of the Alto Mayo protected forest. The assessment process included a review of GIS data during the validation of the project against the VCS standard (see report issued 19 July 2012). As described in the findings for indicator G5.6, this area is under control of the proponent at the time of the issuance of this report (see NCR2012.6). The project zone extends to include the communities on the eastern side of the project area, where pressure to the forests in the project area originates and project activities are concentrated. The audit team verified via interviews with local authorities at the BPAM head office that communities located to the west of the project area do not regularly visit the project area and thus can be excluded from the project zone according to the definition of project zone in footnote 8 of the CCBA standard. Spatial analysis of deforestation patterns supported this assessment as well, as the majority of observed deforestation prior to project initiation is located to the east of the project area. It was not initially clear whether certain Indigenous Communities located near the project area should be included in the project zone. Consequently, the project proponent was asked to provide justification for the delineation of the project zone (see NIR 2012.1). Based on this justification and a meeting with representatives of these communities, the audit team agreed that the indigenous communities near the project area not impacted by the project. Further, the project proponent provided evidence that the way in which the project zone had been delineated was consistent with common practice in previously validated CCB projects. The audit team concluded that the project zone had been delineated consistently with the requirements of the CCB standard.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** NCR2012.6

**New Information Requests:** NIR2012.1

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The project proponent conducted a carbon inventory as part of validation against the VCS standard. The assessment of this inventory by SCS is described in the VCS validation report dated 19 July 2012. The inventory is in conformance with the requirements of indicator G1.4 because the use of approved VCS methodology 0015 constitutes an estimate of carbon stocks using a more robust and detailed methodology than the Intergovernmental Panel on Climate Change's 2006 Guidelines for National GHG Inventories for Agriculture, Forestry, and Other Land Use.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**Opportunities for Improvement:** None

**New Information Requests:** None

**Indicator 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.

**Findings:** The PDD includes a section describing the communities in the project zone. The description includes descriptions of communities located both within the boundaries of the protected forest and outside of those boundaries and includes information regarding, education, health and sanitation, organizational structures, and economies. Based on the interviews listed in section 2.3 of this report, the description provided accurately reflects conditions on the ground.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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).

**Findings:** Section G1.6 of the PDD contains a detailed and well referenced description of the current land use and legal property in the project zone. The description provided is consistent with the observations of audit team during site visits and interviews conducted on site, including interviews with government officials and project participants.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** Section G1.7 of the PDD includes a description of biodiversity in the project area, and includes well cited descriptions of flora, fauna, and ecosystem types present in the area. The description provided is consistent with observations made by the audit team as well as interviews with park guards, representatives of the AMPF head office, and biodiversity experts working on the project.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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:

8.1. Globally, regionally or nationally significant concentrations of biodiversity values;

- 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).

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;

8.3. Threatened or rare ecosystems;

8.4. Areas that provide critical ecosystem services (e.g., hydrological services, erosion control, fire control);

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

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 communities).

**Findings:** The project proponent has evaluated the project zone for high conservation values and identified attributes that apply to the project zone in each of the six categories provided by the CCB standard. In particular, the project area is a protected area by designation of the government of Peru on 23 July 1987. Many threatened and endemic species have been observed in the area, as confirmed by interviews with park guards and biodiversity experts and photos shared with the audit team. Tables 8-11 identify 47 species identified in the project zone that are designated as under threat according to national legislation and international lists of conservation priorities, including many species endemic to the area. The project area has additionally been identified as an important location for migratory birds; large and diverse bird populations were readily observable by the audit team during the site visit.

Literature independent of the project development has identified the area as a biodiversity hotspot and conservation priority. The project has conducted an analysis with rangers, local experts, and community members that included surveys and participatory meetings using methods of the HCV toolkit to identify areas important for providing critical ecosystem services, meeting the needs of communities, and preserving cultural identity of communities. This analysis identified the watershed as the project area as critical to communities for maintaining access to clear drinking water availability for crops. Ecosystem services providing erosion control were identified as well. The analysis also concluded that people make use of the forest at small scales for hunting and fuel gathering, concentrating this use around areas near population centers. Illegal use of the forest occurs as well, and is directly addressed by project activities. The analysis did not identify major areas of historic or cultural significance within the project zone. The audit team reviewed records of the meetings and consultations used to assess the project zone for HCVs and found the description provided consistent with the standard and interviews and documents reviewed during the audit process.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### **3.2.2. 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:

**Indicator 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 land use scenarios and the associated drivers of GHG emissions and justifying why the land-use scenario selected is most likely.

**Findings:** The project proponent used the approved VCS methodology VM0015 and its associated tools to justify that the most likely land use in the absence of the project is continuation of pre-project deforestation. The application of these tools, which is detailed in VCS project documentation, includes descriptions of the range of potential land use scenarios and associated drivers of greenhouse gas emissions and justification of the selected baseline land use scenario. The application of these tools was assessed by SCS during the VCS validation audit. Details of this assessment can be seen in the VCS validation report issued by SCS on 19 July, 2012

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator G2.2.** Document that project benefits would not have occurred in the absence of the project, explaining how existing laws or regulations would 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.

**Findings:** The project proponent used the approved VCS methodology VM0015 and its associated tools, including the tool VT001, “Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities” to establish and document the project’s additionality. The application of these tools, which is detailed in VCS project documentation, includes documentation that project benefits would not have occurred in the absence of the project, and includes an assessment of the impact of existing laws and regulations on likely land use. The application of these tools was assessed by SCS during the VCS validation audit. Details of this assessment can be seen in the VCS validation report issued by SCS on 19 July, 2012.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.<sup>19</sup> 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-CO<sub>2</sub> GHG emissions such as CH<sub>4</sub> and N<sub>2</sub>O in the ‘without project’ scenario. Non-CO<sub>2</sub> gases must be included if they are likely to account for more than 5% (in terms of CO<sub>2</sub>-equivalent) of the project’s overall GHG impact over each monitoring period.

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.

**Findings:** The project has been validated against the VCS standard, and applies approved VCS methodology VM0015. This methodology includes calculation of estimated carbon stock changes in each land use class in both the with-project and without-project scenarios. The methodology also includes a procedure for assessing the drivers and agents of deforestation relevant to the project. SCS assessed the proponent's estimates of carbon stock changes associated with the with-project and without-project scenario during validation of the project under the VCS standard. Details of this assessment can be seen in the VCS validation report issued by SCS on 19 July, 2012

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** Section G2.4 of the PDD includes an assessment of the impacts of the without project scenario on communities in the project zone. The role of the forest in regulating the hydrologic cycle of the region is assessed. As the primary economic activities in the project area in the absence of the project are illegal, the assessment identifies increases in conflicts over land use and land tenure and promotion of further illegal activity as a likely community impact in the reference scenario. Resource depletion and environmental damage resulting from deforestation are anticipated to have negative community impacts as well. The described scenario was consistent with interviews conducted by the audit team during the site visit.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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).

**Findings:** The PD identifies increases in degradation, fragmentation, and conversion of habitats as the primary impacts of the without project reference scenario on biodiversity in the project zone. A number of additional impacts identified include landslides, fire, increased erosion, increase pollution, reduction of species richness due to extraction of timber and conversion of habitat, edge effects near roads, and introduction of pests and disease through agricultural vectors. These predicted impacts are

supported by relevant citations and appear to be credible based on an examination of the without-project scenario and observations made during the site visit.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### ***3.2.3. 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:

**Indicator G3.1.** Provide a summary of the project's major climate, community and biodiversity objectives.

**Findings:** Section G3.1 of the PDD provides an appropriate summary of the project's goals and objectives with respect to climate, community, and biodiversity.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator G3.2.** Describe each project activity with expected climate, community and biodiversity impacts and its relevance to achieving the project's objectives.

**Findings:** Section G3.2 of the PDD describes each project activity. The project activities are organized around five intervention strategies, each of which is implemented through a number of specific activities. The project proponent provided well documented plans for implementing these activities in the VCS PD as well as a number of strategic planning documents that were provided to the audit team. In summary, the activities center around improving governance by the AMPF office by providing training, equipment, staff and financial support; improving enforcement of protected area laws by increasing the number of park rangers, constructing additional ranger stations, purchasing equipment



and providing training, and improving demarcation and signage of the protected area; Working with the management committee to improve stakeholder dialogue; promoting conservation with individual project participants facilitated by conservation agreements that provide tools, materials, and technical assistance to individual settlers as an incentive to shift toward more sustainable agricultural practices; a communications strategy designed to engage local communities in conservation strategies; efforts to establish funding for the long term financial sustainability of the area financed by the sale of carbon credits; and working with government officials to integrate the project and its concepts into long term, wide scale development planning.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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).

**Findings:** Appropriate maps have been provided in figures 1 and 2 of the PDD. Spatial information specific to the application of the selected carbon accounting methodology, including the location of leakage belts and leakage management area is provided in the VCS PDD.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator G3.4.** Define the project lifetime and GHG accounting period and explain and justify any differences between them. Define an implementation schedule, indicating key dates and milestones in the project's development.

**Findings:** The project has defined a project lifetime of 20 years in conformance to the requirements of the VCS standard, under which the project has been validated. In response to NIR2012.2, the PD was updated to include a detailed schedule of the planned implementation of project activities over the project lifetime. As described in the project's CCBA and VCS PDs and assessed against the VCS non-permanence risk tool, the project seeks to provide for sustainable funding for the management of the project area for conservation beyond the designated length of the project lifetime and accounting period.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** NIR2012.2

**Opportunities for Improvement:** None

***Indicator 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.

**Findings:** The project assessed risks to climate benefits during validation against the VCS standard using the VCS AFOLU Risk tool. In response to NIR 2012.3, the project proponent expanded that analysis to include an assessment of risks specific to the project's community and biodiversity benefits. This expanded analysis can be found in section G3.5 of the PDD. The expanded risk analysis identifies risks relevant to the climate, community, and biodiversity goals of the project and describes measures to mitigate these risks.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** NIR2012.3

**Opportunities for Improvement:** None

***Indicator 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.

**Findings:** The text in section G3.6 of the PDD, in addition to the monitoring plans provided by the project proponent provide a strategy for implementing project activities in such a way as to prioritize the areas of greatest threat to the project zone. The identified HCVs are explicitly considered in these plans.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator G3.7.** Describe the measures that will be taken to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime.

**Findings:** The PDD describes a series of strategies intended to maintain the benefits of the project for the long term. These include capacity building in the head office of the BPAM, local government, and with individuals, as well as financial mechanisms designed to provide support beyond the project crediting period. In the judgment of the audit team, the project activities as described are likely to result in long term benefits to the area that go beyond the project's documented lifetime.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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 proposal was revised 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.

**Findings:** The PDD describes the stakeholder consultation process in section G3.8. The process includes many opportunities for stakeholder feedback both at the planning and project implementation stages. During many of the meetings described, the project proponent collected signatures of attendees and compiled reports of the proceedings summarizing material discussed and the outcomes of the meeting. These records provided a means by which the audit team was able to verify stakeholder consultation processes had been carried out. The project has also emphasized a communications strategy that included meetings with community and government leaders, as well as announcement of project goals and solicitation of feedback through mechanisms such as radio broadcasts and printed materials. Park rangers were trained to share information about the project during regular patrols. The audit team interviewed the park rangers and was able to verify that this resulted in effective consultation. Additionally, the project's technical staff interacts with community members on a daily basis and formally documents feedback on regular intervals. The project has a formal written plan for ongoing stakeholder communication that was provided to the audit team. The audit team concludes that effective means have been used to identify stakeholders and involve them in project design.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The means used to publicize the CCBA public comment period are summarized in section G3.9 of the PDD and detailed in a supplemental report that was provide to the audit team entitled “Reporte de acciones realizadas en el marco del proceso de Consulta Pública del PDD bajo los estándares CCB.”

In addition to the availability of the PDD on the CCBA website, the project proponent distributed ten copies of the PDD to points accessible to members of various communities. The Project proponent also sent letters to government officials inviting comments on the PDD. Eight meetings were held in communities to present the Project and invite comments, and radio announcements were further used to publicize the project and comment period. The Project proponent provided copies of letters sent to officials and attendance lists from community meetings to verify the efforts used to publicize the Project design and Project period. The audit team was on site during the comment period, and was able to verify that copies of the PDD were in place in control points and available for public inspection. In addition, the audit team attended one of the community meetings.

Initially, comments obtained by through communications outside of the CCBA website were not submitted to the CCBA. In response to NCR 2012.8, the project proponent prepared a document containing these communications and submitted it to the CCBA, which was then posted on the CCBA website. These comments and the evaluation of them by the audit team are described in Appendix B of this report.

The audit team concludes that appropriate steps were used to publicize the comment period and distribute key documents to stakeholders.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** NCR2012.8

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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 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.

**Findings:** When the project was first submitted to SCS for validation, the process for handling unresolved conflicts and grievances had not been formalized as required by the CCB standard. In response to NCR2012.4, the project proponent developed a procedure by which written grievances can be submitted to the AMPF head office, which is the legal authority in charge of managing the area. The process includes a formal means for documenting any grievances that arise and commits to respond to grievances within 30 days. The details of the process are described in the document “Corrective Action Plan NCR2012\_04\_Conflict Resolution and in Spanish in the document “Corrective\_Action\_Plan\_G.3.10\_Conflict\_Resolution\_Mechanism” and three appendices. A booklet was produced to publicize the process to community members. The project proponent provided evidence that this procedure had been publicized by providing signatures of Park Guards, Officials, and project participants (subscribers to conservation agreements) indicating they had received copies of the documents.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** NCR2012.4

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The project proponent provided the audit team with detailed project budgets and audited financial statements that demonstrate that the financial mechanisms adopted are likely to provide an adequate cash flow for the described project activities.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### 3.2.4. 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:

**Indicator 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.

**Findings:** Section G4.1 of the PDD includes a summary of the roles of each organization involved in the project, and references the VCS PD for a more detailed description of the relationships between these parties and contact information for each.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The experience and skills of the management team were reviewed by the audit team during the risk assessment portion of the VCS validation of the project. See the VCS validation report dated 19 July 2012 for more details. The audit team concluded that the management team possesses adequate technical expertise to successfully carry out the project activities.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator G4.3.** Include a plan to provide orientation and training for the 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. 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.

**Findings:** During the site visit, interviews with project staff indicated that various types of training had been provided to project employees, but no formal plan for this training existed and that new employees varied in the degree and types of training they received. In response to NIR2012.7, the project proponent developed a training plan, documented as "Plan de Capacitación: Iniciativa de Conservación del Bosque de Protección Alto Mayo – ICAM." This document describes the types and schedule of training the project intends to provide to various types of staff members. In addition, it documents training that has already been carried out to date. With regard to community capacity building, the project documents means by which technical assistance has been provided through conservation agreements and describes training provided to or planned for o groups such as coffee associations, park guards, *rondas campesinas*, and the park's management committee. The project's implementation report details the individual training events that have been carried out.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** NIR2012.7

**Opportunities for Improvement:** None

**Indicator G.4.4.** 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.

**Findings:** Section G4.4 of the PDD describes the process for hiring project staff. The described procedures are consistent with the requirements of the CCB Standards. During the office visit, the audit team interviewed several staff members who are from local communities, verifying that people from local communities are given equal opportunity to fill employment positions.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator G4.5.** Submit a list of all relevant laws and regulations covering worker's rights in the host country.

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.

**Findings:** A list of laws and regulations concerning workers rights is provided in section G4.5 of the PDD. Interviews with staff during the site visit indicated that no formal process had been in place to inform them of their rights under these laws and regulations, however. In response to NIR2012.7, discussed further in the section describing the project's conformance with indicator G4.3, the project proponent updated the training plan to formally include training covering workers rights for new employees. Additionally, the project proponent conducted training sessions for existing employees, providing signatures of attendees to the audit team. After this corrective action, the audit team finds that the project is in conformance with indicator G4.5.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** NIR2012.7

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** Interviews conducted with project staff initially indicated that workers had not been trained in managing safety risks they face in their work associated with the project and that there was no formal plan in place to inform workers of risks and to explain how to minimize such risks. In response to NCR2012.5, the project proponent prepared a comprehensive protocol on worker safety issues ("Iniciativa de Conservación del Bosque de Protección Alto Mayo – Protocolos de Seguridad"). Additionally, the project proponent held a series of safety training sessions and provided signatures of the attendees of these sessions to the audit team. After review of the newly prepared protocol and receiving verification of the implementation of safety training the audit team concludes that the project conforms to indicator G4.6.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** NCR2012.5



**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator G4.7.** Document the financial health of the implementing organization(s) to demonstrate that financial resources budgeted will be adequate to implement the project.

**Findings:** The project proponent provided audited financial statements to the audit team that document the financial health of the proponent and demonstrate that financial resources budgeted will be adequate to implement the project.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### ***3.2.5. G5 – Legal Status and Property Rights***

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:

**Indicator 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.

**Findings:** A list of relevant national and local laws and regulations is provided in section G5.1 of the PDD. Interviews with government officials conducted by the audit team provided no reason to question the project's compliance with these laws.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator G5.2.** Document that the project has approval from the appropriate authorities, including the established formal and/or traditional authorities customarily required by the communities.

**Findings:** The project proponent has provided a copy of an administration contract entered into with SERNANP that documents approval from the authorities with responsibility for managing the area. Interviews with government authorities and members of the management committee during the site visit confirmed that the project is implemented with the approval of government and community authorities.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The project is implemented on government property. The project proponent has provided evidence that an administration contract has been entered into with SERNANP for management of the project area. The project proponent provided a legal analysis that concludes that the residents living within the project area do not have any property rights to the area and that the area is entirely under ownership of the state. The project utilizes a participatory design, and participation in project activities is voluntary.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The project, by design, does not involve the involuntary relocation of people or livelihoods, but rather provides incentives for the voluntary adoption of more sustainable practices.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** In the absence of the project, deforestation pressure arises from illegal clearing of land resulting from a lack of resources required to manage the area in a way that is consistent with its designation as a protected area. Consequently, illegal land clearing, land trafficking, and logging pose threats to the project's impacts. The design of the project emphasizes working with government authorities to promote change and strengthen governance, reducing illegal activity. The project design is centered around using funds derived from the sale of carbon credits to implement activities that address these illegal drivers. Discussion of illegal activities that could affect the project's impacts appears throughout the PDD, as addressing these activities is a fundamental goal of the project.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The project proponent has provided a copy of an administration contract entered into with SERNANP that demonstrates that the project is undertaken on behalf of the carbon owners with their full consent.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** NCR2012.6

**New Information Requests:** None

**Opportunities for Improvement:** None

### 3.3. Climate Section

#### 3.3.1. 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:

**Indicator 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.

**Findings:** The project has been validated against the VCS standard. Refer to the VCS validation report dated 19 July 2012 issued by SCS for a full discussion of the assessment of the project's net change in carbon stocks. Based on this report, the audit team concludes that the project conforms to indicator CL1.1. In summary, the project has applied approved VCS methodology VM0015 to estimate the net change in carbon stocks due to project activities. This methodology utilizes a baseline deforestation rate calculated from a statistical model using data resulting from an analysis of satellite imagery in the project area and a surrounding reference area. A spatial model is used to partition predicted baseline deforestation into project area and leakage area predictions. Carbon stock changes are calculated from this model and an inventory that has been conducted by the project proponent. Monitoring of the project area using remote sensing is applied on an ongoing basis to determine actual project scenario land use changes. All calculations and assumptions of this method were reviewed during the VCS validation of the project and were found to be appropriate.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The project has been validated against the VCS standard. Please the VCS validation report dated 19 July 2012 issued by SCS for a discussion of the assessment of the project's net change in non-CO2 greenhouse gasses. Based on this report, the audit team concludes that the project conforms to indicator CL1.2. In summary, the project boundary does not include any non-carbon stock sources of GHG emissions. The exclusion of these emissions sources is conservative because burning is expected to be more prevalent under the baseline scenario than the project scenario, and is consistent with guidance provided by the methodology applied. The project proponent demonstrated that non-CO2 greenhouse gasses resulting from burning in the project scenario are not significant using a quantitative analysis based on the ex-ante procedures provided by the methodology.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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, and emissions from the decomposition of N-fixing species.

**Findings:** The project has been validated against the VCS standard. Please the VCS validation report dated 19 July 2012 issued by SCS for a discussion of the assessment of the project's net change in non-CO2 greenhouse gasses. Based on this report, the audit team concludes that the project conforms to indicator CL1.2. In summary, the project boundary does not include any non-carbon stock sources of GHG emissions. The exclusion of these emissions sources is conservative because burning is expected to be more prevalent under the baseline scenario than the project scenario, and is consistent with guidance provided by the methodology applied. Emissions from fertilizer use in the project scenario have been demonstrated to be insignificant.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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).

**Findings:** The project has been validated against the VCS standard. Please the VCS validation report dated 19 July 2012 issued by SCS for a discussion of the calculations that were used to demonstrate that the net climate impact of the project is positive. Based on this report, the audit team concludes that the project conforms to indicator CL1.4.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The project has been validated against the VCS standard, which includes specific rules to guard against double counting. Refer to the VCS validation report dated 19 July 2012 issued by SCS for a discussion of the assessment of the project's assertions about double counting. In summary, the project is not located in an area with binding limits on greenhouse gas emissions and does not participate in other greenhouse gas programs.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### ***3.3.2. 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:

**Indicator 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.

**Findings:** The project has been validated against the VCS standard. Refer to the VCS validation report dated 19 July 2012 issued by SCS for a discussion of the assessment of leakage that may be attributed to the project. In summary, the project has applied an approved methodology that has specific rules for accounting for leakage. The methodology requires the establishment and monitoring of a leakage belt. The project has delineated an appropriate belt according to the guidelines of this methodology, and will monitor that belt for any leakage associated with project activities.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator CL2.2.** Document how any leakage will be mitigated and estimate the extent to which such impacts will be reduced by these mitigation activities.

**Findings:** The project has been validated against the VCS standard. Refer to the VCS validation report dated 19 July 2012 issued by SCS for a discussion of the assessment of the project's efforts to mitigate leakage. The selected methodology requires the establishment of leakage management zones in which activities designed to mitigate leakage are implemented. These activities are discussed in detail in the project document, and appropriate ex-ante estimates of leakage are detailed in accordance with the selected methodology.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator CL2.3.** 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 of the project (as calculated in **CL1.4**).

**Findings:** The project has been validated against the VCS standard. Refer to the VCS validation report dated 19 July 2012 issued by SCS for a discussion of the assessment of the project's accounting for emissions associated with leakage. Based on this report, the audit team concludes that the project conforms to indicator CL2.3. In summary, the methodology includes a step for subtracting leakage emissions from project benefits, which has been applied appropriately by the project developer.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator CL2.4.** 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.

**Findings:** The project has been validated against the VCS standard. Refer to the VCS validation report dated 19 July 2012 issued by SCS for a discussion of the assessment of the project's net change in non-CO2 greenhouse gasses associated with leakage. Based on this report, the audit team concludes that the project conforms to indicator CL2.4. In summary, the project proponent has demonstrated that any non-CO2 emissions associated with leakage are not likely to account for more than a 5% increase or decrease of the net change calculations of the project's overall off-site GHG emissions reductions or removals over each monitoring period.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### **3.3.3. 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:

**Indicator 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. 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.

**Findings:** The project has been validated against the VCS standard. Refer to the VCS validation report dated 19 July 2012 issued by SCS for a discussion of the monitoring of climate benefits. Based on this report, the audit team concludes that the project conforms to indicator CL3.1. In summary, the PD and associated documents contain detailed procedures for monitoring all selected carbon pools that are in conformance with VCS methodology VM0015. The selected pools include all significant pools, and include direct field measurements of forest biomass, the largest carbon pool impacted by the project.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The project has been validated against the VCS standard. Refer to the VCS validation report dated 19 July 2012 issued by SCS for a discussion of the monitoring of climate benefits. The plan is publically available on the VCS project database website. The project proponent has included summaries of the results of monitoring conducted to date in the CCB project implementation report. Details of this monitoring are described in a VCS monitoring report, which the project proponent has submitted to SCS for verification. This report indicates that the net climate impacts of the project to

date are positive. At the time verification is complete, the monitoring report will be made public on the VCS project database website. Based on this report, the audit team concludes that the project conforms to indicator CL3.2 and has had positive net climate impacts to date.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### 3.4. Community Section

#### 3.4.1. 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.

The project proponents must:

***Indicator 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.

**Findings:** The project applied the "Theory of Change" approach outlined by Richards and Panfil (2011) for assessing social impacts associated with REDD+ projects using the "Open Standards for the Practice of Conservation Methodology". The approach provides framework for evaluating the likely impacts on communities that result from implementation of project activities. The approach relies on data collected during participatory evaluations with community members and provides a narrative of both positive and negative anticipated impacts to community groups. The PDD outlines eight positive impacts within the project area and four negative impacts. The process used to identify these impacts, including a description of participatory evaluations conducted is described in supplements to the PDD. The project proponent provided documentation of meetings conducted in the implementation of this

participatory assessment, including reports, photographs, and signatures of participants. Reviewing these documents, the audit team concludes that the process is credible, consistent with the CCBA standards, and is well documented. The outcomes described in the PDD are consistent with interviews conducted by the audit team and observations made during the site visit. A comparison of the with-project scenario to the without project scenario based on this information indicates that the project is expected to have positive impacts on communities in the project zone.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator CM1.2.** Demonstrate that no High Conservation Values identified in **G1.8.4-642** will be negatively affected by the project.

**Findings:** The project activities are designed to ensure the conservation of high conservation values. After reviewing the HCVs identified and interviewing project participants and employees about the project activities, the audit team found no reason to believe that HCVs would be negatively affected by the project.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### **3.4.2. CM2 – 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:

**Indicator CM2.1.** Identify any potential negative offsite stakeholder impacts that the project activities are likely to cause.

**Findings:** The project proponent has evaluated offsite impacts and determined that the primary impacts to offsite stakeholders are positive. The project description identifies protection of ecosystem services such as clean water, transfer of technology to improve sustainability of agriculture, and building confidence and capacity for future projects as positive impacts to offsite stakeholders. Few negative impacts are identified, as the threats to the Alto Mayo forest come primarily from illegal actors and the CCB standard restricts the evaluation of negative impacts to well-being based on activities that comply with statutory or customary rights. However, the PDD does identify a risk that reducing deforestation pressure within the protected area may shift some pressure to lands managed by indigenous communities near the project area, or that patrols in the protected area may impact these communities. Section CM2.2 outlines efforts to mitigate these risks. The audit team found this evaluation to be credible and consistent with the CCB standard after review of supporting documentation and interviews with project participants, community leaders, and government officials.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator CM2.2.** Describe how the project plans to mitigate these negative offsite social and economic impacts.

**Findings:** The PDD describes a Memorandum of Understanding between the Head of the Regional Federation BPAM and Indigenous Awajun the Alto Mayo (FERIAAM) that demonstrates a commitment to conducting project activities in a way that respects the communities' rights. The audit team held a meeting with representatives of FERIAAM during the site visit to verify that the project proponent has consulted these communities. Based on this meeting, the audit team observed that these communities are minimally impacted by project activities thus far, but are interested in learning more about the project and potentially increasing their level of involvement. The project proponent acknowledges this as an opportunity for improvement in their response to NIR2012.1 and indicates that a more formal collaboration with these groups may be implemented in the future. At the present time, no negative offsite impacts that resulted from the project were observed by the audit team or voiced to the audit team by the communities contacted.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** NIR2012.1

**Opportunities for Improvement:** None

**Indicator CM2.3.** Demonstrate that the project is not likely to result in net negative impacts on the well-being of other stakeholder groups.

**Findings:** The project activities are designed to result in net positive impacts on the well-being of other stakeholder groups. In the course of the document reviews, interviews, and site visits conducted by the audit team, no evidence was observed that would suggest the project is likely to result in a net negative impact to the well being of any stakeholder group.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### ***3.4.3. 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:

**Indicator 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).

**Findings:** The project has provided a complete protocol for monitoring community impacts. The protocol describes 59 measureable indicators that provide an objective means of assessing both positive and negative impacts of the project. The impacts are monitored using a variety of data sources, including the results of surveys administered by the project team, interviews, reports that result from project activities such as trainings or patrols, and statistical evaluations of quantitative indicators of well being such as household income. The variables presented and frequency of monitoring are described in the document "Protocolo de Monitoreo Socioeconómico." This document clearly and transparently illustrates how each indicator relates to the positive and negative impacts of the project identified in indicator CM1.1 of the PDD. The project proponent provided the audit team with a database of these indicators as they resulted from the first four years of project implementation and monitoring. The

audit team found this database to be well organized and transparent, and the values of indicators could be easily traced to source documents to verify that the reported results were accurate. As described in the project implementation report, the project delivered positive community impacts in its first four years of operation.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The monitoring plan discussed in “Protocolo de Monitoreo Socioeconómico” contains indicators appropriate for monitoring the high conservation values identified in section G1.8.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** As discussed in the assessment of indicator C3.1, a complete plan has been developed for monitoring community impacts. That plan was made available for public comment during the CCBA public comment period. Its results are described in the project implementation report, which was also made available for public comment at the same time. Communities and stakeholders were provided with opportunity to review and comment on the results as described under the assessment of indicator G3.9.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### 3.5. Biodiversity Section

#### 3.5.1. 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:

**Indicator 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.

**Findings:** The project’s assessment of the expected changes in biodiversity as a result of the project used a methodology based on the pressure state response framework described by Pitman (2011). Through this framework, the project identifies habitat conservation, avoided fragmentation of ecosystems, maintenance and recovery of endemic and threatened species, reduced pressure on ecosystems from local populations, a strengthened ability of the head of the protected forest to respond to threats, restoration of degraded ecosystems, increased valuation of biodiversity by local populations, and reduced illegal extraction of wildlife as positive impacts of the project. As the project seeks to avoid deforestation and habitat destruction that would occur under the without project scenario, no negative impacts of the project to biodiversity are identified under the project scenario on site. Offsite, the potential for shifting of deforestation to areas outside of the project is identified as a negative impact. It is clear that that benefits to biodiversity of avoiding deforestation are overwhelmingly positive in the project scenario as compared to the without project scenario in which deforestation continues unchecked.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator B1.2.** Demonstrate that no High Conservation Values identified in G1.8.1-348 will be negatively affected by the project.

**Findings:** As the project design is intended to reduce pressure on the forest and promote conservation, the audit team found no evidence that high conservation values related to biodiversity would be negatively affected by the project.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** Section B1.3 of the PDD includes a list of species used in tree nurseries that support project activities. All of these species are native and seeds are collected from the project zone. The project additionally uses non-native coffee species, but is not introducing these species to the project area, as settlers have already done so prior to project implementation.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The PDD contains a justification of the use of coffee for agricultural intensification efforts that form a core project activity designed to reduce deforestation. The project promotes the use of organic,



shade grown coffee as a sustainable alternative to the common practice in the area. Based on the justification provided in section B1.4 of the PDD and observations of common practice in the project area, the audit team agrees that any adverse effects of the use of coffee species in the area are minimal in comparison to the baseline scenario.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator B1.5.** Guarantee that no GMOs will be used to generate GHG emissions reductions or removals.

**Findings:** The project proponent states that no genetically modified organisms are used in project activities.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### ***3.5.2. 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:

**Indicator B2.1.** Identify potential negative offsite biodiversity impacts that the project is likely to cause.

**Findings:** The evaluation of section B2.1 identifies a number of positive offsite biodiversity impacts of the project in addition to the potential for negative impacts. The negative offsite impacts are primarily related to the potential for the project to shift pressure on the ecosystems of the project area to those outside of the area. The audit team agrees that the potential for this type of leakage is the primary potential negative impact to biodiversity offsite.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator B2.2.** Document how the project plans to mitigate these negative offsite biodiversity impacts.

**Findings:** The project includes leakage mitigation measures implemented through conservation agreements that transfer technology for sustainable management to local populations, communication efforts designed to sensitize local populations to conservation values, monitoring outside of the project area to detect and respond to any increases in pressure, and efforts to work with authorities in the buffer zone surrounding the project to strengthen governance and build capacity for improved management.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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 effect of the project on biodiversity is positive.

**Findings:** Section B2.3 of the PDD contains an evaluation of negative offsite impacts of the project against the biodiversity benefits within the project boundaries. The project implementation report contains details of the monitoring of indicators, including quantitative measures of deforestation and ecosystem connectivity both inside the project area and within the buffer zone that demonstrate that the impacts of the project have been positive thus far, both within and outside of the project boundary.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### 3.5.3. 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:

**Indicator 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).

**Findings:** The project has provided a complete protocol for monitoring biodiversity impacts. The protocol describes 61 measureable indicators that provide an objective means of assessing both positive and negative impacts of the project. The impacts are monitored using a variety of data sources, including, for example, satellite image analysis of deforestation trends and habitat connectivity, direct field observations of species occurrence, observations made by project participants and park guards, records of illegal activities observed by park guards, and expert studies, among other methods. The variables presented and frequency of monitoring are described in the document “Protocolo de Monitoreo Biodiversidad.” This document clearly and transparently illustrates how each indicator relates to the positive and negative impacts of the project. The project proponent provided the audit team with a database of these indicators as they resulted from the first four years of project implementation and monitoring. The audit team found this database to be well organized and transparent, and the values of indicators could be easily traced to source documents to verify that the reported results were accurate. As described in the project implementation report, the project delivered positive biodiversity impacts in its first four years of operation.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** The monitoring plan discussed in “Protocolo de Monitoreo Biodiversidad” contains indicators appropriate for monitoring the high conservation values identified in section G1.8.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** As discussed in the assessment of indicator B3.1, a complete plan has been developed for monitoring biodiversity impacts. That plan was made available for public comment during the CCBA public comment period. Its results are described in the project implementation report, which was also made available for public comment at the same time. Communities and stakeholders were provided with opportunity to review and comment on the results as described under the assessment of indicator G3.9.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

## 3.6. Gold Level Section

### 3.6.1. 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:

**Indicator 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.

**Findings:** Not Applicable

**Conformance:** Yes ☐ No ☐ N/A ☒

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** Not Applicable

**Conformance:** Yes ☐ No ☐ N/A ☒

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator GL1.3.** Demonstrate that current or anticipated climate changes are having or are likely to have an impact on the well-being of communities<sup>51</sup> and/or the conservation status of biodiversity<sup>52</sup> in the project zone and surrounding regions.

**Findings:** Not Applicable

**Conformance:** Yes ☐ No ☐ N/A ☒

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator GL1.4.** Demonstrate that the project activities will assist communities<sup>53</sup> and/or biodiversity to adapt to the probable impacts of climate change.

**Findings:** Not Applicable

**Conformance:** Yes ☐ No ☐ N/A ☒

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### 3.6.2. 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:

**Indicator GL2.1.** Demonstrate that the project zone is in a low human development country OR in an administrative area of a medium or high human development<sup>55</sup> country in which at least 50% of the population of that area is below the national poverty line.

**Findings:** Not Applicable

**Conformance:** Yes ☐ No ☐ N/A ☒

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** Not Applicable

**Conformance:** Yes ☐ No ☐ N/A ☒

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** Not Applicable

**Conformance:** Yes ☐ No ☐ N/A ☒

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** Not Applicable

**Conformance:** Yes ☐ No ☐ N/A ☒

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

**Indicator 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.

**Findings:** Not Applicable

**Conformance:** Yes ☐ No ☐ N/A ☒

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None

### **3.6.3. 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:

#### **Indicator GL3.1.** Vulnerability

Regular occurrence of a globally threatened species (according to the IUCN Red List) at the site:

- 1.1. Critically Endangered (CR) and Endangered (EN) species - presence of at least a single individual; or
- 1.2. Vulnerable species (VU) - presence of at least 30 individuals or 10 pairs.

*Or,*

#### **Indicator GL3.1.** Irreplaceability

A minimum proportion of a species' global population present at the site at any stage of the species' lifecycle according to the following thresholds:

- 2.1. Restricted-range species - species with a global range less than 50,000 km<sup>2</sup> and 5% of global population at the site; or
- 2.2. Species with large but clumped distributions - 5% of the global population at the site; or
- 2.3. Globally significant congregations - 1% of the global population seasonally at the site; or
- 2.4. Globally significant source populations - 1% of the global population at the site.

**Findings:** The PDD lists 16 species classified as critically endangered, 14 species classified as endangered, and 27 species classified as vulnerable according to the IUCN Red list. Photographs of several of these species taken within the project area were available for verification during the site visit.

**Conformance:** Yes ☒ No ☐ N/A ☐

**Non-Conformity Reports:** None

**New Information Requests:** None

**Opportunities for Improvement:** None



#### **4.0 CCB Validation and Verification Conclusion**

Following completion of SCS's duly-accredited validation process, it is our opinion that the Alto Mayo Conservation Initiative conforms to the CCBA Climate, Community and Biodiversity Project Design Standards (Second Edition) at the gold level (see Appendix A). We have verified that the project has delivered net positive impacts for the period from 2008-2012.

#### **5.0 Corrective Action Requests**

Please see section 3.1 of this report for descriptions of the types of corrective action requests. Please see section 3 for references to these corrective action requests.

**NIR 2012.1 dated 07/20/2012**

**Standard Reference:** Climate, Community and Biodiversity Project Design Standards Second Edition section G1.3

**Document Reference:** G1.3

**Finding:** Please justify the exclusion from the defined project zone of indigenous communities located near the boundary of the project area. This justification should consider the definition of project zone that appears in footnote 3 of the standard and the definition of community that appears in footnote seven of the standard.

**Client Response:** Our approach for defining the ICAM project zone was determined after careful consideration of the CCB Standard requirements (particularly footnotes 3, 4 and 7 of Section G.1), as well as common practice by validated CCB REDD projects. In that regard, please find our analysis on this issue, conducted almost a year ago, as supportive information.

With regards to the CCB Standard requirements, we concluded that although footnote 7 defines communities as “all groups of people... who live within or adjacent to the project area as well as any groups that regularly visit the area and derive income, livelihood or cultural values from the area”, footnote 4 defines a project zone as “the project area and the land within the boundaries of the adjacent communities potentially affected by the project”. Thus, based upon our initial analysis of the agents and drivers of deforestation inside the BPAM, the design of our project activities, and the participatory impact evaluation that we conducted with the representatives of the native communities, we established that they wouldn’t be affected by our project since 1) their uses of the area (mostly hunting, fishing, and gathering of NTFPs) are not a threat to the carbon stocks (i.e. our project activities are targeted towards avoiding land use change); and 2) these traditional uses are respected by the NPA law and thus will continue to occur as before (i.e. no change with respect to the without-project scenario).

We have also consulted directly with the CCBS with regards to the validity of this assertion and they confirmed to us that, as long as we can justify that any communities adjacent to the project area would not be affected by the project, it would be possible to exclude them from the project zone.

With regards to the common practice by CCB validated REDD projects, our analysis showed that the great majority of the project that do define a project zone or similar term in their PDD, include those communities with which they are planning to actively engage (or are already doing so) in some sort of activities (e.g. training or employment opportunities, or broader community benefits such as support to local schools, infrastructure etc). Given the great pressure to the Alto Mayo Protected Forest coming from the migrant communities that have settled within and around its boundaries, the project has prioritized working with these communities located outside the project area that represent an imminent threat to the REDD objectives of the project, and thus will be affected by our activities to reduce deforestation. Thus our project zone is defined in these terms. The PDD has been updated to include this justification as required by the auditor.

On the other hand, we recognize that, including the native communities inside the project zone could be an opportunity for improvement given their close proximity to the project area. Although we are not currently, or in the very-near-future, planning to directly work with them, as time goes by and our models get established within the project zone we might engage in a formal collaboration with native communities to support sustainable development activities inside their lands by duplicating the ICAM models. Given the adaptive management approach of the CCB Standards, we would like to consider the option of extending the project zone at a later stage during the project’s lifetime, when we will have something more concrete to offer to the native communities in terms of benefits and demonstrated models, in view of avoiding raising expectations at the moment which

could risk distorting any potential future relationships and collaborations. Furthermore, we would also like to note that although such native communities have not been included inside the project zone in the PDD, we have included them in the group of the main stakeholders living outside of the project zone (following Criteria CM2) that will be monitored annually to ensure that project activities at least “do no harm” to their well-being. Finally, we would also like to note that CI is actively engaged in a series of activities related to REDD and stakeholder engagement with these communities in the context of the San Martin Regional REDD strategy, however, we have chosen not to include such activities in the PDD since they are not directly related to the ICAM project per se at the time being.

**Auditor Response:** The project proponent has provided suitable justification for excluding the indigenous communities near the project area from the project zone that is consistent with the CCB standard. Based on interviews carried out in the project area, the audit team agrees that these communities are unlikely to be significantly affected by the project. The audit team agrees with the project proponents' assessment that working more directly with these communities is an opportunity for improvement for the project.

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

**NIR 2012.2 dated 07/20/2012**

**Standard Reference:** Climate, Community and Biodiversity Project Design Standards Second Edition section G3.4

**Document Reference:** G3.4

**Finding:** Section G3.4 of the project document defines project lifetime and greenhouse gas period, but only provides minimal information on the planned schedule of the implementation of the project activities intended to reduce greenhouse gas emissions and provide benefits to communities and biodiversity. Please provide a more detailed implementation schedule of planned project activities.

**Client Response:** The PDD has been updated to include an implementation schedule of project activities for the entire crediting period.

**Auditor Response:** A more detailed implementation schedule has been added to the PDD. The schedule describes the project activities intended to be carried out throughout the project lifetime, and is consistent with the CCB standard.

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

**NIR 2012.3 dated 07/20/2012**

**Standard Reference:** Climate, Community and Biodiversity Project Design Standards Second Edition section G3.5

**Document Reference:** G3.5

**Finding:** Section G3.5 of the PDD refers to the VCS non permanence risk tool to assess . This tool is specific to assessing the risk of non-permanence of carbon stocks in the project area, and does not specifically address risks to biodiversity benefits or community benefits faced by the project. Please expand the risk analysis to consider risks to these benefits and the measures utilized by the project to mitigate these risks.

**Client Response:** The risk analysis has been expanded to consider risks to the community and biodiversity benefits, in addition to the climate benefits, generated by the project. The PDD has been updated accordingly.

**Auditor Response:** The project proponent has provided a suitable update to the risk analysis that assesses risks to community and biodiversity goals in addition to risks to climate goals. The analysis includes a discussion of suitable mitigation measures.

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

**NCR 2012.4 dated 07/20/2012**

**Standard Reference:** Climate, Community and Biodiversity Project Design Standards Second Edition section G3.10

**Document Reference:** G3.10

**Finding:** The project has not formalized 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 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. Please implement such a process and provide evidence that it has been adequately publicized to stakeholders.

**Client Response:** The project has formalized a clear conflict resolution mechanism in line with the CCB Standards and local legislation. This mechanism has been broadly publicized to stakeholders and is under implementation. Evidence has been provided to the validator. The PDD has been updated accordingly.

**Auditor Response:** In response to NCR2012.4, the project proponent developed a procedure by which written grievances can be submitted to the AMPF head office, which is the legal authority in charge of managing the area. The process includes a formal means for documenting any grievances that arise and commits to respond to grievances within 30 days. The details of the process are described in the document "Corrective Action Plan NCR2012\_04\_Conflict Resolution," and in spanish in the document "Corrective\_Action\_Plan\_G.3.10\_Conflict\_Resolution\_Mechanism" and three appendices. A booklet was produced to publicize the process to community members. The project proponent provided evidence that this procedure had been publicized by providing signatures of Park Guards, Officials, and project participants (subscribers to conservation agreements) indicating they had received copies of the documents.

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

**NCR 2012.5 dated 07/20/2012**

**Standard Reference:** Climate, Community and Biodiversity Project Design Standards Second Edition section G4.6

**Document Reference:** G4.6

**Finding:** Interviews conducted within the project area indicated that workers had not been trained in managing safety risks they face in their work associated with the project and that there was no formal plan in place to inform workers of risks and to explain how to minimize such risks. A plan must be developed and implemented to inform workers of risks and explain how to manage these risks to comply with indicator G4.6.

**Client Response:** The project's worker safety protocol has been updated in line with the CCB Standards. All workers have been informed and received adequate training and the protocol is currently under implementation. Evidence has been provided to the validator.

**Auditor Response:** In response to NCR2012.5, the project proponent prepared a comprehensive protocol on worker safety issues ("Iniciativa de Conservación del Bosque de Protección Alto Mayo – Protocolos de Seguridad"). Additionally, the project proponent held a series of safety training sessions and provided signatures of the attendees of these sessions to the audit team. After review of the newly prepared protocol and receiving verification of the implementation of safety training the audit team concludes that the project conforms with indicator G4.6.

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

**NCR 2012.6 dated 07/20/2012**

**Standard Reference:** Climate, Community and Biodiversity Project Design Standards Second Edition section G5.6

**Document Reference:** G5.6

**Finding:** The project proponent has not yet secured an administration contract that demonstrates that the project proponent has clear, uncontested title to the carbon rights or provides legal documentation demonstrating that the project is undertaken on behalf of the carbon owners with their full consent. Clear uncontested title or documentation demonstrating consent of the carbon owners must be provided before the project can be verified (note that adequate evidence has been presented that this is likely to be established before the project proponents enter into any transactions concerning the project's carbon assets, and this evidence is adequate for validation. Evidence of the administration contract will be required for verification).

**Client Response:** A signed copy of an administration contract that demonstrates that the project is undertaken on behalf of the carbon owners with their full consent has been provided to the validator.

**Auditor Response:** A signed copy of an administration contract that demonstrates that the project is undertaken on behalf of the carbon owners with their full consent has been provided to the validator.

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

**NIR 2012.7 dated 07/20/2012**

**Standard Reference:** Climate, Community and Biodiversity Project Design Standards Second Edition sections G4.3, G4.5

**Document Reference:** G4.3, G4.5

**Finding:** While it is clear that the project includes a significant training and capacity building component, the project lacked a formal plan for training of staff. Please develop a plan for training of staff that, among other relevant topics, identifies how training will be passed on to new workers when there is staff turnover, so that local capacity will not be lost, and describes how the project will inform workers about their rights.

**Client Response:** A formal capacity building plan has been provided to the validator and is currently under implementation. The PDD has been updated accordingly.

**Auditor Response:** In response to NIR2012.7, the project proponent developed a training plan, documented as “Plan de Capacitación: Iniciativa de Conservación del Bosque de Protección Alto Mayo – ICAM.” This document describes the types and schedule of training the project intends to provide to various types of staff members. In addition, it documents training that has already been carried out to date. With regard to community capacity building, the project documents means by which technical assistance has been provided through conservation agreements and describes training provided to or planned for groups such as coffee associations, park guards, Rondas campesinas, and the park’s management committee. The project’s implementation report details the individual training events that have been carried out.

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

**NCR 2012.8 dated 10/22/2012**

**Standard Reference:** Climate, Community and Biodiversity Project Design Standards Second Edition sections G3.9

**Document Reference:** G3.9, Reporte\_consulta\_publica\_ICAM\_230712

**Finding:** The CCB standard requires that project proponents facilitate submission of comments by stakeholders to the CCBA. Though the project has held numerous meetings to solicit feedback from stakeholders, not all of the feedback received has been submitted to the CCBA. Please demonstrate that comments received during the public consultation process have been submitted to the CCBA, and provide a description of how the project responds to each of the issues raised.

**Client Response:** [A document was provided to the CCBA with the responses documented in Appendix B of the validation report]

**Auditor Response:** The project proponent has provided the CCBA with a document that describes the consultation process and addresses each of the comments received during that process. The CCBA has publically posted this document. The auditor has evaluated the comments in appendix B of the validation report and concluded that the responses are consistent with the requirements of the CCB Standards.

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

## General Section

## Conformance

|     |  |     |                                     |    |                          |
|-----|--|-----|-------------------------------------|----|--------------------------|
| G1. | Original Conditions in the Project Area (Required) | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| G2. | Baseline Projections (Required)                    | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| G3. | Project Design and Goals (Required)                | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| G4. | Management Capacity and Best Practices (Required)  | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| G5. | Legal Status and Property Rights (Required)        | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |

## Climate Section

|      |  |     |                                     |    |                          |
|------|--|-----|-------------------------------------|----|--------------------------|
| CL1. | Net Positive Climate Impacts (Required)        | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| CL2. | Offsite Climate Impacts (“Leakage”) (Required) | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| CL3. | Climate Impact Monitoring (Required)           | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |

## Community Section

|      |   |     |                                     |    |                          |
|------|---|-----|-------------------------------------|----|--------------------------|
| CM1. | Net Positive Community Impacts (Required) | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| CM2. | Offsite Community Impacts (Required)      | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| CM3. | Community Impact Monitoring (Required)    | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |

## Biodiversity Section

|     |  |     |                                     |    |                          |
|-----|--|-----|-------------------------------------|----|--------------------------|
| B1. | Net Positive Biodiversity Impacts (Required) | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| B2. | Offsite Biodiversity Impacts (Required)      | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |
| B3. | Biodiversity Impact Monitoring (Required)    | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |

## Gold Section

|      |   |     |                                     |    |                          |
|------|---|-----|-------------------------------------|----|--------------------------|
| GL1. | Climate Change Adaptation Benefits (Optional) | Yes | <input type="checkbox"/>            | No | <input type="checkbox"/> |
| GL2. | Exceptional Community Benefits (Optional)     | Yes | <input type="checkbox"/>            | No | <input type="checkbox"/> |
| GL3. | Exceptional Biodiversity Benefits (Optional)  | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/> |

## CCBA Validation Level Attained:

**APPROVED** (all requirements met)

**GOLD** (all requirements and also at least one optional Gold Level criterion met)

☒  
☒



No written comments were received via the CCBA website during the formal 30 day public comment period. The text of the report prepared by the project proponent documenting comments received during in person meetings is reproduced here, with evaluation by the auditor added in line in **red text**.

Siguiendo con la planificado y debido al poco o nulo acceso a internet de la población que habita en la zona del proyecto. Se realizaron ocho reuniones con el objetivo de explicar el desarrollo del proyecto y presentar brevemente el PDD, indicando donde pueden acceder al documento y cómo entregar comentarios, las cuales se detallan a continuación (Anexo IV):

**Reunión N° 01: Sector Barrios Altos - Cuenca de Aguas Verdes**

*Fecha: 29 de Junio.*

La reunión fue liderada por Benjamín Kroll y participaron 09 personas, todas ellas firmantes de los acuerdos de conservación. La reunión se llevó a cabo sin mayores percances, las cinco estrategias de la ICAM fueron descritas, indicando el objetivo principal del proyecto y destacando el papel crucial que cumplen los acuerdos de conservación. Se explicó que todas las actividades realizadas en el marco de la ICAM están descritas en el documento de diseño de proyecto "PDD", bajo los estándares de Clima, Comunidades y Biodiversidad, señalándose que el mismo es de conocimiento público y que ellos pueden revisarlo y realizar comentarios hasta el 22 de julio; dando a conocer los lugares donde se puede revisar dicho documento.

Ellos manifestaron que desearían tener un ejemplar en su sitio, dado que se les es difícil ir hasta el Puesto de Control Venceremos, en ese sentido, se acordó la entrega de un ejemplar y con el compromiso que éste será de acceso a cualquier poblador/autoridad de la cuenca de Aguas Verdes. El ejemplar del PDD de CCB se entregó el lunes 2 de julio con una carta dirigida al Presidente del Comité de Suscriptores de Barrios Altos, Sr. Emilio Herrera Carrasco (ANEXO).

Los comentarios registrados fueron:

- ☐ Los participantes manifestaron su expectativa sobre la consecución de los resultados auspiciosos en la mejoría de sus cafetales.
- ☐ Concuerdan que la mejoría de sus cafetales neutraliza su necesidad de seguir talando.
- ☐ Sugieren que se debe analizar la posibilidad de brindar beneficios adicionales y diferentes al café que generen alternativas económicas a la población, tal como el cultivo de sachu inchi o los biohuertos.

*Respuesta del proyecto:*

En base a los comentarios recibidos, se han definido los beneficios adicionales potenciales a brindar en el marco de los acuerdos de conservación, tales como cocinas mejoradas, biohuertos, crianza de cuyes, tachos de basura comunal, conversión de pastos a cafetales, entre otros. La entrega de estos beneficios adicionales está planificada en la medida en la que se podrán conseguir fondos adicionales por la comercialización de los bonos de carbono. No obstante, y considerando nuestras limitantes presupuestales actuales, todos los beneficios listados líneas arriba se están implementando a nivel piloto. Por ejemplo, hemos brindado 20 paquetes de semillas para biohuertos, 2 modulares de crianza de cuyes, 6 tachos de basura, 2 cocinas mejoradas y 3 pilotos de conversión de pastos a café.

**Auditor's evaluation: The project has demonstrated a commitment to working with communities to evaluate their needs and provide the types of benefits that are relevant to those needs, while working within the constraints of the law, the project's goals, and budgets. The comments voiced here provide further feedback regarding community needs, and have been adequately considered in project design.**

**Reunión N° 02: Sector La Esperanza – Cuenca Huasta**

*Fecha: 10 de Julio*

La reunión fue liderada por José Altamirano y participaron 35 personas de las cuales 20 fueron suscriptores de los acuerdos de conservación. Considerando que había personas no suscriptoras, se detallaron las cinco estrategias de la ICAM con mucho mayor énfasis en los acuerdos de conservación; cabe señalar que en esta reunión participaron guardaparques del BPAM.

Los comentarios registrados fueron:



- ☐ Los suscriptores están preocupados por el alto ataque de la roya del cafeto, se les mencionó que este hongo es de fácil dispersión sobretodo en las actuales condiciones climáticas y los beneficios a dar en la renovación del acuerdo incluyen algunos para mitigar este hongo.
- ☐ En base a lo anterior, han solicitado que se adelante la fecha de renovación ya que ellos estarían renovando en noviembre cuando las lluvias estarán por empezar.
- ☐ Mencionaron que las parcelas demostrativas de los acuerdos han presentado nulo o mucho menor ataque de la roya, en base a ello manifestaron que están satisfechos con el paquete técnico.

*Respuesta del proyecto:*

La propuesta técnica de café fue afinada en base a las evaluaciones del ataque de roya en todos los sectores donde venimos implementando los acuerdos de conservación, en base a este análisis se adicionaron beneficios específicos para el control y prevención de la roya tales como la aplicación de azufre micronizado y la entrega de semillas de dos variedades de café resistentes a la roya (Gran Colombia y Castillo) que serán instalados a campo definitivo entre noviembre y enero. Así mismo, concluimos que las parcelas demostrativas no sufrieron ataque de roya por el manejo implementado, básicamente por el abonamiento, en ese sentido, la renovación de los acuerdos de conservación se ha adelantado de tal forma que la etapa de abonamiento sea implementada entre julio a octubre. Paralelamente, se ha priorizado la producción de plántones forestales que están siendo distribuidos desde octubre con la finalidad que sean más adelante barreras naturales para la dispersión de la roya. Cabe mencionar que estas acciones fueron implementadas en todos los sectores donde venimos implementando los acuerdos de conservación.

**Auditor's evaluation:** The comments documented here concern the impact of coffee rust, a fungal disease that has been recently prevalent in the project zone, on the livelihoods of project participants. The impact of this fungus was discussed several times during the site visit, and it was clear based on conversations with both the project's technical staff and project participants that the project has adapted their benefits to help the project participants cope with the recent outbreak. The response to the comments documents this adaptive management, and is consistent with the requirements of the CCB Standards.

**Reunión N° 03:** Sector El Carmen – Cuenca Huasta

*Fecha:* 12 de Julio

La reunión fue liderada por José Altamirano con participación de los guardaparques, la presencia del personal del BPAM; aún en este sector existe una relación áspera entre la población y la Jefatura, ello implicó que algunos de los pobladores desistieran en participar al ver al personal del BPAM. Asistieron 07 personas, de las cuales 6 son suscriptores. Se explicó el proceso de consulta del PDD y las estrategias de la ICAM.

Los comentarios registrados fueron:

- ☐ En base a los buenos resultados de los acuerdos de conservación, sugirieron que se considere entregar una carpa solar adicional en la renovación de los acuerdos y consultaron la posibilidad del proyecto para pagar profesores.
- ☐ Consultan porque en las comunidades indígenas es tan fácil deforestar y dentro del BPAM la ley es más severa, relacionado a ello, consultaron si la ley es aplicable solo a aquellos que firman los acuerdos de conservación.
- ☐ Asimismo, manifestaron que el tráfico de tierras se sigue promoviendo en los sectores aledaños y propusieron realizar un patrullaje conjunto entre el personal del BPAM y la ronda campesina.

*Respuesta del proyecto:*

Las visitas y patrullajes a la cuenca de Huasta se han intensificado, priorizándose culminar con la identificación del total de familias que se encuentran habitando dentro de esta cuenca sobretodo en los sectores donde se implementan los acuerdos de conservación. Estas entradas continuas están permitiendo el hallazgo de nuevos caminos y sub sectores, aportando a generar una buena relación entre la población local y los guardaparques. Sin embargo, los traficantes de tierras continúan amenazando a la población haciendo más difícil la obtención de información clave que ayude a encontrar los nuevos caminos, así mismo, cabe señalar que el presidente de rondas del sector, quien es muy consciente sobre los temas de conservación fue cambiado por una persona que es más afín al tráfico de

tierras. Bajo este contexto, con el apoyo del asesor legal contratado por el proyecto se viene detallando los pormenores para la aplicación de diversos procesos administrativos sancionadores (PAS), herramienta legal que aún no se ha implementado en el BPAM. Por otro lado, en las diversas visitas al sector se ha explicado detenidamente las diversas diferencias entre el marco legal y la gestión de las Áreas Naturales Protegidas (BPAM) y las comunidades indígenas, esclareciendo las dudas de la población del sector sobre el porque la ley no es tan restrictiva y severa en temas de deforestación en las comunidades indígenas. Finalmente y a través de los técnicos, se viene explicando a los suscriptores que el detalle de los próximos beneficios responde a la mejoría del manejo de sus cultivos y a la necesidad técnica que éstos necesiten para que su producto sea fácilmente articulable a mercados especiales.

**Auditor's evaluation:** The comments describe additional benefits suggested by project participants and identify concerns related to the enforcement of the law within the project area (the protected forest) as compared to the surrounding area. The comments also identify an opportunity for joint patrols with *rondas campesinas* and BPAM personnel to help address the deforestation driver related to land trafficking. The proponent responded by describing efforts included in the project activities to communicate the legal framework around the management of protected areas to the local population, and describing the project activities they have developed to address the land trafficking driver of deforestation. The response to the comments is consistent with the requirements of the CCB Standards and serves to document one way in which the project activities and project design have been informed by consultations with communities.

**Reunión N° 04:** Sector Juan Velazco– Cuenca Huasta

*Fecha: 16 de Julio*

La reunión fue liderada por José Altamirano con presencia del Jefe del BPAM, asistieron 15 personas todos ellos suscriptores, la ausencia de pobladores se debió a que la gran mayoría fue a participar a Naranjos durante el aniversario de ese centro poblado.

A los participantes se les explicó el proceso del PDD y las estrategias de la ICAM, el Jefe del BPAM brindó mayor información respectiva a la gestión propia del área.

Los comentarios registrados fueron:

- ☐ Consideran que es muy pronto para concluir si la propuesta de mejoramiento de cafés funcionan, ya que ellos firmaron en marzo y la mayoría de los participantes aún no firman.
- ☐ Sugieren mayor presencia del personal del BPAM para que ello ayude a resolver las dudas y comentarios de sus conciudadanos.

**Respuesta del proyecto:**

La mejoría en los cultivos de café ubicados en Juan Velasco ya se percibe, sobretodo después de las podas y el primer abonamiento, al igual que lo ocurrido en los otros sectores, los suscriptores manifiestan estar sorprendidos por la respuesta tan rápida y efectiva de las labores culturales brindadas en la asistencia técnica de los acuerdos.

La relación con la población de Juan Velazco viene mejorando poco a poco, la presencia de los guardaparques y personal de la ICAM ha ayudado a esclarecer las dudas de los suscriptores, mas se percibe que la población no suscriptora es más reacia a realizar sus preguntas directamente, percibiéndose en algunos casos que lo hacen a través de los suscriptores. Cabe señalar que en este sector se realizó una intervención para la desvaloración de madera ilegal conjuntamente con algunos pobladores.

**Auditor's evaluation:** The comments state that project participants in this sector are still evaluating whether techniques introduced by the project have led to an improvement in their coffee crops, and suggest that they would benefit from improved presence of staff in the sector. The comments suggest that the impact of the project in the area is positive, but still developing. The response to the comments is consistent with the project design and requirements of the CCB standard.

**Reunión N° 05:** Sectores Barrios Altos, San Juan, El Perol – Cuenca Aguas Verdes

*Fecha: 17 de Julio*

La reunión fue liderada por Braulio Andrade, participaron 24 personas de las cuales 13 son suscriptores; se recalcó que se entregó un ejemplar del PDD exclusivamente para Aguas Verdes, informándonos que algunos suscriptores han leído el documento. Cabe señalar que en esta reunión participó personal de CAPEMA para explicar la alta importancia de organizarse como caficultores.

Los comentarios registrados fueron:

- ☐ Sugirieron que la firma de acuerdos se amplíe a otras zonas más allá de la zona de amortiguamiento o las priorizadas por la ICAM.
- ☐ Reiteraron la solicitud para que se puedan otorgar otros beneficios más allá del café.

*Respuesta del proyecto:* Tal como se explicó en los comentarios de la Reunión N° 01, los beneficios adicionales están ya identificados y por temas presupuestales están implementándose a nivel piloto mas dependiendo de los fondos que se conseguirán por los bonos de carbono se analizará la factibilidad de amplificar su distribución.

*Auditor's evaluation:* The comments here suggested expansion of the benefits provided by the project. The project proponent responded by referencing the response to the comments recorded in the first meeting. As described in that section, the project is working to provide meaningful community benefits within the constraints of the project's budget. The response to the comments is consistent with the requirements of the CCB Standards.

**Reunión N° 06:** Sector Oriente Nuevo – Cuenca Naranjos

*Fecha:* 18 de Julio

La reunión fue liderada por Braulio Andrade, participaron 14 suscriptores de acuerdos, se reiteraron las cinco estrategias de la ICAM cuyo detalle está consignado en el PDD.

Los comentarios registrados fueron:

- ☐ Sugieren no rotar al personal técnico ya que el nivel de confianza ha sido establecido con él y consideran que un cambio retrasaría lo avanzado.
- ☐ Manifestaron la alta necesidad de articularse con mercados que puedan retribuir su inversión, ya que algunos que hicieron inversión propia no pudieron acceder a mejores precios.
- ☐ La roya está latente en la zona y también afectó la producción, solicitan asesoría específica en el tema para que la siguiente campaña no los afecte en demasía y haga irrentable la caficultura en las parcelas ya instaladas.

*Respuesta del proyecto:*

En respuesta a la solicitud de los suscriptores, el técnico mencionado continúa laborando en el mismo sector, así mismo se está promoviendo una reunión con el gerente general de CAPEMA (asociación cafícola del Alto Mayo articulada a mercados especiales), programada a realizarse sobre noviembre de este año toda vez que tanto los suscriptores como CAPEMA aún tienen actividades en campo que demandan tiempo. En relación a la roya se procedió tal como se explica en los comentarios de la Reunión N° 02.

*Auditor's evaluation:* The comments at this meeting suggested not rotating technical staff, as subscribers had built a relationship with existing staff. The project responded indicating that the same staff member would continue to be used in the area. Comments additionally expressed concern about coffee rust and access to markets for sale of coffee. The project has arranged a meeting with representatives of the coffee association CAPEMA to discuss market access, and responded to concerns about coffee rust as described in meeting 2. The responses are consistent with the requirements of the CCB standards.

**Reunión N° 07:** Sector Perla de Oro – Cuenca Naranjillo

*Fecha:* 19 de Julio

Liderado por José Altamirano, participaron 16 personas de las cuales 6 son suscriptores, en base a ello, se detallaron las 5 estrategias de la ICAM reforzando lo mencionado por el técnico en la difusión personalizada en lo concerniente al PDD.

Los comentarios registrados fueron:

- ☐ Sugieren que se evalúe la posibilidad de hacer entrega de mayor cantidad de beneficios para contrarrestar la baja en la producción por la roya y el bajo precio del café.
- ☐ Manifestaron que debido a las condiciones climáticas es menester el poder tener acceso a una chaleadora para el grupo, ya que el crecimiento de la vegetación es mucho mayor a lo esperado y no puede ser controlado en los tiempos sugeridos por el técnico.

*Respuesta del proyecto:*

En relación a la roya se procedió tal como se explica en los comentarios de la Reunión N° 02. Por otro lado, se hizo una evaluación del nivel de revegetación de malezas en todos los sectores donde implementamos acuerdos, concluyendo en la entrega de chaleadores como beneficio colectivo tanto par este sector como para Loma Verde, Aguas Verdes, El Carmen, La Esperanza, Sol de Oro.

**Auditor's evaluation:** The comments referenced concerns about coffee rust and access to tools for control of weeds in coffee fields. The concerns about coffee rust were responded to as described under meeting number two. The proponent stated that they would assess the need for additional tools for weed control in order to provide appropriate collective benefits. The responses are consistent with the project design and the requirements of the CCB Standards.

**Reunión N° 08:** Sector Sol de Oro – Cuenca Naranjillo

*Fecha: 19 de Julio*

Liderado por José Altamirano, participaron 18 personas de las cuales 8 son suscriptores, considerando la cantidad de no suscriptores se explicaron las cinco estrategias de la ICAM y el proceso del PDD, recalcando que ahí existe un puesto de control donde está el documento para la revisión respectiva. Los comentarios registrados fueron:

- ☐ Sugirieron que la ICAM pueda canalizar créditos para labores de manejo y postcosecha del café, asimismo, de proveedores de insumos y bienes para poder hacer la réplica del paquete técnico.
- ☐ Manifestaron que la evaluación a los nuevos suscriptores debe de considerar mayor examen para que se garantice la real convicción de querer apoyar al a conservación del BPAM.

*Respuesta del proyecto:*

Se explico a los participantes que la canalización de créditos implica una serie de responsabilidades legales que como proyecto y bajo el marco legal actual es muy difícil de realizar, sin embargo, CAPEMA viene trabajando un mecanismo de aval con algunos entes crediticios que hasta el momento tiene resultados positivos, en base a ello, se viene promoviendo el acercamiento de los suscriptores hacia con CAPEMA. Cabe señalar, que algunos suscriptores – por iniciativa propia – han realizado gestiones positivas para préstamos de AgroBanco, estamos haciendo el seguimiento de este mecanismo, en caso sea totalmente positivo presentaríamos esta alternativa a los suscriptores. Conjuntamente con ECOAN y la Jefatura actualizaremos los requisitos de aceptación para los nuevos suscriptores de forma tal que sea mucho más vinculante para colaborar con la gestión del BPAM y reduzca el riesgo de cancelación de acuerdos.

**Auditor's evaluation:** The comments present suggestions for improving the benefits provided by the project to include access to credit. The proponent responds by discussing some difficulties surrounding the type of benefits suggested and describing an evaluation process by which they will consider those benefits. Additionally, comments suggest that the project should evaluate the commitment to conservation of new subscribers to conservation agreements. The project proponent responded by stating that they are working to update requirements to reduce the risk of cancellation of agreements. The responses are consistent with the project design and the requirements of the CCB Standards.