# VERIFICATION OF

# RMDLT PORTEL-PARA REDD PROJECT

Document Prepared By: EPIC Sustainability

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| **Project Title** | RMDLT Portel-Para REDD Project |
| **Version** | Version 1.1 |
| **Report ID** | ESSPL/VCS/2018/048 |

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| **Report Title** | Verification of "RMDLT Portel-Para REDD Project" |
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| **Work Carried Out By** | Dr. G.Vishnu (Lead Auditor)<br>Mr A. Prabu Das (Auditor) |

**Summary:**

RMDLT Property Group Ltd has appointed EPIC Sustainability Services Private Limited to perform the second periodic verification of the emission reductions reported for the project titled "RMDLT Portel-Para REDD Project" (Project ID: 977) for the period from 02-Jan-2012 to 31-Dec-2017 for the net reductions achieved by the project during this period. The verification was based on the validated project description (PD) corresponding validation report, first monitoring and verification reports and other supporting documents made available to the verification team by the client.

The Project *RMDLT Portel-Para REDD Project* has established and integrated management system of forests and lands of the indigenous reserve, to ensure its sustainability and to mitigate threats of its conservation and recovery. The objective of avoiding deforestation and degradation in the territory of Portel Municipality, in a forest area of 177,899.5 Ha comprising of 17 privately owned parcels or "Glebas" is achieved through the implementation of a REDD+ Project. The leakage management area is located within the Land of the Project and is entirely outside the project area The location of the project is in northwest of Brazil, in the State of Para, micro region of Portel, municipality of Portel.

The verification team identified, through the verification process, 04 CARs and 01 CLs. The client has taken actions and submitted to EPIC the revised monitoring report and supporting evidence. The verification team, through the verification process, confirmed that the emission reductions achieved by the project activity during the monitoring period are correctly calculated in the monitoring report, Version 1.1, dated 25th February 2019. Therefore, EPIC has proceeded to certify that the net emission reductions amounting to 57,20,431 tCO2e for the period from 02-Jan-2012 to 31-Dec 2017 are accurate, complete, consistent, transparent and free of material error or omission.

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# 1 INTRODUCTION

## 1.1 Objective

EPIC Sustainability Services Private Limited (EPIC) has been contracted by RMDLT Property Group Ltd to undertake the validation and second periodic independent verification of the project activity titled "RMDLT Portel-Para REDD Project" (Project ID: 977))" and the objective of the verification is as follows:

- To verify that the actual monitoring system and procedures are in full compliance with the system and procedures described in the monitoring plan of validated PD as well as with the applicable methodology;
- To verify the monitoring report with deviations are in compliance with monitoring plan and VCS rules
- To verify that the data reported were accurate, complete, consistent, transparent and free of material error or omission by checking the monitoring records and the emissions reduction calculation; and
- To verify and certify GHG emission reduction reported for the project for the period from **02-Jan-2012 to 31-Dec-2017**.

## 1.2 Scope and Criteria

The scope of the verification was the independent and objective review and ex-post determination of the monitored reductions in GHG emissions from "RMDLT Portel-Para REDD Project". The verification of this project was based on the validated project description (PD), validation report, first monitoring and verification reports and supporting documents made available to the verification team. These documents were reviewed against the requirements of the VCS standard version 3.7, VCS guidelines, the CDM Modalities and Procedures, related rules and guidance, and the VCS Validation and Verification manual Version 3.2.

The verification is not meant to provide any consulting towards the client. However, stated request for clarifications and/or corrective actions may provide input for improvement of the project design.

EPIC has performed the verification based on a risk based approach focusing mainly on the significant risks to meet the qualification criteria and the ability to generate VCUs. The work carried out by EPIC is free from any conflict of interest.

### 1.3 Level of Assurance

In line with VCS requirements and as per ISO 14064-3:2006 para A.2.3.2, a reasonable level of assurance is defined for the verification of the project. This implies that based on the process and procedures conducted EPIC should state whether the information in the monitoring report is materially correct and is a fair representation of the actual project details, and is prepared in accordance with the VCS requirements and the applied methodology for information pertaining to GHG quantification, monitoring and reporting.

### 1.4 Summary Description of the Project

The RMDLT Portel-Para REDD Project has established and integrated management system of forests and lands of the indigenous reserve, to ensure its sustainability and to mitigate threats of its conservation and recovery. The objective of avoiding deforestation and degradation, in a forest area of 177,899.5 ha. of forests is achieved through the implementation of a REDD+ Project in the territory of Portel Municipality. The location of the project is in northwest of Brazil, in the State of Para, micro region of Portel, municipality of Portel.

## 2 VERIFICATION PROCESS

### 2.1 Method and Criteria

The verification process consisted of the following phases:

- a document review of the project design documents, monitoring reports and preparation of verification protocol;
- on-site visit to the project activity and interviews with project developer and project consultant;
- resolution of outstanding issues and the issuance of final verification report and opinion

The Verification was based on the guidance documents provided by VCS which included the following: VCS Standard version v3.7 Issued: 21 June 2017, Agriculture, Forestry, and Other Land Use Requirements v3.6 Issued: 21 June 2017, VM0015 REDD Methodology Framework, and AFOLU Non-Permanence Risk Tool v3.2 and latest valid version of VCS verification template. The verification and sampling plan methodology was based on VCS guidance documents and ISO 14064-3:2006.

For this verification, the audit was planned to visit 3 samples which were selected based on the information that emission removals are being claimed from these areas only. At each site, strata based sampling was followed across the different ages for the trees. For the desktop verification, equivalent sample size was chosen. A risk based approach was used to select the samples to allow a review of members targeted to represent a wide geographic range of sites; sufficient to provide the necessary sample size and to meet a reasonable level of assurance.

During the validation and verification, non-fulfilment of the verification protocol criteria or identified risks to the fulfilment of project objectives were raised as either CAR or CR. Corrective Action Requests (CAR) were issued, where:

- mistakes had been made that directly impacted on the project results; or
- VCS requirements had not been met; or
- there was a risk that the project would not be accepted as a VCS project or that emission reductions will not be certified.

The Clarification Requests (CR) were issued where additional information was needed to clarify issues, and Forward Action Requests (FAR) for issues relating to project implementation that required review during the verification of the project activity. The IRs (Information Requests) are requested when additional information was required. The list of the findings are summarised in Appendix I.s

The following team members from EPIC were involved in verification process:

| Name | Role | Components reviewed |
|---|---|---|
| Dr G Vishnu | Lead Auditor | Completeness check, desk review, onsite inspection, Interview with project representatives and stakeholders issuance of findings, report preparation. |
| Mr A. Prabu Das | Team member | Desk review, assistance in report preparation |
| Mr. Ewerton Nazareno | Host Country expert | Onsite inspection, Interview with project representatives and local stakeholders |
| Mr R. VIjaya Raghavan<br>Dr D. Siddaramu | Technical Review | Checking and verifying of information related to draft final report. |

## 2.2 Document Review

The verification was performed primarily based on the review of the monitoring report and the supporting documentation. This process included:-

1. review of data and information presented to verify their completeness
2. review of the Project design, Monitoring Plan and monitoring methodology, paying particular attention to the monitored parameters and QA/QC requirements, and Internal SOPs.
3. an evaluation of data management and the QA/QC system in the context of their influence on the generation and reporting of ERs.

The VCS monitoring report, Version 01, was initially reviewed and further EPIC requested the PP to present the supporting evidences. Additional background information and documents related to the project performance were also reviewed by EPIC. Through the process of the verification, the revised monitoring report and the supporting documents were evaluated to confirm the actions taken by the PP to the CARs and CRs issued by EPIC. The documents reviewed by EPIC are listed in references section of this report. EPIC reviewed the final version (Version 1.1) of the monitoring report to confirm that all changes agreed had been incorporated. The entire list of documents reviewed is summarised in Section 7.0.

## 2.3 Interviews

After the review of the Project description and documents a site visit was carried out from 18th to 24th April 2018. During the site visit physical inspection of the project components followed by interviews with the on-site personnel was carried out to verify the project details. A follow-up meeting was also conducted with the project representatives. The following persons were interviewed.

| Name Designation | Location of interview | Company | Interview Topics |
|---|---|---|---|
| Mr Michael Greene<br>CEO | STA Office at Belem | RMDLT Property Group Ltd | Project design, Project implementation, Procedures, Monitoring plan and Procedures |
| Mr Demerson<br>(Head – Monitoring team) | STA Office at Belem | STA solutions | Monitoring plan and Procedures, Training details, field measurement |
| Raneiry Branco<br>Forestry Engineer | STA Office at Belem | STA solutions | Monitoring, collation and QC of data |
| David Vale<br>Forestry Engineer | STA Office at Belem | Subcontract by RMDLT Property Group Ltd | Monitoring, GIS mapping and analysis |
| Mr Dercky Martins | STA Office at Belem | STA solutions | Monitoring plan and Procedures, GIS mapping and analysis |
| Dr. Evelise Pires | STA Office at Belem | BLB Florestal Representação | Legal documents, land rights, community benefits. Social development |
| Dr. Nandagopal Parmesh<br>Carbon Consultant | STA Office at Belem | KMSPL | Developing monitoring report |
| Mr. Silvio da Silva | Portel Municipality | Subcontract by RMDLT Property Group Ltd | patrolling activities, community benefits |
| Mr Demerson<br>(Head – Monitoring team) | Grupua, Miritiza and Alvorado I | STA solutions | Field measurements, Species identification, data entry |
| a) Domingus Lopes<br>b) Ivanice Saldhana<br>c) Claudio Ceasar<br>d) Leonardo Aquino<br>e) Marinilda Aquino | Riberinhos community | Local stakeholders | Conservation practices followed, awareness of project policies, Benefits from project implementation. |

| | | | |
|---|---|---|---|
| f) Raimunda Barbosa<br>g) Cristina Da Silva | | | |
| Mr Demerson<br>(Head – Monitoring team)<br><br>Mr Vander | 4 locations were visited in Leakage area | STA solutions | patrolling activities, community benefits |

## 2.4 Site Inspections

The sampling criteria for the site inspections conducted were based on the total number of samples as described in section 2.1.

The on-site assessment which was conducted as a part of the verification activity involved:

1) An assessment of the implementation and operation of the VCS project activity as per the registered PD
2) A review of information flows of the project design for generating, aggregating and reporting of the monitoring parameters
3) Interviews with relevant personnel to confirm that the operational and data collection procedures are implemented in accordance with the Monitoring Plan
4) A cross-check between information provided in the MR and data from other sources
5) A check of the monitoring equipment including calibration performance, and observations of monitoring practices against the requirements of the PD and the applied methodology
6) A review of calculations and assumptions made in determining the GHG data and ERs, and
7) An identification of QA/QC procedures in place to prevent, or identify and correct, any errors or omissions in the reported monitoring parameters.

After the review of the Project description and documents a site visit was carried out from 18th to 24th April 2018. During the site visit physical inspection of the project components followed by interviews with the on-site personnel was carried out to verify the project details. A follow-up meeting was also conducted with the project representatives

## 2.5 Resolution of Findings

**Resolution of Clarification and Corrective Action Requests**

The objective of this phase of the verification was to resolve the corrective action requests and clarifications and any other outstanding issues which needed to be clarified prior to EPIC positive conclusion on the monitoring report and the project design. During the verification process 04 CARs, 01CL were raised.

All the findings were resolved during this phase. In order to ensure the transparency of the validation process, the concerns raised and responses that were given are summarized in Appendix I of this report and documented in more detail. All the corrective actions have been incorporated into the revised documents.

**Internal quality control**

A Technical Reviewer is appointed to review the final draft verification report and the final verification report. The comments made by the Technical Reviewer are taken into consideration and incorporated in the final report. The final report (after resolutions of all findings) is then submitted to the Head – Operations for review and approval.

### 2.5.1 Forward Action Requests

No FARs raised during this verification process.

## 2.6 Eligibility for Validation Activities

EPIC is accredited for validation and verification for the scopes 1 to 16 by CDM UNFCCC and as well as by the VCS board.

# 3. VALIDATION FINDINGS

No Validation activities were performed and is not applicable.

## 3.1 Participation under Other GHG Programs

The project has not applied for other GHG programs such as CDM, GS, etc. The same is verified through the interview with the PP confirming that the project is not claiming any other environmental credits under any national and international crediting mechanisms and further confirmed by the declaration provided. The verification team also checked the international credits trading systems to assess double counting risks and the web links for the same have been listed in the section 7 of this report.

## 3.2 Methodology Deviations

No methodology deviations found in this monitoring period.

## 3.3 Project Description Deviations

From the earlier validated and verified risk assessment score of 13.75, now the assessment score is revised to 11.75, based on the change in status of the project during the verification period. However this change does not impact the overall project design or implementation. The revised risk score was verified to be in accordance with the implemented project plan.

## 3.4 Grouped Project

Not Applicable.

## 4. VERIFICATION FINDINGS

### 4.1 Project Implementation Status

The verification based on the onsite observation, found that there is no material discrepancies between the project implementation and the project description. The verification team checked the status of monitoring plan the completeness of monitoring system and found no discrepancies between the actual monitoring system and the monitoring plan set in the validated project description. The project has not applied for under any other GHG scheme and there will not be any double counting. The verification team was able to conclude the project has been implemented as described in the validated project description conform to the eligibility criteria.

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

The verification of all the data ex-ante and data ex-post (monitoring parameters) including data measurement, data transfer, data archiving, aggregation and calculation of baseline emissions, project emissions and leakage emissions are tabulated below.

| Parameter | Source considered and value applied | Conclusion by the verification team |
|---|---|---|
| RRD Forest / Non-Forest cover benchmark Map | Based on satellite images and is fixed at the start of every baseline period and field verification of deforested areas if any. | The satellite images based on LANDSAT and field verification indicated the parameter is monitored to meet the requirements as per monitoring plan. |
| Project area forest cover benchmark map | Based on satellite images and is fixed at the start of every baseline period and field verification of deforested areas if any. | The satellite images based on LANDSAT and field verification indicated the parameter is monitored to meet the requirements as per monitoring plan. |
| Leakage belt forest cover benchmark map | Based on satellite images and is fixed at the start of every baseline period and field verification of deforested areas if any. | The satellite images based on LANDSAT and field verification indicated the parameter is monitored to meet the requirements as per monitoring plan. |

<table>
<tr><td>Annual area of baseline deforestation in the reference region at year t</td><td>Calculated based on the results from future deforestation model using peer-reviewed software IDRISI Selva and field verification of deforested areas if any.</td><td>The excel sheet calculations were reviewed to be in line with the applied equations as per the validated PD. The calculations confirm to this verification period and there are no deviations.</td></tr>
<tr><td>Annual area of baseline deforestation in the project area at year t</td><td>Calculated based on the results from future deforestation model using peer-reviewed software IDRISI Selva and field verification of deforested areas if any.</td><td>The excel sheet calculations were reviewed to be in line with the applied equations as per the validated PD. The calculations confirm to this verification period and there are no deviations.</td></tr>
<tr><td>Annual area of baseline deforestation in the leakage belt at year t</td><td>Calculated based on the results from future deforestation model using peer-reviewed software IDRISI Selva and field verification of deforested areas if any.</td><td>The excel sheet calculations were reviewed to be in line with the applied equations as per the validated PD. The calculations confirm to this verification period and there are no deviations.</td></tr>
<tr><td>LULC Change</td><td>Percentage of forest that change to non-forest final classes during the historical reference period and during this verification period, monitored by LANDSAT maps and field verification of deforested areas if any. Summarised in AFOLU analysis.</td><td>The AFOLU analysis submitted was reviewed to be in line with the requirements as per the validated PD.</td></tr>
<tr><td>Displacement Leakage factor (DLF)</td><td>Value of zero applied as per VM0015 requirements</td><td>No deviation is observed from the validated PD.</td></tr>
<tr><td>Percentage of the overlapping leakage belts area to be assigned to project</td><td>• Map of distance to selective logging from tertiary roads<br>• Map of distance to rivers<br>• Project area forest cover benchmark map</td><td>The maps submitted were reviewed to meet the requirements as per monitoring plan.</td></tr>
<tr><td>Risk factor used to calculate VCS buffer credits</td><td>AFOLU Non-permanence Risk Tool V3.1 was applied to calculate the risk factor and risk assessment is submitted to VVB</td><td>The risk assessment was reviewed and the detailed assessment is attached as Annex 2 of this report.</td></tr>
<tr><td>Ex ante estimated effectiveness index</td><td>Calculated value as follows:<table><tr><td>0.2</td><td>years 1 - 5</td></tr><tr><td>0.5</td><td>years 6 - 10</td></tr><tr><td>0.8</td><td>years 11 - 30</td></tr></table></td><td>The excel sheet calculations were reviewed to be in line with the applied equations as per the validated PD. The calculations confirm to this verification period and there are no deviations.</td></tr>
</table>

The PP submitted emission reduction calculations and other supporting calculations in excel sheets in a excel sheet. The excel sheets are clear, un-protected and easily viewable. The calculation in the excel sheet is verified and found be correct. The methods and formulae set out in the project description for calculating baseline emissions, project emissions and leakage are correctly followed in the monitoring report and ER calculation sheet.

All the values are provided in the MR and ER calculation sheet are cross verified with its sources and confirmed no manual transposition errors between data sets have occurred. Also the consistency of values within MR is checked and found to be OK.

Hence verification team conclude that the GHG emission reductions and removals have been quantified correctly in accordance with the project description and applied methodology.

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

The GHG removals for the project reporting period are based on forest inventory measurements and calculation procedures and factors that have been assessed by the verification team, as described in Section 4.2 of this report. The verification team has attained a reasonable level of assurance that these measurements and procedures, including the internal quality control measures such as check plots, were designed and have been implemented to the highest level of quality. The verification team interviewed personnel from the client relevant to the project and confirmed their qualifications and expertise. Further the QA/ QC procedures adopted by client for the monitoring of the GHG emission reductions were found to conform with the project design and monitoring plan which ensured a high degree of data reliability.

### 4.4 Non-Permanence Risk Analysis

The verification team reviewed the Non-Permanence Risk Assessment provided at project validation. Though there has been no change regarding the overall status or applicability of any of the risk factors since project validation, including political factors, socio-economic factors, environmental factors, or factors relating to implementation of project activities, a revision of the risk assessment was undertaken during this verification due to which the non-permanence risk rating is revised to 11.75% from earlier applied value of 13.75%. The verification team therefore concludes that the risk rating is appropriate for the current reporting period. Please refer to the Non-permanence risk report version 02 uploaded along with the MR for a detailed description of the steps taken to assess the non-permanence risk rating determined by the project proponent. The verification team's assessment of the non-permanence risk rating is attached with this report as Appendix II.

## 5 SAFEGUARDS

### 5.1 No Net Harm

Section 2.1 of the monitoring report describes the activities carried out during this verification period related to the ethnic and environmental safeguards, within the constitutional and legal framework of the municipality. As observed for the years 2016 and 2017, project activities have continued to encourage the active participation of local stakeholders of the indigenous communities.

Several training programs and workshops were conducted and as capacity building exercise, cook stoves were distributed. Hence during this verification, the impact on community benefits was observed to be overall positive. The conclusion obtained is that the net benefit of the Project on biodiversity is always positive, compared with the negative impact that would continue to occur in a scenario without Project.

As the program implemented was designed to be beneficial to the community and environment, therefore no mitigation is necessary.

### 5.2 Local Stakeholder Consultations

Since the start date of the project in January 1$^{st}$ 2008 , direct communication has been maintained with the local communities about the various aspects of the project in line with requirements as per the validated PDD. For the current verification period, the workshops, awareness and training exercises conducted were considered as the project maintaining the community level dialogue and participation.

## 6 VERIFICATION CONCLUSION

EPIC Sustainability Services Private Limited has been engaged by RMDLT Property Group Ltd to perform the second periodic verification of the emission reductions reported for the project titled "RMDLT Portel-Para REDD Project" (Project ID: 977) for the period from 02-Jan-2012 to 31-Dec-2017 for the net reductions achieved by the project. The verification was based on the validated project description (PD), corresponding validation report, monitoring report, emission reduction spread sheets and other supporting documents made available to EPIC verification team by the project participant.

The management of project proponents are responsible for the preparation and reporting of GHG emissions data, and the reported GHG emissions reduction on the basis set out within the project monitoring plan.

It is the responsibility of EPIC verification team to express an independent GHG verification opinion on the GHG emissions from the project for the monitoring period starting from 02-Jan-2012 to 31-Dec-2017 based on the net reductions achieved and on the calculation of GHG emission reductions from the project based on the verified emissions for the same period.

The verification was carried out in accordance with the requirements of the VCS Validation and Verification manual Version 3.2 and VCS Standard 3.7. As a result of the verification, the verification team confirms that for the reporting period:

- the project is implemented as described in the validated PD
- the monitoring plan is in accordance with the approved monitoring methodology applied by the project activity
- The monitoring has been carried out in accordance with the validated PD
- the monitoring aspects (i.e. additional monitoring parameters, monitoring frequency and calibration frequency) were in place and functional, with the monitoring procedures in place for generating emission reduction operating appropriately and the calibration of all the equipment had been carried out accordingly, and
- the GHG emission reductions achieved were calculated correctly on the basis of approved monitoring methodology.

We have verified that the information included in the final monitoring report (Version 1.1, dated 25$^{th}$ February 2019) was correct and that the emission reductions achieved had been determined correctly. In our opinion, the GHG emission reductions for the period from 02-Jan-2012 to 31-Dec-2017 in the verified monitoring report for the project are fairly stated.

EPIC confirms that the GHG emission reductions were calculated without material misstatements for the whole monitoring period. Our opinion is based on the project's GHG emissions and resulting GHG emission reductions reported, and, to the valid and validated project baseline and monitoring documents.

We confirm the following:

Verification period: From *[02-January-2012]* to *[31-December-2017]*

| Year | Net GHG emission reductions or removals ($tCO_2e$) | Risk rating % | Buffer pool (VCUs) | Tradable VCUs |
|---|---|---|---|---|
| 2012* | 1,083,255 | 11.75% | 1,27,282 | 9,55,973 |
| 2013 | 1,083,285 | 11.75% | 1,27,286 | 9,55,999 |
| 2014 | 1,083,285 | 11.75% | 1,27,286 | 9,55,999 |
| 2015 | 1,077,416 | 11.75% | 1,26,596 | 9,50,820 |
| 2016 | 1,077,416 | 11.75% | 1,26,596 | 9,50,820 |
| 2017 | 1,077,416 | 11.75% | 1,26,596 | 9,50,820 |

**the date starts from 2nd January 2012 subsequent date from first verification*

Verified GHG emission reductions and removals in the above verification period:

| Year | Baseline emissions or removals ($tCO_2e$) | Project emissions or removals ($tCO_2e$) | Leakage emissions ($tCO_2e$) | Net GHG emission reductions or removals ($tCO_2e$) | Total VCUs after applying buffer |
|---|---|---|---|---|---|
| 2012* | 825 | 660 | 132 | 1,083,255 | 9,55,973 |
| 2013 | 825 | 660 | 132 | 1,083,285 | 9,55,999 |
| 2014 | 825 | 660 | 132 | 1,083,285 | 9,55,999 |
| 2015 | 825 | 413 | 83 | 1,077,416 | 9,50,820 |
| 2016 | 825 | 413 | 83 | 1,077,416 | 9,50,820 |
| 2017 | 825 | 413 | 83 | 1,077,416 | 9,50,820 |
| **Total** | **4952** | **3219** | **644** | **64,82,073** | 57,20,431 |

**the date starts from 2nd January 2012 subsequent date from first verification*

| Prepared by: | Approved by : |
|---|---|
|  |  |
| Dr G Vishnu | K Sudheendra |
| (Lead Auditor) | (Head Operations) |

## 7 LIST OF DOCUMENTS REVIEWED

| S.No. | Document details |
|---|---|
| 1 | VCS validated PDD for RMDLT |
| 2 | VCS validation report for RMDLT |
| 3 | VCS first MR for RMDLT |
| 4 | VCS verification report for RMDLT |
| 5 | VCS Monitoring report for second verification version 01 |
| 6 | VCS Monitoring report for second verification version 1.1 |
| 7 | Non- permanence risk report for second verification version 01 and supporting documents |
| 8 | Non- permanence risk report for second verification version 02 and supporting documents |
| 9 | VCS Standard version v3.7 Issued: 21 June 2017 |
| 10 | Agriculture, Forestry, and Other Land Use Requirements v3.6 Issued: 21 June 2017 |
| 11 | Non-Permanence Risk Report of second verification and "VCS Risk Report Calculation Tool". |
| 12 | Calculation tables VM 0015 – worksheets for baseline emissions |
| 13 | Calculation tables VMD 0015 – worksheets for project emissions |
| 14 | Calculation tables VMD 0015 – worksheets for leakage |
| 15 | Excel Worksheet for risk assessment |
| 16 | Calculation tables VMD 0015 – carbon stock change per hectare and emission calculation |
| 17 | Annex 1 : employment letters issued for this verification – appointment of new staff and declaration on work conditions from staff members |
| 18 | Annex 2: Conservation agreement for RMDLT |
| 19 | Annex 3: CV of management, operational and consulting staff in RMDLT |
| 20 | Annex 4: Adaptive management plan |
| 21 | Annex 5: Monitoring of sample plots: templates, guides and results of monitoring of |

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| | some sample plots. |
| 22 | Annex 6: Evidence of land ownership for the 17 parcels of RMDLT and carbon ownership |
| 23 | Annex 7: Documents about the implementation of auto-census in RIU-SM. |
| 24 | Annex 8: financial projection and estimates |
| 25 | Annex 9: Evidences for periodic patrolling activities (patrol logs) routes, maps, routes of surveillance and control results, fires warnings results, testimony from patrolling crew |
| 26 | Annex 10: community benefits – training and awareness programmes |
| 27 | Annex 11: Evidences about implementation of actions with regard to land titles – rose wood plot files |
| 28 | Annex 12: evidences for Cookstove distribution to communities |
| 29 | Annex 13: AFOLU deforestation model and GIS analysis on land use change |
| 30 | Annex 14: Legal opinion on certificate of land ownership |
| 31 | Annex 15: Declaration on the participation under other GHG programs |

## WEB LINKS ACCESSED:

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| https://cdm.unfccc.int/Projects/projsearch.html |
| https://mer.markit.com/br-reg/public/index.jsp?name=RMDLT%20Portel-Para%20REDD%20Project&entity=project&entity_domain=Markit,GoldStandard |

## APPENDIX I: RESOLUTION OF FINDINGS

| ID | FINDINGS | RESPONSE BY PP | VVB OPINION |
|---|---|---|---|
| **CAR 1** | The Land ownership records pertaining to the project activity has not been submitted. | The land ownership records for the 17 parcels are submitted. | The submitted land records have been reviewed and there are no changes from the validation stage.<br><br>CAR 1 Resolved |
| **CAR 2** | Sustainable development activities implemented during this monitoring period is not indicated in the MR | The section 2.1 of the MR tabulates the sustainable activities carried out during this period and evidence is submitted for the same. | The information in the revised MR and the evidences has been reviewed.<br><br>CAR 2 Resolved |
| **CAR 3** | The risk assessment is not submitted | The risk assessment (ver 01) performed using the VCS tool is submitted alongwith the worksheet | The risk assessment report submitted is reviewed. However clarify on the source used to calculate the governance risk.<br><br>Refer CL 01 |
| **CL 01** | Clarify on the source used to calculate the governance risk. | The risk assessment (ver 02) is now submitted with the updated source for the governance risk | The risk assessment report submitted is in line with the requirements.<br><br>CL 01 resolved |

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|---|---|---|---|
| **CAR 04** | The land use change analysis is not submitted | The AFOLU analysis is now submitted. | The AFOLU analysis has been reviewed and it is in line with the monitoring information as per the validated PD. |

## APPENDIX II: NON-PERMANENCE RISK ASSESSMENT CHECKLIST

| Risk Factor | Risk Factor and/or Mitigation Description | Risk rating as per PP | Justification by PP | Method of verification |
|---|---|---|---|---|
| **INTERNAL RISKS** | | | | |
| **Project Management** | | | | |
| a) | Species planted (where applicable) associated with more than 25% of the stocks on which GHG credits have previously been issued are not native or proven to be adapted to the same or similar agro-ecological zone(s) in which the project is located. | 0 | Not applicable | Not applicable as it is not A/R activity |
| b) | Ongoing enforcement to prevent encroachment by outside actors is required to protect more than 50% of stocks on which GHG | 0 | Patrolling activities were performed as per the monitoring plan | Based on Onsite inspection and interviews. Review of documents submitted. The score assigned is |

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| | credits have previously been issued. | | | acceptable. |
| c) | Management team does not include individuals with significant experience in all skills necessary to successfully undertake all project activities (i.e., any area of required experience is not covered by at least one individual with at least 5 years experience in the area). | 0 | The project team CVs have been submitted with requirements of atleast 5 years experience. | Based on Onsite inspection and interviews. Review of documents submitted. The score assigned is acceptable. |
| d) | Management team does not maintain a presence in the country or is located more than a day of travel from the project site, considering all parcels or polygons in the project area. | 2 | The management team does not have an office at Portel. In Belem office is functioning. | Based on Onsite inspection and interviews. The score assigned is acceptable. |
| e) | **Mitigation:** Management team includes individuals with significant experience in AFOLU project design and implementation, carbon accounting and reporting (e.g., individuals who have successfully managed projects through validation, verificationand issuance of GHG credits) under the VCS | 0 | The development of MR for this period was done by KMSPL , a consultant with considerable experience is carbon accounting, reporting and verification. | Onsite inspection and interviews. Review of documents submitted. The score assigned is acceptable. |

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| | Program or other approved GHG programs. | | | |
| f) | **Mitigation:** Adaptive management plan in place. | -2 | The management team has developed an adaptative management plan and it is Presented to VVB. | Onsite inspection and interviews. Review of documents submitted. The score assigned is acceptable. |
| **Total Project Management**<br><br>**[a + b + c + d + e + f]** | | 0 | Risk rating perceived is appropriate in this section considering all applicable criteria | Applicable as above |
| **Financial Viability** | | | | |
| a) | Project cash flow breakeven point is greater than 10 years from the current risk assessment. | 0 | NA | NA |
| b) | Project cash flow breakeven point is between 7 and up to 10 years from the current<br><br>risk assessment | 0 | NA | NA |
| c) | Project cash flow breakeven point between 4 and up to 7 years from the current risk assessment. | 1 | The breakeven point was between 4$^{th}$ and 7$^{th}$ years. The excel sheet for financial projections and accounting is submitted to VVB | Review of documents submitted. The score assigned is acceptable. |
| d) | Project cash flow breakeven point is less than 4 years | 0 | NA | NA |

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| | from the current risk assessment. | | | |
| e) | Project has secured less than 15% of funding needed to cover the total cash out<br><br>before the project reaches breakeven | 0 | NA | NA |
| f) | Project has secured 15% to less than 40% of funding needed to cover the total cash out required before the project reaches breakeven. | 0 | NA | NA |
| g) | Project has secured 40% to less than 80% of funding needed to cover the total cash<br><br>out required before the project reaches breakeven | 1 | This was fulfilled as described in the PD. The financial analysis is submitted | Review of documents submitted. The score assigned is acceptable. |
| h) | Project has secured 80% or more of funding needed to cover the total cash out<br><br>before the project reaches breakeven. | 0 | NA | NA |
| i) | **Mitigation:** Project has available as callable financial resources at least | | It is verified from the project financial plan that he project had available, as financial resources, at least 50% of the cash needed | Based on review of documents submitted. The score assigned is |

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| | 50% of total<br><br>cash out before project reaches breakeven. | | before breakeven threshold was reached. | acceptable. |
| | **Total Financial Viability (FV) [as applicable, ((a, b, c or d) + (e, f, g or h) + i)]** | 2 | Risk rating perceived is appropriate in this section considering all applicable criteria | Applicable as above |
| **Opportunity Cost** | | | | |
| a) | NPV from the most profitable alternative land use activity is expected to be at least<br><br>100% more than that associated with project activities; or where baseline activities<br><br>are subsistence-driven, net positive community impacts are not demonstrated. | 8 | NPV analysis is submitted | There is no change from risk score from previous verification. Based on review of documents submitted. The score assigned is acceptable. |
| b) | NPV from the most profitable alternative land use activity is expected to be between<br><br>50% and up to100% more than from project activities. | 0 | NA | NA |

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| c) | NPV from the most profitable alternative land use activity is expected to be between<br><br>20% and up to 50% more than from project activities. | 0 | NA | NA |
| d) | NPV from the most profitable alternative land use activity is expected to be between<br><br>20% more than and up to 20% less than from project activities; or where baseline<br><br>activities are subsistence-driven, net positive community impacts are demonstrated. | 0 | As verified from the site visit, majority of the baseline activity in the project areas is subsistence farming Assessment of the net impacts of the project on social and economic well being of the communities was positive. | Review of documents submitted. The score assigned is acceptable. |
| e) | NPV from project activities is expected to be between 20% and up to 50% more<br><br>profitable than the most profitable alternative land use activity. | NA | NA | NA |

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| f) | NPV from project activities is expected to be at least 50% more profitable than the<br><br>most profitable alternative land use activity. | NA | NA | NA |
| g) | **Mitigation:** Project proponent is a non-profit organization. | 0 | ACATISEMA is a non-profit based traditional association of town councils and indigenous authorities, non-profit;<br><br>MEDIAMOS is a profit based simplified joint stock company. | Review of documents submitted. The score assigned is acceptable |
| h) | **Mitigation:** Project is protected by legally binding commitment (see Section 2.2.4) to continue management practices that protect the credited carbon stocks over the<br><br>length of the project crediting period. | 0 | The adaptive management plan is submitted to address the requirement | Based on review of the documents submitted. The score assigned is acceptable |
| i) | **Mitigation:** Project is protected by legally binding commitment (see Section 2.2.4) to<br><br>continue management practices that protect the | -8 | The Project is protected by legally binding commitment from the landowner to protect the Project Area in perpetuity as indicated in Conservation agreement | There is no change from risk score from previous verification. Based on review of documents submitted. The score assigned is acceptable. |

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| | credited carbon stocks over at least<br><br>100 years. | | | |
| | **Total Opportunity Cost (OC) [as applicable, (a, b, c, d, e or f) + (g or h)]** | 0 | Risk rating perceived is appropriate in this section considering all applicable criteria | Applicable as above |
| **Project Longevity** | | | | |
| a) | Without legal agreement or requirement to continue the management practice. | 0 | The Project is protected by legally binding commitment from the landowner to protect the Project Area in perpetuity as indicated in Conservation agreement | There is no change from risk score from previous verification. Based on review of documents submitted. The score assigned is acceptable. |
| b) | With legal agreement or requirement to continue the management practice. | 0 | The Project is protected by legally binding commitment from the landowner to protect the Project Area in perpetuity as indicated in Conservation agreement | There is no change from risk score from previous verification. Based on review of documents submitted. The score assigned is acceptable. |
| c) | **Total Project Longevity (PL)** | 0 | Risk rating perceived is appropriate in this section considering all applicable criteria | Applicable as above |
| d) | **Total Internal Risk (PM + FV + OC + PL)** | 0 | Risk rating perceived is appropriate in this section considering all applicable criteria | Applicable as above |

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| **EXTERNAL RISKS** | | | | |
| **Land Tenure and Resource Access/Impacts** | | | | |
| a) | Ownership and resource access/use rights are held by same entity(s). | 0 | Carbon is under control of the Project Proponent as indicated in carbon ownership documents | There is no change from risk score from previous verification. Based on review of documents submitted. The score assigned is acceptable. |
| b) | Ownership and resource access/use rights are held by different entity(s) (e.g., land is government owned and the project proponent holds a lease or concession). | 0 | Ownership and resource access/use rights are held by the same entity. Thus this factor doesn't apply | Based on Site visit , interviews and land ownership records. The score assigned is acceptable. |
| c) | In more than 5% of the project area, there exist disputes over land tenure or ownership. | 0 | The Project's Boundary is legally owned private land as proved by the evidence on ownership | There is no change from risk score from previous verification. Based on review of documents submitted. The score assigned is acceptable. |
| d) | There exist disputes over access/use rights (or overlapping rights). | 0 | Villagers living within the Project's Boundary do so only on the Leakage Management Area (LMA). The Project Area is only forest area beyond 3Km from the rivers as indicated in the Social Assessment. Furthermore, the Project is in the process of grant of land-use rights and eventually land titles to those living in the LMA | There is no change from risk score from previous verification. Based on site visit and review of documents submitted. The score assigned is acceptable. |

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| e) | WRC projects unable to demonstrate that potential upstream and sea impacts that could undermine issued credits in the next 10 years are irrelevant or expected to be insignificant, or that there is a plan in place for effectively mitigating such impacts. | 0 | NA | NA |
| f) | **Mitigation:** Project area is protected by legally binding commitment (e.g., a conservation easement or protected area) to continue management practices that protect carbon stocks over the length of the project crediting period. | -2.0 | The Project is protected by legally binding commitment from the landowner to protect the Project Area in perpetuity as indicated in Conservation agreement | Site visit , interviews and review of documents. The score assigned is acceptable. |
| g) | **Mitigation:** Where disputes over land tenure, ownership or access/use rights exist, documented evidence is provided that projects have implemented activities to resolve the disputes or clarify overlapping claims. | 0 | NA | NA |
| | **Total Land Tenure (LT) [as applicable, ((a or b) + c + d + e+ f + g)]** | 0 | Risk rating perceived is appropriate in this section considering all applicable criteria | Applicable as above |

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| **Community Engagement** | | | | |
| a) | Less than 50 percent of households living within the project area, who are reliant on the project area, have been consulted. | 10 | Community engagement is in process and the implementation during this verification with evidences are provided. | Based on Site visit , interviews and review of documents. The score assigned is acceptable. |
| b) | Less than 20 percent of households living within 20 km of the project boundary outside the project area, and who are reliant on the project area, have been consulted. | 0 | NA | Site visit , interviews and review of documents. The score assigned is acceptable. |
| c) | **Mitigation:** The project generates net positive impacts on the social and economic well being of the local communities who derive livelihoods from the project area | 0 | NA | Site visit , interviews and review of documents. The score assigned is acceptable. |
| d) | **Total Community Engagement (CE) [where applicable, (a+b+c)]** | 10 | Risk rating perceived is appropriate in this section considering all applicable criteria | Applicable as above |
| **Political risk** | | | | |
| a) | Governance score of less than -0.79. | NA | NA | NA |

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| b) | Governance score of -0.79 to less than -0.32. | NA | NA | NA |
| c) | Governance score of --0.32 to less than 0.19. | NA | NA | NA |
| d) | Governance score of -0.19 to less than 0.82. | 2 | Average score of all six indicators for the five most recent years (20012-2017) is<br><br>-0.44<br><br>http://info.worldbank.org/governance/wgi/?fileName=wgidataset_stata.zip | From the review of documents. The score assigned is acceptable. |
| e) | Governance score of 0.82 or higher. | NA | NA | NA |
| f) | **Mitigation:** Country is implementing REDD+ Readiness or other activities, as set out in this Section 2.3.3. | -2 | The Colombian government is an active member of the UNFCCC REDD+ and within the framework of the same has established a National REDD Strategy ENREDD+. Further there is a Designated National Authority under which there are various projects under REDD+ mechanism. | From the review of documents. The score assigned is acceptable. |
| g) | **Total Political (PC) [as applicable ((a, b, c, d or e) + f)]** | 0 | Risk rating perceived is appropriate in this section considering all applicable criteria | Applicable as above |
| | **Total External Risk (LT + CE + PC)** | 10 | Risk rating perceived is appropriate in this section considering all applicable criteria | Applicable as above |

| NATURAL RISKS | | | | |
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| F | Fire | 0.5 | The fire risk significance is rated as "insignificant (less than 5% loss of carbon stocks). For this verification no losses above this threshold were reported. However the risk for some years reflected and increase. | Site visit inspection and from the review of documents. The score assigned is acceptable. |
| PD | Pest and Disease Outbreaks | 0 | The fire risk significance is rated as "insignificant (less than 5% loss of carbon stocks). During this verification, no significant loss has occurred due to any pests. | The score assigned is acceptable. |
| W | Extreme Weather | 1 | The extreme weather risk significance is rated as "insignificant (less than 5% loss of carbon stocks)." There were no losses due to cyclones this monitoring period.<br><br>For this verification no losses were reported. | The score assigned is acceptable. |
| G | Geological Risk | 0 | Because none of these risks have been identified to impact any discrete project area, significance is considered "no loss."<br><br>For this verification no losses were reported. | Web Data links as per Appendix 09 |
| ON | Other Natural risk | 0.25 | NA | NA |
| | **Total Natural Risk (as applicable, F + PD + W + G + ON)** | 1.75 | Risk rating perceived is appropriate in this section considering all applicable criteria. The applied mitigation scores to each of fire, pest, extreme weather and geological risk is | Applicable as above |

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| | | | acceptable. | |

| **Risk Category** | **Risk rating** | **Requirements for risk rating** |
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| a) Internal risk | 0 | Note:<br>• Overall risk rating shall be rounded up to the nearest whole percentage.<br>• The minimum risk rating shall be 10, regardless of the risk rating calculated.<br>• If the overall risk rating is over 60 then the project fails the entire risk analysis. |
| b) External risk | 10 | |
| c) Natural risk | 1.75 | |
| **Overall Risk rating a) + b) + c)** | **11.75** | |
| **Total risk assessment buffer applicable** | **11.75%** | VVB Assessment:<br><br>The buffer applied reflects the risk rating as applicable to the project activity and meets the requirements of AFOLU Non-Permanence Risk Tool. |
| **Net Change in carbon stocks** | 64,82,074 | |
| **Emission reductions buffer** | 7,57,897 | |