

VERIFICATION REPORT PROJECT REDD+ PROJECT FOR CARIBBEAN GUATEMALA: THE CONSERVATION COAST **AENOR**

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Summary:

AENOR started the first verification under VCS Standard and the CCB Standard Third Edition process in January 2017 when the Project Proponent submitted the monitoring reports for VCS/CCB and other supporting documents, such as the calculation spreadsheet, GIS package, the non-permanence risk assessment, etc.

The field visit took place from 30 January 2017 to 4 February 2017, in which the auditor visited the project area, interviewed key stakeholders, staff and other related experts and verified the implemented activities.

The purpose of the verification was to determine the conformance of the project with respect to the VCS Standard version 3.7, the CCB Project Design Standards Third Edition and the validated VCS Project Description (VCS-PD) and CCB Project Design Document (CCB-PDD).

The project area is designed as grouped. At verification, the project area is 54,441 ha, the project area of the first instances covers 54.157,68 hectares of forest established within the Izabal Department in Guatemala and 20 new instances were included adding 284,16 ha.

The National Government of Guatemala divided the country in five regions based on defined social, economic and geophysical characteristics that involve different deforestation patterns. Sarstun-Motagua is the region where the FUNDAECO Project is located and then, the used Reference Region.

The auditor submitted to the PP 6 CARs and 4 CLs for CCB and 6 CARs and 2 CLS for VCS (see in appendix 3 of this verification report). However, all these issues raised during the verification process were appropriately closed by means of corrections, more clear explanations and other supported documents.

Thus, once all issues detected were appropriately solved, AENOR has carried out this final verification report and deems with reasonable level of assurance that the project complies with all of the verification criteria for VCS and CCB. The assessment team has no restrictions or uncertainties with respect to the compliance of the project with the verification criteria; hence, the audit team concludes that the net GHG emissions reductions or removals 2,447,922 tonnes CO₂ equivalent including the buffer, over the monitoring period has been quantified in accordance with VCS rules.

Table of Contents

1	INTRODUCTION.....	5
1.1	Objective	5
1.2	Scope and Criteria	5
1.3	Level of Assurance.....	5
1.4	Summary Description of the Project.....	6
2	Verification Process	6
2.1	Method and Criteria.....	6
2.2	Document Review	10
2.3	Interviews	10
2.4	Site Inspections.....	10
2.5	Public Comments	10
2.6	Resolution of Findings.....	10
2.6.1	Forward Action Requests	10
2.7	Eligibility for Validation Activities	10
3	Validation Findings.....	10
3.1	Participation under Other GHG Programs.....	11
3.2	Methodology Deviations.....	11
3.3	Project Description Deviations	12
3.4	Grouped Project.....	14
4	GENERAL Verification Findings.....	19
4.1	Summary Description of the Project (G1).....	19
4.2	Project Location (G1)	21
4.3	Conditions Prior to Project Initiation (G1, G5, CM1 & B1)	21
4.4	Project Proponent (G1)	25
4.5	Other Entities Involved in the Project (G4)	25
4.6	Project Start Date (G3).....	25
4.7	Project Crediting Period (G1)	25
5	IMPLEMENTATION OF DESIGN.....	26
5.1	Project Implementation Status (G1)	26
5.2	Management of Risks to Project Benefits (G3)	29
5.3	Measures to Maintain High Conservation Values (CM2 & B2)	30
5.4	Project Financing (G1 & G4)	30
5.5	Employment Opportunities and Worker Safety (G3)	31
5.6	Stakeholders (G3)	32
5.7	Sustainable Development	34
6	LEGAL STATUS	34
6.1	Compliance with Laws, Statutes, Property Rights and Other Regulatory Frameworks (G3 & G5).....	34
6.2	Evidence of Project Ownership (G5)	36
6.3	Emissions Trading Programs and Other Binding Limits (G5.9).....	36
6.4	Participation under Other GHG Programs (G5.9).....	36
6.5	Other Forms of Environmental Credit (G5.9)	36
6.6	Projects Rejected by Other GHG Programs (G5.9).....	37
6.7	Respect for Rights and No Involuntary Relocation (G5).....	37

6.8	Illegal Activities and Project Benefits (G5)	37
7	APPLICATION OF METHODOLOGY	37
7.1	Baseline Scenario (G2, CM1 & B1)	37
7.2	Additionality (G2)	39
8	QUANTIFICATION OF GHG EMISSION REDUCTIONS AND REMOVALS	39
8.1	Accuracy of GHG Emission Reduction or Removal Calculations (G2)	39
8.2	Quality of Evidence to Determine GHG Emission Reductions or Removals	45
8.3	Non-Permanence Risk Analysis	46
8.4	Climate Change Adaptation Benefits (GL1)	56
9	COMMUNITY	56
9.1	Net Positive community Impacts (CM1 & CM3)	56
9.2	Offsite Stakeholder impacts (CM3)	57
9.3	Exceptional Community Benefits (GL2)	57
10	BIODIVERSITY	57
10.1	Net Positive Biodiversity Impacts (B1 & B4)	57
10.2	Offsite Biodiversity Impacts (B3)	59
10.3	Exceptional Biodiversity Benefits (GL3)	59
11	Verification conclusion	61
	APPENDIX 1: List of Evidence provided	64
	APPENDIX 2: List of Evidence provided	68
	APPENDIX 2: PEOPLE INTERVIEWED	69
	APPENDIX 3: VERIFICATION protocol	74
	APPENDIX 3: CCB VERIFICATION FINDINGS SUMMARY	86

INTRODUCTION

1.1 Objective

The objective of the verification audit was to conduct an independent assessment of the project to determine:

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

1.2 Scope and Criteria

Verification Scope: The scope of the verification audit is to verify the emissions reductions and/or removals of the Conservation Coast project in Guatemala, against the Verified Carbon Standard, the identified methodology and the validated PD throughout the monitoring period from 1 April 2012 to 31 December 2016.

The objectives of this audit included a verification of the projects calculated removals with the Verified Carbon Standard requirements and any additional requirements of VCS AFOLU projects. In addition, the audit assessed the project with respect to the validated baseline scenarios presented in the PD.

Standard criteria: Criteria from the following documents were used to assess this project:

- VCS Program Guide v.3.7
- VCS Standard v.3.7
- CCB Rules v 3.1
- Third edition CCB Standard
- VCS AFOLU Requirements v.3.6
- VCS AFOLU Non-Permanence Risk Tool v.3.3

Unless otherwise indicated, the assessment was performed against the most recent version of the relevant VCS guidance document. Describe the scope and criteria of the verification

1.3 Level of Assurance

The assessment was conducted to provide a reasonable level of assurance of conformance against the defined audit criteria and materiality thresholds within the audit scope. Based on the audit findings, a positive evaluation statement reasonably assures that the project GHG assertion is materially correct and is a fair representation of the GHG data and information.

All the revisions of the verification report before being submitted to the client were subjected to an independent internal technical review to confirm that all verification activities had been completed according to the pertinent AENOR instructions required. The technical review was performed by a technical reviewer(s) qualified in accordance with AENOR's qualification scheme for CDM/VCS validation and verification. The audit team was composed of the following people:

Name	Position in the team
Jose Luis Fuentes Perez	Lead Verifier
Manuel García Rosell	Verifier

1.4 Summary Description of the Project

The FUNDAECO Project focuses on reducing deforestation, improving the living conditions of the communities located within the project areas and surroundings.

By reducing deforestation, environmental function of the various ecosystems will continue, sites important to the Q'eqchi's cultural heritage will be preserved and the emission of greenhouse gases from deforestation and degradation is avoided.

The project is located in the Izabal Department along the Atlantic Coast of Guatemala. The project intends to conserve forests in the coast creating unique and natural environment in the Caribbean Coast.

2 VERIFICATION PROCESS

2.1 Method and Criteria

The verification was performed through a combination of document review, interviews and communications with relevant personnel and on-site inspections. The project was assessed for conformance to the criteria described in Section 1.2 of this report. As discussed in this report, findings were issued to ensure that the project was in full conformance to all requirements.

AENOR carried out this final verification report and deems with reasonable level of assurance that the project complies with all of the verification criteria.

The verification has been performed through a deep desk review and on-site inspection including interviews with relevant personnel.

The verification activities in which risks were assessed were the evaluations of the monitoring system (data flow, data control procedures, etc) but mainly the quality of raw data as well as sources and the spreadsheet calculations.

AENOR reproduced and verified 100% of the tables (sheets) in the VM0015 spreadsheet calculations and 100% of the data/calculations carried out in those tables for the monitoring period 1 April 2012 – 31 December 2016 for the project area and leakage belt.

Moreover, AENOR tracked down for all tables, if applicable, the correctness of formulae and data values linked to other supported spreadsheets (see appendix 1). In this case, AENOR carried out a sampling of data of at least 10% since many calculations are repetitive.

The project boundary and deforested areas in the project area and L.B for the monitoring period were 100% checked using the GIS database.

The carbon stock changes, forest classes in the project area and L.B were also 100% verified and crosschecked with validated values. For data provided for the reference region, AENOR carried out samples of at least 5% of data since they had already been previously validated and posed a lower risk to the emissions reductions achieved by the project.

AENOR also verified 100% of the data/calculations provided to calculate the ex-post project emissions in order to determine the conservativeness of the assumptions used by the PP.

AENOR decided to carry out a deep and meticulous review of the VM0015 spreadsheet due to the following reasons:

To verify the correct application of the methodology (formulae, equations..) and checked that data for all tables required are provided. The samplings carried out were possible since the monitoring data only included 5 years (2012-2016). Moreover, the AENOR verification team was familiar with the set of spreadsheet calculations since it had also out the project’s validation audit.

AENOR assessed as high risk level the errors in raw data generation/calculation methods/formulae applied in the VM0015 tables and links to other sheets due to their relevance for the GHG emissions reductions claimed by the project, and considering the high data number that must be managed.

As a result of these samplings AENOR detected minor errors or issued to be clarified that are stated in the CARs and CLs attached in the verification protocol.

The risks identified were mitigated through the assessment of all sets of documents and calculation spreadsheets and the review of samplings of data as explained above.

Some mistakes were identified and subsequently corrected. These findings are detailed in Appendix 2 and they were successfully closed. Therefore, related identified mistakes/clarifications as listed in findings in Appendix 2 to this report have been determined to be immaterial. All identified inconsistencies and clarification requests have been successfully closed.

On the other hand, the project is designed as a grouped project. At verification site visit 646 instances were presented. As commented in the validation report, the sampling was based on the equation used by the Forest Stewardship Council (FSC) in the Certification of the Forest Management Systems. This scheme uses the formula: $0.8 \cdot (n)^{1/2}$, being “n” the number of instances for the validation purposes (n=646 instances). Thus, 20 instances were selected based on cost effectiveness criteria but also considering the three municipalities involved (Morales, Puerto Barrios and Livingston), the variety of land tenure and the project instance size.

Instance	Ownership	Land tenure modality	Location	Area	Internal Code
34	FUNDAECO	propietario	Cerro San Gil	67,41	REDD-0034
72	Aktenamit	poseedor	AUMRS	36,52	REDD-0072

658	Concepción Coc Rax De Tiul	propietario	Cerro San Gil	20,04	REDD-0658
419	Cesar Miguel Alarcon Leonardo	Propietario	Cerro San Gil	168,19	REDD-0419
507	Otoniel de Jesus Ramos 3	poseedor	Cerro San Gil	7,28	REDD-0507
723	Santiago Bà Coc	poseedor	San Gil/PNRD	320,00	REDD-0723
97	FUNDAECO Tapon Creek	propietario	AUMRS	524,1	REDD-0097
98	Tapon Creek Rosario	propietario	AUMRS	2	REDD-0098
103	Marta Pop Xol	poseedor	AUMRS	3,27	REDD-0103
224	FUNDAECO La Firmeza/	propietario	Sierra Caral	1100	REDD-0224
276	Montaña Chiclera/Francisco Cappa	Municipal	Montaña Chiclera	1092,43	REDD-0276
148	Sebastián Bá Xol (Sesaquipec Regularizada)	Comunitaria	Sierra Santa Cruz	184,68	REDD-0148
212	Carlos Humberto Ruano García	poseedor	Livingston	691,88	REDD-0212
731	Marvin Arcely Argueta Pinto	poseedor	Cerro San Gil	27	REDD-0731
617	José Victor Girón Pérez	poseedor	Cerro San Gil	39,33	REDD-0617
628	Silvia Judith Ramos Girón	propietario	Cerro San Gil	7,73	REDD-0628
609	Marvin Sosa	Propietario	San Gil	27,22	REDD-0609
611	Marvin Sosa	Propietario	San Gil	26,88	REDD-0611

608	Marvin Sosa	Propietario	San Gil	17,55	REDD-0608
101	Alfredo Coc Xi (Blue Creck)	poseedor	AUMRS	650	REDD-0101

During the verification process, 20 new instances were included. AENOR validated the eligibility criteria for the 100% of new instances. A new site visit was not carried out due to the inclusion of these 20 new instances considering that AENOR was on site in January 2017 and that information provided by PP for the new instances combined with information gathered from the same validation/verification team in January is enough for issuance of an opinion about whether the project meets the rules and requirements of the CCB Program.

Based on the assessment carried out, AENOR confirms with a reasonable level of assurance that the claimed emission reductions are free from material errors, omissions or misstatements.

In addition, AENOR confirms that sufficient evidence were presented for the reported net anthropogenic GHG emission reductions and that there is a clear audit trail that contains the evidence and records that validate the stated figure in this verification report since:

- Sufficient evidence available: The project participant has provided the 100% of data used in the calculations to achieve the final amount of GHG emission reductions reported.
- Nature of evidence: The raw data were collected from reliable sources. They are detailed in the project documents and have been provided to the verification team and the most relevant are appropriately detailed in the appendix 1.
- Cross-checked evidence: AENOR cross-checked the collected information through an on-site inspection to the project area and reproducing calculations.

Hence, AENOR confirms that the stated figures in the monitoring report are correct and confirms that is able to certify net anthropogenic GHG removals based on verifiable and reliable evidence.

2.2 Document Review

The monitoring report, project description, and supporting documentation were carefully reviewed for conformance to the verification criteria and consistency with the Project Description. The audit team examined the baseline data gathered from the baseline determined for this Region, spreadsheets used to enter and compile information required by the methodology and reproduced the GHG emissions reductions calculations presented in the spreadsheet models to obtain same results than those appearing in the Monitoring report. The Non-Permanence Risks Reports for this monitoring period were assessed, as well.

Appendix 1 to this report details the list of documents provided by PP and reviewed by AENOR during the process.

2.3 Interviews

The list of the interviewed people is attached in appendix 2. The people interviewed were those directly affected or involved in the project activity, and in some cases were just indirectly affected.

2.4 Site Inspections

Site inspections were conducted from 30 January 2017 to 4 February 2017. The objectives of the site visit were to assess the accuracy of the Monitoring Report including project implementation status, to assess conformance to the monitoring plan, to assess whether project activities are being implemented according to the project description, and to assess the quality of field data collection techniques.

2.5 Public Comments

The Joint P.D was submitted to the VCS website for a 30-day public comment period from 13 January 2017 – 12 February 2017. No public comments were received during the validation process

2.6 Resolution of Findings

All findings issued by the AENOR audit team during the validation process have been closed for both VCS and CCB Standards. In accordance with Section 5.3.6 of the VCS Standard, all findings issued during the validation process, and the inputs for their closure, are described in Appendix 3 of this report.

2.6.1 Forward Action Requests

No FARs were raised to the PP during the verification process.

2.7 Eligibility for Validation Activities

AENOR holds accreditation for validation for the relevant sectoral scope 14 under which this project activity is classified.

3 VALIDATION FINDINGS

3.1 Participation under Other GHG Programs

The project was not validated under another GHG program; therefore there are no Gap Validation findings to report. The Project Description was subject to validation under VCS/CCB Standards and was found to conform to the VCS/CCB requirements.

3.2 Methodology Deviations

Two deviations were identified at validation stage. The information from the validation report is provided below.

The first deviation applied by PP is referred to the estimation of the carbon stocks for the wood product pool. The methodology requires estimating the wood products at the time of deforestation an estimation of extracted biomass using a measure of commercial volume extracted is proposed by the methodology in its appendix III for medium-term wood products and long-term wood products.

The PP proposes to use the VM0003 Methodology for Improved Forest Management Through Extension Rotation Age (IFM ERA), v1.2 to estimate the carbon stocks in the wood products as it provides a conservative and/or more accurate estimation.

The VM0003 Methodology allows a more accurate estimation of the extracted biomass carbon than the VM00015 due to the fact that this latter uses an indirect measurement of commercial volume relying on multiple estimators including above-ground biomass and commercial volume regressions, whereas the VM0003 estimates the EXCWP parameter just based on volume regressions equations then, the estimation does not rely on so many estimators, then, reducing the uncertainty and increasing the accuracy.

AENOR deems that the deviation is appropriately described and justified in PD and supported documentation and that the project remains in compliance with the VCS rules. For the assessment, AENOR validated the approaches and assumptions described and their application in calculations. After all, AENOR accepts the deviation and deems it reasonable because increase the accuracy and shall not negatively impact the conservativeness of the quantification of GHG emission reductions because the VM0003 v1.2 omits medium-term wood products which leads to a more conservative estimate of wood products in the baseline.

The second deviation is related to the calculation of the long-term (20 years) average carbon stocks of post deforestation classes. The project proponent has randomly sampled initial and final LULC classes to arrive unbiased estimates of carbon stocks. The project proponent applies the unbiased estimates of carbon stocks in accounting and uses a linear decay model per the requirement of Section 6.1.2 rather than a 20-year average.

The carbon stocks estimates for each selected carbon pool are unbiased because the carbon stock samples for each LULC classes were randomly selected. The project proponent conservatively accounts for the uncertainty in the carbon stock estimates according to the requirements of Section 6.1.1(f). Because the deviation is unbiased, it is more accurate than using (potentially) bias models to predict the flux within each carbon pools over a twenty-year prediction period.

Relative to the VCS AFOLU Requirements for the decay of carbon over time, it is more accurate to account for the decay of biomass in below-ground and deadwood using a linear 10-year decay model rather than a 20-year average. By taking an average over time, the methodology allows for non-conservative “forward crediting” in the baseline scenario where emissions reductions for decay are accounted for before they otherwise would have occurred. This deviation is more accurate and conservative than the prescribed methodology methods.

AENOR has checked that assumptions described are faithfully used in calculations and really gathers in a more accurate and/or conservative way the situation of the project and shall not negatively impact the conservativeness of the quantification of GHG emission reductions. Hence, AENOR deems that the deviation is appropriately described and justified in PD and supported documentation and that the project remains in compliance with the VCS rules. AENOR accepts the deviation and deems it reasonable because it’s a more accurate approach.

3.3 Project Description Deviations

According to the project information, several project description deviations occurred since the project was validated. The assessment is described below.

The first one refers to the exclusion of the carbon pool “litter”. The PP appropriately described and justified the deviation in section 2.9.2 of the monitoring report.

The carbon pool was included at validation, however, the project proponent determined that the litter carbon pool was not a significant pool and took in consideration the methodology assumption that states “the litter carbon pool is a pool to be decided by the PP and recommended only when significant (VM0015 Table 3)”. Thus, the project deviation is accepted by AENOR even more considering that the exclusion would be conservative in the estimate of baseline emissions, as the carbon stocks in the baseline scenario are lower than those in the project scenario. The average carbon stocks in the forest classes were determined to be 2.86 tC/ha as compared to 0.81 tC/ha in the non-forest classes.

Therefore, the project deviation is allowed by the methodology, then, does not affect to its applicability. The additionality of the project is not affected, either. This was based on multiple barriers and they are still in place and lastly, the baseline scenario identified at validation keeps on appropriate, i.e, the baseline scenario is not affected due to the exclusion of the litter carbon pool. The baseline scenario of the project is the continuation of pre-project situation, i.e, the increase of deforestation due to illegal activities and the conversion of forest areas to agricultural and grassland. The applicable methodology allows excluding the litter carbon pool. AENOR checked the applicable methodology and the AFOLU requirements. The litter carbon pool was included at validation, but it is not a significant pool according to the calculation, then PP decided to exclude it. In addition, the litter carbon pool is lower in the baseline scenario than the project scenario, so its exclusion is a conservative approach. This same approach was used for the SOC pool and the AGB non tree pool that were ruled out for sake of conservativeness. AENOR verified the emission reduction calculation and checked that litter carbon pool at baseline is lower than project scenario, then, it is accepted by AENOR. Therefore, the exclusion of the litter carbon pool does not affect the baseline scenario.

AENOR deems that the project deviation is correct based on methodology assumptions and its conservativeness and it is in compliance with the VCS rules.

For the assessment, AENOR validated the approaches and assumptions described above and in the methodology and their application in calculations. AENOR has checked that assumptions described are faithfully used in calculations and really gathers in a more conservative way the nature of the fact. Hence, AENOR accepts the deviation and deems it is reasonable.

The second deviation refers to the adding of new plots to improve the precision of carbon stock estimates. This procedure is related to measurement and monitoring. During the monitoring period 35 plots allocated in non-forest classes and 6 plots allocated in the Humid forest class were considered in order to reduce measurement uncertainty.

The project deviation is accepted by AENOR because improve the measurement and monitoring of carbon stocks and increase the accuracy.

Therefore, the project deviation is allowed by the methodology, then, does not affect to its applicability. The additionality of the project is not affected, either. This was based on multiple barriers and they are still in place and lastly, the baseline scenario identified at validation keeps on appropriate.

AENOR deems that the project deviation is correct because increase the representativeness of data and improve the accuracy, then it is in compliance with the VCS rules.

For the assessment, AENOR validated data from the 35 new plots and new values in the calculations. AENOR has checked that assumptions described are faithfully used in calculations. Hence, AENOR accepts the deviation and deems it is reasonable.

A third deviation is derived from the own design of the project as a grouped project. The project area changed due to the addition of new 20 instances representing 284.16 ha, then, the new project area is 54,441.84 ha. Since the project was registered as a grouped, this project deviation is accepted by AENOR. Likewise, AENOR validated the fulfilment of the new instances with the eligibility criteria defined in the validated VCS-CCB PDD. Then, it is in compliance with the VCS and CCB rules.

Since the boundaries and size of the project area changed during this monitoring period, the baseline emissions had to be re-run to account for these changes. The baseline scenario remained unchanged, meaning the exact same rates and spatial distribution of deforestation were utilized as for the PD throughout the Grouped Project area. Land cover change within these new parcels was also monitored during this monitoring period. Since the baseline scenario has not changed and land cover changes have been monitored within these new parcels, this deviation is permitted by VCS Standards.

Lastly, a fourth deviation is identified to include the Biodiversity Gold Level in the project. AENOR took into consideration the provisions in section 3.5.7 of the CCB Rules and assessing the project's situation considered the inclusion of the Biodiversity Gold Level as a validation of a project description deviation based on the significance of the deviation from the existing project design, but mainly based on evidence gathered during the site visit.

AENOR validated the updated PDD to check the inclusion of the new indicators addressed in section GL3 of the Third Edition of the Climate, Community and Biodiversity Standard.

The project area qualifies as a ‘Key Biodiversity Area’ according to the CCB Standards under the vulnerability criteria, which requires the occurrence of at least a single individual critically endangered or endangered species. Part of the project area is a known habitat for 6 such species, mostly amphibians. When AENOR carried out the site visit, one of the activities were to visit one of the areas in Sierra Caral where project activities have been implemented such as the establishment of an amphibian preserve and educational programs to protect these species from disease.

AENOR checked that the project description was updated in its section 7.3. The trigger species were identified and it was demonstrated that the vulnerability criteria (a), which requires the regular occurrence of at least a single individual critically endangered or endangered species. On the other hand, monitoring parameters have been defined and provided in the updated PDD.

Therefore, AENOR accepts the project deviation since appropriate information has been provided to demonstrate that the project meets the requirements of the Biodiversity Gold Level. As the project deviation is related to biodiversity, the project deviation does not impact on the emission reductions calculation.

3.4 Grouped Project

At verification 20 new instances were added to the project area. The monitoring report provides in its section 2.2.4 the list of new instances along with the assessment for each one of the eligibility criteria.

AENOR validated the new project activity instances based on the information reported in the monitoring report and supporting evidence provided against the applicable set of eligibility criteria. After checking the records (KMZ files, GIS packages, contracts, technologies, start dates, etc) AENOR deems that quality and completeness of evidence, data and documentation relating to the new project activity instances is complete and allows to carry out a reliable validation of new instances.

The AENOR validation assessment is provided in this bullet.

The assessment was carried out for the whole set of new instances. As a result, some questions were requested to the PP (see appendix 3) related some instances and some criteria. The CAR was closed with the explanations and evidence provided by the PP, therefore, AENOR deems that the 20 new instances meet the eligibility criteria for inclusion in the project.

As the number of new instances was reasonable, AENOR could undertake an individual assessment of each new instance, as commented above, then, no sampling methods were employed for the validation of such instances.

The list of new instances is detailed below:

Instance	Area included (ha)	Contract for inclusion
270	146,423	REDD-0270

424	2,59837	REDD-0424
699	4,81029	REDD-0699
715	0,556957	REDD-0715
726	3,22405	REDD-0726
729	16,6231	REDD-0729
782	3,42683	REDD-0782
855	8,99584	REDD-0855
856	0,093402	REDD-0856
858	13,7039	REDD-0858
863	4,26627	REDD-0863
864	3,94702	REDD-0864
865	5,65741	REDD-0865
866	17,742201	REDD-0866
870	13,1703	REDD-0870
872	7,59862	REDD-0872
875	8,89816	REDD-0875
876	5,70982	REDD-0876
877	14,1734	REDD-0877
879	3,07977	REDD-0879
TOTAL: 20	TOTAL: 284,16 ha	

For each instance, the monitoring report provides the assessment of the VCS grouped project requirements.

Eligibility criteria assessed:

1. The new instances shall occur within the designated grouped project area.

Figure 11 of the M.R provides a first location of the new instances. The information is well supported with the GIS package and the KMZ file.

As the Grouped Project Area was delineated in such a way to meet the similarity criteria to the Reference Region described in Section 1.1.1 of the VM0015 Methodology v1.1 and Section 5.3.1 of the PD, the new instances within the grouped project area meet the geographic criteria outlined in the PD and methodology.

2. The new instances shall comply with at least one complete set of eligibility criteria for the inclusion of new project activity instances. Partial compliance with multiple sets of eligibility criteria is insufficient.

All parcels fulfil with all eligibility criteria as demonstrated in this section.

3. The new instances shall be included in the monitoring report with sufficient technical, financial, geographic and other relevant information to demonstrate compliance with the applicable set of eligibility criteria and enable sampling by the validation/verification body.

The suitable information has been provided by PP to the AENOR verification team in order to check their compliance with the set of eligibility criteria. The evidence to support and justify the inclusion of parcels have been provided.

4. The new instances shall be validated at the time of verification against the applicable set of eligibility criteria.

AENOR is carrying out the validation of these instances during the verification process as evidence the inclusion of the validation activities in the verification report. The validation is undertaken against the applicable set of eligibility criteria.

5. The new instances shall have evidence of project ownership, in respect of each project activity instance, held by the project proponent from the respective start date of each project activity instance (i.e., the date upon which the project activity instance began reducing or removing GHG emissions).

The PP provided to AENOR a file for each new instance with the contracts, referenced in the monitoring report and this verification report, showing the project ownership by FUNDAECO over the new instances from the instance project start date. This is appropriately gathered in the 10th clause of the contracts.

6. The new instances shall have a start date that is the same as or later than the grouped project start date.

The grouped project start date as indicated in validated PDD is 1 April 2012. The instances project start dates, referenced in the table 7 of the monitoring report, are after 1/4/2012. In this regard, the PP provided the documents that identify the project activities implemented in the parcels to remove GHG emissions. Both project technology and start documents are detailed in table 7 of the monitoring report. In addition, AENOR verified that project technologies implemented are consistent with ones listed in the PDD.

7. The new instances shall be eligible for crediting from the start date of the instance through to the end of the project crediting period (only).

AENOR verified that new instances have been accounted from the project activity start dates to the end of the crediting period, i.e, 31 March 2042, not beyond.

This is the first verification, then, all new instances apply from this verification.

On the other hand, the addition of new project proponents to the project has not been necessary.

8. Communities or private landowners for new project activity instances must have been engaged in the FPIC process according to section 3.7.1 of the PD.

The column Socialization and Engagement in Table 7 lists the type of meeting that was completed with each forest owner of every parcel. Every forest owner was met with individually to be informed of the project and signed documents that confirmed their engagement in the FPIC process and their voluntary participation in the project.

9. Baseline activities may include planned or unplanned logging for timber, fuel-wood collection, charcoal production, agricultural and grazing activities as long as the category is unplanned deforestation according to the most recent VCS AFOLU requirements;

New instances included are within the defined grouped project area which has the same baseline activities, then, it means that activities are the conversion of forest land to annual agriculture, permanent agriculture, and pasture by small-scale farmers and large to medium scale cattle ranchers who are displaced due to agro-industrial development in the reference region. This baseline scenario in a mosaic configuration is clearly visible in the grouped project area.

10. Project activities may include one or a combination of the eligible categories defined in the description of the scope of the VM0015 methodology;

The project activities for the new instances were the forest patrols and the establishment of PINFOR/PINPEP programs. These activities are listed in table 7 of the M.R and can be considered as protection of forest without logging activities and thus meets eligible category A as defined by the scope of the VM0015 Methodology, v1.1.

11. The project area can include different types of forest, such as, but not limited to, old-growth forest, degraded forest, secondary forests, planted forests and agro-forestry systems meeting the national definition of "forest";

The new project area includes two types of forest, Very Humid Forest and Humid Forest and harmonizes with the Guatemalan Forest Definition. This new project area (284,16 ha) is included within the grouped project area, then, meet the definition of forest for a minimum of 10 years prior to the start date as GIS files evidence.

12. The project area shall only include land qualifying as "forest" for a minimum of 10 years prior to the project start date.

The PP has provided a GIS package to evidence that land of new instances were qualified at forest for a minimum of 10 years prior to the start date.

13. Area doesn't include any forested area grown on peat soils as per VM0015 definitions.

For original validation, all mangrove forests on soil with organic matter exceeding 65% were removed from the Grouped Project Area and Reference Region. None of the parcels added to the project overlap with these areas that were excluded for original validation.

14. New project activity instances use technologies specified below and in section 2.2.1 of the Project Description, and applies these technologies in the same manner as is described in section 2.2.1 of the Project Description. Project technologies will be enabled by the financial or technical assistance of the project proponent.

The M.R report provided in its table 7 the project activities implemented in the new instances. These are the increase of forest patrols and the establishment of PINFOR/PINPEP programs, which are both pre-defined project technologies in section 2.2.1 of the Project Description. The records for each parcel were provided to AENOR identifying the activities implemented at the project activity start date.

15. All new project activity instances are subject to the baseline determined in the PDD for the specified project activity and geographic area.

All new instances are within the grouped project area, then, they share the same baseline scenario (unplanned deforestation by known agents and drivers of deforestation). The new instances are similar to the ones validated.

16. New project activity instances must have characteristics with respect to additionality that are consistent with those demonstrated in Section 4.6 for the specified project activity (AUD) within the Grouped Project Area.

New instances are located within the grouped project area. They share the same baseline scenario and face the same barriers that validated instances, thus, the additionality for these new instances has similar characteristics to those ones defined in the PDD.

According to the PDD, the new instances must demonstrate that they received financial or technical support from the project proponent that resulted in emission reductions.

In this regard, the landowners of the added parcels received support from FUNDAECO to implement forest patrols or PINFOR/PINPEP programs. This is evidence in the supporting documentation for each instance.

AENOR based on evidence, justifications and feedbacks from PP validated the compliance of each new instance with the eligibility criteria set out in the PDD and deem they fulfil with criteria and then the inclusion is valid.

4 GENERAL VERIFICATION FINDINGS

4.1 Summary Description of the Project (G1)

Section 1.1 of the joint PD provides a summary description of the project:

The FUNDAECO project covers an area of 54.441,84 ha of forest in the Department of Izabal in the Atlantic Coast of Guatemala with a high value for biodiversity conservation and watershed protection.

The project defines clear objectives for Climate Community and Biodiversity along with main guidelines to achieve them. These are the followings:

For the Climate component the objective is to reduce CO₂ emissions that result from the conversion of intact forest to agricultural and pastoral land with the following actions:

- Widespread protection of forest in project zone.
- Extensive areas under agroforestry production or reforestation in project zone.
- Alternative revenue streams from forest production (e.g. agroforestry) and conservation uses
- Reduced illegal logging

For the Community component the objectives are:

To empower marginalized and vulnerable communities through the legalization of land, promotion of reproductive rights and participation in resource management through the following actions:

- All marginalized and vulnerable communities with customary right have legalized land
- Widespread awareness among women and families of reproductive rights and health
- Full access to reproductive health information and care within the project zone
- Ability and capacity of communities to implement sustainable resource management techniques
- Inclusion of all marginalized and vulnerable communities with customary rights in resource management decisions that may impact them

The objective of improving the quality of life in the project zone by creating access to new markets, promoting sustainable production and improving public health and education opportunities.

- Sufficient household income from provision of ecotourism services, sale of agroforestry products, and resource protection
- Protection of ecosystem services important to livelihoods and health

- Increased access to health information and care within the project zone
- Widespread access to community capacity building and educational opportunities

Promote landowner and community self-sufficiency in the project zone through diversified economies and sustainable land uses.

- Sufficient household income from provision of ecotourism services, sale of agroforestry products, and resource protection

Preserve awareness and respect for traditional, cultural, spiritual and religious identities of communities within the project area.

- Recognition and assistance in protection of significant traditional, cultural, spiritual, and religious sites
- Resource management with consideration of traditional, cultural, spiritual, and religious rights

For the Biodiversity component the main objective is to maintain habitat for viable, abundant and diverse natural populations with the following actions:

- Widespread protection of forest in project zone
- Promote awareness of ecosystem and habitat importance for native species

Reduce threats to rare, threatened and endangered species.

- Prevention of critical habitat loss for rare, threatened, and endangered within the project zone
- Maintenance or enhancement of critical habitat for rare, threatened, and endangered within the project zone
- Awareness of rare, threatened, and endangered species and their importance

Maintain the function of the natural ecosystems.

- Widespread protection of forest in project zone.
- Maintenance or enhancement of the integrity of important ecosystem services

Support local and global knowledge of biodiversity in the project zone.

- Increased awareness of the role of Guatemala's Caribbean coast in the support of diverse and globally important species populations
- Promote awareness of ecosystem and habitat importance for native species
- Awareness of rare, threatened, and endangered species and their importance.

The project intends to achieve these goals during a lifetime of 30 years and plans to increase the number of instances year by year as it is designed as grouped project to include and incorporate the greatest number of lands to the project's objectives and affect to a great number of communities. FUNDAECO has secured the project ownership over the whole project lifetime for all instances included at verification through a contract transfers.

4.2 Project Location (G1)

The REDD+ Project for Caribbean Guatemala is located along the Caribbean coast of Guatemala, in the department of Izabal, and has the potential to conserve up to 128,448 hectares of tropical forest that make up part of the Mesoamerican Biological Corridor.

The northernmost boundary of the project area is the Sarstun river, which marks the border between Guatemala and Belize, and the southernmost boundary of the project area shares a border with Honduras.

The PP provided to AENOR with a complete set of maps and GIS package including the KMZ files to define the boundaries of the grouped project area, the project area for the instances and the project zone. Maps have been included in the monitoring report.

4.3 Conditions Prior to Project Initiation (G1, G5, CM1 & B1)

Condition prior to project initiation was described in the PDD. PIR reiterates that information.

Communities located in the project zone, current land use and customary and legal property rights, biodiversity and threats to that biodiversity, types and condition of vegetation and the presence of High Conservation Values, were described in the validated joint VCS-CCB PD, which cannot change from the start of the project. There are no conflicts or legal disputes over the ownership or the right of use within the project area. The AENOR verification team confirms the information given by the PP.

More specific information regarding Communities, Biodiversity and High Conservation Values are provided in the different sections of the PIR. That Information provided was verified by checking different evidence such as the management plans of natural protected areas located within the project zone, scientific articles, and the assessment of agents of drivers of deforestation conducted by FUNDAECO, Socioeconomic Survey, among other documentation as well as through interviews with key stakeholders during the on-site visit. Moreover, the PP was inquired about the communities as a result of new instances. No new communities in the project zone or project area were identified by the PP according to maps and explanations provided.

The community information at the start of the project was provided. Inside the Project Zone 111 communities are found, 69 of them are from the Maya-q'eqchi' ethnic group, 40 are mestizo communities and 2 are mixed mestizo-q'eqchi' communities. q'eqchi' communities are located at the north, and ladino communities at the south. Communities own around 8% of forests inside the grouped project area. PDD provides details of community organization, differences and interactions between the community groups, poverty rates, gender situation, economic activities and incomes, main settlements, ethnic groups and cultural diversity, migration, among other aspects (CM1.1).

Section 2.8.1 of PIR provides a list of identified stakeholders and summarizes the process of stakeholder identification. FUNDAECO has identified the key actors (stakeholders) of the REDD+ project through its

five regional offices in Izabal and the knowledge and experience of their field technicians. The Izabal regional offices held identification activities and meetings in which the following key actors were identified: Community Development Councils (COCODES) and their Assemblies, Local Regional Indigenous and Community Associations and Protected Area Community Assemblies (Asambleas o Consejos Intercomunitarios de Áreas Protegidas), Protected Area Executive Councils or Boards of Directors (“Consejos Ejecutivos Locales de Áreas Protegidas”), Departmental and Municipal Coordination Instances: CODEDE and COMUDES, Farmers associations and Local leaders. The document “Plan de Comunicacion Final” gives more details about this process (G1.5 & G1.6).

Current land use and customary and legal property rights (G5.1)

As a grouped project the REDD+ Project for Caribbean Guatemala has a number of landholders with different land tenure arrangements where project activities are implemented and emission reductions can be claimed. Different tenure arrangements include private property, private property holders without formal title termed “poseedores”, community lands, State lands administered by CONAP, State lands given in concession to communities and industries and other users. With the exception of poseedores all of the tenure arrangements present in the grouped project area arise from either formal titles or formal management agreements with the State. These formal agreements are catalogued by the Cadastral Information Registry (RIC) following the Cadastral Information Registry Act of 2005 (Decree 41-2005).

In the case of poseedores, land titles are recognized by the State through municipal certificates. A “poseedor” is defined as a land holder who without being land owner exercises some or all of the usual property rights over a piece of land (Article 23 of Decree 41-2005).

With established rights to property, Article 22 of the Framework for the Regulation of the Reduction of Vulnerability, the Mandatory Adaptation to the effects of Climate Change and the Mitigation of the effects of Greenhouse Gases (Decree 07-2013) furthers the project ownership of legal owners or poseedores to emission reductions generated in either voluntary or compliance markets. For the REDD+ Project for Caribbean Guatemala, all participating properties have transferred their emissions reductions project ownership to FUNDAECO.

Conflicts or disputes over rights to lands (G5.5)

Section 2.8.3 of the monitoring and implementation report provides specific information about the cases addressed inside the project zone for the monitoring period.

According to information provided by PP but mainly gathered during the site visit in the interviews with local authorities and others, FUNDAECO has strengthened and expanded its existing procedures to ensure access to information, response to complaints and grievances, and conflict prevention and resolution -from the community to the regional level.

A system for managing the grievances has been implemented at different geographical and organizational levels, according to their gravity and urgency, ranging from requests of access to information, operational and administrative complaints, grievances and disputes over rights of access, collective conflicts, and potential violations of Legislation and Fundamental Rights. Different and specific channels of communication and complaint have been used, based on current practices, in order to ensure

that all stakeholders, particularly vulnerable populations – such as indigenous women- have rapid access to complaints and grievance redress.

In order to improve the Project’s performance as related to proper and effective response to complaints and grievances, the following mechanisms have been implemented:

- Quarterly Monitoring of requests for information, complaints and grievances, in order to identify areas if improvement and correction of procedures and/or operational methodologies
- Annual stakeholder satisfaction surveys, to be carried out by the Gender and Social Participation Direction of FUNDAECO,
- Annual Risk Assessment and identification of Potential Conflicts, and development of a Project Contingency Plan, in order to address issues that might develop into collective conflicts or grievances.

Finally, it is important to point out that the National Climate Change Law (Decree 7-2013) – assuming the fact that many community managed forests do not have a legal registry of property - specifically indicates that carbon rights are held by the owners or possessors of land, thus recognizing the right of communities that have managed and possessed their lands and forests, to participate in Emission Reduction projects. Contract transfers signed between FUNDAECO and owners for 30 years overcome the VCS requirement.

HCVs related to Community Well-Being (CM 1.2): Section 2.2.2 of MIR reiterates information provided in the PDD:

- Protected areas of the Caribbean Region comprises 21 sub basins, which provides critical ecosystem services that included water provision to approximately 172 communities and villages that live in protected areas and adjacent areas. Also forests of these basins are an important barrier that reduces the sedimentation and siltation of navigation canals. There are three main rivers in the zone constitute the most important water bodies in the region. These tributaries provide navigation services, fishing, and tourism.
- Regarding community’s needs, Project Zone services are not only fundamental for water generation, but also, provided fuel wood; medicinal plants; fruits, and natural fibers and seeds that are used for the production of handicrafts Some communities around the mountain known as Sierra Santa Cruz, extract the leaves of an ornamental plan known as xate (*Chamaedorea elegans* and *Chamaedorea oblongata*) which is exported.
- The Q’eqchi’ beliefs revolves around respect to the earth and the cosmos that are recognized as Tzuultaq’a, which literally means “the mountain and what is below”. While the sacred sites or Tzuutaq’a sites are not well defined geographically, participatory sessions and previous activities supporting cultural traditions have allowed the project proponent to identify as sacred sites at a regional level; the Tameja River cave system, Rio Quehueche cave system, and the mountain known as Cerro Sarstun.

Biodiversity Information (B1.1)

The Project Zone is considered one of the country’s biodiversity hotspots. Section 1.3.7 of the PDD described the biodiversity within the Project Zone based in different research studies conducted by

FUNDAECO, CONAP and many other organizations. For the region, an avian diversity of 426 species are reported, also 145 mammals, fifty five amphibian and one hundred six reptilian species are reported. Furthermore, according to historical records in the Flora of Guatemala, 1825 species are reported; however, experts agree that this number is extremely conservative.

On the other hand, FUNDAECO has used the theory of change to identify the threats to that biodiversity in the Project Zone. The majority of threats to biodiversity in the Project Zone are directly tied to the drivers of deforestation and forest degradation, and to the prevalence of unsustainable fishing practices along the Caribbean coast. The primary drivers of forest loss are the conversion of forest to cattle grazing and cropland for subsistence agriculture, while overfishing is driven primarily by a lack of employment and economic opportunities in the region.

HCVs related to Biodiversity (B 1.2): Biodiversity High Conservation Values identified was summarized in section 2.2.2 of MIR, which reiterates provided in Section 1.3.8 of the PDD:

- There are eight (8) protected areas within the project area which have some form of legal declaration at the national level: Cerro San Gil, Sierra Caral, Sierra Santa Cruz, Chocón Machacas Biotope, Montaña Chiclera, Río Sarstún, Punta de Manabique and Río Dulce National Park.
- Several especies have been reported and identified under IUCN catefores as Vulnerable (such as Highland Guan (*Penelopina nigra*), Keel-billed Motmot (*Electron carinatum*), Thomas's Sac-winged Bat (*Balantiopteryx io*) and White-lipped Peccary (*Tayassu pecari*). *Rana Del Bosque Verrugosa* (*Craugastor psephosypharus*), *Lepus Chirping Frog* (*Eleutherodactylus leprus*), *Bolitoglossa mulleri* (Müller's Mushroomtongue Salamander), among others) and "Endangered" (such as Yucatan Black Howler Monkey (*Alouatta pigra*), Yellow-headed Parrot (*Amazona oratrix*), Geoffroy's Spider Monkey (*Atteles geofroyi*), Baird's Tapir (*Tapirus bairdii*), *Craugastor charadra*, among others). This was checked against list IUCN Red List 2016-3.
- Several endemic species has been identified in the PDD. Species and its level of endemicity are identified in section 1.3.8.3 of the PDD.
- The area is critical for a large number of Nearctic-Neotropical Migratory species during the boreal winter. It is also an important migratory route for Neartic Shorebirds.
- The Project Zone's extent is well above the recommended threshold of 50,000 ha given by the "Common Guidance for HCV Identification for the region to be considered a High Conservation Value (HCV Resource Network)" to be considered under criterium 2. Thus, the region probably maintains an area sufficient to maintain viable populations for most large species.
- Lowland "terra firme" forests", Mangrove forests and associated coastal areas are rare ecosystems located in the project zone which are considered specially threatened.

The project is dedicated to maintain these biodiversity HCVs through numerous targeted project activities. Section 2.4 of the PDD identified several HCV management areas in order to focus HCV conservation efforts within the project area.

4.4 Project Proponent (G1)

FUNDAECO is the project proponent and is solely responsible for all aspects of project design, implementation, and management. FUNDAECO has project ownership for all emissions reductions from the REDD+ Project for Caribbean Guatemala.

Fundación para el Ecodesarrollo y la Conservación (FUNDAECO) is a non-profit organization dedicated to conservation and community development based in Guatemala City, Guatemala with field offices in the Department of Izabal.

4.5 Other Entities Involved in the Project (G4)

EcoPartners is involved in the project for the following activities: Assistance in project design, PDD drafting, carbon accounting, spatial modelling – based in Berkeley, California, USA.

Universidad del Valle de Guatemala (UVG) Centro de Estudios Ambientales y de Biodiversidad (CEAB) collaborates in the establishment of LULC maps over the historical reference period, development of species specific allometric equations, and measurement of carbon stocks.

Althelia Ecosphere is funding the project implementation and co-management of credit sales.

The knowledge, skills and experience of these other entities is developed in more deep in section 1.4 of the PIR.

4.6 Project Start Date (G3)

The project start date is April 1, 2012.

This date is based on the first project activity instance (PAI) incorporated to the project but using the structure created by FUNDAECO to implement the REDD+ project. This means that the project activities developed in the PAI were supported with the expected carbon revenues and finance resources achieved for the REDD project. These activities were patrolling and surveillance activities.

The PD provides further detailed description about the finance structure of the project and the transition milestones from individual projects to a REDD project strategy.

The date April 1, 2012 was the date when the project proponents started the activities and started moving forward with the PAI as a REDD project. In substantiation of the above date, the audit team was provided with the documents that support it. Given the justification and substantiation provided to the audit team, the audit team concludes that the starting of this first project activity can be reasonably the start of generation of GHG emission reductions by the project, and therefore that the project meets the requirements for project start date set out in Section 3.7.1 of the VCS Standard

4.7 Project Crediting Period (G1)

Section 1.6 of the PIR states that crediting period runs from April 1 2012 to March 31 2042, a total of 30 years. A detailed chronological plan is presented in the implementation plan which has been provided to the audit team.

In this regard, AENOR can confirm that PP has developed a credible and robust plan for managing and implementing the project over the crediting period in compliance with section 3.3.1 of AFOLU Requirements.

According to the VCS Standard version 3.7, the crediting period of AFOLU projects will have a minimum of 20 years and a maximum of 100 years. Therefore, the project activity is in line with the length of the crediting period.

5 IMPLEMENTATION OF DESIGN

5.1 Project Implementation Status (G1)

Section 1.1 of the monitoring report provides the objective to be achieved by the project activities and section 2.3.1 develops the main tasks carried out for the monitoring period. The information is supported with additional documents such a TOC Activity Matrix and the Monitoring Indicator and Results Matrix that give a complete information about the achievements.

In this monitoring period, FUNDAECO has maintained agreements with landowners throughout the project area to prevent the conversion of forest into agricultural land and grazing area, has provided protected area properties with consistent forest patrols, and has implemented agroforestry and livelihoods initiatives aimed at helping families to find stable sources of income that aren't derived from any deforestation activities. In this regard, the agreements between the parties were provided. The agreements gather the commitment above mentioned as well as the records showing the first project activity implemented in the instances. Most of the activities implemented were forest patrols. Likewise, AENOR took advantage of site visit to keep some interviews with less protected groups like collective's women in order to corroborate some initiatives developed with them to support their activities related to tourism and others.

FUNDAECO has monitored the forest in this period using LANDSAT imagery of the project area for any deforestation event in the project area. Results of the monitoring were provided in the GIS package where the deforested areas occurred during the monitoring period can be found.

The implementation plan for the phased project activities has been also provided to the AENOR team along with the budget and implementation schedule. FUNDAECO has achieved its objectives in Climate, Community and biodiversity by implementing project activities in every program area as results confirm.

The community oriented project activities implemented during the past monitoring period with the greatest impact on the quality of life for people within the project zone were those tied to generating alternative and sustainable sources of income, expanding health and reproductive care throughout the project zone, and improving the resource and land management capacity of communities. Together, these project activities have worked to address focal issues raised by communities throughout the project zone. Section 7 of the monitoring report provided the community monitoring results and demonstration of net positive community impacts for this monitoring period.

Regarding communities issues, AENOR verified during the site visit that the technical teams of the project proponent in the project zone included local people speaking the local languages and they are used to translate the project information to them in a form they understand. Interviewing to the communities and

individuals added to the project, AENOR verified their knowledge about the risks and benefits of the project and how their opinions are collected to be considered in the project decisions and planning. Section 2.8 provides further information about the measures for the participation of stakeholders in the decision making and the procedures for the grievances and conflicts.

Project activities designed to bring about benefits to biodiversity also tend to overlap quite frequently with climate and community objectives as well. As such, many activities implemented by FUNDAECO serve to address multiple objectives across all CCB categories. The primary activities that FUNDAECO has implemented to target the biodiversity objectives of the project consist of measures targeted at reducing deforestation, including the enforcement of protected area laws, improved land use management, and improving economic opportunities.

FUNDAECO has also taken measures to directly protect populations of vulnerable species through the establishment of fish restoration zones and amphibian protection protocols. In fact, one of the activities programed during the site visit was to walk in the night through one of these areas of special protection for amphibians.

In addition, FUNDAECO has worked to educate the public on the importance of biological diversity and environmental sustainability. FUNDAECO is also currently working to monitor and catalog bird species within the project zone in order to improve both the project's and the scientific community's understanding of species diversity within the region. Section 8 shows the biodiversity monitoring results and an assessment of net positive biodiversity impacts for this monitoring period.

On the other hand, an exhaustive list of the previously identified methodology deviations validated is provided below as required by the verification report template. A brief explanation is provided, however, the full assessment by AENOR is included in the validation report.

- The first deviation applied by PP is referred to the estimation of the carbon stocks for the wood product pool. The methodology requires estimating the wood products at the time of deforestation an estimation of extracted biomass using a measure of commercial volume extracted is proposed by the methodology in its appendix III for medium-term wood products and long-term wood products.

The PP proposes to use the VM0003 Methodology for Improved Forest Management Through Extension Rotation Age (IFM ERA), v1.2 to estimate the carbon stocks in the wood products as it provides a conservative and/or more accurate estimation.

AENOR deems that the deviation is appropriately described and justified in PD and supported documentation and that the project remains in compliance with the VCS rules. For the assessment, AENOR validated the approaches and assumptions described and their application in calculations. After all, AENOR accepts the deviation and deems it reasonable because increase the accuracy and shall not negatively impact the conservativeness of the quantification of GHG emission reductions because the VM0003 v1.2 omits medium-term wood products which leads to a more conservative estimate of wood products in the baseline.

- The second deviation is related to the calculation of the long-term (20 years) average carbon stocks of post deforestation classes. The project proponent has randomly sampled initial and final LULC classes to arrive unbiased estimates of carbon stocks. The project proponent applies the

unbiased estimates of carbon stocks in accounting and uses a linear decay model per the requirement of Section 6.1.2 rather than a 20-year average.

The carbon stocks estimates for each selected carbon pool are unbiased because the carbon stock samples for each LULC classes were randomly selected. The project proponent conservatively accounts for the uncertainty in the carbon stock estimates according to the requirements of Section 6.1.1(f). Because the deviation is unbiased, it is more accurate than using (potentially) bias models to predict the flux within each carbon pools over a twenty-year prediction period.

Relative to the VCS AFOLU Requirements for the decay of carbon over time, it is more accurate to account for the decay of biomass in below-ground and deadwood using a linear 10-year decay model rather than a 20-year average. By taking an average over time, the methodology allows for non-conservative “forward crediting” in the baseline scenario where emissions reductions for decay are accounted for before they otherwise would have occurred. This deviation is more accurate and conservative than the prescribed methodology methods.

AENOR has checked that assumptions described are faithfully used in calculations and really gathers in a more accurate and/or conservative way the situation of the project and shall not negatively impact the conservativeness of the quantification of GHG emission reductions. Hence, AENOR deems that the deviation is appropriately described and justified in PD and supported documentation and that the project remains in compliance with the VCS rules. AENOR accepts the deviation and deems it reasonable because it’s a more accurate approach.

In conclusion, during this verification process, AENOR has not detected project changes in regards of the project title, its purposes and objectives. As such, the project activity accurately reflects the proposed project which is mainly focused in the following program areas: resource protection and governance, sustainable enterprise, community empowerment & inclusiveness, education, and improved access to resources. Through interviews with key staff, the auditor’s team confirms the main objectives of the project activity.

AENOR checked the monitoring plan contained in the VCS-PD and compared it with the monitoring report to verify whether there was any difference that would cause an overestimation of the GHG emission reductions in the current monitoring period. AENOR has confirmed that there are no material discrepancies between the actual monitoring system, and the monitoring plan set out in the project description and the applied methodology, except to the project deviations already commented and assessed in the M.R and this verification report. Also, the project proponent effectively monitors the required parameters to determine the project’s removals by sinks and emissions by sources as required by the monitoring plan and the applicable methodology.

The parameters reported, including source, frequency and review criteria as indicated in the monitoring plan were verified to be correct and in line with the revised monitoring plan of the VCS-PD. Necessary management system procedures including responsibility and authority of monitoring activities have been verified to be consistent with the PD. Knowledge of personnel associated with the project activity was also found to be satisfactory. For this monitoring period there are not remaining issues from previous verification. This is the first verification event.

The project has not participated nor been rejected under any other GHG programs. GHG emission reductions or removals generated by the project are not included in an emission trading program or any other mechanism that includes GHG allowance trading. The project has not received or sought any other form of environmental credit. Neither has become eligible to do so since previous verification, this is the first one.

Hence, after a complete review of the different documents provided and the on-site visit, AENOR is able to confirm that the project implementation is in accordance with the revised project description. There are not material discrepancies between project implementation and the project description.

5.2 Management of Risks to Project Benefits (G3)

Section 2.3 of the M.R addresses the risks to the project benefits. Moreover, PP has developed a Non Permanence Risk Reports to estimate the risks on Climate benefits. (G1.10)

One of the most relevant risks to the implementation of REDD projects is the role of the Institutional Organizations and the support provided by them to the project activities over the time. This information is provided in the PDD and also ratified during the site visit and confirmed in the validation of similar projects in Guatemala by AENOR. The lack of resources and lack of continuity of public services could results in a slow and interrupted implementation of public policies and strategies. This can affect the project coordination with authorities in charge of law enforcement.

To diminish this risk FUNDAECO is part of National and Local working groups and Associations to favour the implementation of the project and works with the official institutions to avoid the lack of support and resources.

The design of the project as grouped project with many landowners involved and the existence of a defined grouped project area, a project zone and a project area require a correct enforcement of law in the region. The lack of governance in the project zone and surrounding areas could also be a risk for the project activities. However, the PP tries to mitigate this risk engaging local technicians and working with community promoters that keep a constant and close communication with communities and landowners to know their claims and demands. Moreover, as commented above FUNDAECO actively works in the region in different groups.

The project lifetime is 30 years; however, the project is designed to create benefits and impacts that are expected to last far beyond this time frame. For instance, through activities to support land titling FUNDAECO is ensuring community rights and also access to projects, funding, and stability for benefited communities. Furthermore, technical assistance for productive alternatives and access to education will contribute to maintain project benefits. It is expected all these joint interventions to generate impacts at the local development dynamics and patterns in the project zone, beyond project lifetime (G1.11). Project Implementation Plan, records of workshops carried out, Agents and Drivers of Deforestation Assessment among other documents was assessed by the audit team.

Other potential risks such as financial ones were also considered and mitigated though the support of Althelia Climate Fund.

5.3 Measures to Maintain High Conservation Values (CM2 & B2)

Measures to maintain HCVs related to community's wellbeing (CM2.2 and CM2.4).

Section 2.5.1 of the MIR describes the measures to be applied to maintenance of the high conservation value attributes related with community. The primary measure taken to maintain HCVs is the reduction of deforestation within the sites identified as HCVs, through the voluntary integration of some of these forests to the project area and the implementation of protection activities. By reducing deforestation and degradation, the project will avoid threats within these areas, and their environmental services and cultural uses can be guarantee.

During this monitoring period, FUNDAECO has implemented forest protection measures through the deployment of forest patrols, the enrolment of landowners along watersheds in PROBOSQUE and PINPEP programs, conservation education initiatives, and support to preserve awareness and respect for traditional, cultural, spiritual and religious identities of communities within the project area. No negative impacts on High Conservation Values due to project activities have been detected.

Measures to maintain HCVs related to Biodiversity (B2.3 and B2.4). The project is dedicated to maintaining these biodiversity HCVs through numerous targeted project activities. Several HCV management areas have been identified in order to focus HCV conservation efforts within the project area. The primary measure taken to maintain biodiversity HCVs is through the reduction of deforestation within the project area. As is discussed in Section 7, biodiversity is highly correlated with forest cover, and many of the identified biodiversity HCVs consist of forested areas within the project area and project zone, including protected areas, migratory corridors, landscape level ecosystems, and threatened ecosystems. By reducing deforestation and degradation threats within these areas, both the ecosystems and the threatened species within those ecosystems will be protected and maintained. FUNDAECO is implementing forest protection measures through the deployment of forest patrols, the enrolment of landowners in PINFOR and PINPEP programs, conservation education initiatives, and agroforestry systems. These project activities and their direct biodiversity benefits are described in more detail in Section 7.

Additionally, FUNDAECO is implementing specific measures to protect endangered amphibian species within the project area through the training of park guards in measures to prevent the spread of deadly amphibian fungal diseases. See Figure 7 for a map of amphibian protection zones. Sierra Caral Forest and Water Reserve was visited during the in site visit. Thus, the audit team was able to verify the facilities and measures implemented, interview reserve staff, and to walk on a path of sighting of specimens.

5.4 Project Financing (G1 & G4)

FUNDAECO is committed to cover project operation costs, initially through an investment from Althelia climate Fund that covers development expenses. During the rest of the project lifetime FUNDAECO is committed to sell carbon credits with the support from ACF. Also a VCU's marketing unit will be established in Guatemala to reach local companies. However, FUNDAECO continues searching funds from international cooperation. FUNDAECO will work with recognized sustainable development and conservation funds and agencies to cover costs from the different project components considering the

carbon market uncertainty, with intention to guarantee project cash flow. Financial projection was provided to the audit team. (G1.12)

Based on evidence and comments receive during site visit, AENOR considered that FUNDAECO is not involved in or is not complicit in any form of corruption such as bribery, embezzlement, fraud, favouritism, cronyism, nepotism, extortion, and collusion. In addition, FUNDAECO's Policy, Standards and Procedures Manual which contains the premises adopted for FUNDAECO, for the administration of Human Capital, the acquisition of goods and services, and the safeguarding of asset has been provided in order to demonstrate the institutional style of operation. (G4.3)

5.5 Employment Opportunities and Worker Safety (G3)

Section 2.7 of the monitoring report describes the measures identified and implemented to provide orientation and training for the project's and people from the Communities.

In order to build local useful skills and knowledges to increase success in the project implementation and goals, a significant amount of training and capacity building its being implemented by FUNDAECO, and is provided in different level to field technicians and community beneficiaries. Through workshops, filed technicians, and project beneficiaries will be trained to implement several types of agro-ecological products (black pepper, cardamom, rambutan, forestry amount others) and ecotourism in an environmentally low-impact manner. Through these activities economic opportunities can be improved in different area.

FUNDAECO trains all staff in the different aspects of the project components. For new employees, training period (induction process) will be provided in a 4 week term. Also periodical training can be made with project staff, covering relevant topic that are new to the staff or that needs to be improved and updated.

Trainings on Human Rights, Sexual and Reproductive Health and Rights, and other issues covering community rights and empowerment, will be organized by the Social and Gender Director.

Furthermore, partner institutions and organizations have been identified to support the implementation of the training programs. Other institutions can be included along the project life. (G3.9)

FUNDAECO Hiring procedures are established in section one of the institutional Manual for Policies, Rules and Procedures, (manual de politicas, normas y procedimientos). According to this manual when a new position or task is required, first opportunity is given to existing staff. When the skills are not founded inside the organization the position is announced trough different channels, such local radios, local newspapers, universities, web page etc.; the resumes will be evaluated following the procedures in the manual.

Hiring additional plant personnel such as consultants, or other professionals, specialized personnel is carried out within the framework of each specific project and according to the Terms of Reference required by the project, which include term, functions, products, fees, or other services.

In the case of the REDD+ Project for Caribbean Guatemala, FUNDAECO will retain existing staff in order to harness already acquired experience in: REDD+ topic; the knowledge of the project area, and its social

and natural conditions and dynamics; and the contacts with local communities and stakeholders. The staff hired by the project is local people with important experience in the area (G3.10).

Situations and occupations that might pose risks to worker's safety as well as FUNDAECO's mitigation of those risks was described in section 2.6.4 of the PD. The identified risks are associated with the use of land vehicles, the use of boats, snake bites, and other such as fall and insect bites (G3.12).

5.6 Stakeholders (G3)

The veracity of the local stakeholder consultation was verified during the on-site visit. AENOR checked the evidence of the different meetings about the project as well as the reports of the FPIC, the communication plan, etc. Evidence confirms that information provided by the PP is credible and consistent. In the cases of new instances added, the monitoring report provides in table 7 the column "Socialization and engagement" that states how the stakeholder consultation was carried out.

As commented above as the Project is also searching the verification status under the Climate, Community, and Biodiversity Standard, the whole processes and plans for the consultation with stakeholders is well detailed in the MIR and supported documents and annexes. Below is appropriately reference the AENOR assessment related to CCB requirements.

The stakeholder process consisted in inform, train and achieve the Free, Prior and Informed Consent (FPIC). The project was launched by the Department Governor, through a meeting request with the main institutions and coordination groups, including interinstitutional coordination groups, development Councils, and regional associations.

More than 100 consultation and socialization events were held from November 2015 to May 2016 (meetings, workshops, assemblies, etc.) in which more than 2400 people participated (between community groups, governmental institutions, community leaders, private stakeholders, women rights groups, etc.).

These meetings and assemblies planning by FUNDAECO were implemented with the organized and unorganized groups, individuals, Departmental Development Councils (CODEDE), Municipal Development Councils (COMUDES), Community Development Councils (COCODES), Women Rights Groups and governmental institutions. These community structures were used to implement the consultation processes of the project.

AENOR took the opportunity during the site visit to hold several meetings and interviews with representatives of these different community structures that confirmed the participation of them in the consultation process.

The meetings explained the objectives, possible positive and negative impacts expected from the project, benefits and implications that the project could have for their communities and quality of life. Print media were also used to inform local people, performing an illustrated summary of the Project Design Document. FUNDAECO was also sensitive to the indigenous people and women groups during the consultation process. In fact, local workers in the project area belonging to FUNDAECO speak indigenous language and were necessary during site visit to interview several groups.

The process of stakeholder identification (G1.5) was carried out by FUNDAECO through its five regional offices in Izabal and the knowledge and experience of their field technicians, FUNDAECO has identified the key actors (stakeholders) of the REDD+ project.

The Izabal regional offices held identification activities and meetings in which the following key actors were identified: Community Development Councils (COCODES) and their Assemblies, Local Regional Indigenous and Community Associations and Protected Area Community Assemblies (Asambleas o Consejos Intercomunitarios de Áreas Protegidas), Protected Area Executive Councils or Boards of Directors (“Consejos Ejecutivos Locales de Áreas Protegidas”), Departmental and Municipal Coordination Instances: CODEDE and COMUDES, Farmers associations and Local leaders.

Section 2.8 summarized the process of stakeholder identification. The document “Plan de Comunicacion Final” gives more details about this process.

The Stakeholder Engagement (G3.1) is commented in section 2.5 of the PDD. Information is included about how full project documentation was made accessible to Communities and Other Stakeholders, how the summary of the project documentation has been actively disseminated to Communities in relevant local or regional languages, and how widely publicized information meetings have been held with Communities and Other Stakeholders.

During the site visit the audit team was able to verify the document has been made accessible to stakeholders. For instance, advertisements given detail about the CCB public comments period and the links to access to the full documentation were found in the local office of FUNDAECO in Morales

The Free Prior and Informed Consent process (G3.4) was implemented by FUNDAECO with the identified stakeholders. The strategy followed during the implementation of the FPIC process (detailed in document “Informe de Proceso FPIC”) looked to cover all the coordination and organization levels within the project region.

Grievance redress procedure (G3.8) is described in section 2.8.3 of the MIR.

Reception, registration, response, resolution and/or referral of grievances will be executed at different geographical and organizational levels, according to their gravity and urgency, ranging from requests of access to information, operational and administrative complaints, grievances and disputes over rights of access, collective conflicts, and potential violations of Legislation and Fundamental Rights. Different and specific channels of communication and complaint will be used, based on current practices, in order to ensure that all stakeholders, particularly vulnerable populations – such as indigenous women- have rapid access to complaints and grievance redress.

A registry of complaints, responses and referrals will be kept at the Regional, National and Institutional Level.

In order to improve the Project’s performance as related to proper and effective response to complaints and grievances, mechanisms will be implemented, such as quarterly monitoring of requests for information, complaints and grievances, annual stakeholder satisfaction surveys, annual risk assessment and identification of potential conflicts, and development of a project contingency plan.

Definitively, PP and partners have involved in the consultation process to all people affected by the project in order to get a complete set of inputs from project area as well as to inform them about the project. Project proponents have a continue communication with the local Communities to implement and monitor goals of the project. Likewise, AENOR during site visit held numerous interviews with a broad range of stakeholders and confirmed the assertions made within the PD. AENOR could evidence how FUNDAECO has considered the comments, desires, and needs from local communities in its programs, e.g, the opening of a store to sell the handicrafts, the engaging of local people in FUNDAECO working sites, etc.

5.7 Sustainable Development

Section 1.7 of the monitoring report provides the sustainable development contributions of the project. The main goals of the project are focus in avoiding the deforestation, foster the sustainable development of local communities in ways that support broader national goals for sustainable development and to support the conservation, protection, and improvement of the country's natural resources.

A table is included in this of the M.R including the SDGs and how the project is contributing to achieve them. The project has made strong commitment to protecting biodiversity, especially the HCVs identified and has implemented various activities to support this commitment. The primary activity protecting biodiversity has been through the reduction of deforestation and forest degradation, confirmed with the GIS package generated for the monitoring period, and facilitating forest regeneration, since changes in forest cover are closely correlated to changes in biodiversity. This has primarily been achieved through the enforcement of protected area laws, improved land use management, and improving economic opportunities. FUNDAECO has also prohibited the use of invasive species and GMOs within the project area.

For community goals, AENOR verified as commented above that Fundaeco teams at project zone were composed of local people with high sensitivity to the community and biodiversity issues paying close attention to requests from local people and potential grievances between them in order to solve them and take actions based on their learnings. This directly supports the Katun 2032 National Development Plan launched by Guatemala in 2014. Some fundamental goals of this plan are welfare for the people, wealth for all, natural resources for today and tomorrow, and states that citizen participation is a fundamental element of long-term development. This project activity has also supported various other policies adopted by Guatemala's government, including their Forestry and Agricultural policies, alongside the National Policy for Integrated Rural Development.

6 LEGAL STATUS

6.1 Compliance with Laws, Statues, Property Rights and Other Regulatory Frameworks (G3 & G5)

Section 3.1 of the MIR provides information related the compliance with the applicable laws, statues and other regulatory frameworks. According to the information provided and assessed during the on-site visit, the main and relevant laws were detailed and their enforcement analysed in the MIR.

The project design fulfils the laws identified in the MIR as it was checked during site visit and interviews with FUNDAECO and other stakeholders. Moreover, the design and targets looked for by the project match with most of the issues promoted by the affected laws. Thus, AENOR deems that project complies with applicable laws, statues, and other regulatory frameworks.

The main regulations highlighted in the MIR are the following:

The rights and obligations of workers are contained in the Labour Code (Decree 1441 of the Guatemalan Congress).

Within the regulations of the Guatemalan Social Security Institute conducted in coordination with the Ministry of Labor, FUNDAECO applies the following regulations:

- The Regulation on Health and Safety at Work, contained in the Government Agreement No. 229-2014 and its amendments contained in No.33-2016, which contains regulations regarding work environment, vehicle driving, handling and operation of machinery, infrastructure and facilities, hazardous substances, infectious diseases and first aid kits.
- Regulation on Accident Protection, published by the Guatemalan Social Security Institute board (Agreement no. 1002) that regulates issues relating to accident prevention and first aid measures.

The state agency that enforces workers' rights respect is the Ministerio de Trabajo y Previsión Social, and the social security is in charge of the Instituto Guatemalteco de Seguridad Social –IGSS-. FUNDAECO is registered as an employer with both entities, and can receive evaluations as required by the law. In addition to social security coverage, the institution establishes an aggregate insurance policy with life insurance and medical expenses coverage.

FUNDAECO -in compliance with the content on civil, commercial and labor- enacts a Human Resources Policy, as part of Manual for Policies, Rules and Procedures which was presented to the Ministry of Labor and Social Security for review and approval by a representative of the employer and two representatives of the workers, having been approved by the Ministry through the 179-2002 resolution, regulating the conditions of working hours, salary payments, holidays, requests and claims, obligations of the employer and employees, safety and health.

In compliance with the established regulations, this manual has to be available to workers at each office in printed form and in digital form.

Recently, FUNDAECO has developed it Policy on Gender, No Discrimination and Violations against Fundamental Human Rights.

Specific procedures related to FUNDAECO field work are included in the institutional Policy and Plan for Health and Safety. FUNDAECO has also adopted the Security and Risk Manual at the Herpetarium from the Guadalajara Zoo Herpetarium, to manage its local herpetarium at Cerro San Gil. This herpetarium is registered at CONAP, and personnel have been trained by the Director of the National History Museum herpetarium (see manual de serpentarios.pdf).

The body responsible for ensuring compliance with all laws and regulations is the Technical Administrative Council or CTA, and at the same time operates as the Health and Safety Committee supplying security protocols and issued several tools for each employee, among some of this tools we can mention the instructive for Safety on Emergency Situations, instructional use of water and land vehicles; Chapter XIII of the Internal Work Regulations containing the Hygiene and Safety at Work guidelines. (G3.11)

Table 08 of section 3.1 of the MIR lists laws and regulation in the host country that are relevant to the project. The project is conducted under all those laws. (G5.6). FUNDAECO is compliant with all relevant local and national laws. (G5.7)

6.2 Evidence of Project Ownership (G5)

One of the relevant conditions of the project is the variety of tenure arrangements. The MIR identifies the following categories: Private owners recognized by el Registro General de la Propiedad “propietarios”, “poseedores” recognized by municipalities, state lands administered by CONAP, and state lands controlled by CECON. With the exception of “poseedores” all of the tenure arrangements present in the Grouped Project Area arise from either formal titles or formal management agreements with the State. In this case, land titles are recognized by the State through municipal certificates.

Based on the VCS Standard Section 3.11.1, the project demonstrates that the proponents have Right of Use over the emission reductions under subsection 4: “Project ownership arising by virtue of a statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions and/or removals (where such right includes the right of use of such reductions or removals and the project proponent has not been divested of such project ownership)”

In order to fulfil with the VCS requirements FUNDAECO has signed a contract with each participant in the project. The contracts establish that all participating properties transfer the project ownership to FUNDAECO. The contracts transfer the ownership for a minimum of 30 years. (G5.8)

AENOR checked during the verification process a sample of contracts. Documentation confirms project proponent has the rights over VCU be generated by the project activities taking place in these areas.

There are no material discrepancies between the project implementation and the project description.

6.3 Emissions Trading Programs and Other Binding Limits (G5.9)

GHG removals generated by the project will not be used for compliance with binding limits to GHG emissions since such limits are not enforced in Guatemala, and there is no emissions trading program in place in the country.

6.4 Participation under Other GHG Programs (G5.9)

The project has not been registered under any other GHG program.

6.5 Other Forms of Environmental Credit (G5.9)

The project has not sought or received other forms of environmental credit.

6.6 Projects Rejected by Other GHG Programs (G5.9)

The project has never applied neither has been rejected by other GHG programs.

6.7 Respect for Rights and No Involuntary Relocation (G5)

In accordance with the section 3.7 of the MIR, the Free Prior and Informed Consent process was implemented by FUNDAECO with the identified stakeholders. The FPIC report has been provided to the audit team. (G5.2),

The project does not require or involve the involuntary relocation of people or of activities important for their livelihoods or culture. The project is designed respecting and supporting people rights, in this sense the project includes land legalization actions that allow interested communities, with historical rights but without land titles, to include their forest in the grouped project area. This was verified through interviews with several stakeholders during the on-site visit (G5.3).

6.8 Illegal Activities and Project Benefits (G5)

The monitoring report in its section 3.8, table 9 lists the identified illegal activities that could affect the project impacts and the measures to be taken to reduce those illegal activities. The Project Implementation Plan describes in detail the planned project activities. The project does not considered any benefit from illegal activities (G5.4).

There are no discrepancies between the project and the project description with respect to the requirements of G5.5.

7 APPLICATION OF METHODOLOGY

7.1 Baseline Scenario (G2, CM1 & B1)

A complete description of the baseline scenario is provided in the MIR. Complete justification is provided in the methodological annex. There are no discrepancies between the project implementation report and the project description regarding the baseline scenario.

Following the applicable methodology an analysis of historical land use and land cover change was carried out. The historical reference period runs from 2000 to 2010, then it fulfils with terms of meth (as closest as possible to the project start date, April 1 2012, ≤ 2 years). Subsequently, it was carried out the analyses of agents, drivers and causes of deforestation that show an expansion of the agricultural and cattle in a mosaic configuration in the geographical area of the proposed project.

Finally, the deforestation was projected and the baseline scenario was established considering the historical average approach for the projection of the deforestation rates as no conclusive evidence emerged from the analysis of agents and drivers of deforestation. The reference region was divided in just one strata based on the agents and drivers behaviour in the reference region.

Thus, after the baseline methodology is applied, the baseline scenario is the continuation of pre-project situation, i.e, the increase of deforestation due to illegal activities, the conversion of forest areas to agricultural and grassland. Without project reference scenario (G2.1) the Ladino and Q'etchi communities would continuing being relocated from fluvial valleys to protected areas due to heavy investment for large-scale commercial production of timber species, palm oil, and cattle-grazing.

The remaining forested areas and protected areas of the region are located in the region's mountains that are generally above 300m in altitude with steep slopes and are unattractive for agro-industrial cultivation. As a result, agents of deforestation are typically small-scale farmers growing annual or permanent crops and farming livestock. This land use results in deforestation (unplanned).

The expected changes in the well-being conditions and other characteristics of Communities under the without-project land use scenario (CM1.3) are described in section 4.5.1 of the PD. It is described the assessment conducted based on methods proposed by Richards and Panfil (2011). The assessment was related to access to land and natural resources in both the baseline and project scenarios and focused over 6 main issues:

- Access to land
- Maize production/crop lands
- Access to livelihoods other than maize.
- Rains and water
- Education
- Sexual and Reproductive education and health.

Without the project, communities will stay in present conditions, meaning they will need to expand croplands eliminating forests, but also getting into others lands when their land is not producing enough. As a result some the expected changes in the wellbeing conditions shall be the the lack of food security, migration and social conflict, scarce of quality lands, peasants lack of best agricultural practices and then presence of shorter fallow cycles, among others. Reduced education opportunities for women, mortality rates for pregnant women will remain as well as poor health conditions in general.

Other envisaged situations are related to rains, erosion and disasters. There will be no law enforcement or access to incentives that guaranteed watersheds protection, that will be deforested leading to reduced river flows and competition for its use.

Without the project, there will be less access to alternative economic activities and then less support to diversified and alternative livelihoods.

Biodiversity conditions under the without-project land use scenario (B1.3)

Biodiversity conditions in the baseline scenario were analyzed based on the observed and predicted land use changes taking place in the project region. Changes in biodiversity are strongly correlated with changes in forest cover, making it possible to measure and analyze biodiversity health by using proxy indicators within the environment. The fact that biodiversity abundance is directly correlated with habitat and ecosystem health is possible to determine impacts on biodiversity from broader-scale assessments on an ecosystem or regional level. Fundaeco has used this approach to understand and predict changes in the biodiversity.

The project region consists of a network of threatened forest areas that provide invaluable habitat for an abundance of endemic species, as well as numerous migratory species. The ecological integrity of these forests has been severely impacted by anthropogenic land use change over the past several decades as the analysis of deforestation within the Sarstun Motagua reference region from the period of 2001-2010 showed. The drivers of deforestation create a causal chain of events that result in the loss of forest area and have negative effects on biodiversity throughout the region. Not only have these drivers already contributed to huge losses in forest area throughout the reference area in the past decade, but there were no direct actions being taken in the absence of the project to address any of these threats. Without the project's intervention, there would not be indications about measures to be taken to protect and maintain biodiversity within the Sarstun-Motagua region, which would result in the further fragmentation and loss of forest habitat as well as the decline in health and abundance of forest and marine species.

In order to verify the assessment provided in the PDD the audit team checked at validation different support documentation provided, such as the Agents and Drivers Assessment , FPIC Report, TOC Activity Matrix among others documents. Furthermore, several interviews with project staff and local stakeholders were conducted during the site visit.

AENOR deems that procedures, assumptions, justifications and data used in the identification of the baseline scenario are appropriately justified and can be deemed reasonable. Documentary evidence used in determining the baseline scenario is relevant, and correctly quoted and interpreted in the project description and mostly in the methodological annex to the PD. Relevant national and/or sectoral policies and circumstances have been considered and are listed in the supported documents. Thus, AENOR considers that the identified baseline scenario is correctly justified and in compliance with VCS requirements.

7.2 Additionality (G2)

As per the VCS and CCB validation report and related project documents, the additionality assessment of climate benefits demonstrates that when compared against potential alternative land uses the projects activity faces investment barriers, institutional barriers, local tradition and other barriers that makes its implementation in the absence of carbon finance unlikely.

The biodiversity benefits of the protective areas forest are directly linked to the climate benefits. Additionally, the employment created by the project (planting and maintenance), the skills established and the contribution to the tourism business are the most relevant and verifiable community benefits to date.

8 QUANTIFICATION OF GHG EMISSION REDUCTIONS AND REMOVALS

8.1 Accuracy of GHG Emission Reduction or Removal Calculations (G2)

Procedures for quantifying the baseline emissions from unplanned deforestation were conducted in accordance with the methodology VM0015 version 1.1. The verification team performed an intensive review of all input data, parameters, formulas, calculations, conversions, statistics and resulting uncertainties and output data to ensure consistency with the VCS documentation, methodology and associated tools, and the PD. Further, the validation team reproduced calculations for selected samples to ensure accuracy of the results. Conversion factors, formulas, and calculations were provided by project proponents in spreadsheet format to ensure all formulas were accessible for review. The verification team

recalculated subsets of the analysis to confirm correctness. Project proponent also provided a step-by-step overview of select calculations to ensure the verification team understood the approach and could confirm its consistency with the methodologies and PD. Where applicable, references for analysis methods or default values were checked against relevant scientific literature for best practice.

Baseline emissions

Sections 6.1 of the Monitoring Report and the calculation spreadsheet submitted to AENOR provide information related to the baseline emissions calculations.

AENOR has checked the calculations provided and confirms that emissions in the baseline scenario are consistent with the validated PDD. Some project deviations occurred during the current monitoring period. AENOR verified the correct application of the project deviation in formulas to calculate the emissions reductions of the project according to the applicable methodology.

The accumulated emissions in the project area in the baseline scenario for the monitoring period account **4,128,296 tn CO₂e**.

Calculation Project Emissions.

Calculation of emissions from project activities has been determined following monitoring plan in the methodology and the PDD. The deforestation in the project area was defined in accordance with the methodology but considering the methodology deviations listed above.

For the present monitoring period, the area of all categories in the project area and leakage belt has been calculated; the Forest Cover Maps for the project area and leakage belt have been updated along with the remaining forest area in the reference region.

According to data provided for the monitoring period the deforestation in the project area has been 2,336 ha, lower than the expected in the ex-ante scenario, hence, project activities provided positive benefits to the Climate component. The cumulative emissions for the monitoring period due to this deforestation in the project area were **1,068,393 t CO₂e**.

Regarding monitoring changes in carbon stocks, the PP updated the values of carbon stocks at validation due to the inclusion of more sample plots. This situation has been identified as a project deviation and approved for the sake of accuracy.

The non-CO₂ emissions from forest fires have not been monitored because it was not considered in the baseline scenario.

The project does not consider planned activities leading to decrease the carbon stocks, and potential increases in carbon stocks are discarded as conservative measure.

Calculations and GIS files were provided to AENOR. A complete description of the process, assumptions and assessments carried out by proponents is provided in the monitoring report.

Taking into account all these premises, the monitoring report sets out an accumulated 2,336 has of deforestation in the project area. In addition, the ex-post deforested areas per initial forest classes and post-deforestation classes within the project area and leakage belt are also detailed and, the total net carbon stocks changes in the project area resulting are calculated from discounting the ex-post carbon stock changes in the final non forest classes to the ex-post carbon stock changes in initial forest classes.

4.2.3 Calculation of Leakage

Leakage due to prevention measures are considered to be zero. PD and technical annex provide reasonable explanations to determine this value.

According to the VCS Methodology VM0015, version 1.1, two sources of leakage are potentially subject to monitoring, which are:

- Decrease in carbon stocks and increase in GHG emissions associated with leakage prevention activities.

During this monitoring period, leakage prevention actions did not include measures to enhance cropland and/or grazing land areas, thus no reduction in carbon stocks nor an increase in GHG emissions occurred.

No displaced forest fires nor increase in GHG emissions due to activities implemented in the leakage management area, such as emissions from grazing animals, fertilizer, or fuel use, were identified.

- Decrease in carbon stocks and increase in GHG emissions in due to activity displacement leakage.

The activities that cause deforestation within the project area in the baseline scenario could be displaced outside the project boundary due to the implementation of the AUD project activity. A greater decrease in carbon stocks within the leakage belt during the current monitoring period than those predicted ex-ante would indicate displacement of deforestation activities due to the project. According to the methodology, the ex-post deforestation above the baseline in the leakage belt area will be considered activity displacement leakage. Thus, leakage emissions due to activity displacement were calculated as the difference between the ex ante and the ex post assessment.

The results of carbon stock and emissions monitoring within the leakage belt are presented in section 6.3.2 of the monitoring report. It is estimated that there were 1,582 total hectares deforested within the

leakage area. However, this was less deforestation than estimated in the baseline scenario, thus the total emissions from activity-shifting leakage was 0 tons.

Tables in section 6.3.2 of the monitoring report show the ex-ante baseline estimation of carbon stocks in the leakage belt and the ex post net carbon stocks in the leakage belt. It is demonstrated that deforestation in the baseline (3,022,044 t CO₂e) is higher than deforestation in the project scenario (611,981 t CO₂e) for the monitoring period, then the total ex post leakage is zero. Thus, no credits were discounted due to activity displacement leakage during this monitoring period.

The only emissions from leakage occurred to the default market effects leakage, calculated as 20% of the gross ex-post emissions reductions. By implementing project activities aimed at reducing timber extraction due to illegal logging, it is expected that the project will affect the supply of timber in the local market. The project is conservatively estimating a 20% default market leakage factor following the requirements in the VCS AFOLU Requirements. The 20% default factor is applied in situations “where the ratio of merchantable biomass to total biomass is higher within the area to which harvesting is displaced compared to the project area.” Explanations were provided in the validated PD and deemed by AENOR as reasonable and credible. Moreover, its application is conservative, then acceptable.

These leakage amounts for the current monitoring period **611,981 tn CO₂**.

4.2.4 Calculation of emissions reductions or avoided emissions due to the project

Calculation of emission reductions has been provided. Audit team has found the calculation traceable and in accordance with the applied methodology.

As commented before, the project proponent provided the cumulative deforestation by forest stratum by year for the monitoring period 1/4/2012 to 31/12/2016.

The following tables summarize the results:

Year	Baseline emissions or removals (tCO ₂ e)	Project emissions or removals (tCO ₂ e)	Leakage emissions (tCO ₂ e)	Net GHG emission reductions or removals (tCO ₂ e)
2012	424,077	138,691	57,077	228,309
2013	786,259	221,817	112,888	451,553
2014	863,669	229,972	126,739	506,958
2015	976,595	235,740	148,171	592,684
2016	1,077,695	242,173	167,105	668,418
Total	4,128,296	1,068,393	611,981	2,447,922

If the buffer credits are considered, the net ex-post VCUs tradable for the monitoring period 2012-2016 are the following:

Year	Ex post net anthropogenic GHG emission reductions		Ex post VCUs tradable		Ex post buffer credits	
	annual ΔREDD_t	cumulative ΔREDD	annual VCU_t	cumulative VCU	annual VBC_t	cumulative VBC
	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e
2012	228,309	228,309	188,355	188,355	39,954	39,954
2013	451,553	679,862	372,531	560,886	79,022	118,976
2014	506,958	1,186,820	418,240	979,127	88,718	207,694
2015	592,684	1,779,504	488,965	1,468,091	103,720	311,413
2016	668,418	2,447,922	551,445	2,019,536	116,973	428,386

Vintages were established by year, 2012 vintages were prorated based on the project start date. Net GHG emissions reductions are presented above. The risk rating applied is 14%, the higher risk determined for the two risk areas applied to the project. The break down by risk area is provided below.

Year	Estimated net GHG emission reductions or removals (tCO ₂ e)		Ex Post Buffer Credits (tCO ₂ e)		Ex ante VCUs Tradable (tCO ₂ e)	
	Risk Area A	Risk Area B	Risk Area A	Risk Area B	Risk Area A	Risk Area B
1	45,013	183,297	7,877	32,077	37,135	151,220
2	89,027	362,526	15,580	63,442	73,447	299,084
3	99,950	407,008	17,491	71,226	82,459	335,782
4	116,852	475,833	20,449	83,271	96,403	392,562
5	131,783	536,635	23,062	93,911	108,721	442,724

Risk Area Totals	482,624	1,965,298	84,459	343,927	398,165	1,621,371
Project Totals	2,447,922		428,386		2,019,536	

AENOR reproduced the calculations to achieve the same results and deems they are depicted clearly and correctly in the provided sheets. The AENOR verification team was able to trace them directly from the data sources (field measurements). Formulae used are in compliance with monitoring plan, P.D and methodology like the default values used to determine the parameters. Thus, the net amount of VCUs to be issued is accurate and realistic. Assumptions used by PP at verification were appropriately cross-checked and assessed with requested evidence. New approaches or assumptions used at verification are detailed in project deviation section. In opinion of AENOR they are appropriately treated by PP in the monitoring report. They are correct and fulfil with VCS requirements.

In order to calculate the above terms, the monitoring report details the data and parameters used during the verification process. For each of them, AENOR checked its accuracy, consistency and reliability by reproducing the spreadsheets calculations, verifying the correctness of formulae and methods used and crosschecking the data values with sources (Appendix 1).

AENOR carried out a deep review of the technical annex and the calculations (VM0015 tables) and others provided by the PP that feed data values shown in the VM0015 tables (see appendix 1).

The project proponent used a sensible criterion (for parameters consisting of several values, example: value tables throughout the life of the project, the values have not been detailed in the VCS template just refers to the tables in order to be operative) to detail the monitoring information. Accordingly, the section 3 of the M.R was updated with the correct inputs, i.e, references to the sheets where the parameters are used or their values, if possible, the justifications, methods and others VCS requirements. This allowed to AENOR detect in an efficient way where the parameters were used, their values, the methods/formulae used and their correctness.

AENOR verified the consistency and accuracy of each parameter detailed in sections 5.2 and 5.3 of the monitoring report by crosschecking the information in the M.R (section 3.1) with the information in section 4.1 of the PDD as well as checking values and reproducing the calculations in the spreadsheets calculations and GIS package (see appendix 1) and did not find inconsistencies between them after the closing of CARs and CLs requested. Therefore, AENOR deems that values reported for the parameters are accuracy and consistent. Information was deemed accuracy and consistent taking into account sources used. Other default values used are from sources well accredited and validated at validation stage.

AENOR verified for list of parameter available at validation reported in the monitoring report and values applied (if applicable) or the references to the documents. The list is complete and in compliance with the methodology and the PDD.

The data and parameters monitored and used to determine the emission reductions of the project are also detailed in section 5.3 of the monitoring report. AENOR verified that list is complete and in

compliance with the applicable methodology and the PDD. For each parameter, the references to the tables where they are used are provided.

The parameters monitored are the followings: APDPAicl,t; APFAicl,t; APLPAicl,t; APNiPAicl,t; CUCdPA; EADLK; EADLKt; EBBBSLPA; EBBBSLtotal; EBBBSPA; EBBCH4icl; EBBN20icl; EBBPSPA; EBBPSPA; EBBtotal; ΔCFCdPA, ΔCFCdPAT; ΔCFCiPA; ΔCFCiPA; ΔCLPMLK; ΔCLPMLKt; ΔCPAdP ΔCPFiPA; A; ΔCPAiPA; ΔCPAiPAT; ΔCPDdPA; ΔCPDdPAT; ΔCPFdPA; ΔCPFdPAT; ΔCPFiPA; ΔCPFiPAT; ΔCPLdPA; ΔCPPLdPAT; ΔCPLiPA; ΔCPLiPAT; ΔCPNiPA; ΔCPNiPAT; ΔCPSLK; ΔCPSLKt; ΔCPSPA; ΔCPSPA; ΔCUCdPA; ΔCUCiP ΔCUFiPAA; ΔCUCiPAT, ΔCUDdPA; ΔCUDdPAT; ΔCUFdPA; ΔCUFdPAT; ΔCUFiPAT; ΔREDD; ΔREDDt; GIS software, Landsat imagery.

In order to verify the accuracy and consistency of parameters monitored and used to calculate the avoided emissions reductions achieved for the monitoring period, the AENOR verification team reproduced table by table using the sequence established in the methodology, checking the correctness of the formulae applied and assumptions used, when applicable and that values used matched with data sources. At the same time, the verification team had to check the set of other spreadsheets (see appendix1) that feed the VM0015 spreadsheet calculation and show data inputs for calculating the terms listed above. In addition, the whole set of spreadsheets are fed from sources mainly the GIS package and other sources/reports.

After a deep and thorough review and reproduction of calculations of tables from VM0015 and samples to the tracks to the other spreadsheets, AENOR deems the parameters monitored and available at validation are correct, reliable and consistent. Information in the monitoring report is in compliance with the PDD, the calculations provided and the applicable methodology. Then, the results showed in the monitoring report are reliable, consistency and accuracy.

8.2 Quality of Evidence to Determine GHG Emission Reductions or Removals

The data and parameters used to determine greenhouse gas emission reductions and removals are listed in section 5 of the monitoring report.

In accordance with the PD and applied methodology, carbon stocks/ha in the different strata are considered fixed, however, as commented in the project deviation section the carbon stocks were updated as the PP included the information from more permanent sample plots in order to increase the representative of data and increase the accuracy. On the other hand, PP has implemented standard operative procedures to monitoring degradation, deforestation, fires and to information storage.

Fundaeco which is the project participant of the project uses a GIS package for analyzing the existence of forest and non-forest in the project area and leakage belt during project verification. The monitoring report describes the steps followed to analyze the information. The monitoring of unplanned deforestation will be done using higher spatial resolution satellite images, depending on access to images and the advancement of technology.

The assessment of land-use and land-cover change was done using LANDSAT 8 OLI satellite images to generate the deforestation data. Deforestation estimates obtained from this analysis has been compared with the deforestation model established in the baseline scenario.

This information is deeper treated in several documents that support information provided in the monitoring report.

AENOR has verified that the monitoring plan is being implemented as the described in the project description. Fundaeco counts on the help of EcoPartners, Universidad del Valle de Guatemala and Althelia Ecosphere for implementing project activities. An integrated cooperation between all these organizations allows carrying out the multiple activities considered. AENOR checked that key workers are fully involved in monitoring events (training, measuring, archiving, reporting, quality control, etc). QA/QC procedures are considered strict at identifying, reviewing, and handling inconsistencies found in order to improve the management of the project.

Roles and responsibilities along with data management and archival system are also detailed in the monitoring report and other supported documents.

Interviews with the project proponent and inspection of data and results demonstrated that the project proponents possess all of the competencies required for reporting of GHG emissions reductions on accurate way.

Data presented to the audit team were clear and coherent and processing steps could be traced to the corresponding sections of the methodology and monitoring plan with transparency.

The monitoring plan provides means for internal data review and quality control, and the data presented by the project proponent included the results of these internal assessments. AENOR considers that information provided is sufficiency and the quality of that information is appropriate to determine the GHG removals.

8.3 Non-Permanence Risk Analysis

FUNDAECO carried out two risk analysis based on land ownership as occurred at validation.

FUNDAECO has elaborated VCS Non permanence Risk Reports for the monitoring period according to the AFOLU Non Permanence Risk Tool v.3.3

Below, it is explained the assessment of the non-permanence risk rating determined by the project participant in the reports dated on November 24 2017 version 2.15 for the area A and B. Issues raised to them in this regard are detailed in the verification protocol.

RISK AREA A

Risk factor	Risk Rating	Findings and mitigation activities	Corrective Actions/Clarifications
Internal Risks			
Project Management: It is assessed using table 1 of the VCS	-4	a) Not applicable as it is not a forestation project. The project is a REDD project as	See verification protocol

<p>AFOLU Risk Tool.</p>		<p>checked with the design of the project.</p> <p>Risk rating=0 is justified.</p> <p>b) Not applicable as the project has not previously issued any GHG credit.</p> <p>Risk rating=0 is justified.</p> <p>c) In accordance with the evidence provided, management team includes individuals with significant experience in sustainable forestry and VCS projects. This was checked during site visit.</p> <p>Risk rating=0 is justified.</p> <p>d) Manager team maintains a presence in the country. The PP has people in the Izabal Region. This was checked during site visit.</p> <p>This, rating =0 is justified.</p> <p>e) For the project a multidisciplinary team with high experience in REDD projects is working such as Ecopartners.</p> <p>Then, it is well justified the rating=-2.</p> <p>f) Adaptive management plan in place.</p> <p>The project has an adaptive management plan for VCS and CCBS that will enable the Project implementation team supervising the real impact of the project over the climate, community and biodiversity.</p> <p>The potential risks are cover in the PDD. The monitoring progress is cover by the Monitoring Plan and Monitoring report.</p> <p>Then, rating = -2 is correct.</p>	
<p>Financial viability: It is assessed using table 2 of the VCS AFOLU Risk Tool.</p>	<p>3</p>	<p>a)-d).According to the project cash flow carried out by the PP, the breakeven point is reached at year 8. Cash flow was provided to AENOR which can confirm this matter.</p> <p>Thus, the rating chosen=2 is correct.</p> <p>e)- h) The project has secured 40% to less than 80% of funding needed to cover the total cash out required before the project reaches breakeven.</p> <p>Thus, the rating chosen=1 is correct.</p> <p>i) No mitigation actions. Then, rating=0</p>	<p>See verification protocol</p>

		is correct.	
Opportunity Cost: It is assessed using table 3 of the VCS AFOLU Risk Tool.	0 (total may be less than zero)	<p>a)-f) In the case of the project the case c) is applied. NPV from the most profitable alternative land use activity is expected to be between 20% and up to 50% more than from project activities. NPV analysis was provided to AENOR, then rating 4 is correct.</p> <p>g) FUNDAECO is a NGO, then rating -2 is correct.</p> <p>h) Project is protected by legally binding commitment to continue management practices that protect the credited carbon stocks over the length of the project crediting period. Then rating -2 is correct.</p> <p>i) No mitigation measure, then rating 0 is correct.</p>	See verification protocol
Project Longevity: It is assessed using table 4 of the VCS AFOLU Risk Tool.	15	a)-b) The project proponent has a legal agreement to continue the management practices for the whole project longevity, i.e, the 30 years. Then option b is applied.	See verification protocol
Total internal Risk=14			
External Risks			
Land Tenure and resources access/impact: It shall be assessed using table 6 of the Risk Tool.	0 (total may not be less than zero)	<p>a)-b) Option a is applicable in area A as all properties belong to FUNDAECO. Then rating 0 is correct.</p> <p>c)-d) There are not disputes, then rating 0 is correct.</p> <p>e) it is not applicable.</p> <p>f) Project area A is protected by the commitment of FUNDAECO as PP to continue management practices over 30 years. The document "ACTA NOTARIAL PUNTO DE ACTA REDD+.pdf" legally designates all FUNDAECO owned lands as part of the REDD+ project and stipulates that the management of these lands will be carried out in accordance with the REDD+ project goals and continued for a total of 60 years.</p> <p>Then rating -2 is correct.</p> <p>g) Not applicable.</p>	See verification protocol

		Then rating =0 is correct.	
Community engagement: It shall be assessed using table 7 of the Risk Tool.	-5	<p>a) FUNDAECO has consulted with 2101 of the 2800 families living within the Grouped Project Area. This means that at least 75% of the families living within the Project Area have been consulted as part of the FPIC process. This is described in more detail in the FPIC guidance document.</p> <p>Then rating=0 is correct.</p> <p>b) A mobility analysis of agents within the project area found that the longest distance willing to travel to collect timber, firewood, or clear an area for cultivation was 2.6 km. In order to conservatively estimate the number of households surveyed by FUNDAECO, all households within the project zone were considered for this analysis. Of those roughly 5,000 households within the project zone, FUNDAECO has consulted with 2101 of those households that may be dependent on the project area. This means that FUNDAECO has consulted with roughly 42% of the households that may be dependent on the project area within the surrounding region, which is well above the 20% threshold.</p> <p>Then rating=0 is correct.</p> <p>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. Then the rating=-5 is correct.</p>	See verification protocol
Political Risks: It shall be assessed using table 8 of the Risk Tool.	2	<p>a)-e) The governance score calculated using "World Bank Institute's Worldwide Governance Indicators (WGI)", average for the last five years available is -0.60</p> <p>Then, rating 4 is correct.</p> <p>AENOR verified the value and reliability of source.</p> <p>f) Mitigation: Country is implementing REDD+ Readiness or other activities as evidence provided demonstrated.</p> <p>Then, rating -2 is correct.</p>	See verification protocol

Total external risks=0 (negative score is not allowed)

Natural Risks -			
Fire Risk: It shall be assessed using table 10 of the Risk Tool.	LS*M=0	<p>Significance (S) for this risk is “insignificant” and likelihood is “once every 100 years or more”. Then LS=0.</p> <p>The project does not consider mitigation actions, then, risk is penalized with a M=1.</p> <p>Data from INAB and different studies and reports about fires in tropical rainforest confirm a very likelihood of this risk in the project area. Sources are presented in the PD.</p>	See verification protocol
Pest and disease outbreaks: It shall be assessed using table 10 of the Risk tool.	LS*M= 0	<p>Significance and Likelihood (LS): For the present project a value of “insignificant” has been reported due to the project area is natural forest, then, naturally resilient to extensive pest outbreaks. Likewise, the project is a REDD project, then, commercial forest plantation are not allowed, then, there is not risk of diseases from these activities. The likelihood has been selected to be “every 50-100 years”, then LS=0.</p> <p>Mitigation (M) measures are not claimed, then rating 1 is correct.</p>	See verification protocol
Extreme weather: It shall be assessed using table 10 of the Risk tool.	LS*M=0	<p>Significance and Likelihood (LS). Significance is rated as “insignificant” The likelihood has been qualified as “not applicable”.</p> <p>According to reports and sources consulted and presented in the PDD no events are reported or just one in the last 100 years. The project area suffer flooding or drought but damages are focused on agriculture and deforested areas.</p> <p>No Mitigation (M) measures were addressed in this point, then, rating one is correct.</p>	See verification protocol
Geological risks: It shall be assessed using table 10 of the Risk Tool.	LS*M=0	<p>Significant and Likelihood (LS). According to the studies by the Coordination Centre for the prevention of Natural disasters in Central America (CEPRENEC) and the United Nation</p>	See verification protocol

		Office to reduce risks from disasters (UNIDSR) the Izabal Region is not a significant risk for major earthquakes and the biomass and, likelihood is once 100 years, then LS=0 is correct. No Mitigation (M) measures were addressed, then, rating M=1 is correct.	
Total Natural Risks=0			
OVERALL RISK RATING: It shall be calculated according to table 11 of the Risk Tool. OVERALL RISK RATING in area A=14+0+0=14.			

RISK AREA B

Risk factor	Risk Rating	Findings and mitigation activities	Corrective Actions/Clarifications
Internal Risks			
Project Management: It is assessed using table 1 of the VCS AFOLU Risk Tool.	-4	<p>a) Not applicable as it is not a forestation project. The project is a REDD project as checked with the design of the project. Risk rating=0 is justified.</p> <p>b) Not applicable as the project has not previously issued any GHG credit. Risk rating=0 is justified.</p> <p>c) In accordance with the evidence provided, management team includes individuals with significant experience in sustainable forestry and VCS projects. This was checked during site visit. Risk rating=0 is justified.</p> <p>d) Manager team maintains a presence in the country. The PP has people in the Izabal Region. This was checked during site visit. This, rating =0 is justified.</p> <p>e) For the project a multidisciplinary team with high experience in REDD projects is working such as Ecopartners.</p>	See verification protocol

		<p>Then, it is well justified the rating=-2.</p> <p>f) Adaptive management plan in place.</p> <p>The project has an adaptive management plan for VCS and CCBS that will enable the Project implementation team supervising the real impact of the project over the climate, community and biodiversity.</p> <p>The potential risks are cover in the PDD. The monitoring progress is cover by the Monitoring Plan and Monitoring report.</p> <p>Then, rating = -2 is correct.</p>	
Financial viability: It is assessed using table 2 of the VCS AFOLU Risk Tool.	3	<p>a)-d).According to the project cash flow carried out by the PP, the breakeven point is reached between 7 and 10 years. Cash flow was provided to AENOR which can confirm this matter.</p> <p>Thus, the rating chosen=2 is correct.</p> <p>e)- h) The project has secured 40% to less than 80% of funding needed to cover the total cash out required before the project reaches breakeven.</p> <p>Thus, the rating chosen=1 is correct.</p> <p>i) No mitigation action. Then rating=-0 is correct.</p>	See verification protocol
Opportunity Cost: It is assessed using table 3 of the VCS AFOLU Risk Tool.	0 (total may be less than zero)	<p>a)-f) In the case of the project the case c) is applied. NPV from the most profitable alternative land use activity is expected to be between 20% and up to 50% more than from project activities. NPV analysis was provided to AENOR, then rating 4 is correct.</p> <p>g) FUNDAECO is a NGO, then rating -2 is correct.</p> <p>h) Project is protected by legally binding commitment to continue management practices that protect the credited carbon stocks over the length of the project crediting period. Then rating -2 is correct.</p> <p>i) No mitigation measure, then rating 0 is correct.</p>	See verification protocol
Project Longevity: It is assessed using table 4 of the VCS AFOLU Risk Tool.	15	<p>a)-b) The project proponent has a legal agreement to continue the management practices for the whole project longevity, i.e, the 30 years. Then option b is applied.</p>	See verification protocol

		The register provided to AENOR "ACTA NOTARIAL PUNTO DE ACTA REDD+.pdf" establishes that FUNDAECO commits to management the project over 60 years, i.e, beyond the project crediting period, but contracts with landowners other than FUNDAECO are establishes for the project lifetime, i.e, 30 years. Then, the crediting period of the project was selected considering this milestone.	
Total internal Risk=14			
External Risks			
Land Tenure and resources access/impact: It shall be assessed using table 6 of the Risk Tool.	0 (total may not be less than zero)	<p>a)-b) Option b is applicable in area B as all properties belong to other entities different to FUNDAECO, but rights are of FUNDAECO. Then rating 2 is correct.</p> <p>c)-d) There are not disputes, then rating 0 is correct.</p> <p>e) it is not applicable.</p> <p>f) Project area b is protected by contracts between FUNDAECO and the different landowners to continue management practices over 30 years. Then rating -2 is correct.</p> <p>g) Not applicable.</p> <p>Then rating =0 is correct.</p>	See verification protocol
Community engagement: It shall be assessed using table 7 of the Risk Tool.	-5	<p>a) FUNDAECO has consulted with 2101 of the 2800 families living within the Grouped Project Area. This means that at least 75% of the families living within the Project Area have been consulted as part of the FPIC process. This is described in more detail in the FPIC guidance document.</p> <p>Then rating=0 is correct.</p> <p>b) A mobility analysis of agents within the project area found that the longest distance willing to travel to collect timber, firewood, or clear an area for cultivation was 2.6 km. In order to conservatively estimate the number of households surveyed by FUNDAECO, all households within the project zone were considered for this analysis. Of those roughly 5,000 households within the</p>	See verification protocol

		<p>project zone, FUNDAECO has consulted with 2101 of those households that may be dependent on the project area. This means that FUNDAECO has consulted with roughly 42% of the households that may be dependent on the project area within the surrounding region, which is well above the 20% threshold.</p> <p>Then rating=0 is correct.</p> <p>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. Then the rating=-5 is correct.</p>	
<p>Political Risks: It shall be assessed using table 8 of the Risk Tool.</p>	2	<p>a)-e) The governance score calculated using "World Bank Institute's Worldwide Governance Indicators (WGI)", average for the last five years available is -0.60</p> <p>Then, rating 4 is correct.</p> <p>AENOR verified the value and reliability of source.</p> <p>f) Mitigation: Country is implementing REDD+ Readiness or other activities as evidence provided demonstrated.</p> <p>Then, rating -2 is correct.</p>	See verification protocol
<p>Total external risks=0 (negative score is not allowed)</p>			

<p>Natural Risks -</p>			
<p>Fire Risk: It shall be assessed using table 10 of the Risk Tool.</p>	<p>LS*M=0</p>	<p>Significance (S) for this risk is "insignificant" and likelihood is "once every 100 years or more". Then LS=0.</p> <p>The project does not consider mitigation actions, then, risk is penalized with a M=1.</p> <p>Data from INAB and different studies and reports about fires in tropical rainforest confirm a very likelihood of this risk in the project area. Sources are presented in the PD.</p>	See verification protocol

<p>Pest and disease outbreaks: It shall be assessed using table 10 of the Risk tool.</p>	<p>LS*M= 0</p>	<p>Significance and Likelihood (LS): For the present project a value of "insignificant" has been reported due to the project area is natural forest, then, naturally resilient to extensive pest outbreaks. Likewise, the project is a REDD project, then, commercial forest plantation are not allowed, then, there is not risk of diseases from these activities. The likelihood has been selected to be "every 50-100 years", then LS=0.</p> <p>Mitigation (M) measures are not claimed, then rating 1 is correct.</p>	<p>See verification protocol</p>
<p>Extreme weather: It shall be assessed using table 10 of the Risk tool.</p>	<p>LS*M=0</p>	<p>Significance and Likelihood (LS). Significance is rated as "insignificant" The likelihood has been qualified as "not applicable".</p> <p>According to reports and sources consulted and presented in the PDD no events are reported or just one in the last 100 years. The project area suffer flooding or drought but damages are focused on agriculture and deforested areas.</p> <p>No Mitigation (M) measures were addressed in this point, then, rating one is correct.</p>	<p>See verification protocol</p>
<p>Geological risks: It shall be assessed using table 10 of the Risk Tool.</p>	<p>LS*M=0</p>	<p>Significant and Likelihood (LS). According to the studies by the Coordination Centre for the prevention of Natural disasters in Central America (CEPRENEC) and the United Nation Office to reduce risks from disasters (UNIDSR) the Izabal Region is not a significant risk for major earthquakes and the biomass and, likelihood is once 100 years, then LS=0 is correct.</p> <p>No Mitigation (M) measures were addressed, then, rating M=1 is correct.</p>	<p>See verification protocol</p>
<p>Total Natural Risks=0</p>			
<p>OVERALL RISK RATING: It shall be calculated according to table 11 of the Risk Tool.</p> <p>OVERALL RISK RATING in area B=14+0+0=14.</p>			

AENOR has checked that information provided in the Non Permanence Risk Reports has been updated for the monitoring period as well as the risk assessment date. AENOR deems that information provided is reliable and appropriate, thus, the overall risk rating is credible and realistic.

8.4 Climate Change Adaptation Benefits (GL1)

Not applicable.

9 COMMUNITY

9.1 Net Positive Community Impacts (CM1 & CM3)

The demonstration of a net-positive community impacts over the project implementation period is done by comparing the biodiversity baseline scenario, with the project's current biodiversity conditions. This assessment has been addressed in section 7.1 of the MIR.

In accordance with the information provided in the PIR, Community benefits are derived from numerous project activities detailed in the Theory of Change Matrix (see TOC Activity Matrix v1.14.xlsm), and fall into the following program areas:

1. Resource Protection.
2. Sustainable Enterprise
3. Empowerment and Inclusiveness
4. Education
5. Access to Resources

Due to the fact that the project has numerous positive impacts and is actively working to mitigate any potential negative impacts, the project is determined to have a net positive impact on communities (CM 2.2).

Section 2.4.2 describes the measures applied to maintenance of the high conservation value attributes related with community. The primary measure taken to maintain HCVs is the reduction of deforestation within the sites identified as HCVs, through the voluntary integration of some of these forests to the project area and the implementation of protection activities. By reducing deforestation and degradation, the project will avoid threats within these areas, and their environmental services and cultural uses can be guarantee. No negative impacts on High Conservation Values due to project activities are expected (CM2.4)

The verification team has assessed documentation provided and considered the assessment describe in the MIR as accurate. The net effect of the project on community is clearly positive.

Community Impact Monitoring (CM4):

Section 5 of the MIR describes the community monitoring plan. Community impacts will be monitored according to the SOPs presented in the document "Procedimiento para el Monitoreo Socioeconomico y Comunitario.docx" (Socioeconomic and Community Monitoring Procedure). Section 5.3.2 of the MIR

includes the community monitoring parameters and results. Also details about community variables, such as frequency, data source and linked project activity, are given. (CM 4.1).

Several indicators of the community monitoring plan are related to the implementation of measures aimed to maintain community related HCVs. HCV management areas have been identified in order to focus HCV conservation efforts within the project area. In that sense, the monitoring plan described in the PDD will allow to monitor the impact of the measures taken to maintain or enhance all identified High Conservation Values related to community well-being (CM4.2)

As the PDD, the MIR, including the Monitoring Plan, have been published at VCS and CCB website in English version. During the site visit the audit team was able to verify the project documents has been made accessible to stakeholders. For instance, advertisements given detail about the CCB public comments period and the links to access to the full documentation were found in the office of FUNDAECO located in Morales. In addition, and in accordance with the PDD results of the community monitoring will be made publically available, published on the internet and disseminated to the Forest Owners Assembly and communities inside the project area (CM4.3).

9.2 Offsite Stakeholder impacts (CM3)

Section 7.2 of the monitoring report gathered information about the positive and potential negative impacts in the offsite stakeholders.

In this regard, AENRO could verify that net positive community impacts from the project activities within the project area have also positively affected stakeholders not directly impacted by these activities. These stakeholders include government institutions, municipalities, and other organized groups that are not community groups. Some offsite stakeholders identified such as the cattle ranchers could be negatively impacted by the project due to reduced land for pasture expansion, however according to results of the monitoring their average incomes remain high for the area and there has been no evidence of them being harmed by the project.

The M.R provides a table with other stakeholders identified and the impacts caused by the project activities on them as well as the references to the monitoring results. In a general way, the offsite stakeholders are positive impacted by the project. AENOR visited the organization Ak"Tenamit and held some interviews with people in charge of its management. The cooperation between Fundaeco and the organization is positive for both and this is the business as usual with the rest of offsite stakeholders including those potentially negative affected since the project considers mitigation measures providing different alternative incomes, etc.

9.3 Exceptional Community Benefits (GL2)

Not applicable

10 BIODIVERSITY

10.1 Net Positive Biodiversity Impacts (B1 & B4)

Section 7.1 of the PDD provides an assessment of the project's net impacts on biodiversity. The demonstration of a net-positive biodiversity impact over the project lifetime has been done by comparing the biodiversity baseline scenario, with the project's current biodiversity conditions (B2.1).

The project activities that will produce biodiversity impacts have been categorized into four different program areas, which focus on resource protection, empowerment and inclusiveness, education, and access to resources. Many of these project activities that are effectively maintaining and supporting biodiversity in the project area are bringing about climate and community benefits as well.

The results of each project activity related to biodiversity are described in tables of section 8.1 of the MR. The project net impact on biodiversity during this period is clearly positive (B2.2).

Mitigation activities to prevent potential negative impact as a direct and indirect result of project activities have been implemented. Agroforestry project activities adhere to standard USAID protocols on the safe and judicious use and disposal of pesticides and fertilizers in addition to banning the use of GMO's and invasive species as part of project activities. The FUNDAECO's Plan of Good Agricultural Practices (Plan General de BPA 2016.docx) was provided to the audit team (B2.3.)

The project is dedicated to maintaining these biodiversity HCVs through numerous targeted project activities. Several HCV management areas have been identified in order to focus HCV conservation efforts within the project area. The primary measure taken to maintain biodiversity HCVs is through the reduction of deforestation within the project area. As is discussed in PDD, biodiversity is highly correlated with forest cover, and many of the identified biodiversity HCVs consist of forested areas within the project area and project zone, including protected areas, migratory corridors, landscape level ecosystems, and threatened ecosystems. By reducing deforestation and degradation threats within these areas, both the ecosystems and the threatened species within those ecosystems will be protected and maintained. Furthermore, FUNDAECO is implementing forest protection measures through the deployment of forest patrols, the enrollment of landowners in PINFOR and PINPEP programs, conservation education initiatives, and agroforestry systems. These project activities and their direct biodiversity benefits are described in detail in Section 8 of M.R (B2.3 & B2.4).

Additionally, FUNDAECO is implementing specific measures to protect endangered amphibian species within the project area through the training of park guards in measures to prevent the spread of deadly amphibian fungal diseases. See Figure 12 for a map of amphibian protection zones. During the on-site visit "Sierra Caral Forest and Water Reserve" was visited. Thus, the audit team was able to verify the reserve facilities, equipment, staff and measures implemented, to interview reserve staff, and to walk on a path of sighting of specimens (B2.4).

Due to existing agricultural markets and increased economic incentives for small-scale farmers, FUNDAECO does use several non-native species in its agroforestry programs, including rubber, cardamom, rambutan, and pepper. However, these species are non-invasive and were introduced into Guatemala as agricultural species over 50 years ago. The Guatemalan government considers these species to be "naturalized" and to pose no threats to biodiversity within the country. In order to further reduce any risks to biodiversity benefits through the use of non-native species in agroforestry programs, FUNDAECO engages landowners in land-management and planning activities to diversify agricultural commodities across an ownership and to avoid monoculture plantations (B2.6)

FUNDAECO's policy documents outline the measures that the organization will take to ensure that project activities do not cause environmental harm.

The use of GMOs and invasive species are prohibited. Agroforestry project activities adhere to standard USAID protocols on the safe and judicious use and disposal of pesticides and fertilizers in addition to banning the use of GMO's and invasive species as part of project activities (see FUNDAECO's Agricultural Good Practice Plan) (B2.5 & B2.7).

All agroforestry and sustainable agricultural programs through FUNDAECO also abide by USAID guidelines for safe pesticide use (Plan General de BPA 2016.docx), and an internal best agricultural practices policy that outlines and justifies safe and appropriate pesticide and fertilizer use (Plan General de BPA 2016.docx) (B2.8).

The FUNDAECO Policy document (Plan General de BPA 2016.docx), environmentally friendly waste management measures are to be implemented as part of any project activity. In addition, all agroforestry and sustainable agricultural programs through FUNDAECO also abide by USAID guidelines for safe pesticide use and an internal best agricultural practices policy that outlines and justifies safe and appropriate pesticide and fertilizer use (Plan General de BPA 2016.docx) (B2.9)

10.2 Offsite Biodiversity Impacts (B3)

In accordance with the PDD, the potential displacement of hunting, mining, or deforestation and degradation activities outside the project zone is unlikely. (B3.1).

However, considering is theoretically possible for offsite negative biodiversity impacts to occur as a result of shifted deforestation and degradation activities, FUNDAECO decide to take steps to prevent this type of biodiversity leakage from occurring. Mitigation activities include the incorporation of landowners throughout the project zone into PINFOR and PINPEP programs as well as the grouped project area and implementation of educational programs throughout the project (B3.2).

In that sense, potential unmitigated negative impact offsite have not been detected, then the net effect of the project on biodiversity is clearly positive.

The verification team has assessed documentation provided by the Project Proponent (PDD, Socioeconomic Survey, Agents and Drivers Assessment, etc) and considered the assessment describe in the M.R as accurate (B3.3).

10.3 Exceptional Biodiversity Benefits (GL3)

The project fulfils with the criterion GL3.1.1.1 a). The Sierra Caral, located in the project area is a protected area where 6 critically endangered species *Cryptotriton wakei*, *Nototriton brodiei*, *Agalychnis moreletii*, *Bromelohyla bromeliacia*, *Duellmanohyla soralia*, *Ptychohyla hypomykter* have their habitat. The IUCN Red List notes that these species are at great risk due to habitat loss and the fungus chytridiomycosis.

AENOR participated during the site visit in an observation activity in Sierra Caral to check the habitat and measures taken by the PPs to protect the ecosystem.

The habitat losses have been identified as the primary threat to *Duellmanohyla soralia*, and are a known threat to other endangered species in the area. These forests are threatened by being converted primarily to subsistence agriculture or pasture. The project is taking measures to reduce deforestation and

degradation threats within these areas, to ensure that both the ecosystems and the threatened species within those ecosystems will be protected and maintained.

The table 18 of the monitoring report provide a list of project activities designed to generate biodiversity benefits and achieve the protection of forests. For each project activity, the impacts in the medium and long terms were also identified. In this regard, it is interesting to set out that PP worked during the current monitoring period to achieve the recognition of the Sierra Caral as National Protected Area by the Guatemalan Authorities. Likewise, AENOR verified how the park guards follow the protocol to prevent the spread of deadly amphibian fungal diseases. Forest patrols use techniques, such as through the bleaching of boots when entering and leaving forests, to prevent the possible introduction or spread of a fungus that can wreak havoc on amphibian species.

For this monitoring period, two training sessions were held in which 6 park guards were adequately taught to handle the fungus in the event of an issue. Moreover, the table 48 in the monitoring report provides a list of the indicators measured during the monitoring period and the results achieved. Thus, AENOR deems that inclusion of the Biodiversity Gold Level is correctly justified and CCB indicators to address this criterion have been included and the monitoring carried out.

11 VERIFICATION CONCLUSION

AENOR has verified that the project is in compliance with the Verified Carbon Standard version 3.7 and the CCB Standards Third Edition without qualifications or limitations.

The project has been implemented in accordance with the project description and its validated variations and the data and information supporting the GHG assertion are historic in nature.

AENOR is able to issue a positive verification opinion for the 2,447,922 tonnes CO₂e of verified emissions reductions, as reported in the Monitoring & Implementation Report version 2.52, dated 27 November 2017. The verification assessment covered the monitoring period from 01 April 2012 to 31 December 2016, and verified that calculated emission reductions and/or removals were achieved during the monitoring period with a reasonable level of assurance. The overall risk rating was 14 %. Therefore, the total number of credits to be deposited in the buffer account is 428,386 VCUs and the total VCUs to be issued are 2,019,536 tCO₂e.

Verified GHG emission reductions or removals in the above reporting period:

Verification period: From 1 April 2012 to 31 December 2016

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

Year	Baseline emissions or removals (tCO ₂ e)	Project emissions or removals (tCO ₂ e)	Leakage emissions (tCO ₂ e)	Net GHG emission reductions or removals (tCO ₂ e)
2012	424,077	138,691	57,077	228,309
2013	786,259	221,817	112,888	451,553
2014	863,669	229,972	126,739	506,958
2015	976,595	235,740	148,171	592,684
2016	1,077,695	242,173	167,105	668,418
Total	4,128,296	1,068,393	611,981	2,447,922

After discounting the risk rate, the VCUs tradable are the followings:

Year	VCUs (tCO ₂ e)
2012	188,355
2013	372,531
2014	418,240
2015	488,965
2016	551,445
Total estimated VCUs	2,019,536

Beyond benefits of GHG emissions reduction, the project comprises benefits for local population and for biodiversity conservation. The review and cross-check of explanations and justifications in the MIR with sources detailed in the report have provided

In opinion of AENOR, the project implementation meets all relevant requirements for the CCB Standards Third Edition. Hence, AENOR considers verified the project implementation is in accordance with the CCB Standards.

11 December 2017

Lead Auditor Jose Luis Fuentes Pérez



CCB STANDARDS CRITERIA CHECKLIST:

GENERAL SECTION

CONFORMANCE

G1. Project Goals, Design and Long-term Viability (Required)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
G2. Without-project Land Use Scenario and Additionality (Required)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
G3. Stakeholder Engagement (Required)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
G4. Management Capacity (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. Without-Project Climate Scenario (Required)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
CL2. Net Positive Climate Impacts (Required)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
CL3. Offsite Climate Impacts (“Leakage”) (Required)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
CL4. Climate Impact Monitoring (Required)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
GL1. Climate Change Adaptation Benefits (Optional)	YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>

COMMUNITY SECTION

CM1. Without-Project Community Scenario (Required)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
CM2. Net Positive Community Impacts (Required)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
CM3. Other Stakeholder Impacts (Required)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
CM4. Community Impact Monitoring (Required)	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

APPENDIX 1: LIST OF EVIDENCE PROVIDED

1. First version of the Monitoring Report
2. Final version of the Monitoring Report
3. Methodology VM0015 v 1.1
4. VCS Standard v.3.7
5. AFOLU requirement v.3.6
6. KML files and GIS information
7. Contract Transfers between FUNDAECO and participants from new instances
8. Package of spreadsheet calculations
9. Free, Prior and Inform Consent (FPIC) and other records of stakeholders consultation of new instances
10. Laws and regulations in section 1.11 of the P.D
11. Implementation Plan
12. Technical annex to the PD.
13. Socioeconomic Base. Althelia
14. FUNDAECO-Pronacom Letter
15. CNCG SM Drivers of deforestation
16. EG-PERSUAP Final October 2012
17. Factor Maps collection
18. Technical Memory and baseline methodology Sarstun Motagua
19. FUNDAECO-Segeplan Letter
20. Master Plans Collection
21. Seminar Memory "Agents and drivers" El Progreso, Morales, Puerto Barrios and Rio Hondo

22. Financial package
23. Communication, CLIP Plan
24. TOC Activity Matrix
25. General Plan BPA
26. Hurricanes maps collection
27. Report “RESUMEN REGIONAL DEL IMPACTO DE LA DEPRESIÓN TROPICAL 12-E EN CENTROAMÉRICA. CUANTIFICACIÓN DE DAÑOS Y PÉRDIDAS SUFRIDOS POR LOS PAÍSES DE LA REGIÓN EN EL MES DE OCTUBRE DE 2011”
28. Convenio CARE
29. Document “Acta Notarial de Certificación de punto de Acta Acreditativa de FUNDAECO”.
30. Statistical report by INAB
31. Selvin Perez document
32. Accuracy Assessment Baseline Emissions in the R.R by Inga.Margarita Vides and FUNDAECO
33. Guatemala ER-PIN 2014
34. Guatemala Final RPP 2012
35. Agents Mobility Assessment
36. Serpentarios Manual
37. MARN Statement about the Project.
38. Calderón Quiñónez, A.P. 2013. Evaluación de Corredores para el Movimiento de Jaguares en el este de Guatemala. College of Environmental Science and Forestry. State University of New York. 22pp.
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tropical del oriente de Guatemala, con comentarios para su conservación. Revista Mexicana de Biodiversidad.
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43. Consejo de Desarrollo del Municipio de Livingston., Secretaría de Planificación y Programación de la Presidencia.
44. 2010. Plan de Desarrollo Municipal de Livingston, Izabal. Guatemala, SEGEPLAN/DPT, 2011 (SERIE PDM SEGEPLAN)
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46. Consejo de Desarrollo del Municipio de Puerto Barrios., Secretaría de Planificación y Programación de la Presidencia. 2011. Plan de Desarrollo Municipal de Puerto Barrios, Izabal. Guatemala, SEGEPLAN/DPT, 2011 (SERIE PDM SEGEPLAN)
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based conservation. TRENDS in Ecology and Evolution 19(6):305-308.

APPENDIX 2: LIST OF EVIDENCE PROVIDED

Parque Regional Municipal Dña Martes 31, Montaña Chiclerera	AENOR Asociación Española de Normalización y Certificación
Paz Lozano - ecoPartners, development services manager	
Emilio Moscoso - Municipalidad de Morales-Izabal Sindico II	
Juan Carlos Tush coordinador unidad de Gestión Ambiental Municipal	
Jose Pardo Brumator - Guardarecursos Municipal, Municipalidad de Morales Montaña Chiclerera	
Mano Rene Mendez - Guardarecursos Municipal , BONAP de Montaña Chiclerera	
Felix Cday - Guardarecursos de Montaña Chiclerera, CONAP	
Rudy Obdulio Cday - Guardarecursos de Montaña Chiclerera, Municipalidad de Morales	
Elder Pescey - Coordinador FUNDAECO Morales, Sierra Caral, - Montaña Chiclerera, FUNDAECO	
Jorge Díaz - Coordinador Montaña Chiclerera y Educador Ambiental de Sierra Caral, FUNDAECO	
Karen Dubois - Directora de Programa Mujer y Niña Sanas y Empoderadas, FUNDAECO	
<u>Rosaldo Calderón</u> - Director Regional FUNDAECO, FUNDAECO	
Mano Lorenzo - Director Nacional, FUNDAECO	
Sergio Rodriguez - Asistente de Dirección General y Comunicación, FUNDAECO	
Byron Ville da - Director Técnico, FUNDAECO	
Julio Montenegro - Asistente de Dirección Técnico y encargado de Análisis Registral, FUNDAECO	

APPENDIX 2: PEOPLE INTERVIEWED

2/2/2017.

AENOR Asociación Española de Normalización y Certificación

Reunión grupo mujeres FUNDARECO Livingston.

[Marta Julia Tzul Cabnal. en el programa, Salud Sexual y Reproductiva.
Sonia Maribel Tzul Cabnal Programa Mujer y Niña, Sanas
Ana Elena Kate AC Programa Mujer y Empoderada
Gloria Galego - Promotora Juvenil - Programaci. Mujer y Niños Sanas y
Sandra Portela → empoderadas.
Guillermo Antonio Galvez Argueta - sub-coordinador Programa Regional.
Fundareco Costas

AENOR Asociación Española de Normalización y Certificación

3/2/2017

Reunión en Instituto AK' Tenamit.

Gregorio Mucummas → Presidente Junta Directiva (9 pers.)
Mario Mayan → Secretario AK' Tenamit.
J. Directiva.

Prácticas características [> 25 años vida
Trabajo > 30 unidades
Hombres/mujeres

AENOR Asociación Española de Normalización y Certificación

Remián

Sonia Palencia → Ejecutiva de relaciones FPIC.

Mario Raúl Leiza → JIAB (reino ejte PINTOR, PINTA)

AENOR Asociación Española de Normalización y Certificación

Comunidad S. J. Baraza

San Jose

- Paulino Mendez
- Juventino Mendez
- Gabriel Chacón
- Carlos Espinoza
- Eli Quiñonez Pérez

Isidoro De Jesus Garcia

Pedro Gutierrez Gutierrez

bernabi Mendez camacho.

Johana Elizabeth López Pérez

Angelica Xolical

NATANAEL Quiñonez Pérez

Gonzalo Chacón Pérez

Mateo Ramírez.

Dalia. Banilla → Fundador

Demian → Asociaci6n Amantes de la Tierra.

Cesar Pop → Asistente T6cnico

Mirza → Cocoli

Carne de → Voluntari - equipo

Alfredo Cocchi Comunitario de 112 familias → de aparcen
Catalo 101 Blue Creek 650 Ha.

Comunidad La Guaira. De 13/09/2016

Traducci6n etica grifiche con asistencia de Fundaco.

Fernando B6 Coc → representante comunitario El Cedro.
Catalo 723 320.54 Ha. de 13/09/2016

3/2/2017

Ren6 Lio Dulce →

AENOR Asociaci6n Espa~ola de Normalizaci6n y Certificaci6n

Carlos Humberto Ruano Carica - presidente comite de agua Sahila
Predio 212 691,8 Ha. → Aldea familia

Rolando Andrade

- Miembro Cocosca y Comite Agua Sahila
- Tesorero Comite Agua

Irma Alvarez

- Miembro de Cocosca

→ Miembros Comite del Agua (Comunidad) (Sahila)
650 Ha ± (15 caballerias)?

Demian con Comunidad Sesaguip6c → Propiedad.
184 Ha ~~la zona~~ Comunal. → Predio 148
Contrato 2016.

Cesario Bol caj6n — Sesaguip6c

Sebastian B6 Xol — Sesaguip6c.

Candelaria Xol — Sesaguip6c.

Aga Xol — Sesaguip6c.

Marcos Magu6n Muc6 — Sepac.

Elias Pop cucul — setrol-

AENOR Asociación Española de Normalización y Certificación

18 → 67,41
35 → 85,89
36 → 84,76
37 → 93,66
38 → 32,76

1/2/2017
Justicia (34 a 38) → Ver sus Hús y actas?
↳ Cerro de Gil.

María José
María Argueta
Otaiel Ramos. } → Proprietarios privados de reparto Cat. Agr.
→ act. ces 611 (26,88 Hs) 17
María José → act. ces 609. 22,22 Hs. 16 14/12/2016
propiedad ↳ 30 cos.

↳ act. ces 608 (30 cos) 15
17,78 Hs → 17,55 en papel } 14/12/2016.

? María Argueta → act. ces 731 14
poseedora ↳ 27 Hs

Otaiel Ramos. → act. ces 502 (7,28 Hs) 3 22/16/2016
↳ 30 cos
↳ Tiene 7 PAI y. area = 52 Hs. ?
cheques

Propiedad Concepción → pin de. → propietaria 12
658 (± 20 Hs) → 20,04 Hs. 5/4/16
Silvia Ramos → propietaria 46 Hs (±) → 628
7,73

Jose Victor Gira → poseedor
39,33 Hs 10 → parcel 617
27/9/16

AENOR Asociación Española de
Normalización y Certificación

Revisión Muni Pto Barrios, CONAF 1/2/2017.

Iva Cabrera → CONAF

Moises Ramirez → Muni. Pto Barrios.

Yaritxine → Muni. Pto Barrios. (Concejal)

Oswald. Calderón → Director FUNDAECO Desarr. cl.

Karen Aguilar → Directora Desarrollo FUNDAECO.

12 Cuadros recursos de muni Pto Barrios.

Revisión en Comunidad San Pedro

Asociación mujeres de Cerro San Gil.

Hacen artesanía

Productos de pimienta.

Fco López → Asociación pimenteros.

- Capacitación agroforestal) Colección de Fundeco.
- Preparación semillas
- de inicio 2001. y hasta
- 6 Quetzales / plántula piment. se da a Fundeco
le da la semilla para
vender a otros.

Representante de Prop. privado. → finca 419 (168,19 Ha)

La Gran Tamará. → 29/8/2016

Sta María -

San Juan

Cesar Miguel Alarcón
Propietario privado

APPENDIX 3: VERIFICATION PROTOCOL

VCS VERIFICATION PROTOCOL

PROJECT:

**REDD+ PROJECT FOR CARIBBEAN GUATEMALA: THE
CONSERVATION COAST**

PROJECT PROPONENT:

FUNDAECO

Validation Type	
<input checked="" type="checkbox"/> VCS Verification of a Project Activity	
Verification Team: José Luis Fuentes Pérez: Chief Validator Manuel García Rosell: Validator	
Version of this Validation Protocol: 02	Date: 2017-12-11

VCS Requirement	Ref	Comments	Draft conclusion	Final conclusion
1. Project Details				
1.1 Summary Description of Project				
Is a summary description of the project provided in the Monitoring Report (MR)? Is the project implementation in line with the Monitoring Plan (MP)?	D.R I	<p>A description of the project is provided in section 1.1 of the Monitoring Implementation Report. However, the summary description is not in accordance with the validated PD: the estimated amount of VCUs over 30 years is not in accordance with the PD.</p> <p>CAR 01: P.I.R shall be updated in order to be in accordance with the PD.</p> <p>The CAR is closed. The estimated amount of VCUs generated over 30 years has been updated in section 1.1 to reflect the changes in accounting that have occurred during the first monitoring period. Updates to the carbon stock estimates have reduced measurement uncertainty, and changed the baseline and project emissions estimates that were originally provided in the PDD. Sections 5.1.2.1.3 and 6 describe the updates made to the carbon stock estimates and their impact on the baseline and project emissions scenarios. Section 6 has been updated to reflect any changes that occurred during validation.</p>	CAR 01	OK
1.2 Sectoral Scope and Project Type				
Is the sectoral scope(s) applicable to the project, the AFOLU project category and activity type (if applicable) indicated? Is the project is a grouped project?	D.R I	Yes, the sectoral scope 14 “Agriculture, Forestry and Land Use” is clearly indicated in the VCS-PD. The project is REDD and grouped project.	OK	
1.3 Project Proponent				
Are contact information and roles/responsibilities for the project proponent(s) provided?	D.R I	FUNDAECO (“Fundacion para el Ecodesarrollo y la Conservacion”) is the project proponent and is solely responsible for all aspects of project design, implementation, and management. FUNDAECO is a	OK	

VCS Requirement	Ref	Comments	Draft conclusion	Final conclusion
		non-profit organization dedicated to conservation and community development based in Guatemala City, Guatemala with field offices in the Department of Izabal		
Are the PP same as in the PD?	D.R I	PP in the monitoring report are the same as in the PD	OK	
1.4 Other Entities Involved in the Project				
Are contact information and roles/responsibilities for any other project participant(s) provide?	D.R I	Yes, there are other entities involved in the project; they are listed in the MIR.	OK	
1.5 Project Start Date				
Is the project start date, specifying the day, month and year indicated? Is the start date in line with the MP?	D.R I	Yes, the start date is April 1 2012.	OK	
1.6 Project Crediting Period				
Is the project crediting period indicated and in line with MP? (specifying the day, month and year for the start and end dates and the total number of years)	D.R I	The crediting period runs from April 1 2012 to March 31 2042. The crediting period is in line with the monitoring plan and correctly expressed.	OK	
1.7 Project Location				
Is the project location and geographic included in the MR and in line with MP?	D.R I	The KMZ and geographic information were provided.	OK	
Is the project area provided by the PP? Is the area of the project strata provided?	D.R I	The project area is provided as well as the area for each project strata as AENOR could check during the desk review.	OK	
Is the monitoring of project boundary carried out in line with MP and methodology?	D.R I	CL 01: PP shall clarify if there is any new instance included in the project area since the project validation. The total project area up to date shall be clarified and provided in the appropriate section for the monitoring period. Moreover, the inclusion of the non-tree AGB as carbon pool shall	CL 1	OK

VCS Requirement	Ref	Comments	Draft conclusion	Final conclusion
		<p>be clarified regarding the said in the PDD.</p> <p>The CL is closed.</p> <p>The MIR has been updated to include the addition of 22 new project activity instances. The total project area has been updated to reflect these new additions, and sections 2.2.3 and 2.2.4 have been updated to show the location of these parcels and how these new project activity instances meet the eligibility criteria. There are now a total of 668 unique project activity instances included in the project.</p> <p>Section 4.1 has been updated to include the tools used for the project methodology and clarified that the removals were generated from avoided unplanned mosaic deforestation.</p> <p>Section 4.3 has been updated to be consistent with section 5.1.2.1 and the PDD by clarifying non-tree AGB is not included.</p>		
1.8 Title and Reference of Methodology				
Is the title, reference and version number of the methodology(s) applied to the project included in the MR and in line with MP?	D.R 1	<p>The project is using the VCS-approved methodology VM0015, v1.1, "Methodology for Avoided Unplanned Deforestation" for quantification of GHG emission reductions and removals generated from avoided unplanned frontier deforestation. On the other hand, the applied tools have not been listed in the PIR.</p> <p>CAR 02: The Monitoring and implementation report shall list the tools applied.</p> <p>The CAR 02 is closed. Tools were provided and included in the M.R</p>	CAR 02	OK
2 IMPLEMENTATION STATUS				
2.1 Implementation Status of the Project Activity				
Describe the implementation status of the project activity(s). Is the implementation in line with the MP? (regarding planting year and species composition) Provide information regarding the operation	D.R 1	<p>Implementation status is detailed in the MR. The monitoring report provides a description of activities Leading to Net GHG Emissions Reductions and activities Leading to Community and Biodiversity Benefits.</p>	OK	

VCS Requirement	Ref	Comments	Draft conclusion	Final conclusion
of the project activity(s) during this monitoring period, including any information on events that may impact the GHG emission reductions or removals and monitoring. Are project activities such as forest management activities and harvesting carried out in line with the MP? Is any project emissions described, in particular fire or any other events leading to GHG emission during the project activity?				
Are all relevant licences obtained? (e.g. Environmental licenses)	D.R I	All relevant licenses were obtained.	OK	
Are land titles and carbon rights hold by the PP? In case not all land was under control at validation, is it ensured that 100% of the land is under control of the PP?	D.R I	CAR 3: An inconsistency is detected between the information provided in the PD and the information in the PIR. The PD states that contracts are signed for 30 years and renewable, however MIR states the contracts are signed for a minimum of 20 years. The CAR is closed, the MIR was updated to be consistent with the PDD.	CAR 03	OK
Is a description of leakage provided? Are leakage monitoring parameters included as per MP and methodology requirement?	D.R I	A description of leakage is provided in section 6.3.2 of the Monitoring report. They account zero for the current verification period due to the activity displacement however the project address leakage due to market effects.	OK	
Is a description of the non-permanence risk factors included?	D.R I	CAR 04: Regarding the risk assessment, the following issues were detected: <ul style="list-style-type: none"> • The risk reports have not been updated to include the assessment of years 2015 and 2016. • Moreover, for the political risks the five latest years available have not been considered. The risk assessment shall include the update project area with new instances and new data sources for the natural risks assessment. • Provide information about the ability of the implementing 	CAR 04	OK

VCS Requirement	Ref	Comments	Draft conclusion	Final conclusion
		<p>organization(s) to provide adequate financial support to new project areas included in the project at this verification event.</p> <p>The CAR 04 was closed.</p> <p>The WGI score has been re-calculated for the 5 year period of 2012-2016, the latest 5 year period for which data is available and was updated in the NPR Report. This decreased the score from -0.61 to -0.60.</p> <p>For natural risks, the data from 2005-2009 provides the most specific information for Izabal, since in 2010 INAB changed the format of their Statistics Bulletin. This section was updated with relevant information from 2010-2016 that was accessed on 20 October 2017 and with reports from 2015 and 2016.</p> <p>No new communities were identified in the project zone or included in the project, thus the community engagement risk remains the same in the NPR Report, and the section has been updated to state this fact.</p> <p>The information in the NPR report has also been updated to reflect the total project area size as well as the number of hectares that were incorporated from new PAIs.</p> <p>Section 2.4.2 of the Monitoring and Implementation Report also presents an analysis on political risks and the inclusion of new project instances.</p> <p>The Monitoring and Implementation Report provides a discussion of the project's financing as it relates to the scalability of a grouped project. The new project instances represent less than 0.5% of the initial surface, which does not significantly affect the resources needed to implement project activities.</p>		
2.2. Deviations				
2.2.1 Methodology Deviations				

VCS Requirement	Ref	Comments	Draft conclusion	Final conclusion
Has any deviations from the monitoring plan (in the MP) occurred during the monitoring period?	D.R I	No monitoring deviations have been proposed in the PD or are proposed for this monitoring period.	OK	
2.2.2 Project Description Deviations.				
Has any description deviation applied during this monitoring period or since the project validation? If any, is it described and explained in the MR? Has identified whether identified deviation impacts the applicability of the methodology, additionally or the appropriateness of the baseline scenario and provide an explanation of the outcome.	D.R	<p>CAR 05:</p> <p>The updating of carbon stocks has not been assessed as a project deviation.</p> <p>Moreover, the updated calculation shall be provided to check the updating.</p> <p>The CAR 05 is closed. Justifications were provided in the project deviation section of the monitoring report. According to the explanations Carbon stocks changed as a result of two deviations from the PD: 1) The removal of the litter pool as you noted above which has been previously documented as a deviation in the MIR and 2) The addition of new plots which resulted in improved carbon stock estimates.</p> <p>On the other hand, the calculations updated were provided to AENOR. Correct values were applied.</p>	CAR 05	OK
2.3 Grouped Project				
For a grouped project, provide relevant information about new instances of the project activity(s) and demonstrate that each new instance of the project activity(s) meets the eligibility criteria set out in the project description.	D.R I	<p>CAR 06</p> <p>The following issues shall be corrected and/or clarified related to the new instances included providing evidence to support the comments:</p> <p>Conformance of the new project areas and communities with the stakeholder identification and analysis process set out in the project description, especially for the new plots not included in the socialization event of Cerro San Gil (270, 424, 869, and 877). Provide the register that covers their participation in the FPIC.</p> <p>In addition, for plots 782 and 876 what project activity as indicated in the eligibility criteria has been implemented.</p>	CAR 06	OK

VCS Requirement	Ref	Comments	Draft conclusion	Final conclusion
		<p>Conformance of the new project areas and communities with the scalability limits set out in the project description.</p> <p>Actions taken to mitigate risks that may result from adding project areas and communities.</p> <p>Changes to the project’s governance structures, and any changes to roles and responsibilities that may result from the addition of new project areas or communities.</p> <p>A clear identification of the new communities from new instances has not been included in the monitoring report as well as their identification in the project zone map. In addition, it shall be detailed in the monitoring report the area of the new instances and a clear traceability regarding the project area validated.</p> <p>Section 2.2.3 of the monitoring report states that the parcels to be verified are 668 but accounting for those ones indicated in "Fundaecco REDD database" the number is 678 and the area is 54629.029 ha, different from the 54505 ha indicated in that section.</p> <p>The CAR 06 is closed. The following issues were corrected or clarified by PP in the following way..</p> <p>All new plots consist on forest owned by individuals, and not land in communal tenure, some of these owners participated in the group FPIC meetings, and for those owners, the PP provided FPIC records. With other owners, the PP organized individual meetings to explain the project and meetings to explain the contracts. The prior information and the voluntary consent is stated in the clause 25 of the contracts provided..</p> <p>For plots requested, the PP provided the document “ficha” signed by the forest owner showing the activities implemented and their relationship with list in the PDD.</p> <p>The new instances are included inside the grouped project area boundary, which is the maximum area that can be incorporated into the grouped project. The grouped project area is defined as the</p>		

VCS Requirement	Ref	Comments	Draft conclusion	Final conclusion
		<p>geographic boundary for which the project will be able to scale up its activities in sections 2.1.1 and 2.1.8 of the PD. There were no new communities identified in the project zone according to explanations from PP.</p> <p>The project is designed to scale up across the years; in order to ensure the appropriate follow-up to all project activities and forest owners. A new position was created under the REDD+ Manager. The Monitoring Sub- Director will support the REDD+ Manager in the implementation of monitoring activities and the update of monitoring tools and monitoring databases.</p> <p>No new communities have been added as part of project instances. All new project activity instances consist of individual forest owners. The monitoring report has been updated to show a map of the project area as of project validation, and a map of the new instances that were added.</p> <p>The correct number of parcels is 668. The REDD+ Database in the accounting model workbook had a number of duplicate rows containing additional miscellaneous data. Due to this, the total rows were 678, while the total number of unique parcels was still 668. The REDD+ Database tab of the accounting model has been updated to combine duplicate rows so that there is now only one row for each parcel. The sum of the hectares in the REDD+ Database has been updated to 54505 ha to reflect the GIS area. The Project Area shapefile also sums up to 54505 ha. The new parcels were already included in both the count of parcels (668) and the total project area (54505 ha).</p>		
3 DATA AND PARAMETERS				
3.1 Data and Parameters Available at Validation				
Are all parameters “available at validation” listed as per MP and applied methodology?	D.R 1	<p>The list of parameters available at validation is complete and in compliance with the PDD and methodology.</p> <p>CL 2</p> <p>Further explanations shall be provided regarding the values of the baseline deforestation in the project area and L.B used at</p>	OK	

VCS Requirement	Ref	Comments	Draft conclusion	Final conclusion
		verification event compared to those used at validation. The clarification is closed. The data used at verification are conservative. The spatial model has not changed since validation as required by the methodology.		
Are all data and parameters “available at validation” described using the VCS table format?	D.R I	The VCS tables are appropriate. The format is correct.	OK	
3.2 Data and Parameters Monitored				
Are all “monitoring” parameters listed as per MP and applied methodology?	D.R I	The list is complete in compliance with the monitoring plan and the meth.	OK	
Are all data and parameters “to be monitored” described using the VCS table format?	D.R I	The VCS tables are appropriate. The format is correct.	OK	
3.3 Description of the Monitoring Plan				
Is the monitoring plan described?	D.R I	The monitoring report describes the monitoring plan.	OK	
Are organizational structure, responsibilities and competencies identified in the MR?	D.R I	Yes, organizational structure as well as responsibilities and competencies have been identified.	OK	
Are methods described for: Data generation (see also SOPs for each parameter)				
<ul style="list-style-type: none"> Data handling, in particular transcribing field data to digital calculation sheets (see also SOPs for each parameter) 	D.R I	Fundaeco has developed Procedures for monitoring purposes with the collaboration of the other entities involved such as Ecopartner. Detailed description about organizational structure, responsibilities and competencies, methods for generating, recording and reporting data on monitored parameters is available in the Monitoring Plan. PP provided a support folder describing the monitoring plan for the monitoring period.	OK	
<ul style="list-style-type: none"> Data storage, including back-up of the field sheets and digital data 	D.R I	The monitoring data are stored and processed by Fundaeco.	OK	

VCS Requirement	Ref	Comments	Draft conclusion	Final conclusion
<ul style="list-style-type: none"> QA/QC procedures (e.g. re-check of data measurement, data entry, etc – see also SOPs for each parameter)) 	D.R	The monitoring report provides details of the QA/QC procedures however, other documents were developed by PP to further explain the monitoring plan.	OK	
<ul style="list-style-type: none"> Are procedures described for handling internal auditing and non-conformities? 	D.R	To improve the quality control system the PP has intention to carry out internal audits/inspections to identify preventive and corrective action and closing the non conformities.	OK	
Sample design				
Are sample plots laid out as per Monitoring Plan in the MP?	D.R I	In order to estimate the average carbon pools at verification, sample plots were carried out. This information was provided in the monitoring report. For verification purposes and to cross-check the results from the GIS package, a sampling of determined plots is carried out in field.	OK	
Is the location of the sample plot selected on an unbiased basis?	D.R I	The location of sample plots has been selected on unbiased basis.	OK	
Stratification				
Is the ex-post stratification carried out in line with the MP (in the MP) and Methodology?	D.R I	No ex post stratification different from the PDD occurred.	OK	
4. Quantification of GHG Emission Reductions and Removals				
4.1 Baseline GHG removals / emissions				
Are baseline net GHG removals quantified correctly, and in line with the applied methodology and MP?	D.R I	The baseline emissions are calculated in line with the methodology and the monitoring plan and for sake of conservativeness and the accuracy.	OK	
4.2 Project GHG rem emissions				
Are project net GHG emissions quantified correctly, and in line with the applied methodology and MP?	D.R I	The project emissions were correctly calculated as per the methodology required and the monitoring plan.	OK	
Is the required precision level met for net GHG removals?	D.R I	The uncertainty is determined in calculation and net GHG removals have the required precision of 10%.	OK	

VCS Requirement	Ref	Comments	Draft conclusion	Final conclusion
Are project net GHG emission sources listed in line with the applied methodology and MP? Are these emission sources quantified correctly and in line with the applied methodology and MP?	D.R I	The project net GHG emission sources are listed in line with the applied methodology and MP. The emission sources are quantified correctly and in line with the applied methodology and MP.	OK	
4.3 Leakage				
Are sources of leakage listed in line with the applied methodology and MP?	D.R I	Sources of leakage are listed in line with the methodology and MP. Explanations are reported in the monitoring report to assess the values assigned to each kind of leakage considered by the methodology.	OK	
Is leakage quantified correctly, and in line with the applied methodology and MP?	D.R I	The leakage assessment is provided. No leakage is reported for the monitoring period except those due to the markets effects.	OK	
4.4 Summary of GHG Emission Reductions and Removals				
Are the net GHG emission reductions and removals quantified correctly and in line with the applied methodology and MP? Are net changes in carbon stocks included?		The net GHG emission reductions and removals are quantified correctly and in line with the applied methodology and MP. M.R and calculations provide net changes in carbon stocks.	OK	
Are the deductions of VCU's due to the buffer calculated correctly?	D.R I	The deductions of VCU's due to the buffer have been correctly calculated.	OK	
If applicable, is the release of VCU's from the buffer calculated correctly?	D.R I	N/A	OK	
5 ADDITIONAL INFORMATIONOK				
Are any additional relevant information listed?	D.R I	N/A	OK	

APPENDIX 3: CCB VERIFICATION FINDINGS SUMMARY

G1. Project Goals, Design and Long-term Viability

<p>Indicator G1.1 – Identify the primary Project Proponent which is responsible for the project’s design and implementation and provide contact details.</p>	<p>FUNDAECO (“Fundacion para el Ecodesarrollo y la Conservacion”) is the project proponent and is solely responsible for all aspects of project design, implementation, and management. FUNDAECO is a non-profit organization dedicated to conservation and community development based in Guatemala City, Guatemala with field offices in the Department of Izabal</p>
<p>Evidence used to assess conformance</p>	<p>PDD, PIR, and FUNDAECO Statutes.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed. Then, no findings were raised.</p>

<p>Indicator G1.2 – Define the project’s climate, community and biodiversity objectives.</p>	<p>This initiative have identified the following climate, community and biodiversity objectives:</p> <p>Climate Objectives:</p> <ul style="list-style-type: none"> • Reduce CO2 emissions that result from the conversion of intact forest to agricultural and pastoral land. <p>Community Objectives:</p> <ul style="list-style-type: none"> • Empower marginalized and vulnerable communities through the legalization of land, promotion of reproductive rights and participation in resource management. • Improve quality of life in the project zone by creating access to new markets, promoting sustainable production and improving public health and education opportunities. • Promote landowner and community self-sufficiency in the project zone through diversified economies and sustainable land uses. • Preserve awareness and respect for traditional, cultural, spiritual and religious identities of
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	<p>communities within the project area.</p> <p>Biodiversity Objectives</p> <ul style="list-style-type: none"> • Maintain habitat for viable, abundant and diverse natural populations. • Reduce threats to rare, threatened and endangered species. • Maintain the function of the natural ecosystems. • Support local and global knowledge of biodiversity in the project zone.
Evidence used to assess conformance	PDD, Project Implementation Plan and PIR
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G1.3 – Provide the location (country, sub-national jurisdictions(s)) and a brief overview of the basic physical and social parameters of the project.	The REDD+ Project for Caribbean Guatemala is located along the Caribbean coast of Guatemala, in the department of Izabal. Section 1.2.3 of the PIR describes the basic physical parameters, such as soils, geology and climate. On the other hand, the social parameters were described in the validated VCS-CCB PDD which describes the local communities in the project area and project zone as well as the basic socioeconomic and cultural information. None of these aspects have changed since the validation. This information was verified during the on-site visit.
Evidence used to assess conformance	PDD, Project Implementation Plan, Master Plans of Cerro San Gil Protected Spring Reserve, Río Dulce National Park, Montaña Chiclera Regional Park, Punta de Manabique Wildlife Refuge; Sarstun River Multiple Uses Zone, Socioeconomic Survey, Project Maps, KML files, GIS files and Site Visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G1.4 - Define the boundaries of the Project Area where project activities aim to	The project boundaries are defined, however a CAR was requested to correct some information.
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generate net climate benefits and the Project Zone where project activities are implemented.	
Evidence used to assess conformance	PDD, Project Implementation Plan, Project Maps, KML files, GIS files and Site Visit.
Finding	<p>CAR 01: In accordance with the VCS CCB Template, the boundaries of the project area and the project zone shall be described in section 1.2. Also in that section shall be included 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).</p> <p>The CAR is closed.</p> <p>A table with all the new project activity instances has been added to the monitoring report summary in section 1. The Monitoring Report Summary (sections 2 and 3) also was updated to reflect any changes in monitoring results that occurred due to the expansion of the monitoring period, which shows the project's benefits to climate, community, and biodiversity. All of the results in those sections reflect the updated monitoring numbers presented in the Monitoring indicator and results Matrix v1.2 2012-2016.xlsx.</p> <p>Maps have also been included in the monitoring report.</p>

Indicator G1.5 – Explain the process of stakeholder identification and analysis used to identify Communities, Community Groups and Other Stakeholders.	<p>According to the section 2.6.1 of the MIR and the section 2.7.2 of the PDD, through its five regional offices in Izabal and the knowledge and experience of their field technicians, FUNDAECO has identified the key actors (stakeholders) of the REDD+ project.</p> <p>The Izabal regional offices held identification activities and meetings in which the following key actors were identified: Community Development Councils (COCODES) and their Assemblies, Local Regional Indigenous and Community Associations and Protected Area Community Assemblies (Asambleas o Consejos Intercomunitarios de Áreas Protegidas), Protected Area Executive Councils or Boards of Directors (“Consejos Ejecutivos Locales de Áreas Protegidas”), Departmental</p>
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	and Municipal Coordination Instances: CODEDE and COMUDES, Farmers associations and Local leaders. Section 2.6.1 of the MIR summarized the process of stakeholder identification.
Evidence used to assess conformance	PDD, MIR, Informe de Proceso de Consulta Previa, Libre e Informada-CPLI (FPIC Report), record of meetings and interviews during the site visit.
Finding	This indicator has been correctly addressed, then, no findings were raised.

Indicator G1.6 – List all Communities, Community Groups and Other Stakeholders identified using the process explained in G 1.5.	The identified stakeholders have been list in section 2.61 of the MIR.
Evidence used to assess conformance	MIR, PDD, Informe de Proceso de Consulta Previa, Libre e Informada-CPLI (FPIC Report), record of meetings and interviews during the site visit.
Finding	This indicator has been correctly addressed, then, no findings were raised.

Indicator G1.7 – Provide a map identifying the location of Communities and the boundaries of the Project Area(s), of the Project Zone, including any High Conservation Value areas (identified in CM1 and B1), and of additional areas that are predicted to be impacted by project activities identified in CL3, CM3 and B3.	To assess when CAR 01 is closed. The CAR is closed, maps providing boundaries and communities affected were provided.
Evidence used to assess conformance	PDD, Project Maps, KML files and site visit.
Finding	CAR 01. Closed.

Indicator G1.8 – Briefly describe each project activity and the	Section 2.2 of the MIR describes the project activities carried during this period out and its expected outputs,
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expected outputs, outcomes and impacts of the activities identifying the causal relationships that explain how the activities will achieve the project's predicted climate, community and biodiversity benefits.	outcomes and impacts and identifying the causal relationships that explain how the activities will achieve the project's predicted climate, community and biodiversity benefits. This includes a series of actions such as: forest patrolling, implementation of agroforestry and other livelihoods initiatives, expanding health and reproductive care throughout the project zone, public education on the importance of biological diversity and environmental sustainability, protection of vulnerable species, monitoring of birds, among others. Sections 6, 7 and 8 give details about the monitoring results of the project activities carried out.
Evidence used to assess conformance	PDD, MIR, Implementation Plan and Site Visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G1.9 – Define the project start date and lifetime, and GHG accounting period and biodiversity and community benefits assessment period if relevant, and explain and justify any differences between them. Define an implementation schedule, indicating key dates and milestones in the project's development.	<p>The project start date is April 1, 2012. The project crediting period is 30 years, starting 1 April 2012 and ending 31 March 2042.</p> <p>The project lifetime as well as the crediting period is 30-years.</p> <p>In accordance with the VCS-CCB Monitoring and Implementation Report, the implementation schedule shall be included in section 1.6.</p>
Evidence used to assess conformance	MIR, PDD, implementation plan and interviews during the site visit.
Finding	<p>CL 01: The project implementation schedule shall be included in section 1.6 of the MIR.</p> <p>The CL is closed. The budget and implementation schedule were provided to AENOR. In this monitoring period, FUNDAECO has achieved its objectives by implementing project activities in every program area.</p>

Indicator G1.10 – Identify likely natural and human-induced risks to the expected climate, community	Section 2.3 of MIR identify likely natural and human-Induced risks to the expected project benefits, such as Institutional weakness, Lack of governance, Lack to
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and biodiversity benefits during the project lifetime and outline measures needed and taken to mitigate these risks.	access markets or, continued habitat degradation outside of the project area among others, and outline measures needed and taken to mitigate these risks. In addition, the VCS Non-permanence Risk Tool has been applied.
Evidence used to assess conformance	MIR, PDD, Project Non-permanence Risk Report, Socioeconomic Survey, interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G1.11 – Describe the measures needed and taken to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime.	Despite the fact that the project lifetime is 30 year, the project is designed to create benefits and impacts that are expected to last far beyond this time frame. For instance, through activities to support land titling FUNDAECO is ensuring community rights and also access to projects, funding, and stability for benefited communities. Furthermore, technical assistance for productive alternatives and access to education will contribute to maintain project benefits. It is expected all these joint interventions to generate impacts at the local development dynamics and patterns in the project zone, beyond project lifetime.
Evidence used to assess conformance	MIR, PDD, Implementation Plan and site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G1.12 – Demonstrate that financial mechanisms adopted, including actual and projected revenues from GHG emissions reductions or removals and other sources, provide an adequate actual and projected flow of funds for project implementation and to achieve the project’s climate, community and biodiversity benefits.	FUNDAECO is committed to cover project operation costs, initially through an investment from Althelia climate Fund that covers development expenses. During the rest of the project lifetime FUNDAECO is committed to sell carbon credits with the support from ACF. Also a VCU’s marketing unit will be established in Guatemala to reach local companies. However considering the carbon market uncertainty, to guarantee project casflow. FUNDAECO continue to seek funds from international cooperation. FUNDAECO will work with recognized sustainable development and conservation funds and agencies to cover costs from the different project
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	<p>components.</p> <p>Financial projection was provided to the audit team.</p>
Evidence used to assess conformance	MIR, PDD, Budget and Cashflow-xlsx and NPV Analysis.xlsx.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

<p>Indicator G1.13 – Specify the Project Area(s) and Communities that may be included under the programmatic approach, and identify any new Project Area(s) and Communities that have been included in the project since the last validation or verification against the CCB Standards.</p>	<p>Figure 5 of MIR shows the Grouped Project Area. However, the concept of Grouped Project Area given in section 2.12 of the MIR is not in accordance with the PDD.</p> <p>Areas and Communities that may be included under the programmatic approach have not been identified. On the other hand, communities were not identified in any map included in the MIR.</p>
Evidence used to assess conformance	PDD, Project Maps, KML files and site visit.
Finding	<p>CAR 02: Areas and Communities that may be included in the Project under the programmatic approach shall be identified. Also a map identifying the location of Communities in the Project Area and Project Zone shall be included in the PIR. In addition, the definition of the Grouped Project Area shall be in accordance with that given in the PDD.</p> <p>The CAR is closed. No new communities have been identified in the Project Zone. The list provided in the MIR that showed 134 communities as opposed to 111 was out-dated information, and the actual number of communities in the project zone remains at 111. A map identifying the location of communities in the Project Zone has been included in section 2.2 of the MIR.</p>

<p>Indicator G1.14 – Specify the eligibility criteria and process for project expansion under the programmatic approach and demonstrate that these have been</p>	<p>Section 1.3.1 describes the eligibility criteria: The project activities have been designed as part of the REDD+ project with the intention of reducing CO2 emissions from deforestation compared to baseline levels. As required by VM015, the land in the project area is</p>
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met for any new Project Areas and Communities that have been included in the project since the last validation or verification against the CCB Standards.	forested, meeting the definition of forest as defined by the Government of Guatemala. These areas were forests for a minimum of 10 years before the project start date as evidenced by historical LULC analysis. Additionally, as required by VM0015 peat soils with organic matter content above 65% were removed from the project area.
Evidence used to assess conformance	PDD, Project Maps, KML files and VCS “Methodology for avoided unplanned deforestation”-VM0015, version 1.1
Finding	To assess when CAR 02 is closed. The monitoring report assesses for the new instances each criteria identified in the PDD.

Indicator G1.15 – Establish scalability limits, if applicable, and describe measures needed and taken to address any risks to climate, community and biodiversity benefits if the project expands beyond those limits.	PDD has established the Grouped Project Area. The Grouped Project Area The Grouped Project Area is defined as forest area found at the project start date within the Grouped Project Zone that has been forested for at least 10-years. These areas define where forest in additional parcels that meet the eligibility criteria can be added in the future as Project Activity Instances to the Project Area. The project will not expand beyond those limits.
Evidence used to assess conformance	PDD, Project Maps, KML files and VCS “Methodology for avoided unplanned deforestation”-VM0015, version 1.1
Finding	To assess when CAR 02 is closed. According to the information from GIS package the project has expands within the defined grouped project areas.

G2. Without-project Land Use Scenario and Additionality

Indicator G.2.1 - Describe the most likely land-use scenario within the Project Zone in the absence of the project, describing the range of potential land-use scenarios and the associated drivers of land use	The most plausible baseline scenario for the project is continued unplanned deforestation for timber, agriculture and grazing activities resulting in removal of old growth/ primary forest. The project area would be deforested in the absence of the REDD project activity.
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changes and justifying why the land-use scenario selected is most likely. It is allowable for different locations within the Project Zone to have different without-project land use scenarios.	The deforested areas are mosaic in nature. Furthermore, section 4.4.1 and 4.4.2 of the MIR describe the community and biodiversity baselines scenario, respectively.
Evidence used to assess conformance	PDD, VCS tool Demonstration of Additionality in VCS AFOLU Project Activities (VT0001) version 3.0, Budget and Cashflow-xlsx, NPV Analysis.xlsx, Agents and Drivers Assessment and Socioeconomic Survey.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.2.2 - Document that project benefits including climate, community and biodiversity benefits would not have occurred in the absence of the project, explaining how existing laws, regulations and governance arrangements, or lack of laws and regulations and their enforcement, would likely affect land use and justifying that the benefits being claimed by the project are truly 'additional' and would not have occurred without the project. Identify any distinct climate, community and biodiversity benefits intended for use as offsets and specify how additionality is established for each of these benefits.	Section 4.5 of the MIR demonstrates the project additionality and justify that the benefits being claimed by the project are truly 'additional' and would not have occurred without the project. In order to identified the most likely land use scenario the project proponent has used the VCS tool Demonstration of Additionality in VCS AFOLU Project Activities (VT0001) version 3.0.
Evidence used to assess conformance	PDD, VCS tool Demonstration of Additionality in VCS AFOLU Project Activities (VT0001) version 3.0, Budget and Cashflow-xlsx, NPV Analysis.xlsx, Agents and Drivers Assessment and Socioeconomic Survey.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

G3. Stakeholder Engagement

<p>Indicator G.3.1.- Describe how full project documentation has been made accessible to Communities and Other Stakeholders, how summary project documentation (including how to access full documentation) has been actively disseminated to Communities in relevant local or regional languages, and how widely publicized information meetings have been held with Communities and Other Stakeholders.</p>	<p>Section 2.6.2 of the MIR described how the project participant communicated to the local communities and other stakeholder the process for validation. In that sense, the MIR in English as well as the summary in Spanish has been published at CCB website.</p> <p>Furthermore, it was verify the project documents have been made accessible to stakeholders in FUNDAECO offices located in the project zone. For instance, advertisements given information regarding the CCB public comments period as well as the links to access to the full documentation were found in the local office of FUNDAECO in Morales.</p> <p>In accordance with the PDD, FUNDAECO will organize socialization activities with associations and community groups, in order to ensure understanding and obtain comments. When needed a Q'eqchi' translator will participate to guarantee comprehension of Q'eqchi' communities. During the site visit the audit team was able to verify the interaction with Q'eqchi' speakers. Local language has been used in that meetings supported by a Q'eqchi' translator.</p>
<p>Evidence used to assess conformance</p>	<p>PDD, FUNDAECO Web Site, records of meetings, advertisements and interviews during the site visit.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed in the PDD, then, no findings were raised.</p>

<p>Indicator G.3.2.- Explain how relevant and adequate information about potential costs, risks and benefits to Communities has been provided to them in a form they understand and in a timely manner prior to any decision they may be asked to make with respect to participation in the project.</p>	<p>This requirement is address in Section 3.7 of the MIR. The Free Prior and Informed Consent process was implemented by FUNDAECO with the identified stakeholders. The project team and field technicians developed more than a 100 meetings, workshops and assemblies to present the project to the communities and institutions involved in the project, and to discuss their support or consent.</p> <p>The information presented and discussed during the FPIC process explained: the fundamental knowledge about Climate Change and the environmental services of the forest; the deforestation rates of the Caribbean Guatemala; the concepts and elements related to REDD+, and the objectives, strategies and benefits of the REDD+ Project.</p>
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	The strategy followed during the implementation of the FPIC process (detailed in document “Informe de Proceso FPIC”) looked to cover all the coordination and organization levels within the project region.
Evidence used to assess conformance	PDD, FPIC Process Report and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.3.3.- Describe the measures taken, and communications methods used, to explain to Communities and Other Stakeholders the process for validation and/or verification against the CCB Standards by an independent Auditor, providing them with timely information about the Auditor’s site visit before the site visit occurs and facilitating direct and independent communication between them or their representatives and the Auditor.	<p>In accordance with section 2.7.1 of the MIR all project implementation activities have been closely coordinated in each level with the appropriate participatory bodies, and a Regional Project Coordinator has ensured regional coordination with the Governor of Izabal, and the Regional Coordinator of the National Council of Protected Areas. FUNDAECO, as project proponent, has ensured administrative support, operational planning, oversight, coordination with all relevant partners and stakeholders for project activities implementation, and Auditing and MRV requirements for the project.</p> <p>FUNDAECO has carried out socialization activities with associations and community groups, in order to ensure understanding and obtain comments. When needed a Q’eqchi’ translator participates to guarantee comprehension of Q’eqchi’ communities. During the site visit the audit team was able to verify the interaction with different stakeholders. Local language has been used in some meetings supported by an Q’eqchi’ translator</p> <p>Furthermore, it was verify the project documents have been made accessible to stakeholders in FUNDAECO offices located in the project zone. For instance, advertisements given information regarding the CCB public comments period as well as the links to access to the full documentation were found in the local office of FUNDAECO in Morales.</p>
Evidence used to assess conformance	MIR, PDD, FUNDAECO Web Site, advertisements, interviews with local stakeholders.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

<p>Indicator G.3.4.- Describe how Communities including all the Community Groups and Other Stakeholders have influenced project design and implementation through Effective Consultation, particularly with a view to optimizing Community and Other Stakeholder benefits, respecting local customs, values and institutions and maintaining high conservation values. Project proponents must document consultations and indicate if and how the project design and implementation has been revised based on such input. A plan must be developed and implemented to continue communication and consultation between the project proponents and Communities, including all the Community Groups, and Other Stakeholders about the project and its impacts to facilitate adaptive management throughout the life of the project.</p>	<p>The Free Prior and Informed Consent process was implemented by FUNDAECO with the identified stakeholders.</p> <p>The strategy followed during the implementation of the FPIC process (detailed in document “Informe de Proceso FPIC”) looked to cover all the coordination and organization levels within the project region.</p>
<p>Evidence used to assess conformance</p>	<p>MIR (section 3.7), PDD, PDD, FPIC Process Report and interviews during the site visit, Site visit, interviews with local stakeholders.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed in the PDD, then, no findings were raised.</p>

<p>Indicator G.3.5.- Demonstrate that all consultations and participatory processes have been undertaken directly with Communities and Other Stakeholders or through their legitimate representatives, ensuring adequate levels of information sharing with the members of the groups.</p>	<p>A wide array of local producer associations, women associations, and other local organized groups has been consulted during the FPIC process, and will be actively involved in project implementation. These different participatory governance structures have been engaged during project preparation and consultation, and will be actively engaged in project implementation by FUNDAECO’s local field teams, deployed across the region in five field offices and three Field Stations.</p> <p>In each office, a Technical Coordinator and a team of environmental educators, social workers, agronomists, naturalists, and field extensionists will ensure a close,</p>
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	intensive and active engagement of communities, forest owners, agroforestry producers, women and youth in the implementation of all project activities.
Evidence used to assess conformance	MIR, PDD, FPIC Process Report, Record of Meetings and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

<p>Indicator G.3.6.- Describe the measures needed and taken to enable effective participation, as appropriate, of all Communities, including all the Community Groups, that want and need to be involved in project design, implementation, monitoring and evaluation throughout the project lifetime, and describe how they have been implemented in a culturally appropriate and gender sensitive manner.</p>	<p>Section 2.6.1 of the PIR describes the measures identified and taken to enable local communities participation as follows:</p> <p>FUNDAECO has designed, promoted and supported different mechanisms and structures that ensure the active participation of all stakeholders in consultation, decision making, and implementation of field activities across the project region.</p> <p>Communities in particular, will participate not only as Forest owners, but also as members of protected area management bodies, as project beneficiaries and as direct participants in the implementation of project activities.</p> <p>From the local to the regional level, the following structures have been involved in project consultation and planning, and will also ensure project implementation, follow-up and oversight: COCODEs- Community Development Councils, Local Regional Indigenous and Community Associations and Protected Area Community Assemblies, Protected Area Executive Councils or Boards of Directors, COMUDEs or Municipal Development Councils CODEDE- the Development Council for the Department of Izabal, etc</p> <p>Additionally, a wide array of local producer associations, women associations, and other local organized groups were consulted during the FPIC process prior to and during the reporting period, and were actively involved in project implementation</p> <p>In order to ensure the active integration of Indigenous Peoples, during the consultation period FUNDAECO has worked closely with local <i>Q'eqch'i</i> Associations <i>Aj</i></p>
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	<p><i>Rihonel Re li Ch'och</i> in Río Sarstún, <i>Aj Ijol</i> Quiché in Chocón Nacional and San Antonio Aj Awinel in Jalauté, and these associations will also be key project implementation partners.</p> <p>During the consultation phase, FUNDAECO's team of Social workers, Nurses, and Health workers made a focused effort in order to ensure the participation of women and youth in project presentations and consultations, using local Q'eqché speakers.</p> <p>During the site visit, the audit team was able to verify the process by checking records of meetings and interviewing different local stakeholders.</p>
Evidence used to assess conformance	Records of meetings conducted with the identified stakeholder and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.3.7.- Describe the measures needed and taken to ensure that the project proponent and all other entities involved in project design and implementation are not involved in or complicit in any form of discrimination or sexual harassment with respect to the project.	<p>In accordance with section 2.5.1 of the MIR, recently FUNDAECO has developed its Policy on Gender, No Discrimination and Violations against Fundamental Human Rights. All manual and regulations were implemented under the concepts and criteria stated along this Policy.</p> <p>On Non-Discrimination:</p> <p>Every employee has the right not to be discriminated directly or indirectly for employment, or once employed, for reasons of gender, marital status, age within the law limits, racial or ethnic origin, social status, religion or belief, political ideas, sexual orientation, membership or not to a labour union.</p>
Evidence used to assess conformance	MIR and interviews during the site visit.
Finding	<p>CL 02: PP shall provide the Policy on Gender, No Discrimination and Violations against Fundamental Human Rights to the audit team and explain how this policy is disseminated to the project staff.</p> <p>The CL is closed. The Project Proponent has provided a copy of this policy to the audit team and has described how it is disseminated to staff in section 2.7.1 of the</p>

	MIR.
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<p>Indicator G.3.8.- Demonstrate that a clear grievance redress procedure has been formalized to address disputes with Communities and Other Stakeholders that may arise during project planning, implementation and evaluation with respect but not limited to, Free, Prior and Informed Consent, rights to lands, territories and resources, benefit sharing, and participation.</p> <p>The project shall include a process for receiving, hearing, responding to and attempting to resolve Grievances within a reasonable time period. The Feedback and Grievance Redress Procedure shall take into account traditional methods that Communities and Other Stakeholders use to resolve conflicts. The Feedback and Grievance Redress Procedure shall have three stages with reasonable time limits for each of the following stages. First, the Project Proponent shall attempt to amicably resolve all Grievances, and provide a written response to the Grievances in a manner that is culturally appropriate.</p> <p>Second, any Grievances that are not resolved by amicable negotiations shall be referred to mediation by a neutral third party.</p> <p>Third, any Grievances that are not resolved through mediation shall be referred either to a) arbitration, to the extent allowed by the laws of the relevant jurisdiction or b) competent courts in the relevant jurisdiction, without prejudice to a party's ability to submit the Grievance to a competent supranational adjudicatory body, if any. The Feedback and Grievance Redress Procedure must be publicized and accessible to Communities and Other Stakeholders. Grievances and project responses, including any redress, must be documented and</p>	<p>The Section 2.6.3 of the MIR describes the implemented project grievance redress procedure.</p> <p>Reception, registration, response, resolution and/or referral of grievances is executed at different geographical and organizational levels, according to their gravity and urgency, ranging from requests of access to information, operational and administrative complaints, grievances and disputes over rights of access, collective conflicts, and potential violations of Legislation and Fundamental Rights. Different and specific channels of communication and complaint will be used, based on current practices, in order to ensure that all stakeholders, particularly vulnerable populations – such as indigenous women- have rapid access to complaints and grievance redress.</p> <p>A registry of complaints, responses and referrals will be kept at the Regional, National and Institutional Level.</p> <p>In order to improve the Project's performance as related to proper and effective response to complaints and grievances, mechanisms will be implemented, such as quarterly monitoring of requests for information, complaints and grievances, annual stakeholder satisfaction surveys, annual risk assessment and identification of potential conflicts, and development of a project contingency plan.</p> <p>According to that section in the MIR more detailed information is given in the document "Grievance Mechanisms.docx". However, that document has not been provided.</p>
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made publicly available.	
Evidence used to assess conformance	PDD
Finding	<p>CL 03: Project proponent shall provide the document “Grievance Mechanisms.docx” to the audit team.</p> <p>The clarification is closed. The evidence was provided.</p>

<p>Indicator G.3.9.- Describe measures needed and taken to provide orientation and training for the project’s workers 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, with special attention to women and vulnerable and/or marginalized people. Identify how training is passed on to new workers when there is staff turnover, so that local capacity will not be lost.</p>	<p>In order to build local useful skills and knowledges to increase success in the project implementation and goals, a significant amount of training and capacity building its being implemented by FUNDAECO, and is provided in different level to field technicians and community beneficiaries.</p> <p>Through workshops, filed technicians, and project beneficiaries were trained to implement several types of agro-ecological products (black pepper, cardamom, rambutan, forestry amount others) and ecotourism in an environmentally low-impact manner during the previous reporting period. Through these activities economic opportunities were improved in different areas.</p>
Evidence used to assess conformance	PDD, Implementation Plan, record of workshops and site visit.
Finding	<p>CAR 03: In accordance with the VCS+CCB MIR Template, PP shall describe training provided for the project’s employees and relevant people from the communities.</p> <p>CAR 3 is closed. Information about the training of employees has been provided in the monitoring report.</p>

<p>Indicator G.3.10.- Demonstrate that people from the Communities are given an equal opportunity to fill all work positions (including management) if the job requirements are met. Explain how workers are selected for positions and where relevant, describe the measures needed and taken to ensure Community members,</p>	<p>As stated in the MIR, FUNDAECO Hiring procedures are established in section one of the institutional Manual for Policies, Rules and Procedures, (manual de politicas normas y procedimientos). According to this manual when a new position or task is required, first opportunity is given to existing staff.</p> <p>In addition, and in accordance with the PDD, When the skills are not founded inside the organization the</p>
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<p>including women and vulnerable and/or marginalized people, are given a fair chance to fill positions for which they can be trained.</p>	<p>position is announced through different channels, such as local radios, local newspapers, universities, web page etc.; the resumes will be evaluated following the procedures in the manual.</p> <p>Hiring additional plant personnel such as consultants, or other professionals, specialized personnel is carried out within the framework of each specific project and according to the Terms of Reference required by the project, which include term, functions, products, fees, or other services.</p> <p>In the case of the REDD+ Project for Caribbean Guatemala, FUNDAECO will retain existing staff in order to harness already acquired experience in: REDD + topic; the knowledge of the project area, and its social and natural conditions and dynamics; and the contacts with local communities and stakeholders. The staff hired by the project is local people with important experience in the area.</p>
<p>Evidence used to assess conformance</p>	<p>FUNDAECO's Manual for Policies, Rules and Procedures and interviews during the site visit.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed in the PDD, then, no findings were raised</p>

<p>Indicator G.3.11.- Submit a list of all relevant laws and regulations covering worker's rights in the host country. Describe measures needed and taken to inform workers about their rights. Provide assurance that the project meets or exceeds all applicable laws and/or regulations covering worker rights and, where relevant, demonstrate how compliance is achieved.</p>	<p>Relevant laws and regulations covering worker's rights in Guatemala have been listed in the MIR.</p> <p>The rights and obligations of workers are contained in the Labor Code (Decree 1441 of the Guatemalan Congress). Furthermore, within the regulations of the Guatemalan Social Security Institute conducted in coordination with the Ministry of Labor, FUNDAECO applies the following regulations:</p> <ul style="list-style-type: none"> • The Regulation on Health and Safety at Work, contained in the Government Agreement No. 229-2014 and its amendments contained in No.33-2016 • Regulation on Accident Protection, published by the Guatemalan Social Security Institute board (Agreement no. 1002). <p>FUNDAECO -in compliance with the content on civil, commercial and labor- enacts a Human Resources</p>
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	<p>Policy, as part of Manual for Policies, Rules and Procedures which was presented to the Ministry of Labor and Social Security for review and approval by a representative of the employer and two representatives of the workers, having been approved by the Ministry through the 179-2002 resolution, regulating the conditions of working hours, salary payments, holidays, requests and claims, obligations of the employer and employees, safety and health. In compliance with the established regulations, this manual has to be available to workers at each office in printed form and in digital form.</p> <p>More recently FUNDAECO has developed its Policy on Gender, No Discrimination and Violations against Fundamental Human Rights.</p> <p>Specific procedures related to FUNDAECO field work are included in the institutional Policy and Plan for Health and Safety. FUNDAECO has also adopted the Security and Risk Manual at the Herpetarium from the Guadalajara Zoo Herpetarium, to manage its local herpetarium at Cerro San Gil, this herpetarium is registered at CONAP, and personnel has been trained by the Director of the National History Museum herpetarium (see manual de serpentarios.pdf).</p>
Evidence used to assess conformance	Labor Code-Decree 1441 of the Guatemalan Congress, FUNDAECO's Manual of Internal Working Regulation and Procedure and Security and Risk Manual at the Herpetarium.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

<p>Indicator G.3.12.- Comprehensively assess situations and occupations that might arise through the implementation of the project and pose a substantial risk to worker safety. Describe measures needed and taken 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 are minimized using best work</p>	<p>MIR and the annex xi of the FUNDAECO's Internal Labor Regulation describe measures adopted to minimize risk to worker safety.</p> <p>In addition, situations and occupations that might pose risks to worker's safety as well as FUNDAECO's mitigation of those risks have been included in section 2.6.4 of the PD final version.</p>
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practices in line with the culture and customary practices of the communities.	
Evidence used to assess conformance	PDD, FUNDAECO's Internal Labor Regulation and site visit.
Finding	This indicator has been correctly addressed in the PDD final version.

G4. Management Capacity and Best Practices.

Indicator G.4.1 Describe the project's governance structures, and roles and responsibilities of all the entities involved in project design and implementation. For projects using a programmatic approach, identify any new entities included in the project since the last validation or verification against the CCB Standards.	<p>FUNDAECO is the project proponent and is solely responsible for all aspects of project design, implementation, and management.</p> <p>In accordance with the section 1.4.1 of the MIR, the organizational structure for the REDD+ Project for Caribbean Guatemala as well as the team's experience is detailed in the Implementation Plan (Plan de Implementación REDD V6.docx). The project's governance structures, and roles and responsibilities of all the entities involved in project design and implementation is described properly in that Implementation Plan.</p>
Evidence used to assess conformance	Implementation plan ("Plan de Implementación REDD V6.docx")
Finding	This indicator has been correctly addressed in the PDD final version.

Indicator G.4.2.-. Document key technical skills 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 and carbon projects at the scale of this project. If relevant experience is lacking, the proponents must either demonstrate how other organizations are partnered with to	<p>In accordance with the section 1.4.1 of the MIR, the organizational structure for the REDD+ Project for Caribbean Guatemala as well as the team's experience is detailed in the Implementation Plan (Plan de Implementación REDD V6.docx). The project's governance structures, and roles and responsibilities of all the entities involved in project design and implementation is described properly in that Implementation Plan. As detailed in section 1.4 of MIR, along with FUNDAECO other entities involved in the project are Ecopartners, Althelia Ecosphere and Universidad del Valle de Guatemala (UVG). Roles and experience of each partner has been verified.</p>
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support the project or have a recruitment strategy to fill the gaps.	
Evidence used to assess conformance	Implementation plan (“Plan de Implementación REDD V6.docx”)
Finding	This indicator has been correctly addressed in the PDD final version.

Indicator G.4.3.- Document the financial health of the implementing organization(s). Provide assurance that the Project Proponent and any of the other entities involved in project design and implementation are not involved in or are not complicit in any form of corruption such as bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion, and collusion, and describe any measures needed and taken to be able to provide this assurance.	<p>FUNDAECO is committed to cover project operation costs, initially through an investment from Althelia climate Fund that covers development expenses. During the rest of the project lifetime FUNDAECO is committed to sell carbon credits with the support from ACF. Also a VCUs marketing unit will be established in Guatemala to reach local companies. However considering the carbon market uncertainty, to guarantee project cashflow. FUNDAECO continue to seek funds from international cooperation. FUNDAECO will work with recognized sustainable development and conservation funds and agencies to cover costs from the different project components.</p> <p>FUNDAECO is no not involved in or are not complicit in any form of corruption such as bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion, and collusion In addition, FUNDAECO's Policy, Standards and Procedures Manual, which contains the premises adopted for FUNDAECO, for the administration of Human Capital, the acquisition of goods and services, and the safeguarding of asset has been provided in order to demonstrate the institutional style of operation.</p>
Evidence used to assess conformance	MIR, PDD, FUNDAECO's Policy, Standards and Procedures Manual, Althelia Impact Report 2016, site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

G5. Legal Status and Property Rights.

Indicator G.5.1.- Describe and map statutory and customary tenure/use/access/management	This item is described in the MIR section 3.2 and it is in accordance with the PDD. As a grouped project the REDD+ Project for Caribbean Guatemala has a number
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<p>rights to lands, territories and resources in the Project Zone including individual and collective rights and including overlapping or conflicting rights. If applicable, describe measures needed and taken by the project to help to secure statutory rights. Demonstrate that all Property Rights are recognized, respected, and supported.</p>	<p>of landholders with different land tenure arrangements where project activities are implemented. Different tenure arrangements include private property, private property holders without formal title termed “poseedores”, community lands, State lands administered by CONAP, State lands given in concession to communities and industries and other users. With the exception of “poseedores” all of the tenure arrangements present in the grouped project area arises from either formal titles or formal management agreements with the State. These formal agreements are catalogued by the Cadastral Information Registry (RIC) following the Cadastral Information Registry Act of 2005 (Decree 41-2005).</p> <p>In the case of “poseedores”, land titles are recognized by the State through municipal certificates. A poseedore is defined as a land holder who without being land owner exercises some or all of the usual property rights over a piece of land (Article 23 of Decree 41-2005). PINPEP furthers the definition of a poseedore in the context of forests and delineates clear statutes of property rights and required documentation. PINPEP rules hold that to be recognized as a land holder without title (i.e. poseedore) a certificate provided by the mayor of the relevant municipality is required declaring that the person concerned is known as the local occupier of the land in a way that is peaceful, public, permanent and in good faith and that no competing claim on the land is known.</p> <p>With established rights to property, Article 22 of the Framework for the Regulation of the Reduction of Vulnerability, the Mandatory Adaptation to the effects of Climate Change and the Mitigation of the effects of Greenhouse Gases (Decree 07-2013) furthers the project ownership of legal owners or poseedores to emission reductions generated in either voluntary or compliance markets. For the REDD+ Project for Caribbean Guatemala, all participating properties have transferred their emissions reductions project ownership to FUNDAECO. A database of confidential contracts with each land owner will be provided to auditors upon request. Each contract transfers carbon rights for a minimum of 20-years and is renewable for an additional 10-years.</p>
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Evidence used to assess conformance	MIR, PDD, Law Framework for the Regulation of the Reduction of Vulnerability, the Mandatory Adaptation to the effects of Climate Change and the Mitigation of the effects of Greenhouse Gases (Decree 07-2013) and Cadastral Information Registry Act of 2005 (Decree 41-2005), site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

<p>Indicator G.5.2.- Demonstrate with documented consultations and agreements that</p> <p>a. the project will not encroach uninvited on private property, community property, or government property,</p> <p>b. the Free, Prior, and Informed Consent has been obtained of those whose property rights are affected by the project through a transparent, agreed process.</p> <p>c. appropriate restitution or compensation has been allocated to any parties whose lands have been or will be affected by the project</p>	<p>The compliance of the criteria given by the indicator G5.2 has been verified. A Free Prior and Informed Consent process was implemented by FUNDAECO with the identified stakeholders. The FPIC report has been provided to the audit team. In addition, the audit team was able to verify the information provided through interviews with local stakeholders during the site visit.</p>
Evidence used to assess conformance	MIR, FPIC Report, interviews during the site-visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

<p>Indicator G.5.3.- Demonstrate that project activities do not lead to involuntary removal or relocation of Property Rights Holders from their lands or territories, and does not force them to relocate activities important to their culture or livelihood. If any relocation of</p>	<p>The project does not require or involve the involuntary relocation of people or of activities important for their livelihoods or culture. The project is designed respecting and supporting people rights, in this sense the project includes land legalization actions that allow interested communities, with historical rights but without land titles, to include their forest in the grouped project area. This was verified through interviews with several</p>
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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	stakeholders during the on-site visit.
Evidence used to assess conformance	PDD, Implementation Plan and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.5.4.-. Identify any illegal activities that could affect the project's climate, community or biodiversity impacts (e.g. illegal logging) taking place in the Project Zone and describe measures needed and taken to reduce these activities so that project benefits are not derived from illegal activities.	<p>PDD section 3.9, table 15 list the identified illegal activities that could affect the project impacts and the measures to be taken to reduce those illegal activities. The Project Implementation Plan describes in detail the planned project activities.</p> <p>The project does not considered any benefit from illegal activities</p>
Evidence used to assess conformance	MIR, PDD, Implementation Plan and Interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.5.5.- Identify any ongoing or unresolved conflicts or disputes over rights to lands, territories and resources and also any disputes that were resolved during the last twenty years where such records exist, or at least	This item has not been addressed.
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<p>during the last ten years. If applicable, describe measures needed and taken to resolve conflicts or disputes.</p> <p>Demonstrate that no activity is undertaken by the project that could prejudice the outcome of an unresolved dispute relevant to the project over lands, territories and resources in the Project Zone.</p>	
<p>Evidence used to assess conformance</p>	<p>PDD and interviews during the site visit.</p>
<p>Finding</p>	<p>CAR 04: the indicator G.5.5 of CCB Standards Third Edition has not been addressed in the PDD.</p> <p>The CAR is close.</p> <p>Information regarding both resolved and on-going disputes during the 2012-2016 monitoring period has been included in Section 2.8.3 of the MIR. Language in section 2.8.3 has been updated to adequately address indicator G5.5 of the CCB Standards.</p>

<p>Indicator G.5.6.- Submit a list of all national and local laws and regulations in the host country that are relevant to the project activities. Provide assurance that the project is complying with these and, where relevant, demonstrate how compliance is achieved.</p>	<p>Section 3.1 of the MIR list relevant laws and regulation in the host country. The project is conducted under all those laws.</p>
<p>Evidence used to assess conformance</p>	<p>PDD, Decree 07-2013. Framework for the Regulation of the Reduction of Vulnerability, the Mandatory Adaptation to the effects of Climate Change and the Mitigation of the effects of Greenhouse Gases, Law for Forestry Incentives for Possessors of Small Extensions of Land for Forestry or Agroforestry Use (PINPEP). Decree 51-2010, Protected Areas Act, Forestry Law, etc.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed in the PDD, then, no findings were raised.</p>

Indicator G.5.7.- Document that the project has approval from the appropriate authorities, including the established formal and/or traditional authorities customarily required by the Communities.	FUNDAECO is compliant with all relevant local and national laws. Section 3.1 and 3.2 of the MIR document the approval obtained.
Evidence used to assess conformance	PDD and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.5.8.- Demonstrate that the Project Proponent(s) has the unconditional, undisputed and unencumbered ability to claim that the project will or did generate or cause the project's climate, community and biodiversity benefits.	Based on the VCS Standard Section 3.11.1, the project demonstrates that the proponents have Right of Use over the emission reductions under subsection 4: "Project ownership arising by virtue of a statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions and/or removals (where such right includes the right of use of such reductions or removals and the project proponent has not been divested of such project ownership)" With established rights to property, Article 22 of the Framework for the Regulation of the Reduction of Vulnerability, the Mandatory Adaptation to the effects of Climate Change and the Mitigation of the effects of Greenhouse Gases (Decree 07-2013) furthers the project ownership of legal owners or "poseedores" to emission reductions generated in either voluntary or compliance markets. For the REDD+ Project for Caribbean Guatemala, all participating properties have transferred their emissions reductions project ownership to FUNDAECO. A database of confidential contracts with each land owner will be provided to auditors upon request. Each contract transfers carbon rights for a minimum of 20-years and is renewable for an additional 10-year.
Evidence used to assess conformance	MIR, PDD, Decree 07-2013. Framework for the Regulation of the Reduction of Vulnerability, the Mandatory Adaptation to the effects of Climate Change and the Mitigation of the effects of Greenhouse Gases and contracts of transfers carbon rights
Finding	This indicator has been correctly addressed in the PDD,

	then, no findings were raised.
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Indicator G.5.9.- Identify the tradable climate, community and biodiversity benefits of the project and specify how double counting is avoided, particularly for offsets sold on the voluntary market and generated in a country participating in a compliance mechanism.	Carbon credits are currently the only environmental credit being generated from this project. In addition, the appropriate legal agreements are in place between project participants to ensure credits are not sold more than once. Furthermore, no emissions trading programs currently exist within Guatemala. Currently a national REDD+ program is under development but is not yet operational.
Evidence used to assess conformance	PDD
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Climate Section

CL1. Without-Project Climate Scenario

<p>Indicator CL.1.1- Estimate the total GHG emissions inside the Project Area under the without-project land use scenario (described in G2) using an Approved or Defensible methodological approach. The timeframe for this analysis is the project GHG accounting period or the project lifetime. In the without-project scenario, it is allowable for the analysis to exclude GHG emissions from sources such as biomass burning, fossil fuel combustion, synthetic fertilizers, and to exclude non-CO2 GHG emissions such as CH4 and N2O gases, in cases where this can be justified as conservative.</p> <p>The analysis of GHG emissions or removals must include carbon pools expected to increase significantly under the without-project scenario.</p>	<p>This issue was addressed in the PDD. However, the GHG emission estimations are not in accordance with the validated PDD.</p>
<p>Evidence used to assess conformance</p>	<p>PDD, VCS “Methodology for avoided unplanned deforestation”-VM0015, version 1.1 and FUNDAECO VM0015 Accounting Model v1.51.xlsm,</p>
<p>Finding</p>	<p>CAR 05: The analysis GHG emissions or removals under the without project scenario shall be updated in accordance with the validated PDD.</p> <p>The CAR is closed.</p> <p>The MIR has been updated to reflect changes to GHG emissions reductions or removals with regards to monitoring, and has made appropriate updates to the MIR to reflect any changes to the PDD that were made during the validation process.</p>

CL2. Net Positive Climate Impacts

<p>Indicator CL2.1.- Estimate the total GHG emissions expected from land use activities inside the project area under the with-project land use scenario using an Approved or Defensible methodological approach. This estimate must be based on clearly defined and defensible assumptions about changes in GHG emissions under the with-project scenario over the project lifetime or the project GHG accounting period. The GHG emissions estimate must include non CO2 emissions such as CH4 and N2O (in terms of CO2-equivalent) and GHG emissions from sources such as biomass burning, fossil fuel combustion, use of synthetic fertilizers and the decomposition of N fixing species, etc., if those GHG emissions sources are cumulatively likely to account for more than 20% of the project's expected total GHG emissions in the with-project scenario.</p>	<p>GHG emission expected under the with-project land use scenario has been estimated in accordance with the approved VCS "Methodology for avoided unplanned deforestation", VM0015, version 1.1. This methodology has been applied along with the tools referenced in it. AENOR checked during the validation the correct application of the methodology and associated tools. In our opinion, the applicability to the project is appropriate. Formulae considered are consistent with methodology and tools, assumptions and hypothesis applied are conservative and results are a reliable estimation of emissions avoided of the project. The results obtained are included in section CL.2.1 of PDD.</p> <p>In accordance with the applied methodology Non-CO2 emissions such as CH₄ and N₂O, from sources such as biomass burning and livestock emissions can be excluded. Section 4.4.2 of the PDD describes the inclusion and exclusion of GHGs and Sources in accordance with the applied methodology. Thus, N2O emissions are considered insignificant (less than 5 % of the total benefit generated) and CH₄ emissions have been excluded, provided that its exclusion does not lead to a significant over-estimation of the net anthropogenic GHE emission reductions.</p> <p>The requirements of this indicator are fulfilled and the with-project scenario has been correctly estimated.</p>
<p>Evidence used to assess conformance</p>	<p>MIR, VCS "Methodology for avoided unplanned deforestation"-VM0015, version 1.1 and FUNDAECO VM0015 Accounting Model v1.51.xlsm.</p>
<p>Finding</p>	<p>No findings reported</p>

<p>Indicator CL2.2.- Demonstrate that the net climate impact of the project is positive. The net climate impact of the project is the difference between the total GHG emissions or removals in the without-project scenario (including CO2 and non-CO2 GHG emissions) and total GHG emissions or removals resulting</p>	<p>According to estimations, the project will generate net positive impacts in the Climate. The net avoided emissions are amounted to be 2,468,454 tCO₂-e for the 30 years crediting period. Thus, the benefits to the Climate are net positive.</p> <p>AENOR checked during the validation the correct application of the methodology and associated tools by means of replication of calculations and procedures applied. In our opinion, the applicability to the project is</p>
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from project activities, minus any project-related negative offsite climate impacts ('Leakage' see CL3).	appropriate. Formulae considered are consistent with the applied methodology and tools, assumptions and hypothesis applied are conservative and results are a reliable estimation of emissions avoided of the project then, this indicator is fulfilled.
Evidence used to assess conformance	PDD, VCS "Methodology for avoided unplanned deforestation"-VM0015, version 1.1 and FUNDAECO VM0015 Accounting Model v1.51.xlsm,
Finding	No findings reported

CL3 Offsite Climate Impacts ('Leakage')

Indicator CL.3.1.- Determine the types of Leakage that are expected and estimate offsite increases in GHG emissions due to project activities using an Approved or Defensible methodological approach. Where relevant, define and justify where Leakage is most likely to take place.	In accordance with the applied VCS Methodology, the proponent identifies two types of expected source leakage emissions: the displacement of activities that causes deforestation and the emission due to leakage prevention activities. The calculation spreadsheet and a description of the followed procedure have been provided to the audit team. Formulae considered are consistent with methodology and tools, assumptions and hypothesis applied are conservative and results are a reliable estimation of emissions avoided of the project. AENOR considers the estimation of Leakage emission correct.
Evidence used to assess conformance	MIR, PDD, VCS "Methodology for avoided unplanned deforestation"-VM0015, version 1.1 and FUNDAECO VM0015 Accounting Model v1.51.xlsm,
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator CL.3.2.- Describe the measures taken to mitigate Leakage.	The leakage management strategy was described in the PDD. As part of its implementation, FUNDAECO is developing educational activities, land tenure support, increasing landowner enrolment and increasing access to resources as tools to implement within the Leakage Management Area. Records of activities carried out have been provided. In addition, the audit team was able to verify-on-site the implementation of several activities during the site visit.
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Evidence used to assess conformance	PDD and Implementation Plan.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator CL.3.3.- Non-CO2 emissions must be included if they are likely to account for more than 20% of the total Leakage emissions (in terms of CO2-equivalent) following the procedures for including or excluding non-CO2 emissions described in CL 2.1.	Non-CO2 emissions are not included since it is not likely to account for more than 20 % of the total of Leakage emissions. Gases that are different from CO2 have not been included in the quantification of emissions from the project zone as has been estimated as no-significant in accordance with the applied methodology. In accordance with the applied methodology Non-CO2 emissions such as CH4 and N2O, from sources such as biomass burning and livestock emissions can be excluded. Section 4.4.2 of the PDD describes the inclusion and exclusion of GHGs and Sources in accordance with the applied methodology. Thus, N2O emissions are considered insignificant (less than 5 % of the total benefit generated) and CH4 emissions have been excluded, provided that its exclusion does not lead to a significant over-estimation of the net anthropogenic GHE emission reductions.
Evidence used to assess conformance	PDD, VCS “Methodology for avoided unplanned deforestation”-VM0015, version 1.1 and FUNDAECO VM0015 Accounting Model v1.51.xlsm,
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

CL4 Climate Impact Monitoring

Indicator CL.4.1.- Develop and implement a plan for monitoring changes in relevant carbon pools, non-CO2 GHGs and emissions sources and leakage (as identified in CL1, CL2 and CL3) using an Approved or Defensible methodological approach and following the defined frequency of monitoring of defined parameters.	This indicator was addresses in the PDD. The proponent developed a monitoring plan indicating the objectives, reservoirs that would be monitored, methods, activities, frequency and tools for degradation and deforestation. The monitoring plan has been designed in accordance with the VCS “Methodology for avoided unplanned deforestation”-VM0015.
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Emissions sources to monitor must include any sources expected to cumulatively contribute more than 20% of total GHG emissions in the with-project scenario (See footnote to CL2.1). Where the methodological approach used to estimate leakage under CL3 requires monitoring, this leakage must be monitored.	
Evidence used to assess conformance	PDD and VCS “Methodology for avoided unplanned deforestation”-VM0015
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator CL.4.2.- Disseminate the monitoring plan and any results of monitoring undertaken in accordance with the monitoring plan, ensuring that they are made publicly available on the internet and summaries are communicated to the Communities and Other Stakeholders through appropriate means.	<p>During the site visit the audit team was able to verify the project documents, including the monitoring plan, have been made accessible to stakeholders. For instance, advertisements given detail about the CCB public comments period and the links to access to the full documentation were found in the office of FUNDAECO located in Morales.</p> <p>In accordance with the PDD results of the community monitoring will be made publically available, published on the internet through de web site of CCBA and the VCS web page for each verification process and disseminated to the Forest Owners Assembly and communities inside the project area, as well as other stakeholders such as MARN and CONAP.</p>
Evidence used to assess conformance	PDD, FUNDAECO Web Site, Site visit, interviews with local stakeholders.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Community Section

CM1 Without-Project Community Scenario

<p>Indicator CM1.1.- Describe the Communities at the start of the project and significant community changes in the past, including well-being information, and any community characteristics. Describe the social, economic and cultural diversity within the Communities and the differences and interactions between the Community Groups.</p>	<p>This item was addressed in the PDD. Section 1.3.6 of PDD described the communities at the start of the project. Inside the Project Zone 111 communities are found, 69 of them are from the Maya-q'eqchi' ethnic group, 40 are mestizo communities and 2 are mixed mestizo-q'eqchi' communities. q'eqchi' communities are located at the north, and ladino communities at the south. Communities own around 8% of forests inside the grouped project area.</p> <p>Also section.1.3.6 of PDD provides details of community organization, differences and interactions between the community groups, poverty rates, gender situation, economic activities and incomes, main settlements, ethnic groups and cultural diversity, migration, among other aspects.</p>
<p>Evidence used to assess conformance</p>	<p>PDD, FPIC Report, and Interviews during the site visit.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed in the PDD, then, no findings were raised</p>

<p>Indicator CM1.2.- Evaluate whether the Project Zone includes any of the following High Conservation Values (HCVs) related to community well-being and describe the qualifying attributes for any identified HCVs:</p> <ul style="list-style-type: none"> a. Areas that provide critical ecosystem services; b. Areas that are fundamental for the livelihoods of Communities; and c. Areas that are critical for the traditional cultural identity of Communities. <p>Identify the areas that need to be managed to maintain or enhance the identified HCVs.</p>	<p>PDD identified the presence of HCVs related to community well-being describing its qualifying attributes.</p> <ul style="list-style-type: none"> a. Protected areas of the Caribbean Region comprises 21 sub basins, which provides critical ecosystem services that included water provision to approximately 172 communities and villages that live in protected areas and adjacent areas. Also forests of these basins are an important barrier that reduces the sedimentation and siltation of navigation canals. There are three main rivers in the zone constitute the most important water bodies in the region. These tributaries provide navigation services, fishing, and tourism. b. Regarding community's needs, Project Zone services are not only fundamental for water generation, but also, provided fuel wood; medicinal plants; fruits, and natural fibers and seeds that are used for the production of handicrafts. Some communities around the mountain known as Sierra
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	<p>Santa Cruz, extract the leaves of an ornamental plant known as xate (<i>Chamaedorea elegans</i> and <i>Chamaedorea oblongata</i>) which is exported.</p> <p>c. The Q'eqchi' beliefs revolves around respect to the earth and the cosmos that are recognized as Tzuultaq'a, which literally means "the mountain and what is below". While the sacred sites or Tzuutaq'a sites are not well defined geographically, participatory sessions and previous activities supporting cultural traditions, have allowed the project proponent to identify as sacred sites at a regional level; the Tameja River cave system, Rio Quehueche cave system, and the mountain known as Cerro Sarstun.</p> <p>A map of community HCV Values is included in Figure 9.</p>
Evidence used to assess conformance	PDD, Master Plan 2006-2010 of Cerro San Gil Protected Spring Reserve, Master Plan 2015-2010 Río Dulce National Park, Master Plan of the Montaña Chiclera Regional Park, Master Plan 2007-2011 of Punta de Manabique Wildlife Refuge; Master Plan 2010-2014 of Sarstun River Multiple Uses Zone, and Interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

<p>Indicator CM1.3.- Describe the expected changes in the well-being conditions and other characteristics of Communities under the without-project land use scenario, including the impact of likely changes on all ecosystem services in the Project Zone identified as important to Communities.</p>	<p>This item was addressed in the PDD. Section 4.5.1 of the PDD describes the assessment conducted based on methods proposed by Richards and Panfil (2011). The assessment and were related to access to land and natural resources in both the baseline and project scenarios and focused over 6 main issues:</p> <ul style="list-style-type: none"> • Access to land • Maize production/crop lands • Access to livelihoods other than maize. • Rains and water • Education • Sexual and Reproductive education and health. <p>Without the project, communities will stay in present conditions, meaning they will need to expand croplands eliminating forests, but also getting into others lands</p>
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	<p>when their land is not producing enough. As a result some the expected changes in the wellbeing conditions shall be the the lack of food security, migration and social conflict, scarce of quality lands, peasants lack of best agricultural practices and then presence of shorter fallow cycles, among others. Reduced education opportunities for women, mortality rates for pregnant women will remain as well as poor health conditions in general.</p> <p>Other envisaged situations are related to rains, erosion and disasters. There will be no law enforcement or access to incentives that guaranteed watersheds protection, that will be deforested leading to reduced river flows and competition for its use.</p> <p>Without the project, there will be less access to alternative economic activities and then less support to diversified and alternative livelihoods.</p>
Evidence used to assess conformance	PDD, TOC Activity Matrix v1.14.xlsm, site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

CM2 Net Positive Community Impacts

<p>Indicator CM 2.1.-. Use appropriate methodologies to assess the impacts, including predicted and actual, direct and indirect benefits, costs and risks, on each of the identified Community Groups (identified in G1.5) resulting from project activities under the with-project scenario. The assessment of impacts must include changes in well-being due to project activities and an evaluation of the impacts by the affected Community Groups. This assessment must be based on clearly defined and defensible assumptions about changes in well-being of the Community Groups under the with-project scenario, including potential impacts of</p>	<p>This item was addressed in the PDD. A study on the drivers of deforestation in the Sarstun Motagua Region carried out in 2015 identifies the strongest factor for deforestation in the region where the REDD+ Project is located. Project design took into account the underlying driver can be tackled improving two basic conditions that will then trigger positive long term impacts: a) Access to Resources and Economic Opportunities, and b) Education.</p> <p>Furthermore, PDD described the expected positive impacts on the Community Groups. Theory of Change Analysis has been applied. Expected impacts determined were listed in Section 6.1 of the PDD.</p> <p>On the other hand, section 2.2.2 of the MIR “Activities Leading to Community and Biodiversity Benefits”,</p>
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<p>changes in all ecosystem services identified as important for the Communities (including water and soil resources), over the project lifetime.</p>	<p>describes the measures applied. In accordance with the information provided in the PIR, Community benefits are derived from numerous project activities detailed in the Theory of Change Matrix (see TOC Activity Matrix v1.14.xlsm), and fall into the following program areas:</p> <ol style="list-style-type: none"> 1. Resource Protection. 2. Sustainable Enterprise 3. Empowerment and Inclusiveness 4. Education 5. Access to Resources <p>The demonstration of a net-positive community impact over the project implementation period is done by comparing the biodiversity baseline scenario, with the project’s current biodiversity conditions.</p>
<p>Evidence used to assess conformance</p>	<p>MIR, PDD, “Using Exploratory Factor Analysis to Explore the Drivers of Deforestation in the Sarstun Motagua Region of Guatemala”, TOC Activity Matrix v1.14.xlsm, site visit.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed in the PDD, then, no findings were raised</p>

<p>Indicator CM2.2.- Describe measures needed and taken to mitigate any negative well-being impacts on Community Groups and for maintenance or enhancement of the high conservation value attributes (identified in CM1.2) consistent with the precautionary principle.</p>	<p>Section 7.2 of MIR explains that through a deep analysis exercise with the project team and a compilation of the main concerns expressed by the communities during the Free, Prior and Informed Consent process, the team of the project has identified some potential negative impacts. Due to the fact that the project has numerous positive impacts and is actively working to mitigate any potential negative impacts, the project is determined to have a net positive impact on communities. Mitigation measures have also been identified.</p> <p>On the other hand, section 2.4.1 describes the measures applied to maintenance of the high conservation value attributes related with community.</p>
<p>Evidence used to assess conformance</p>	<p>MIR, Implementation Plan, FPIC report, TOC Activity Matrix v1.14.xlsm, site visit.</p>

<p>Finding</p>	<p>Since the PDD template VCS+CCB was made under second edition of CCB standards but the validation of PDD is under CCB standards third edition, some inconsistencies have been found in the use of concepts “off-site stakeholder” and “other stakeholders”.</p> <p>In that sense (in MIR) is not clear:</p> <ul style="list-style-type: none"> - if potential project negative impacts on the well-being of Community Groups living into the project zone and potential negative impacts on the well-being of “other stakeholders” have been identified. -which other groups have been considered as “other Stakeholders” <p>CL 04: PP shall clarify if impacts on the well-being of Community Groups living into the project zone and potential negative impacts on the well-being of “other stakeholders” has been identified and which groups have been considered as “other Stakeholders”. Measures needed and taken to mitigate them shall be indicated if applicable.</p> <p>CI 4 is closed. In order to best follow the CCB Standards third edition, the section heading 7.2 was updated to focus on ‘Other Stakeholders’ and language was updated to include monitoring data for project activities that affect other stakeholders as well as point out the steps taken by FUNDAECO to mitigate potential negative impacts. Additionally, Section 7.1 was updated to include a sub-section describing the potential negative impacts on community groups identified early on in the project development stage, as well as the efforts taken to mitigate any of these potential negative impacts. No negative impacts were observed for community groups, as has been clarified in section 7.1. A reference to section 7.2 was added in Section 2.6.1 to clarify that these stakeholders were engaged early in the process.</p>
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<p>Indicator CM2.3.- Demonstrate that the net well-being impacts of the project are positive for all identified Community Groups compared with their anticipated well-being conditions under the without project</p>	<p>In accordance with the information provided in the PIR, Community benefits are derived from numerous project activities detailed in the Theory of Change Matrix (see TOC Activity Matrix v1.14.xlsm), and fall into the following program areas:</p>
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land use scenario (described in CM1).	<ol style="list-style-type: none"> 1. Resource Protection. 2. Sustainable Enterprise 3. Empowerment and Inclusiveness 4. Education 5. Access to Resources <p>In that sense, monitoring results have been included in the PIR. During the site visit the audit team was able to verify the implementation of proposed project activities. In the audit team opinion it has been demonstrated the net well-being impact of the project are positive.</p>
Evidence used to assess conformance	MIR, PDD, TOC Activity Matrix v1.14.xlsm, site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

Indicator CM2.4.- Demonstrate that no High Conservation Values (identified in CM1.4) are negatively affected by the project.	<p>Section 2.4.1 describes the measures to be applied to maintenance of the high conservation value attributes related with community. The primary measure taken to maintain HCVs is the reduction of deforestation within the sites identified as HCVs, through the voluntary integration of some of these forests to the project area and the implementation of protection activities. By reducing deforestation and degradation, the project will avoid threats within these areas, and their environmental services and cultural uses can be guaranteed.</p> <p>No negative impacts on High Conservation Values due to project activities have been detected.</p> <p>During this monitoring period, FUNDAECO has implemented forest protection measures through the deployment of forest patrols, the enrolment of landowners along watersheds in PROBOSQUE and PINPEP programs, conservation education initiatives, and support to preserve awareness and respect for traditional, cultural, spiritual and religious identities of communities within the project area</p>
Evidence used to assess conformance	MIR, PDD, Implementation Plan and interviews during the site visit.

Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised
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CM3. Other Stakeholder Impacts

Indicator CM3.1.- Identify any potential positive and negative impacts that the project activities are likely to cause on the well-being of Other Stakeholders.	Impacts have been identified in the monitoring report and results provided from the implementation of the project activities.
Evidence used to assess conformance	PDD, Socioeconomic Survey, Agents and Drivers Assessment and interviews conducted during the on-site visit.
Finding	This indicator has been correctly addressed in the PDD,

Indicator CM3.2.- Describe the measures needed and taken to mitigate the negative well-being impacts on Other Stakeholders.	The monitoring report provided some of the mitigation measures over other stakeholders like the cattle rancher.
Evidence used to assess conformance	PDD, Implementation Plan, Records of Workshops, and interviews conducted during the on-site visit.
Finding	No findings reported

Indicator CM3.3.- Demonstrate that the project activities do not result in net negative impacts on the well-being of Other Stakeholders.	The Project Team has identified the project impacts on other stakeholders (see section 6.2 of PDD). The expected impacts are predominantly positive and there are mitigation activities planned to avoid or reduce potential negative impacts. Thus, in opinion of the audit team the net impact of the project activities is positive.
Evidence used to assess conformance	PDD, Socioeconomic Survey, Agents and Drivers Assessment and interviews conducted during the on-site visit.
Finding	See CL. Once CL 10 was closed this indicator was assessed

CM4. Community Impact Monitoring

<p>Indicator CM4.1.- Develop and implement a monitoring plan that identifies community variables to be monitored, Communities, Community Groups and Other Stakeholders to be monitored, the types of measurements, the sampling methods, and the frequency of monitoring and reporting.</p> <p>Monitoring variables must be directly linked to the project's objectives for Communities and Community Groups and to predicted outputs, outcomes and impacts identified in the project's causal model related to the well-being of Communities (described in G1.8).</p> <p>Monitoring must assess differentiated impacts, including and benefits, costs and risks, for each of the Community Groups and must include an evaluation by the affected Community Groups.</p>	<p>Section 5.1.2 of the MIR describes the community monitoring plan. Community impacts will be monitored according to the SOPs presented in the document "Procedimiento para el Monitoreo Socioeconomico y Comunitario.docx" (Socioeconomic and Community Monitoring Procedure).</p> <p>Section 5.3.2 of the MIR includes the community monitoring parameters and results. Also details about community variables, such as frequency, data source and linked project activity, are given.</p>
<p>Evidence used to assess conformance</p>	<p>PDD, Socioeconomic and Community Monitoring Procedure and interviews during the site visit.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed in the PDD, then, no findings were raised</p>

<p>Indicator CM4.2.-. Develop and implement a monitoring plan to assess the effectiveness of measures taken to maintain or enhance all identified High Conservation Values related to community well-being.</p>	<p>Several indicators of the community monitoring plan are related to the implementation of measures aimed to maintain biodiversity related HCV. In that sense, the monitoring plan described in the PDD will allow to monitor the impact of the measures taken to maintain or enhance all identified High Conservation Values related to community well-being.</p>
<p>Evidence used to assess conformance</p>	<p>PDD, Socioeconomic and Community Monitoring Procedure and interviews during the site visit.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed, then, no</p>

	findings were raised
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Indicator CM4.3.-. Disseminate the monitoring plan, and any results of monitoring undertaken in accordance with the monitoring plan, ensuring that they are made publicly available on the internet and summaries are communicated to the Communities and Other Stakeholders through appropriate means.	<p>During the site visit the audit team was able to verify the project documents has been made accessible to stakeholders. For instance, advertisements given detail about the CCB public comments period and the links to access to the full documentation were found in the office of FUNDAECO located in Morales.</p> <p>In accordance with the PDD results of the community monitoring will be made publically available, published on the internet and disseminated to the Forest Owners Assembly and communities inside the project area.</p>
Evidence used to assess conformance	MIR, PDD, FUNDAECO Web Site, Site visit, interviews with local stakeholders.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

Biodiversity Section

B.1 Biodiversity Without-project Scenario

Indicator B1.1.- Describe biodiversity within the Project Zone at the start of the project and threats to that biodiversity, using appropriate methodologies.	<p>This indicator was addressed in the PDD. The Project Zone is considered one of the country’s biodiversity hotspots. Section 1.3.7 of the PDD describes the biodiversity within the Project Zone based in different research studies conducted by FUNDAECO, CONAP and many other organizations. For the region, an avian diversity of 426 species are reported, also 145 mammals, fifty five amphibian and one hundred six reptilian species are reported. Furthermore, according to historical records in the Flora of Guatemala, 1825 species are reported; however, experts agree that this number is extremely conservative.</p> <p>On the other hand, FUNDAECO has used the theory of change to identify the threats to that biodiversity in the Project Zone. The majority of threats to biodiversity in the Project Zone are directly tied to the drivers of deforestation and forest degradation, and to the</p>
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	prevalence of unsustainable fishing practices along the Caribbean coast. The primary drivers of forest loss are the conversion of forest to cattle grazing and cropland for subsistence agriculture, while overfishing is driven primarily by a lack of employment and economic opportunities in the region.
Evidence used to assess conformance	PDD, Landscape-level impact of tropical forest loss and fragmentation on bird occurrence in eastern Guatemala Ecological Modelling, The Resident and Migratory Bird Monitoring Program of the Caribbean Region of Guatemala, Master Plan 2006-2010 of Cerro San Gil Protected Spring Reserve, Master Plan 2015-2010 Río Dulce National Park, Master Plan of the Montaña Chiclera Regional Park, Master Plan 2007-2011 of Punta de Manabique Wildlife Refuge; Master Plan 2010-2014 of Sarstun River Multiple Uses Zone, TOC Activity Matrix v1.14.xlsm and interviews during the site visit.
Finding	This indicator has been correctly addressed. Then no finding was raised.

<p>B.1.2. Evaluate whether the Project Zone includes any of the following High Conservation Values (HCVs) related to biodiversity and describe the qualifying attributes for any identified HCVs.</p> <p>a. Globally, regionally or nationally significant concentrations of biodiversity values;</p> <p>i. protected areas.</p> <p>ii. threatened species.</p> <p>iii. endemic species.</p> <p>iv. areas that support significant concentrations of a species during any time in their lifecycle.</p> <p>b. Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance;</p> <p>c. Threatened or rare ecosystems.</p>	<p>This item was addressed in the PDD. Biodiversity High Conservation Values for the Project are detailed in Section 1.3.8 of PDD:</p> <p>a.i. <u>Protected Areas</u>: There are eight (8) protected areas within the project area which have some form of legal declaration at the national level: Cerro San Gil, Sierra Caral, Sierra Santa Cruz, Chocón Machacas Biotope, Montaña Chiclera, Río Sarstún, Punta de Manabique and Río Dulce National Park.</p> <p>a.ii <u>Threatened species</u>: Several especies have been reported and identified under IUCN categories as Vulnerable (such as Highland Guan (<i>Penelopina nigra</i>), Keel-billed Motmot (<i>Electron carinatum</i>), Thomas's Sac-winged Bat (<i>Balantiopteryx io</i>) and White-lipped Peccary (<i>Tayassu pecari</i>). Rana Del Bosque Verrugosa (<i>Craugastor psephosypharus</i>), Leprus Chirping Frog (<i>Eleutherodactylus leprus</i>), Bolitoglossa mulleri (<i>Müller's Mushroomtongue Salamander</i>), among others) and "Endangered" (such as Yucatan Black Howler Monkey (<i>Alouatta pigra</i>), Yellow-headed Parrot (<i>Amazona oratrix</i>), Geoffroy's Spider Monkey (<i>Atteles geoffroyi</i>), Baird's Tapir (<i>Tapirus bairdii</i>), <i>Craugastor charadra</i>, among</p>
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<p>Identify the areas that need to be managed to maintain or enhance the identified HCVs.</p>	<p>others). This was checked against list IUCN Red List 2016-3.</p> <p>iii. <u>Endemic species.</u></p> <p>Several endemic species has been identified in the PDD. Species and its level of endemicity are identified in section 1.3.8.3 of the PDD.</p> <p>iv. <u>Areas that support significant concentrations of a species during any time in their lifecycle.</u></p> <p>The area is critical for a large number of Nearctic-Neotropical Migratory species during the boreal winter. It is also an important migratory route for Neartic Shorebirds.</p> <p>b. <u>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:</u></p> <p>The Project Zone’s extent is well above the recommended threshold of 50,000 ha given by the “<i>Common Guidance for HCV Identification for the region to be considered a High Conservation Value (HCV Resource Network)</i>” to be considered under criterium 2. Thus, the region probably maintains an area sufficient to maintain viable populations for most large species.</p> <p>c. Threatened or rare ecosystems.</p> <p>Lowland “terra firme” forests”, Mangrove forests and associated coastal areas are rare ecosystems located in the project zone which are considered specially threatened.</p> <p>The project is dedicated to maintaining these biodiversity HCVs through numerous targeted project activities (see section 2.4 of the PPD).</p> <p>Section 2.4 of the PDD (see Figure 10) identified several HCV management areas in order to focus HCV conservation efforts within the project area.</p>
<p>Evidence used to assess conformance</p>	<p>PDD, Common Guidance for HCV Identification for the region to be considered a High Conservation Value, Landscape-level impact of tropical forest loss and fragmentation on bird occurrence in eastern Guatemala Ecological Modelling, The Resident and Migratory Bird Monitoring Program of the Caribbean Region of Guatemala, Master Plan 2006-2010 of Cerro San Gil Protected Spring Reserve, Master Plan 2015-2010 Río</p>

	Dulce National Park, Master Plan of the Montaña Chiclera Regional Park, Master Plan 2007-2011 of Punta de Manabique Wildlife Refuge; Master Plan 2010-2014 of Sarstun River Multiple Uses Zone, IUCN Red List v. 2016.3 and interviews during the site visit.
Finding	This indicator has been correctly addressed. Then no finding was raised.

B.1.3. Describe how the without-project land use scenario would affect biodiversity conditions in the Project Zone.	<p>This indicator was addressed in the PDD. The negative effects caused by identified threats under the without project scenario include: reduction in marine species abundance, increasing habitat fragmentation, changing the forest's structural composition, and the overall loss of forest cover within the project region. All of this leads to changes in species composition and ecosystem function, which greatly impact an ecosystem's ability to maintain and support original levels of biodiversity.</p> <p>Without the project's intervention, there are no indications that measures would be taken to protect and maintain biodiversity within the Sarstun-Motagua region, which would result in the further fragmentation and loss of forest habitat as well as the decline in health and abundance of forest and marine species.</p>
Evidence used to assess conformance	PDD, Agents and Drivers Assessment and interviews during the site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised.

B.2 Net Positive Biodiversity Impacts

B.2.1 Use appropriate methodologies to estimate changes in biodiversity, including assessment of predicted and actual, positive and negative, direct and indirect impacts, resulting from project activities under the with-project scenario in the Project Zone and over the project lifetime. This estimate must be based on clearly defined and defensible	<p>This indicator was addressed in the PDD. The Theory of Change approach, proposed in Richards and Panfil (2011), was used to design project activities that address threats to biodiversity and achieve the desired project objectives. This process helps to identify both positive and potential negative impacts of a project activity, enabling the project proponent to implement preventative measures to minimize risks, and to evaluate the effectiveness of each activity in achieving predicted biodiversity benefits over time.</p> <p>On the other hand, section 2.2.2 of the MIR "Activities</p>
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assumptions.	<p>Leading to Community and Biodiversity Benefits”, describes the measures applied during this period. In accordance with the information provided in the PIR, Community benefits are derived from numerous project activities detailed in the Theory of Change Matrix (see TOC Activity Matrix v1.14.xlsm), and fall into the following program areas:</p> <ol style="list-style-type: none"> 1. Resource Protection. 2. Sustainable Enterprise 3. Empowerment and Inclusiveness 4. Education 5. Access to Resources. <p>The demonstration of a net-positive biodiversity impact over the project implementation period is done by comparing the biodiversity baseline scenario, with the project’s current biodiversity conditions.</p>
Evidence used to assess conformance	PDD, TOC Activity Matrix v1.14.xlsm and interviews during the site visit
Finding	This indicator has been correctly addressed, and then no findings were raised.

<p>B.2.2 Demonstrate that the project’s net impacts on biodiversity in the Project Zone are positive, compared with the biodiversity conditions under the without-project land use scenario (described in B1).</p>	<p>The demonstration of a net-positive biodiversity impact over the project lifetime has been be done by comparing the biodiversity baseline scenario, with the project’s current biodiversity conditions.</p> <p>Section 2.2.2 of the MIR “Activities Leading to Community and Biodiversity Benefits”, describes the project activities that produce biodiversity impacts. In accordance with the information provided in the PIR, Community benefits are derived from numerous project activities detailed in the Theory of Change Matrix (see TOC Activity Matrix v1.14.xlsm), and fall into the following program areas:</p> <ol style="list-style-type: none"> 1. Resource Protection. 2. Sustainable Enterprise
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	<p>3. Empowerment and Inclusiveness</p> <p>4. Education</p> <p>5. Access to Resources.</p> <p>The demonstration of a net-positive biodiversity impact over the project implementation period is done by comparing the biodiversity baseline scenario, with the project's current biodiversity conditions.</p> <p>In that sense, monitoring result has been included in the PIR. During the site visit the audit team was able to verify the implementation of proposed project activities. In the audit team opinion it has been demonstrated the net well-being impact of the project are positive.</p>
Evidence used to assess conformance	MIR, PDD, TOC Activity Matrix v1.14.xlsm and interviews during the site visit
Finding	This indicator has been correctly addressed, and then no findings were raised.

<p>B.2.3 Describe measures needed and taken to mitigate negative, impacts on biodiversity and any measures needed and taken for maintenance or enhancement of the High Conservation Value attributes (identified in B1.2) consistent with the precautionary principle.</p>	<p>Negative biodiversity impacts for REDD+ projects are associated with deforestation-related activities displaced to areas outside the project area. Also can come about from the misuse of pesticides and fertilizers as well as ineffective waste management techniques. FUNDAECO has taken steps to mitigate all potential harmful impacts on biodiversity benefits as a direct and indirect result of project activities. FUNDAECO is implementing forest protection measures through the deployment of forest patrols, the enrollment of landowners in PINFOR and PINPEP programs, conservation education initiatives, and agroforestry systems. These project activities and their direct biodiversity benefits are described in more detail in Section 7.</p> <p>Additionally, FUNDAECO is implementing specific measures to protect endangered amphibian species within the project area through the training of park guards in measures to prevent the spread of deadly amphibian fungal diseases. Sierra Caral Forest and Water Reserve was visited during the in site visit. Thus, the audit team was able to verify the facilities and measures implemented, interview reserve staff, and to walk on a path of sighting of specimens.</p>
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	<p>Agroforestry project activities adhere to standard USAID protocols on the safe and judicious use and disposal of pesticides and fertilizers in addition to banning the use of GMO's and invasive species as part of project activities (see Plan General de BPA 2016.docx, and EG-PERSUAP-Final_Oct2012.docx).</p> <p>The project is dedicated to maintaining biodiversity HCVs through numerous targeted project activities. Several HCV management areas have been identified in order to focus HCV conservation efforts within the project area. The primary measure taken to maintain biodiversity HCVs is through the reduction of deforestation within the project area. As is discussed in Section 7, biodiversity is highly correlated with forest cover, and many of the identified biodiversity HCVs consist of forested areas within the project area and project zone, including protected areas, migratory corridors, landscape level ecosystems, and threatened ecosystems. By reducing deforestation and degradation threats within these areas, both the ecosystems and the threatened species within those ecosystems will be protected and maintained.</p>
Evidence used to assess conformance	Implementation Plan, Plan of Good Agricultural Practices and site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised.

<p>B.2.4 Demonstrate that no High Conservation Values (identified in B1.2) are negatively affected by the project.</p>	<p>The primary measure taken to maintain biodiversity HCVs is through the reduction of deforestation within the project area. As is discussed in Section 7, biodiversity is highly correlated with forest cover (Richards and Panfil, 2011), and many of the identified biodiversity HCVs consist of forested areas within the project area and project zone, including protected areas, migratory corridors, landscape level ecosystems, and threatened ecosystems. By reducing deforestation and degradation threats within these areas, both the ecosystems and the threatened species within those ecosystems will be protected and maintained. FUNDAECO is implementing forest protection measures through the deployment of forest patrols, the enrollment</p>
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	<p>of landowners in PINFOR and PINPEP programs, conservation education initiatives, and agroforestry systems. These project activities and their direct biodiversity benefits are described in more detail in Section 7.</p> <p>Additionally, FUNDAECO is implementing specific measures to protect endangered amphibian species within the project area through the training of park guards in measures to prevent the spread of deadly amphibian fungal diseases. See Figure 12 for a map of amphibian protection zones.</p>
Evidence used to assess conformance	MIR, PDD, Implementation Plan and Interviews during the site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised.

B.2.5 Identify all species used by the project and show that no known invasive species are introduced into any area affected by the project and that the population of any invasive species does not increase as a result of the project.	The use of GMOs and invasive species are prohibited. Agroforestry project activities adhere to standard USAID protocols on the safe and judicious use and disposal of pesticides and fertilizers in addition to banning the use of GMO's and invasive species as part of project activities (see Plan General de BPA 2016.docx, and EG-PERSUAP-Final_Oct2012.docx).
Evidence used to assess conformance	MIR, PDD, EG-PERSUAP-Final_Oct2012.docx and Good Agricultural Practices Plan.
Finding	This indicator has been correctly addressed, and then no findings were raised.

B.2.6 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. Justify any use of non-native species over native species.	<p>Due to existing agricultural markets and increased economic incentives for small-scale farmers, FUNDAECO does use several non-native species in its agroforestry programs, including rubber, cardamom, rambutan, and pepper. However, these species are non-invasive and were introduced into Guatemala as agricultural species over 50 years ago. The Guatemalan government considers these species to be "naturalized" and to pose no threats to biodiversity within the country.</p> <p>In order to further reduce any risks to biodiversity</p>
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	benefits through the use of non-native species in agroforestry programs, FUNDAECO engages landowners in land-management and planning activities to diversify agricultural commodities across an ownership and to avoid monoculture plantations.
Evidence used to assess conformance	MIR, PDD, Implementation Plan and Interviews during the site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised.

B.2.7 Guarantee that no GMOs are used to generate GHG emissions reductions or removals.	The use of GMOs and invasive species are prohibited. Agroforestry project activities adhere to standard USAID protocols on the safe and judicious use and disposal of pesticides and fertilizers in addition to banning the use of GMO's and invasive species as part of project activities (see Plan General de BPA 2016.docx, and EG-PERSUAP-Final_Oct2012.docx).
Evidence used to assess conformance	PDD, USAID-Pesticide Evaluation Report and Safe Use Action Plan (Persuap) and Good Agricultural Practices Plan.
Finding	This indicator has been correctly addressed, and then no findings were raised.

B.2.8. Describe the possible adverse effects of, and justify the use of, fertilizers, chemical pesticides, biological control agents and other inputs used for the project.	FUNDAECO has taken steps to mitigate all potential harmful impacts on biodiversity benefits as a direct and indirect result of project activities. In accordance with the PDD, all agroforestry and sustainable agricultural programs through FUNDAECO also abide by USAID guidelines for safe pesticide use (Plan General de BPA 2016.docx), and an internal best agricultural practices policy that outlines and justifies safe and appropriate pesticide and fertilizer use (Plan General de BPA 2016.docx).
Evidence used to assess conformance	PDD, Good Agricultural Practices Plan, USAID-Pesticide Evaluation Report and Safe Use Action Plan (Persuap), interviews during the site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised.

<p>B.2.9. Describe the process for identifying, classifying and managing all waste products resulting from project activities.</p>	<p>FUNDAECO's policy documents outline the measures that the organization will take to ensure that project activities do not cause environmental harm. For example, in the FUNDAECO Policy document (Plan General de BPA 2016.docx), environmentally friendly waste management measures are to be implemented as part of any project activity. In addition, all agroforestry and sustainable agricultural programs through FUNDAECO also abide by USAID guidelines for safe pesticide use and an internal best agricultural practices policy that outlines and justifies safe and appropriate pesticide and fertilizer use (Plan General de BPA 2016.docx).</p>
<p>Evidence used to assess conformance</p>	<p>PDD and Plan General de BPA 2016.docx.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed, and then no findings were raised.</p>

B3. Offsite Biodiversity Impacts

<p>B.3.1. Identify potential negative impacts on biodiversity that the project activities are likely to cause outside the Project Zone</p>	<p>This item was addressed in the validated PDD. Section 7.2 of PDD provides the PP assessment of potential negative impacts on biodiversity outside the Project Zone. The potential displacement of hunting, mining, or deforestation and degradation activities has been assessed. As a result of the assessment PP concludes it is unlikely that kinds of activities would have negative offsite impacts as a result of project activities.</p>
<p>Evidence used to assess conformance</p>	<p>PDD, Socioeconomic Survey, Agents and Drivers Assessment and interviews conducted during the on-site visit.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed, and then no findings were raised</p>

<p>B.3.2. Describe the measures needed and taken to mitigate these negative impacts on biodiversity outside the Project Zone.</p>	<p>In accordance with section 8.2 of MIR, FUNDAECO is taking steps to mitigate identified potential offsite negative biodiversity impacts this type of biodiversity leakage from occurring. Mitigation activities include the incorporation of landowners throughout the project zone into PINFOR and PINPEP programs as well as the</p>
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	grouped project area and implementation of educational programs throughout the project. During the site visit the audit team was able to verify the implementation of proposed project activities.
Evidence used to assess conformance	MIR, PDD, Socioeconomic Survey, Agents and Drivers Assessment and interviews conducted during the on-site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised

B.3.3. Evaluate unmitigated negative impacts on biodiversity outside the Project Zone and compare them with the project's biodiversity benefits within the Project Zone. Justify and demonstrate that the net effect of the project on biodiversity is positive.	Any potential indirect negative impacts on biodiversity caused by project activities are being minimized and mitigated through FUNDAECO programs. In order to avoid possible activity-shifting deforestation from the project area into the project zone as a result of project activities, FUNDAECO is engaging with landowners throughout the project zone to support land legalization efforts, enroll landowners into PINFOR and PINPEP programs, and eventually incorporate additional landowners with forest area into the grouped project over time. This serves and will continue to serve to minimize deforestation pressures that could result in further biodiversity loss. By preventing deforestation within the project area, FUNDAECO is effectively protecting the majority of biodiversity HCVs identified In the audit team's opinion the net effect of the project on biodiversity is clearly positive.
Evidence used to assess conformance	PDD, Socioeconomic Survey, Agents and Drivers Assessment and interviews conducted during the on-site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised

B4. Biodiversity Impact Monitoring

B.4.1. Develop and implement a monitoring plan that identifies biodiversity variables to be monitored, the areas to be monitored, the sampling methods, and the frequency of monitoring	Section 5.1.2 of the MIR describes the biodiversity monitoring methods. The focus of biodiversity monitoring is on forest cover and habitat integrity, which will be done through the use of remote sensing techniques. However, Biological monitoring activities such as terrestrial and Marine biodiversity monitoring
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and reporting. Monitoring variables must be directly linked to the project's biodiversity objectives and to predicted activities, outcomes and impacts identified in the project's causal model related to biodiversity (described in G1.8).	and deforestation monitoring are planned. The data and parameters and result of the monitoring is included in section 5.3.3 of the MIR.
Evidence used to assess conformance	MIR, PDD and site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

B.4.2. Develop and implement a monitoring plan to assess the effectiveness of measures taken to maintain or enhance all identified High Conservation Values related to globally, regionally or nationally significant Biodiversity (identified in B1.2) present in the Project Zone.	<p>Several indicators of the biodiversity monitoring plan are related to the implementation of measures aimed to maintain biodiversity related HCV.</p> <p>The primary measure taken to maintain biodiversity HCVs is through the reduction of deforestation within the project area. Many of the identified biodiversity HCVs consist of forested areas within the project area and project zone, including protected areas, migratory corridors, landscape level ecosystems, and threatened ecosystems. By reducing deforestation and degradation threats within these areas, both the ecosystems and the threatened species within those ecosystems will be protected and maintained.</p> <p>In that sense, the monitoring plan allows to monitor the impact of the measures taken to maintain or enhance all identified High Conservation Values related to biodiversity well-being.</p>
Evidence used to assess conformance	PDD and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

<p>B.4.3. Disseminate the monitoring plan and the results of monitoring, ensuring that they are made publicly available on the internet and summaries are communicated to the Communities and Other Stakeholders through appropriate means.</p>	<p>The MIR in English Spanish has been published at VCS and CCB website. Also a MIR summary was prepared in Spanish and published in CCB website.</p> <p>During the site visit the audit team was able to verify the project documents has been made accessible to stakeholders. For instance, advertisements given detail about the CCB public comments period and the links to access to the full documentation were found in the local office of FUNDAECO in Morales.</p> <p>In accordance with the MIR the results of the biodiversity monitoring will be made publically available, published on the internet and disseminated to the Forest Owners Assembly and communities inside the project area, as well as other stakeholders such as MARN and CONAP. Results of monitoring will be communicated in an appropriate language and format to the communities and stakeholders in the project zone.</p>
<p>Evidence used to assess conformance</p>	<p>MIR, PDD, FUNDAECO Web Site, Site visit, interviews with local stakeholders.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed, and then no findings were raised</p>

GL3. Exceptional Biodiversity Benefits

<p>GL 3.1. Demonstrate that the project zone includes a site of high biodiversity conservation priority by meeting either the vulnerability or irreplaceability criteria defined below¹²⁹, identifying the ‘trigger’ species¹³⁰ that cause(s) the site to meet any of the following qualifying conditions and providing evidence that the qualifying conditions are met:</p> <p>a) Vulnerability</p> <p>Regular occurrence of a globally threatened species (according to</p>	<p>The project area and project zone has a number of endangered and critically endangered trigger species within it that qualify this project for exceptional biodiversity benefits under the CCB Standard version 3. The project area qualifies as providing exceptional biodiversity benefits by meeting the vulnerability criteria (a), which requires the regular occurrence of at least a single individual critically endangered or endangered species. The Sierra Caral protected area is a known habitat for 6 critically endangered species <i>Cryptotriton wakei</i>, <i>Nototriton brodiei</i>, <i>Agalychnis moreletii</i>, <i>Bromelohyla bromeliacia</i>, <i>Duellmanohyla soralia</i>, <i>Ptychohyla hypomykter</i>.</p>
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<p>the IUCN Red List) at the site:</p> <p>i) Critically Endangered (CR) and Endangered (EN) species - presence of at least a single individual; or ii) Vulnerable species (VU) - presence of at least 30 individuals or 10 pairs.</p> <p>OR</p> <p>b) Irreplaceability</p> <p>A minimum proportion of a species' global population present at the site at any stage of the species' lifecycle according to the following thresholds:131</p> <p>i) Restricted-range species - species with a global range less than 50,000 km2 and 5% of global population at the site; or</p> <p>ii) Species with large but clumped distributions - 5% of the global population at the site; or</p> <p>iii) Globally significant congregations - 1% of the global population seasonally at the site; or</p> <p>iv) Globally significant source populations - 1% of the global population at the site.</p>	
<p>Evidence used to assess conformance</p>	<p>MIR, PDD, FUNDAECO Web Site, Site visit, interviews with local stakeholders.</p>
<p>Finding</p>	<p>CAR 06.</p> <p>The Biodiversity Gold Level indicators have added to the monitoring report however they were not validated at validation stage. PP has not followed the CCB Rules to validate this change to the project</p>

	<p>description.</p> <p>The CAR is closed; the PP updated the PDD and included the validation of the Biodiversity Gold Level as a project deviation. According to the evidence provided and explanations from PP, the project fulfils with indicator GL3 1.1.1.a.</p>
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<p>GL 3.2 Describe recent population trends of each of the trigger species in the project zone at the start of the project and describe the most likely changes under the without-project land use scenario.</p>	<p>According to information from FUNDAECO was not able to establish a baseline for the number of individuals for the trigger species due to the difficulties to estimate the amphibian population, so the use of other indicators, such as presence/absence of related species and habitat are more suitable assessments of their conservation status.</p> <p>Without project scenario, the deforestation would increase due to the conversion to pastures.</p>
<p>Evidence used to assess conformance</p>	<p>MIR, PDD, FUNDAECO Web Site, Site visit, interviews with local stakeholders.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed, and then no findings were raised</p>

<p>GL 3.3 Describe measures needed and taken to maintain or enhance the population status of each trigger species in the project zone and to reduce the threats to them based on the causal model that identifies threats to trigger species and activities to address them.</p>	<p>Section 4.4.2.2 of the monitoring report describes some of the measures implemented to maintain or enhance the population status of the endangered species.</p>
<p>Evidence used to assess conformance</p>	<p>MIR, PDD, FUNDAECO Web Site, Site visit, interviews with local stakeholders.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed, and then no findings were raised</p>

<p>GL 3.4 Include indicators of the population trend of each trigger species and/or the threats to them in the monitoring plan and demonstrate the effectiveness of measures needed and taken to maintain or enhance the population status of trigger species.</p>	<p>To promote conservation of amphibians and their habitat, FUNDAECO has deployed a series of promotion and education activities using education materials for adults and children that are distributed during environmental talks and fairs.</p> <p>The PP provided a report produced in May of 2014 which describes the activities implemented specifically related to protecting and monitoring the amphibian trigger species in the project zone, and shows that the project has successfully maintained the population of this species throughout this monitoring period.</p>
<p>Evidence used to assess conformance</p>	<p>MIR, PDD, FUNDAECO Web Site, Site visit, interviews with local stakeholders.</p>
<p>Finding</p>	<p>This indicator has been correctly addressed, and then no findings were raised</p>