

# VALIDATION REPORT FOR THE PROJECT FOREST MANAGEMENT TO REDUCE DEFORESTATION AND DEGRADATION IN SHIPIBO CONIBO AND CACATAIBO INDIGENOUS COMMUNITIES OF UCAYALI REGION



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**Summary:**

The purpose of this validation is to assess the conformance of the project “Forest Management to Reduce Deforestation and Degradation in Shipibo Conibo and Cacataibo Indigenous Communities of Ucayali Region” with the requirements of the Verified Carbon Standard (VCS).

AENOR started this validation process, once the project was listed in the VCS pipeline, in 8<sup>th</sup> September 2014 with the submission from AIDER of P.D and supporting documents such as the calculation spread sheets and the risk assessment of non-permanence.

The field visit took place from 28 September to 03 October 2014, in which the auditors visited the project area, interviewed key stakeholders, staff and other related experts, and also reviewed the PD, and supporting documents. The purpose of the visit assessment was to determine the conformance of the project with respect to the VCS Version 3.5 Standard, dated on March 25, 2015, and information provided in the P.D. The scope of the validation was to assess the conformance of information in the P.D with the VCS requirements and activities implemented up to visit date.

The project is developed in 07 native communities belonging to ethnic Cacataibo and Shibipo Conibo, which grouped occupy an area of 127,004.0 hectares. The purpose of the project is to conserve the forests which are threatened by the deforestation and degradation. Project activity is established in seven communities:

The auditor submitted to the PPs a draft report version in which 9 CARs and 6 CLs were reported (see validation protocol in appendix 2). However, all these issues raised during the validation process were appropriately closed by means of corrections, more clear explanations and other supported documents.

Thus, once all issued detected were appropriate solved, AENOR carried out a final validation report and deems with reasonable level of assurance that the project complies with all of the validation criteria. The assessment team has no restrictions or uncertainties with respect to the compliance of the project with the validation criteria, hence, the audit team concludes that the net GHG emissions reductions or removals 5,648,184.7 tonnes CO2 equivalent over the first 10 years crediting period for the lands included in the project boundary at validation stage has been quantified in accordance with VCS rules.

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## 1 INTRODUCTION

### 1.1 Objective

The purpose of the validation audit activity was to conduct an independent assessment of the project in order to determine whether the project complies with the validation criteria, as set out in the guidance documents listed in Section 1.2 of this report.

### 1.2 Scope and Criteria

**Validation Scope:** The scope of the validation audit is to validate the emissions reductions and/or removals of the proposed project activity in Perú against the Verified Carbon Standard, the identified methodology and associated tools.

The objectives of this audit included a validation of the project calculated removals with the Verified Carbon Standard requirements and any additional requirements of VCS AFOLU projects, besides the assessment of the additionality and the risk assessment report.

The scope was defined as follows:

- The project and its baseline scenarios;
- The physical infrastructure, activities, technologies and processes of the project;
- The GHG sources, sinks and/or reservoirs those are applicable to the project;
- The types of GHGs that are applicable to the project; and
- The project crediting period, as discussed in Section 3.1.4 of this report

**Standard Criteria:** In accordance with Section 5.3.1 of the VCS Standard, the criterion for validation was the VCS Version 3.5, including the following documents:

- VCS Program Guide v 3.5
- VCS Standard v.3.5
- VCS AFOLU Requirements v.3.4
- VCS AFOLU Non-Permanence Risk Tool v 3.2

Unless otherwise indicated, the assessment was performed against the most recent version of the relevant VCS guidance document.

### 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 validation report before being submitted to the client were subjected to an independent internal technical review to confirm that all validation 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.

Name	Position in the team
Manuel García Rosell	Lead validator
José Luis Fuentes	Validator
Luis Robles Olmos	Technical Reviewer

**Table Nº 01. Validation team.**

### 1.4 Summary Description of the Project

The project “Forest Management to Reduce Deforestation and Degradation in Shipibo Conibo and Cacataibo Indigenous Communities of Ucayali Region” is developed in 07 native communities belonging to ethnic Shibipo Conibo and Cacataibo, (Callería, Curiaca, Puerto Nuevo, Pueblo Nuevo, Sinchi Roca, Flor de Ucayali and Roya), which grouped occupy an area of 127,004.0 hectares, and the NGO AIDER.

The purpose of the project is to conserve community forests, against de rapidly increase of deforestation. The project proposes to reduce the pressure to change the use of land in the project area through the promotion of sustainable economic activities, forest governance and the establishment of conservation agreements on critical areas previously identified. These actions are intended to avoid the expansion of agriculture; to achieve them, permanent coordination and alliances will be made with institutions that currently are conducting conservation activities in the area.

Apart from searching the validation under the VCS scheme, the project is also searching the CCB Certification.

The project will avoid unplanned deforestation through the implementation of a project REDD+ strategy; which is comprised by four components:

- a) Environmental use of communal land;
- b) Creation of capabilities for administration of natural resources;
- c) Project finance and articulation with the market;
- d) Technical assistance and supervision in Native Communities by the State.

## 2 VALIDATION PROCESS

### 2.1 Method and Criteria

The validation was performed through a combination of document review, interviews with relevant personnel and on-site inspections, as discussed in Sections 2.2 through 2.4 of this report. At all times, the project was assessed for conformance to the criteria described in Section 1.2 of this report. As discussed in Section 2.5, findings were issued to ensure that the project was in full conformance to all requirements.

### 2.2 Document Review

The Project Description submitted by the PPs was reviewed against the approved methodology and against VCS requirements. Additional background documents related to the project design, baseline and additionality were also made available before and during the on-site visit in Perú along with the non-permanence risk report.

To address the corrective actions and clarification requests that arose from the desk review and on-site visit, the consultants revised the project description document version 1 and developed a final version (version 5.0) dated on 31 July 2015.

### 2.3 Interviews

The AENOR validation team composed conducted interviews with project developers in Ucayali to confirm selected information and to resolve issues identified in the document review.

From 28 September to 03 October 2014, the AENOR validation team carried out the visit to the project site. The list of the interviewed people is below detailed. The people interviewed were those directly affected or involved in the project activity.

Meetings with representatives of the participant communities were held in Pucallpa city and in Sinchi Roca, Puerto Nuevo and Calleria Communities. The following representatives were participating in the meetings.

Audit date	Name	Title /organization/community
29/09/2014	Percy Recavarren Estares	Ecosystem Services Coordinator. AIDER
29/09/2014	Miriam Delgado Obando	Forest Carbon Specialist. AIDER
29/09/2014	Carlos Sanchez	Ecosystem Services and Natural Resources Specialist. AIDER.
29/09/2014	William Tuesta Sajami	Technical Responsible. AIDER
29/09/2014	Juan Pablo Ferreyros Sánchez	Technical Coordinator. AIDER
29/09/2014	Carolina Barbarán Reátegui	Chief of Callería Community
29/09/2014	Arnaldo Nhuanani Arimuya	Callería's communal forest monitoring team
29/09/2014	Roberto Rodriguez Campos	Callería's communal forest monitoring team.
29/09/2014	Segundo Alfredo Rojas Flores	Callería's communal forest monitoring team.
29/09/2014	Freddy Jose Reategui Rodriguez	Callería's communal forest monitoring

		team.
29/09/2014	Pedro Mori Galvez	Callería's communal forest monitoring team.
30/09/2014	Rodolfo Linares Yhui	Productive Economic Organization Head. Pueblo Nuevo
30/09/2014	Coquito E. Silvano Linares	Chief of the Community Pueblo Nuevo
30/09/2014	Alfonso Zumaeta Vásquez	Representative of Curiaca Community
30/09/2014	Joel Bardales Paredes	Representative o Curiaca Community
30/09/2014	Renaldo Mory Pereyra	Representative of Flor de Ucayali Community
30/09/2014	Salino Flores Bolívar	Chief of Puerto Nuevo Community
30/09/2014	Roberto Rodriguez Campos	Head of the Project Communal Consultative Committee.
30/09/2014	Daniel Lomas Guimaraes	Chief of Flor de Ucayali Community
30/09/2014	Wilson Bolivar Bonzano	Representative of Sinchi Roca community.
30/09/2014	Hernán Salazar Nunta	Chief of Roya Community
30/09/2014	Alex Valera Vasquez	Roya Community
30/09/2014	Carlos Miller Arévalo	Roya Community
30/09/2014	Sedequías Ancon Chavez	FECONADIP (Federation of Native Communities of the Iparia District) Head.
30/09/2014	Patricia Seijas.	Representative of the Natural Resources Management of Ucayali Regional Government
01/10/2014	Arturo Tananta Garcia	Representative of ORAU- Ucayali Regional AIDSESP Organization.
01/10/2014	Pepe Bolivar Mera	Municipal Agent. Surveillance committee.
01/10/2014	Edwin Perez Mendoza	Sinchi Roca Community habitant
01/10/2014	Demetrio Mera Saavedra	Representative of ORAU- Ucayali Regional AIDSESP <sup>1</sup> Organization.
01/10/2014	Jayler Bolivar Torres	Project Surveillance Committee. Sinchi Roca.
01/10/2014	Roque Esteban Bolivar	Sinchi Roca community inhabitant..
01/10/2014	Julio Mendoza Bonsano	Sinchi Roca Community inhabitant.
01/10/2014	Ejer Monzano Mera	Project surveillance committee Sinchi Roca.
01/10/2014	Francisco Grau Monzano	Sinchi Roca inhabitant.
01/10/2014	Javier Panduro Mera	Community Chief of Sinchi Roca
01/10/2014	Gustavo Bonzano Vásquez	Head of the project monitoring committee of Puerto Nuevo.
01/10/2014	Juliana Agreda Vásquez	REDD project monitoring committee. Puerto Nuevo.
01/10/2014	Marcos Bolívar	Church representative. Puerto Nuevo.
01/10/2014	Vicente Gonzales	Head of Roads Committee. Puerto Nuevo

<sup>1</sup> AIDSESP: InterEthnic Association for the Development of the Peruvian Amazon.



**Table N° 02. List of interviewed representatives and participants of the meetings.**

## 2.4 Site Inspections

The objectives of the on-site inspections performed were mainly to cross check the description provided in the P.D related to the environmental conditions of the project area, but also:

- Ensure that the geographic area of the project, as reported in the PD and the accompanying KML file, is in conformance with Section 3.11.1 of the VCS Standard;
- Perform a risk-based review of the project area to ensure that the project conforms to all other requirements of the VCS rules and the methodology.
- Observe the Project Proponent’s field inventory crews collecting and recording data in order to assess whether data collection techniques conform to the monitoring plan and related documentation and to evaluate data quality control systems.
- Select samples of data from on-the-ground measurements for validation in order to meet a reasonable level of assurance and to meet the materiality requirements of the project, as required by Section 5.1.3 of the VCS Standard;
- Perform a risk-based review of the project area to ensure that the project is in conformance the eligibility requirements of the VCS rules and the applicability conditions of the methodology; and

In fulfilment of the above objectives, the audit team performed an on-site inspection of the project area on the dates detailed above observing the project area and vicinity to assess whether conditions are as described in the Project Plan. The audit team collected GPS tracking data and waypoints and took photographs to help correlate observations with mapping data supplied by the client in a KML file. The audit team observed inventory foresters and assistants collect field data on a sample of previously measured inventory plots, checking measurements and observing field procedures.

The following plots were check on-site:

Date	Community	Plots
29/09/2014	Native Community of Calleria	Plot 36 a, and Plot 37 a.
01/10/2014	Native Community Sinchi Roca	Plot 9.b.
02/10/2014	Native Community Puerto Nuevo	Plot 13. B
03/10/2014	Native Community Sinchi Roca	Plot 1 b and Plot 2 b

**Table N° 3: Sample plots visited.**

## 2.5 Resolution of Findings

A total number of 9 CARs and 6CLs were raised during this validation process.

All findings issued by the AENOR audit team during the validation process have been closed. 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 2 of this report.

## 2.6 Forward Action Requests

No Forward Action Requests were raised to the PPs during this process.

## 3 VALIDATION FINDINGS

### 3.1 Project Details

#### 3.1.1 Project scope, type, technologies, measures implemented and eligibility of the project

The project is classified under sectoral scope 14 “Agriculture, Forestry and Land Use (AFOLU)”. As described in Section 4.2 of the VCS AFOLU Requirements, the project is eligible under the category of “Reducing Emissions from Deforestation and Degradation (REDD+)” and the type of activity is “avoiding unplanned deforestation and degradation (AUDD)”. Furthermore, according to its scale the project is classified as a “large project”.

#### 3.1.2 Project proponent

The project proponents are the communities of Callería, Curiaca, Puerto Nuevo, Pueblo Nuevo, Sinchi Roca, Flor de Ucayali and Roya; who have property rights over the land where the project is located, and the NGO AIDER, who gives the technical and management support.

These participants together are responsible for the operation and implementation of the project. Contact information and description of roles and responsibilities provided in the PD complies with the VCS requirements.

There are no other entities involved in the project.

The audit team finds that contact and entity information provided in the PD conforms to the VCS requirements.

#### 3.1.3 Project start date

According to VCS Program Definitions 3.5, project start date is the date on which the project began generating GHG emission reductions or removals. According to the VCS AFOLU Requirement version 3.4, in section 3.2 is stated that the project start date of an AFOLU project is the date when activities that lead to the GHG emission removals are implemented.

Taking into account the definition above, the project start date is 1 July 2010, the date on which began the project activities, concretely, the activity called “community forest management activities”, under the component “Appropriate environmental use of communal land” of the project. Community forest management is considered as a core project activity, for that reason, the first efforts were focus to implement sustainable forest management in the seven communities.

According to explanations from PPs, such date was the date when the project proponents started the activities and started moving forward with the project as a whole. 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 or removals 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.

### 3.1.4 Project Crediting Period

Project crediting period will be of 20 years, from July 1 2010 to June 30 2030.

The baseline will be renewed every 10 years after the start of the project. The first reduction period of quantified GHG emissions will be of 10 years (beginning July 1, 2010 to June 30, 2020).

In this regard, AENOR can confirm that PPs have developed 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 3.5, 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, and it has the option to renew four more times.

### 3.1.5 Project scale and estimated GHG emissions or removals.

The project is classified as “large project” according its scale; it will remove an average of 5,648,184.7 tCO<sub>2</sub> per year during the first 10 years period.

### 3.1.6 Project Location

The project area is politically located in the Irazola, Masisea, Calleria and Iparia districts, in Padre Abad and Coronel Portillo provinces in the department and region of Ucayali, and also in the districts of Codo de Pozuzo, Puerto Inca and Tornavista, in Puerto Inca province in the department and region of Huánuco, comprising an area of 127,004.0 ha of forests in the 7 Native Communities.

The location of project lands of each of the seven communities included in the project boundary has been provided. The coordinates of project area and exclusion area polygons is included in appendix VI. has been included The P.D states in the coordinates of each property. Moreover, the polygons for every project area and a KML file have been provided to the validation team.

Regarding conditions prior to the project initiation, section 1.10 of the P.D described in a complete way the climate, hydrology, ecological, biodiversity and socio-economic aspects for the areas involved in the project. During the on-site visit, AENOR verified that project is being implemented in areas threatened by different activities such as migratory agriculture and illegal logging.

### 3.1.7 Project compliances with applicable laws, statues, and other regulatory frameworks

Section 1.11 of the PD 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 its enforcement analysed in the PD.

The most important are the followings:

- Political Constitution of Peru which states that natural resources are the heritage of the nation, therefore the country's tropical forests are considered the property of the nation and according to Article 66 of the Constitution.
- In addition, the state is obliged to promote the conservation of biological diversity which includes the full range of plant species animals, etc. This commitment has been strengthened by the ratification of the Convention on Biological Diversity (CBD) through the legislative resolution No. 26181.
- Article 94 of Law N ° 28611 General Environmental Law, Environmental Services means, the protection of biodiversity and mitigating emissions of greenhouse gases.
- Ministry of Environment (MINAM), in his capacity as National Environmental Authority, promotes the creation of financing mechanisms, payment and monitoring of environmental services.
- The new forestry law enacted in June 2011 Law No. 29763 Forest Act and Wildlife, which will become effective upon approval of its rules , states in Article 72 ° that "The State recognizes the importance and need for conservation and stewardship sustainable ecosystem and wild vegetation to counteract the negative effects of climate change.
- The Law No. 27308, "Law of Forestry and Wildlife", in effect since 2000 states. This law will be replaced by the law N°29763 once the approvals of its regulation become effective.
- The National Environmental Policy (approved by Supreme Decree No. 012- 2009- MINAM) states, within their policy guidelines concerning the use of natural resources, promote the design and implementation of economic and financial instruments, compensation systems, financial remuneration and distribution of payments for environmental services.
- Article 88 of the Constitution of Peru states that the state guarantees the ownership of land in private or communal or any other form of association and Article 89 of the Constitution states that native communities have legal existence and legal entities are autonomous in their organization in communal work and free disposal of their lands and in economic and administrative , within the framework established by law. The ownership of land is inalienable, except in the case of abandonment.
- Now, according to which Article 8 of Law 27308 Forest Act and Wildlife, the State recognizes as community forests to those located within the territory recognized by the community ( peasant or native) and the requirements stated in regulation, which states that according to Article 18 ° of the law No. 26821, law on the Use of Natural Resources, preference for the sustainable use of natural resources in their community lands , duly recognized and consequently any advantage comes only at the express request of such communities.
- In addition, Law No. 28611, General Environmental Law states, in Article 72 ° to the native communities have preferential rights for the exploitation of natural resources on their lands.
- The Peru approved by Decree Law No. 26253 Convention 169 on Indigenous and Tribal Peoples in Independent Countries of the International Labour Organization which states in article 15°, which shall be protected especially the rights of the peoples concerned to resources pertaining to their lands. These rights include the right of these peoples to participate in the use, management and conservation of these resources.

- Law N ° 29785 Law Right to Prior Consultation with Indigenous Peoples or Native Recognized by Convention 169 of the International Labour Organization (ILO ) states in Article 2 that indigenous peoples have the right to be consulted on a prior to legislative or administrative measures that directly affect their collective rights , on his physical , cultural identity , quality of life or development.

The project design fulfils with laws above as it could be verified during site visit. Moreover, the design and targets look 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.

### **3.1.8 Ownership and other programs**

#### **3.1.9.1 Right of use**

PP has provided the evidence of right of use. The right to use the native forest communities that are part of the project are supported with their respective land deed titles, which are granted by the Peruvian state. Resolutions issued by competence authorities show the land property of each of the seven communities included in the project. The audit team has checked that evidence and finds that the Project Proponent's right of use is unconditional, undisputed, and unencumbered, in accordance with VCS requirements.

#### **3.1.9.2 Emissions trading programs and other binding limits**

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 Peru, and there is no emissions trading program in place in the country.

#### **3.1.9.3 Participation under other GHG programs**

As the project has not been registered under any other GHG program, this section is not applicable.

#### **3.1.9.4 Other forms of environmental credit sought or received**

As the project has not sought or received other forms of environmental credit, this section is not applicable.

#### **3.1.9.5 Rejection by other GHG programs**

The project has never applied neither has been rejected by other GHG programs, then, this section is not applicable.

### **3.1.10 Additional information relevant to the project**

#### **3.1.10.1 Eligibility criteria for grouped projects**

This section is not applicable as the project is not a grouped project.

#### **3.1.10.2 Leakage management for AFOLU projects**

Since it is considered leakage due to the displacement of activities in the project scenario, it should also be considered the delimitation of leakage management areas over non-forest at the start date of project, where the activities of the 4 components established in the project REDD strategy will be implemented,

most of which are aimed to mitigate the risk of a possible leakage. In section 1.8 and appendix II, the 4 components of the project strategy are described.

The P.D details in its section 3.3 how the Leakage management has been treated for the project.

### **3.1.10.3 Commercially sensitive information**

The cash flow of the project was considered to be sensitive information and is excluded from the public version in the project description. Since additionally analysis is based in barriers analysis, the exclusion is deemed admissible.

## **3.2 Application of Methodology**

### **3.2.1 Title and Reference**

The approved VCS Methodology VM0015 “Methodology for Avoided Unplanned Deforestation”, version 1.1 (3 December 2012) is applied to this project activity.

Besides the methodological document, the following tools are applied:

- VT0001 "Tool for the demonstration and assessment of additionality for activities of the VCS project in Agriculture, Forestry and other land uses (AFOLU), version 3.0".
- AFOLU Non-Permanence Risk Tool: VCS version 3.2 approved by VCS.
- Tool for testing significance of GHG emissions in A/R CMD project activities” version 01.

### **3.2.2 Applicability**

The final P.D states all evidence used to demonstrate each condition of the applicable methodology. Complete explanations are included in P.D. and additional information is included in its appendix I. In opinion of AENOR, the evidence and explanations confirm the fulfilment of the project with the methodology. The assessment was carried out for each applicability criterion and included, among others, the review of evidence and sources provided in the P.D and the compliance check of the local project setting with the applicability conditions in regard to baseline setting and eligible project measures as follows:

Assessment of applicability conditions:

- a) 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.

As stated in the PDD and its appendix I, in accordance with the VCS AFOLU requirements, the baseline activity corresponds to unplanned deforestation. Baseline activities include migratory agriculture, mining, invasion by coca growers and illegal logging which occur as a result of socio-economic forces that promote land use change and the inability of institutions to control these activities. The project promotes activities that avoid unplanned deforestation and degradation in the project area.

- b) Project activities may include one or a combination of the eligible categories defined in the description of the scope of the methodology (table 1 and figure 2).

Activities that cause deforestation in the baseline scenario are migratory agriculture, mining, invasion by coca growers and illegal logging. On the other hand, the project activity considers a community forest management (forest mature protection with controlled harvesting), thus the project falls within the category D: Avoided deforestation with logging in the baseline and project cases.

- c) 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 definition of "forest".

The project area includes different types of forest, such as Low Hill, Medium hill, riverbank complex, high terrace, low terrace, medium terrace and average terrace. Those types of forest are clearly stated in the PD.

- d) At project commencement, the project area shall include only land qualifying as "forest" for a minimum of 10 years prior to the project start date.

Only land qualifying as "forest" for a minimum of 10 years prior to the project start date has been included in the project area. That was verified through the use of imagery. In accordance with the definition of forest adopted by the government of Peru to the UNFCCC in 2001 the following parameters are considered:

- A minimum canopy covers of 30 per cent,
- A minimum land area of 0,5 hectares, and
- A minimum tree height of 5 m.

- e) The project area can include forested wetlands (such as bottomland forests, floodplain forests, mangrove forests) as long as they do not grow on peat. Peat shall be defined as organic soils with at least 65% organic matter and a minimum thickness of 50 cm. If the project area includes a forested wetlands growing on peat (e.g. peat swamp forests), this methodology is not applicable.

The types of forest that the project area comprises are the following: low hill, average hill, riverbank complex, high terrace, low terrace and average terrace. There are no presences of soils with peat.

Regarding the compliance of the applicability conditions of the tools contained within the methodology and applied by the project, as the P.D states in its section 2.1 the following tools are considered:

- VT0001 "Tool for the demonstration and assessment of additionality for activities of the VCS project in Agriculture, Forestry and other land uses (AFOLU), version 3.0".
- AFOLU Non-Permanence Risk Tool: VCS version 3.2 approved by VCS.
- Tool for testing significance of GHG emissions in A/R CMD project activities" version 01.

AENOR, based on records provided including spreadsheets calculations of the emissions reductions, has verified that applicability conditions of the different tools are complied. In

conclusion, the project activity complies with the applicability conditions of the methodology, and any tools or modules selected by the project proponent.

### 3.2.3 *Project Boundary*

#### 3.2.3.1 **Spatial boundaries**

In accordance with the methodology applied spatial boundaries has been correctly define and described in the appendix I of the PD. In that sense:

- a. The Reference region has been defined according their similar geophysical characteristics to the project area, also were analyzed similar characteristics of the agents, drivers and different patterns of deforestation. The surface of the reference region is 4'735,649.4 hectares

There is no exist sub-national or national baselines that meet VCS specific guidance on applicability of existing baselines.

To demonstrate that the conditions determining the likelihood of deforestation within the project area is similar or expected to become similar to those found within the reference region three main relevant criteria have been assessed: agents and drivers of deforestation, landscape configuration and ecological conditions and socio-economic and cultural conditions). The results of the assessment are included in the Appendix I of the PD.

- b. Project area:

The total surface of the project area is 127,004.0 ha. corresponding to forests lands of the native communities of Roya, Pueblo Nuevo del Caco, Curiaca, Calleria, Flor de Ucayali, Puerto Nuevo and Sinchi Roca.

At the project start date, the project area must include only forest land. Landsat images, KLM files and list of coordinates was provided to the audit team.

- c. Leakage belt;

The total area of leakage belt was defined in 54 837.9 he, this surface could absorb all the potential displacement of deforestation during the baseline period caused by the execution of the project. The leakage belt was defined by means of the mobility analysis and the complete procedures were detailed in the appendix I of the PD. The variables used for the analysis are distance to the main road, distance to secondary roads, distance to populated centres, and distance to forest boundaries and distance to project boundaries.

- d. Leakage management areas

The leakage management areas were chosen according to the territorial management conducted by the native communities, following the REDD+ strategy and the mobility analysis' criteria of agents and drivers to avoid leakages. Maps and GIS data was checked by the audit team.

- e. Forest.

The definition of forests is: a minimum land area of 0.5 ha that must be covered in a minimum of 30% of tree tops and with trees of a minimum high of 5 meters at maturity.



### 3.2.3.2 Temporal boundaries

Temporal boundaries are in compliance with the applied methodology.

The starting date and end date of the crediting period are: 01 July 2010 to 30 June 2030 – for a total of 20 years. Then, the historical reference period for a total of 10 years was correctly considered from year 2000 to year 2010.

In accordance with the applied methodology, the first fixed baseline period is defined on 01 July 2010 and the end date to 30 June 2020.

In addition, PD state that the minimum monitoring period will be for one year, and it won't exceed the fixed baseline period. The monitoring reports will be released on a yearly basis, depending on the project's conditions.

### 3.2.3.3 Carbon pools

Carbon pool	Included / TBD/ Excluded	Justification/Explanation
Above-ground biomass	Tree: included	This pool represents the major changes in carbon storage and is always significant.
	Non-Tree: excluded	The carbon stock of this pool does not play a major role in the baseline. The final land cover does not include perennial crops.
Below- ground	Included	Recommended by the methodology.
Dead Wood	Excluded	Its exclusion does not lead to a significant over-estimation of the net anthropogenic GHG emission reductions of the AUD project activity. Thus the exclusion is conservative.
Harvest wood products	Excluded	Timber harvesting will be limited, according to the project scenario. A historical analysis of the timber harvesting in the project area was conducted applying the "A/R CDM Tool for testing significance of GHG emissions in A/R CDM project activities", in order to find out the significance of this reservoir (significance analysis). This analysis showed that this reservoir is not significant.
Litter	Excluded	Litter was not taken into account, as the last VCS AFOLU requirements (version 3.2) state that litter must only be measured if it is significant and it is

		optional to take it into consideration.
Soil organic Carbon	Excluded	The baseline of the land-use in the project area foresees the conversion of forest to temporary crops. Therefore, in this case, the soil organic carbon will not be measured according to the VM0015 methodology Version 1.1

**Table Nº 4. Carbon pools selected for accounting of carbon stock changes.**

Regarding the Carbon Stock Changes and taking into account the applicable methodology, the chosen carbon pools and GHG accounted are the following:

For Shrubs consideration, the tool: Estimation of carbon stocks and change in carbon stocks of trees and shrubs in A/R CDM project activities, is applied. The PPs determined data of shrub crown cover by means of photo and management plans and demonstrated that data is less than 5 per cent in areas under the project boundary, then, the shrub biomass per hectare is considered negligible and hence accounts as zero.

Regarding dead wood, and litter and considering the requirements in the AFOLU standard, these pools must be considered whether the project can reduce these carbon pools significantly. In case Fresh Breeze project as the project is reforestation and the baseline scenario is grassland without any input of management, the project does not reduce these pools and the baseline activities do not reduce significantly these pools as they do not exist. Then, they are not accounted. However, the soil organic carbon is accounted in calculation as described in sections below.

**3.2.3.4 Sources of emissions of greenhouse gases (other than carbon stock changes).**

According to the methodology the carbon pools, emission sources and GHGs selected for accounting are the followings:

Source	Gas	Included?	Justification/Explanation
Biomass Burning	CO <sub>2</sub>	Excluded	Counted as carbon stock change
	CH <sub>4</sub>	Excluded	The project activities aim to reduce the forest burning in order to decrease the emissions of burned biomass. In the leakage belt areas, the agroforestry activities and the enrichment of the forest with further forest species will not create any further fires, as these trees will be planted in already cleared areas.
	N <sub>2</sub> O	Excluded	Considered insignificant according to the methodology applied.
Livestock emissions	CO <sub>2</sub>	Excluded	Not a significant source
	CH <sub>4</sub>	Excluded	Not a significant source

Source	Gas	Included?	Justification/Explanation
	N <sub>2</sub> O	Excluded	Not a significant source

**Table Nº 05. Sources and GHG included or excluded within the boundary of the proposed AUD project activity**

According to the methodology sources of emissions that are expected to increase in the project scenario compared to the baseline case must be included if the exclusion would lead to a significant overestimation of the total net anthropogenic GHG emission reductions generated during the fixed baseline period. Furthermore, that sources considered insignificant according to the latest VCS AFOLU requirements can always be neglected.

In accordance with the evidence provided and site visit, CH<sub>4</sub> due to biomass burning are expected to decrease in the project scenario, thus is considered correct to be excluded. In the case of livestock emissions, this is not a significant source in both baseline and project scenario, thus AENOR has considered it correctly neglected.

### 3.2.4 Baseline Scenario

The baseline scenario of the proposed project activity has been defined using the procedure of VCS VT0001- Tool for the demonstration and assessment of additionality for VCS project activities in Agriculture, Forestry and other land uses (AFOLU), version 3.0.

Using this tool it is concluded that the most likely scenario would be the continuation of illegal logging as well as forest invasions by coca growers, miners and farmers, thereby causing deforestation and forest degradation of the native communities. The assessment is developed in the section 2.5 PD.

Project proponents properly selected applicable sub-steps 1a and 1b, “Identify credible alternative land use scenarios to the proposed VCS AFOLU project activity” and “Consistency of credible land use scenarios with enforced mandatory applicable laws and regulations”, respectively.

Project proponents correctly identified three alternative land use scenarios from the outcome of sub-step 1a:

Scenario 1: Continuation of pre-project land use. This scenario considers that both illegal logging and encroachment on forests by coca growers, miners and farmers will continue, thus causing deforestation and forest degradation of the native communities. These activities have been reported previously in the project area and there is a systematic failure of the legislation .This scenario is the continuation pre-project situation as AENOR could verify during the on-site

Scenario 2: Project activity on the land within the project boundary performed without being registered as the VCS AFOLU project. The activities proposed by the project would be given without selling VCUs, but supported by technical or state cooperation.

Scenario 3: If applicable, activities similar to the proposed project activity on at least part of the land within the project boundary of the proposed VCS AFOLU project at a rate resulting from legal requirements or extrapolation. The forest management in the areas of native communities would be profitable enough to finance the costs of sustainable forest management as well as control and community surveillance.

As a result of the assessment well detailed in the PDD for the sub-step 1b, land use credibility, the scenario 3 is considerable as a not credible based on local facts such as the illegal timber extraction

practices, the asymmetric commercial relations among communities and private enterprises and lack of transparency and the lack of compliance of the law and regulations.

As a result of the assessment well detailed in the PDD for the sub-step 1b, the scenarios 2 are clearly in compliance with the current legislations in place. On the other hand, for the scenario 1 some of the activities carried out are legal (PDD details applicable legislations) and others are illegal such as illegal logging, but they are activities carried out in the area with a continuous breach of the regulations. Thus, the project proponents also correctly establish the outcome of sub-step 1b as the two land use scenarios are in compliance with applicable laws and regulatory requirements, except illegal logging due to a systematic noncompliance of rules.

Accordingly, the sub-step 1c of the tool is followed to determine and justify the likely baseline scenario.

AENOR deems that 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. Relevant national and/or sectorial policies and circumstances have been considered and are listed in the project description. Thus, AENOR considers that the identified baseline scenario is correctly justified and in compliance with VCS requirements.

### 3.2.5 *Additionality*

The procedures for determination of additionality in the project were applied using the "VT0001- Tool for the demonstration and assessment of additionality for VCS project activities in Agriculture, Forestry and other land uses (AFOLU)", version 3.0. Project proponents performed the Barrier analysis along with the common practices analyses.

Thus, the sub-step 3a of the tool was applied to determine whether the proposed project activity faces barriers that:

- a) Prevent the implementation of the proposed project activity without the revenue from the sale of GHG credits; and
- b) Do not prevent the implantation of at least one of the alternative land use scenarios.

The identified barriers in the assessment were:

- a) Barriers due to social conditions and land use practices, including:
  - i. Population pressure on the land: The demand for resources such as wood, agricultural products, areas for the agricultural industry have increased. The population growth is preventing the recovery of soils, since new cultivation areas are demanded, then, increasing the deforestation, and increasing the degradation of soils already used previously or in recovery phase. Therefore conservation of forest communities faces this barrier of the pressure for resources.
  - ii. Widespread illegal practices: In the reference region illegal logging, coca cultivation and illegal mining are performed. The Consortium Cámara Nacional Forestal-AIDER-UNALM (2004) notes that in Peru it is estimated that illegal logging activities extracted and sold more than 60,000 m<sup>3</sup> of wood annually, representing a market value of \$ 72 million. The Forest Research Centre (CIFOR) in Ucayali and Loreto found that between 78 and 88% of the wood is harvested outside illegally.

Regarding the widespread production of coca leaf, the Situational Crime Diagnostics in Peru (Ministry of Justice and Human Rights. June-2013) states that "The income generated by coca exports fluctuated

between U.S. \$ 800 and U.S. \$ 1,200 million and only in recent years were displaced to second place by illegal gold mining, due to the dramatic growth of international prices”.

b.) Barriers due to lack of organization of local communities;

Participatory Rural Appraisal (PRA) and socioeconomic baseline of the project realizes the weak system of governance in relation to the interaction with external agents, loggers, NGO's, entrepreneurs, oil companies, state, settlers and others. Are note thing like:

- Low participation of community members in assemblies and community activities.
- The exercise of local governance is weak. There is a communal perception that there are no accountability transparent accounts by the authorities.
- Public and private donations received by the community are not sustainable over the time; there is no culture in the community to pay for the service provided by the machinery, equipment and infrastructure to deteriorate over time.

c.) Systems of formal and informal tenure that increase the risk of fragmentation of holdings;

The informal property ownership is a barrier to the project because the communal areas are susceptible to being invaded, this is caused by the weak presence of the state and its institutions, the lack of unified register, the costs for communities to control their territory more and the access to land ownership records of individuals who demonstrate that they have enabled and allocated land for farming sometimes even overlapping areas to native communities

d.) Barriers related to local traditions, including traditional knowledge, laws and customs, market conditions and practices. The poor market linkage remains a barrier for native communities. Surplus production and marketing the communities such as bananas, corn, rice, reach the market in a disjointed way because each commoner offer individually.

Another factor is the institutionalization of the “habilito” system (delivery of money from third party for its production) is often limiting in the conclusion of the price generally being against the producer.

In the case of wood marketing contracts between communities and timber is characterized by asymmetric, unfair, not transparent.

Subsequently, the sub-step 3b of the tool was applied. The barriers identified do not prevent the implementation of at least one scenario, in this case, the scenario number 1 in the PDD, i.e., the continuation of the current situation.

According to the tool if both Sub-steps 3a – 3b are satisfied, then proceed directly to Step 4 (Common practice analysis). As this is the case, the PPs carried out an analysis of the common practice.

In this regard, the analysis includes the identification of similar activities already implemented or currently underway.

The analysis performed concludes that no similar activities to the proposed project have already implemented or currently underway.

Other activities searching similar targets were analyzed, but they differ from the proposed project due to several reasons such as:

- The temporality. The proposed project activity is an integral project designed to medium-long term to reduce the deforestation by means of deep changes in the community resource

management, given value to the stand forest and avoiding land use changes to generate profits, implementation of other sustainable economic activities, governance activities, etc; however, other initiatives in the region were implemented during short periods, 2-3 years, not enough to achieve similar targets.

- Other key compared to the other initiatives is the financial sustainability for medium-long terms. To achieve this financial security the conditions to be met includes i) Existence of funding for such activities, ii) Have a competence team for proposals, iii) institutions with experience in handling these types of funds, iv) Have counterpart funds received, v) have the administrative capacity accounting for fund management. Thus, a lot of difficult requirements to achieve by initiatives other than the proposed project which considers the revenues from VCUs sells for 20 years.
- Participatory management: The project proposed a participatory management, improving local capacities to natural resources management. This is a crucial aspect in order to improve their capabilities for management and administration their forests.

Thus, the common practice analysis have not identified similar actions to the proposed project to reduce deforestation with indigenous communities totally involved, with a programmatic approach and medium-long terms benefits and under the leadership of the community.

Investments made by the Peruvian government and non-governmental organizations in natural resource management (promotion of agroforestry, rehabilitation of degraded areas, land -use chestnut, tourism) have had limited success and focused. Whose scope was not significant for the area that the project aims to conserve. Therefore, the REDD project is not common practice, it is not the baseline and it is additional.

Hence, after the assessment of the explanations and justifications in the P.D and the review of the submitted evidence, also detailed in the project document, AENOR deems credible and reliable the supported documents provided. The information described in the P.D is consistent with them. Thus, it can conclude that there are several characteristics that make each activity different, not similar to the proposed REDD project, then, not comparable. Thus, the project activity is not the baseline scenario, it is not the common practice and hence, it is additional.

The incomes from VCUs will help to overcome the faced barriers by the project and will alleviate the expected long time period for revenues.

### **3.2.6 Quantification of GHG Emission Reductions and Removals**

Procedures for quantifying the baseline emissions from unplanned deforestation were conducted in accordance with Methodology to avoid unplanned deforestation, VM0015 version 1.1. The validation team performed an intensive quantification review of all input data, parameters, formulas, calculations, conversions, statistics and resulting uncertainties and output data to ensure consistency with the VCS documentation, methodology modules, 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 validation team recalculated subsets of the analysis to confirm correctness. Project proponents also provided a step-by-step overview of select calculations to ensure the validation 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.

**3.2.6.1 Baseline Emissions.**

The Project has appropriately included baseline emissions calculations in the PD per the VCS Standard Section 3.18.2 and further information is also included in the annex to the PD also provided to AENOR.

Data and parameters selected for spatial and temporal boundaries were found to be properly selected and calculated accurately from verifiable sources.

The validation team checked all processes for estimation of the annual areas of unplanned deforestation and confirmed the accuracy of remote sensing analysis.

Spatial modelling related to location and quantification of threats of unplanned deforestation was checked for accuracy and development of risk maps was confirmed correct.

The following seven strata were identified in the project area: low hill forest, medium hill forest, riverbank complex forest, Knoll forest, High terrace forest, Low terrace forest, Medium terrace forest. Though, the strata knoll forest is only identified in the project area and deforestation projections were ruled out for this strata as there is not a high threat of deforestation.

To estimate the carbon stored in aboveground and belowground biomass, the step 6. "Estimation of Baseline Carbon Stock Changes and Non-CO2", of the applied methodology was used. Both, PD and methodological give information about the steps followed. AENOR checked the sampling, dates of inventories, allometric equations, sources to select them, defined values to parameters such as ratio below/ground biomass and reproduced the calculation provided by PPs.

PP has determined in accordance with the applied methodology requirement the carbon contents of each forest class identified. Furthermore, in accordance with the step 6.1.1 of the methodology, a discount for uncertainties was applied. Result are summarised in the following table:

Forest Class	Results of carbon inventory	Values to be used after discounts for uncertainties
	tnCO2-e	tnCO2-e
Low hill forest	627.20	540.6
Medium hill forest	448.28	312.7
Riverbank complex forest	622.18	363.60
Knoll forest	518.71	382.86
High terrace forest	505.02	365.70
Low terrace forest	373.02	304.27
Medium terrace forest	540.37	540.37

**Table N° 06. Carbon stock per forest class (in tCO<sub>2</sub>/ha).**

The project estimated the deforested areas by strata in the project area and leakage belt in the absence of the proposed project. PD and methodological annex give complete information about the method used. AENOR checked that information provided is complete, reliable and in compliance with criteria and requirements of the VM0015 Methodology.

As a result, the deforested areas for the first 10 years of the baseline period and the total change of carbon stock in t CO<sub>2</sub> eq. are as follows:

Year	Project area		Leakage belt	
	Net yearly Deforestation (ha)	Total carbon stock change in biomass of the initial forest classes in the Project area (tCO <sub>2</sub> eq)	Net yearly Deforestation (ha)	Total carbon stock change in biomass of the initial forest classes in the Leakage Belt (tCO <sub>2</sub> eq)
2010-2011	1,295.9	478,729.53	2,459.0	860,766.6
2011-2012	954.4	366,078.04	1,821.3	652,055.8
2012-2013	1,135.0	439,252.76	2,095.9	782,357.5
2013-2014	1,369.9	541,992.82	2,206.8	825,253.8
2014-2015	1,416.1	566,281.77	2,554.3	973,050.5
2015-2016	1,722.3	688,938.12	2,742.8	1,065,294.1
2016-2017	2,288.6	914,916.79	2,770.0	1,106,293.4
2017-2018	2,441.5	997,348.41	3,082.4	1,254,116.3
2018-2019	2,692.9	1,103,286.62	3,076.4	1,278,296.3
2019-2020	2,943.7	1,239,937.01	2,978.6	1,270,089.5

**Table N° 07. Total annual carbon stock change in biomass of the initial forest classes in the Project area and Leakage Belt (tCO<sub>2</sub>eq).**

Subsequently, in accordance with the methodology, the carbon stock change produced in the post deforestation classes was subtracted. The following table summarized the result obtained for the project area:

Years	Total carbon stock change in the above-ground biomass of the initial forest classes in the project area (tCO <sub>2</sub> -e)	Total carbon stock change in biomass of post-deforestation zone in the project area (tCO <sub>2</sub> -e)	Net changes in carbon stocks in the project area (tCO <sub>2</sub> -e)
2011-2012	478,729.53	13.421,20	465,901.1
2012-2013	366,078.04	12.584,67	343,801.2
2013-2014	439,252.76	14.585,79	405,739.8
2014-2015	541,992.82	16.164,74	494,918.1
2015-2016	566,281.77	18.350,72	505,188.8
2016-2017	688,938.12	19.251,36	610,794.9
2017-2018	914,916.79	23.342,00	814,117.5
2018-2019	997,348.41	27.065,97	872,380.0
2019-2020	1,103,286.62	31.463,63	951,659.5



2020-2021	1,239,937.01	34,798,71	1,059,168.4
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**Table N° 08. Net changes in carbon stocks in the project area for the first baseline period.**

After all, AENOR deems that followed steps are in compliance with VCS requirements, dates of inventory are less than 10 year old in accordance to the methodology and the appropriateness of equations and data used for parameters are correct, then, the results achieves are an accurate estimation of baseline biomass.

**3.2.6.2. Estimation of Future Carbon Stock Changes and non-CO<sub>2</sub> emissions under the project scenario.**

The two possible sources were assessed:

**a) Calculation of actual carbon stock changes due to planned activities**

Emissions for project planned activities are considered zero as described and justified in annex I of PD. The main part of the project activities are conducted in the leakage management areas. In addition, an assessment of significance using the tool A/R of MDL was carried out. GHG emissions coming from the community forest management results as not significant as there were lower than 5%.

Regarding CO<sub>2</sub> emissions from biomass burning are accounted as carbon stock change, and CH<sub>4</sub> and N<sub>2</sub>O are neglected in accordance with the step 1.4 of the methodology

**b) Estimation of carbon stock changes due to unavoidable unplanned deforestation within the project area.**

**In order to estimate the unavoidable unplanned deforestation in the project scenario, an Effectiveness index was estimated in accordance with the methodology requirements.**

The “IE” was estimated according to the project activities, mainly of the activity of community forest management and monitoring of community forests to avoid invasions and illegal logging. Considering the land surface under activities of community forest management communal monitoring on the wood and the communal forest utilization to avoid invasions and illegal logging an initial index of 77 was considered as initial. As other activities stated in the REDD+ strategy will be implemented, the IE will gradually increase by 5% for each year until it reaches 97%, which was maintained until the end of the first crediting period.

Years	Ex ante project carbon stock changes (tCO <sub>2</sub> e)
2010-2011	107,157.2
2011-2012	61,884.2
2012-2013	52,746.2
2013-2014	39,593.4
2014-2015	15,155.7
2015-2016	18,323.8
2016-2017	24,423.5
2017-2018	26,171.4
2018-2019	28,549.8
2019-2020	31,775.1

**Table N° 09. Expected carbon stock changes due to unavoidable unplanned deforestation within the project area.**

### 3.2.6.3 Calculation of Leakage.

Leakage emissions from unplanned deforestation displacement were appropriately determined Parameters and values used to calculate the annual ex-ante GHG emissions in the leakage were individually checked for correctness and found to be accurate. The validation team found that the leakage factor used to estimate displacement from the project area to the leakage belt was reasonable.

Project year	Total net carbon stock change due to leakage (tCO2e)
2010-2011	33,544.9
2011-2012	24,753.7
2012-2013	29,213.3
2013-2014	35,634.1
2014-2015	36,373.6
2015-2016	43,977.2
2016-2017	58,616.5
2017-2018	62,811.4
2018-2019	68,519.5
2019-2020	76,260.1

Table Nº 10. Estimation of leakage.

### 3.2.6.4 Calculation of ex-ante estimation of total net GHG emissions reductions

The net anthropogenic GHG emission reduction of the proposed AUD project activity is calculated as follows:

$$\Delta REDD_t = (\Delta CBSLPA_t + EBBBSLPA_t) - (\Delta CPSPA_t + EBBPSPA_t) - (\Delta CLK_t + ELK_t)$$

Where:

$\Delta REDD_t$  = Ex ante estimated net anthropogenic greenhouse gas emission reduction attributable to the AUD project activity at year  $t$ ; tCO<sub>2</sub>e

$\Delta CBSLPA_t$  = Sum of baseline carbon stock changes in the project area at year  $t$ ; tCO<sub>2</sub>e

$\Delta EBBBSLPA_t$  = Sum of baseline emissions from biomass burning in the project area at year  $t$ ; tCO<sub>2</sub>e

$\Delta CPSPA_t$  = Sum of ex ante estimated actual carbon stock changes in the project area at year  $t$ ; tCO<sub>2</sub>e

$\Delta EBBPSPA_t$  = Sum of (ex ante estimated) actual emissions from biomass burning in the project area at year  $t$ ; tCO<sub>2</sub>e

$\Delta CLK_t$  = Sum of ex ante estimated leakage net carbon stock changes at year  $t$ ; tCO<sub>2</sub>e

$\Delta ELK_t$  = Sum of ex ante estimated leakage emissions at year  $t$ ; tCO<sub>2</sub>e

T = 1, 2, 3 ... T, a year of the proposed project crediting period; dimensionless

Years	Estimated baseline carbon stock changes in the projec area (tCO <sub>2</sub> e) $\Delta CBSLPA_t$	Estimated ex ante actual carbon stock changes in the project area at year (tCO <sub>2</sub> e) $\Delta CPSPA_t$	Estimated leakage carbon stock changes (tCO <sub>2</sub> e) $\Delta CLK_t$	Estimated net GHG emission reductions or removals (tCO <sub>2</sub> e) $\Delta REDD_t$
2010-2011	465,901.1	107,157.2	33,544.9	325,198.9
2011-2012	343,801.2	61,884.2	24,753.7	257,163.3
2012-2013	405,739.8	52,746.2	29,213.3	323,780.4
2013-2014	494,918.1	39,593.4	35,634.1	419,690.5
2014-2015	505,188.8	15,155.7	36,373.6	453,659.6
2015-2016	610,794.9	18,323.8	43,977.2	548,493.9
2016-2017	814,117.5	24,423.5	58,616.5	731,077.5
2017-2018	872,380.0	26,171.4	62,811.4	783,397.2
2018-2019	951,659.5	28,549.8	68,519.5	854,590.2
2019-2020	1,059,168.4	31,775.1	76,260.1	951,133.2
<b>Total</b>	<b>6,523,669.2</b>	<b>405,780.3</b>	<b>469,704.2</b>	<b>5,648,184.7</b>

**Table N° 11. GHG emission reductions generated by the project.**

In addition, the Non Permanence Risk was calculated according to the tool risk report. A detailed validation assessment carried out by AENOR is provided in sections below. The overall risk rating is 15%. This percentage was multiplied by the net GHG removals to determine the number of buffer credits to be deposited in the AFOLU pooled buffer account and resulting in the following estimated net GHG removals for the first 20 years and the whole crediting period, respectively:

Years	Ex ante net anthropogenic GHG emission reductions $\Delta REDD_t$ tCO <sub>2</sub> -e	AFOLU pooled buffer account (15%)	Verified Carbon Units (VCUs)
2010-2011	325,198.9	53,811.6	271,387.4
2011-2012	257,163.3	42,287.5	214,875.7
2012-2013	323,780.4	52,949.0	270,831.3
2013-2014	419,690.5	68,298.7	351,391.9
2014-2015	453,659.6	73,505.0	380,154.6
2015-2016	548,493.9	88,870.7	459,623.2
2016-2017	731,077.5	118,454.1	612,623.4
2017-2018	783,397.2	126,931.3	656,465.9
2018-2019	854,590.2	138,466.5	716,123.7
2019-2020	951,133.2	154,109.0	797,024.2
<b>Total (10 years)</b>	<b>5,648,184.7</b>	<b>917,683.3</b>	<b>4,730,501.3</b>
<b>Annual Average</b>	<b>564,818.5</b>	<b>91,768.3</b>	<b>473,050.1</b>

**Table N° 12. Ex ante estimated net anthropogenic GHG emission reductions (REDD<sub>t</sub>) and Verified Carbon Units (VCU<sub>t</sub>)**

AENOR assessed the calculations of baseline stocks and removals, project emissions, leakage, expected net anthropogenic GHG removals by sinks and uncertainties. Correctness of calculations can be confirmed as they were replicated by the audit team using the information provided.

The values and estimates presented in the PD are considered reasonable based on the documentation reviewed, further references and the result of the interviews during the onsite visit.

Based on the information reviewed it can also be confirmed that the sources used are correctly quoted and interpreted in the PD. All assumptions and data indicated in the PD and all relevant sources were checked and confirmed. Detailed information on the verification of parameters used in the equations is presented in the protocol.

In essence, the methodology was correctly applied following the requirements. All values in the PD are considered reasonable in the context of the proposed VCS project activity. Data sources are quoted correctly. Hence, the calculation of baseline stocks and removals, project emissions, leakage and the expected net anthropogenic GHG removals by sinks are considered correct.

### 3.2.7 Methodology Deviations

No deviations were detected from the applicable methodology.

### 3.2.8 Monitoring Plan

The monitoring plan presented in the PD complies with the requirement of the methodology.

The assessment team checked all parameters presented in the monitoring plan against the requirements of the methodology. For the monitoring of carbon stock changes the requirements and parameter list as per methodology and associated tools were followed.

The monitoring plan is included in the PD. The list of parameters to be monitored is the following:  $ABSLPA_{i,t}$ ,  $ABSLKLi_{i,t}$  and the *forestry cover map*.

The monitoring plan is intended for the following main tasks to be monitored:

- **Task 1.** Monitoring of carbon stock changes and GHG emissions for periodical verifications within the fixed baseline period. This task involved the following activities:
  - Monitoring of actual carbon stock changes and GHG emissions within the project area. Section 4.3 of the PD provides a complete description of the steps to be followed to carry out this action. The procedure was established in compliance with the applied methodology.
  - Monitoring of leakage. The PD details the relevant parameters and procedures for monitoring activity-shifting leakage in accordance with the applied methodology.
  - Ex post calculation of net anthropogenic GHG emission reduction. The procedures described in section 4 of the PD were reviewed by the AENOR team on paper and through communications with the PPs and cross-checked against the applicable methodology and found to be in compliance with methodological requirements.

- **Task 2.** Revisiting the baseline projections for future fixed baseline period. Review of the baseline, every 10 years as methodology requires. The deforestation rate for the reference region, the project area and leakage belt will be updated, as well as the agents, drivers and fundamental causes of deforestation also will be verified carbon stored information.

The major parameters to be monitored were discussed with the PPs, as well as main processes, data management, quality assurance and quality control procedures that will be implemented in the context of the project.

In the opinion of the AENOR team all necessary parameters required by the selected approved methodology are contained in the monitoring plan. They are clearly described and the means of monitoring described in the plan comply with the requirements of the methodology. Tables in section 4 of the PD detail the different data variable to monitor along with the data unit, recording frequency, purpose of data, etc. Thus, the monitoring plan is in compliance with the applicable methodology.

After the review of evidence provided by the PP, the interview and communications with PP, AENOR confirms that monitoring arrangements described in the monitoring plan are feasible within the project design and that the means considered for the implementation, including data management, quality and assurance control procedures, are sufficient to ensure that the GHG net anthropogenic removals achieved resulting from the proposed VCS project activity can be reported ex post and verified. Therefore, in opinion of the AENOR validation team the PP will be able to implement the monitoring plan.

### 3.3 Non-Permanence Risk Analysis

PPs have elaborated VCS Non permanence Risk Report for the validation process according to the AFOLU Non Permanence Risk Tool v.3.2.

Below, it is explained the assessment of the non-permanence risk rating determined by the project participant in the report dated on 31 July 2015 version 05 and issues raised to them in this regard.

Risk factor	Risk Rating	Findings and mitigation activities	Corrective Actions/Clarifications
<b>Internal Risks</b>			
Project Management: It is assessed using table 1 of the VCS AFOLU Risk Tool.	-2	<p>a) This criteria is not applicable since this is a not a reforestation or forestation project.</p> <p>Risk rating=0 is justified.</p> <p>b) The project hadn't issued any VCU at the moment</p> <p>Risk rating=0 is justified.</p> <p>c) In accordance with the evidence provided, AIDER management team includes individuals with significant experience in sustainable forest management and community management.</p>	No Corrective Actions or Clarifications was requested.

		<p>Risk rating=0 is justified.</p> <p>d) Manager team maintain a presence in the region. The forest management team office is located in Ucayali, less than a day of travel from the project sites.</p> <p>Risk rating=0 is justified.</p> <p>e) In accordance with the evidence provided, AIDER management team includes individuals with significant experience in AFOLU projects design and implementation, carbon accounting and reporting</p> <p>Then, it is well justified the rating=-2.</p> <p>f) Adaptive management plan is considered, then, rating = 0 is correct.</p>	
<p>Financial viability: It is assessed using table 2 of the VCS AFOLU Risk Tool.</p>	2	<p>a)-d) The project proponent provided the investment analysis of the project that shows that the breakeven point is reached lower than 4 years. Cash flow was provided to AENOR which can confirm this matter.</p> <p>Thus, the rating chosen=0 is correct.</p> <p>e)- h) Project has secured 17% of the funding needed to cover the total cash out required before the project reaches breakeven trough a project with the International tropical timber Organization (ITTO). Thus, the rating chosen=2 is correct.</p> <p>i) There are not callable financial resources at least 50% of total cash out before project reaches breakeven</p> <p>The rating assigned (0) is correct.</p>	<p>No Corrective Actions or Clarifications was requested.</p>
<p>Opportunity Cost: It is assessed using table 3 of the VCS AFOLU Risk Tool.</p>	4	<p>a)-f) Agricultural option was compared to the project activity option. The comparison of the NPV of the both scenarios shows that the NPV of the most profitable alternative is more than the 100% compared to the project.</p> <p>Then, rating chosen =8 is correct.</p> <p>g) PPs are non-profit organizations.</p>	<p>No Corrective Actions or Clarifications was requested.</p>

		<p>Then, rating chosen = -2 is correct.</p> <p>h) The communities have signed a formal commitment to continue management practices during the project life. The agreement was provided to AENOR.</p> <p>Then, rating chosen = -2 is correct.</p> <p>i) No 100 year legally binding commitment has been demonstrated.</p> <p>Then, rating chosen = 0 is correct.</p>	
<p>Project Longevity: It is assessed using table 4 of the VCS AFOLU Risk Tool.</p>	10	<p>a)-b) The project longevity is 40 years. The communities signed an agreement to carry out the project activities during 40 years of the lifetime</p> <p>Thus, according to the project longevity (40 years), the rating of 10 is correct.</p>	<p>No Corrective Actions or Clarifications was requested.</p>
<p><b>Total internal Risk=14</b></p>			
<p><b>External Risks</b></p>			
<p>Land Tenure and resources access/impact: It shall be assessed using table 6 of the Risk Tool.</p>	<p>0 (total may not be less than zero)</p>	<p>a) Resolutions demonstrating the land property are provided. This proves ownership and resource access/use rights are held by each community respectively.</p> <p>Then, rating chosen = 0 is correct.</p> <p>d) On the other hand, there is no evidence of land disputes in the project area.</p> <p>Then, rating chosen = 0 is correct.</p> <p>e) Not applicable since this is not a WRC project.</p> <p>Then, rating chosen = 0 is correct.</p> <p>g) There's a formal commitment of communities to follow the sustainable forest management practices over the length of the project.</p> <p>Then, rating chosen = -2 is correct.</p> <p>g) Not applicable.</p> <p>Then rating =0 is correct.</p>	<p>No Corrective Actions or Clarifications was requested.</p>

<p>Community engagement: It shall be assessed using table 7 of the Risk Tool.</p>	<p>0</p>	<p>a) All communities living in the project area who are reliant on the project area for food, fodder, fuel, medicine, or building materials has been consulted and informed. This fact was evidenced during the site visit.</p> <p>Thus, rating =0 is correct.</p> <p>b) Households living within 20 km of the project boundary outside the project area, and who are reliant on the project area, have not been consulted.</p> <p>Thus, rating =5 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>No Corrective Actions or Clarifications was requested.</p>
<p>Political Risks: It shall be assessed using table 8 of the Risk Tool.</p>	<p>0</p>	<p>a)-e) Peru governance score is -0.26. This is the mean of the six indicators obtained from the World Bank Institute's Worldwide Governance indicator, i.e., between -0.32 and 0.19, then rating=2 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 set out in this Section 2.3.3.</p> <p>Peru is participating in the REDD program. Then, rating= -2 is correct.</p>	<p>No Corrective Actions or Clarifications was requested.</p>
<p><b>Total external risks=0</b></p>			

<p><b>Natural Risks</b></p>			
<p>Fire Risk: It shall be assessed using table 10 of the Risk Tool.</p>	<p>LS*M=0</p>	<p>Significance and likelihood (LS): Fires are located in areas where farmers perform in a controlled way. A burn analysis has been made for the project area for years 2011 and 2013. This analysis shows that the burn surface in the project area is 0.1% of the total project area which means that it won't cause loss of carbon stocks. In that sense, in the project scenario is not considered as a significant risk. Thus, rating</p>	<p>No Corrective Actions or Clarifications was requested.</p>



		<p>LS=0 is correct.</p> <p>Mitigation (M): The project proponent has a Plan for prevention and control of forest fires. In addition, the project proponent has experience in fire control.</p> <p>Thus, mitigation discount applied of 0.25 is correct.</p>	
<p>Pest and disease outbreaks: It shall be assessed using table 10 of the Risk tool.</p>	<p>LS*M=1</p>	<p>Significance and Likelihood (LS):. There's no evidence of significant losses registered in the project area due to pest and diseases. In that sense the risk significance is considered "insignificant" (5% to less than 25% loss of carbon stocks) and likelihood less than 10 years Then as score of 2 is considered conservative.</p> <p>Mitigation (M) measures were provided in the risk report. Thus, the project activities include implementing agroforestry systems already adapted to the natural conditions in the project area. The project will use native species already adapted to the project area, which will prevent the pest and disease outbreaks.</p> <p>Thus, mitigation discount applied of 0.5 is correct.</p>	<p>No Corrective Actions or Clarifications was requested.</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).</p> <p>For the project area the only extreme weather risks identified is the presence of intense rains that may cause some flooding. The likelihood of occurrence is considered less than 10 years. However, since this is a REDD Project, the forest species included are native and widely tolerant to that conditions, thus not no loss of carbon stocks due to extreme weather are considered. Thus, a score of 0 is considered correct.</p> <p>Mitigation (M): Mitigation measures were not considered. Thus, mitigation factor applied of 1 is correct.</p>	<p>No Corrective Actions or Clarifications was requested.</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). No loss.</p>	<p>No Corrective Actions or Clarifications was requested.</p>

		<p>No volcanoes in the project area. Not enough slope or altitude for avalanche.</p> <p>Likelihood frequency is not applicable.</p> <p>Thus, it is reasonable the value LS= 0 is considered correct.</p> <p>Mitigation (M): Not applicable.</p>	
<b>Total Natural Risks=1</b>			
OVERALL RISK RATING: It shall be calculated according to table 11 of the Risk Tool.			
<b>OVERALL RISK RATING=14+0+1=15</b>			

The non-permanence risk deduction to be applied for the project is 15%.

AENOR has checked that information provided in the Non Permanence Risk Report is consistent with documents of support provided. AENOR deems that information provided is reliable and appropriate, thus, the overall risk rating is credible and realistic.

### 3.4 Environmental Impact

According to the information in the P.D and checked by AENOR during the on-site visit an Environmental Impact Assessment is not legally required for this kind of projects.

However, since the project participants are interested in knowing the possible environmental impacts of the proposed project activity an Environmental Impact Assessment was prepared and, provided to AENOR. The PD details the main impacts of the project with the mitigation activities in case negative effects, however, the balance of the impact is positive.

### 3.5 Comments by Stakeholders

The veracity of the local stakeholder consultation was verified during the on-site visit. AENOR checked evidence of the different meetings carried out for information about the project in the project boundary. Evidence confirms that information in PD is credible and consistent. Most of the comments received were related to the benefits for the local communities.

Thus, stakeholders were invited to the consultation process for the proposed VCS project activity. By means of documents reviewed and the interviews performed, AENOR considers that the summary of the comments received during the consultation process included in the PD is complete. The main conclusions of the meetings and opinions collected from meetings are included in the PD.

Hence, in the opinion of the AENOR team the local stakeholder consultation process was suitability performed.

#### 4 VALIDATION CONCLUSION

AENOR has performed a validation of the REDD project “Forest management to reduce deforestation and degradation in Shipibo Conibo and Cacataibo indigenous communities of Ucayali region”, in Peru, and has verified that the project is in compliance with the Verified Carbon Standard version 3.5 and the AFOLU requirements v.3.4 without qualifications or limitations. The project is located in Peru and covers 127,004.0 hectares.

The validation process was performed on the basis of all issues and criteria of VCS. The conclusions of this report show, that the project, as it was described in the project documentation, is in line with all criteria applicable for the validation.

The validation consisted of the following three phases: i) a desk review of the project design and the baseline and Monitoring Plans; ii) follow-up interviews with project stakeholders; iii) the resolution of outstanding issues and the issuance of the final validation report and opinion. In the course of the validation process corrective actions and clarifications were raised; all have been successfully closed as explained in the validation protocol annexed to this report.

The Project participant used the “Methodology to avoid unplanned deforestation, VM0015, version 1.1” and associated tools to determine the GHG net anthropogenic removals by sinks. The “VT0001-Tool for the demonstration and assessment of additionality for activities of the VCS project in Agriculture, Forestry and other land uses (AFOLU), version 3.0” was applied to demonstrate the additionality of the Project. In line with this tool, the PDD provides a barrier analysis to determine that the project activity itself is not the baseline scenario.

The barrier analysis demonstrates that the proposed project activity is not a likely baseline scenario. GHG net anthropogenic removals by sinks attributable to the project are hence additional to any that would occur in the absence of the project activity.

The review of the project design documentation and additional documents related to baseline and monitoring methodology; and the subsequent background investigation, follow-up interviews and review of comments by parties have provided AENOR with sufficient evidence to validate the fulfilment of the stated criteria.

In detail the conclusions can be summarised as follows:

- The project is in line with all criteria of the VCS Standard v.3.5 and AFOLU requirements v.3.4.
- The project additionality is sufficiently justified in the PD.
- The Monitoring Plan is transparent and adequate.
- The analysis of the baseline emission, project emissions and leakage has been carried out in a transparent and conservative manner, so that the calculated yearly average GHG net anthropogenic removals by sinks after discounting the risk rating of 473,050 tCO<sub>2</sub>e are most likely to be achieved within the 10 years first reduction period.

Date: 04 August 2015

Authorized person

Luis Robles Olmos



Validation leader

Manuel García-Rosell



**APPENDIX I: LIST OF EVIDENCE PROVIDED**

1. Final version of the P.D version 5.0.
2. First version of the P.D
3. Methodology for Avoided Unplanned Deforestation. VM0015 version 1.1
4. VCS Standard v.3.5
5. AFOLU requirements v.3.4
6. KML files and GIS information
7. Socio-economic Assessment of Two Cacataibo Communities. Pucallpa. AIDER. 2013.
8. Socio Economic Assessment in Five Shipibo-Conibo Communities. AIDER. 2013.
9. Environmental Law Manual. Proterra Lustia ed. Lima, Perú. 958p. Andaluz, C. 2009.
10. The causes of deforestation: lessons from economic models. Angelsen, A. and D. Kaimowitz, 1999. The World Bank Research Observer, Vol. 14, No. 1.
11. Economic and Social Report of the Economic Meeting of Ucayali Region. Ucayali – Perú. Available in: <a href="http://www.bcrp.gob.pe/docs/Proyeccion-Institucional/Encuentros-Regionales/2012/Ucayali/Informe-Economico-Social/IES-Ucayali.pdf">http://www.bcrp.gob.pe/docs/Proyeccion-Institucional/Encuentros-Regionales/2012/Ucayali/Informe-Economico-Social/IES-Ucayali.pdf</a> . Central Reserve Bank of Peru– BCR. 2012.
12. Climate Investment Funds. 2013. Forest Investment Plan Peru. 121 p.
13. Political Constitution of Perú. 1993. Congress of the Republic of Peru. Lima, Peru. 60p.
14. Inter-institutional Agreement between Ministry of Energy and Mines and the Regional Government Ucayali. “Characterization of the Ucayali Region for zoning purposes”. Pucallpa – Perú. 2007.
15. Environmental Impact Assessment of Lot 138 Seismic Prospection and Exploration Drilling Project. Lima – Perú. Domus (Consultora Ambiental). Pacific Rubiales Energy. 2011.
16. Ucayali: Assessment of Population. Guevara, Susana. 2009. Ucayali – Perú.
17. Law of right to previously consultation to the native communities, Agreement No 169 of the International Organization of Work. Congress of the Peruvian Republic. Lima, Perú.
18. Law N° 26821. Law for the Sustainable Use of Natural Resources. Lima, Perú. 1997.
19. Law N° 27308. 2000. Forest and Wildlife Law. Diario Oficial El Peruano. Lima, Perú. 7p.
20. Law N° 28611. General Law of the Environment. Lima, Perú. 2005.
21. Law N° 29763.2011. Forest and Wildlife Law. Official daily El Peruano. Lima, Perú.

22. Technical Cooperation Law. Legislative decree N° 719.
23. Law N° 26821 Law of Private Investment in the Development of Economic Activities in the lands of the National Territory and of Rural and Indigenous Communities. Lima, Perú. 4 p.
24. OIT (Organización Internacional del Trabajo, CH). 2007. Convenio N° 169 sobre Pueblos Indígenas y Tribales en Países Independientes. Oficina Regional para América Latina y el Caribe. 2a. ed. 106
25. Allometric equations from sources: Chave et al. (2005); Pearson et al. (2005); Pearson et al., 2005, cited by Winrock, 2006.; Fragi and Luyo. (1995). Cited by Brown, S. and Pasa, E. (2007); Putz, F. (1983). Cited by Pearson et al. (2005).; Freitas et al., 2006. Cairns et al. 1997. Cited by IPCC. (2003)
26. Chuvieco, E. 2009. Remote sensing Fundamentals. 2 <sup>nd</sup> Ed.
27. Chuvieco, E. 2008. Environmental Teledetection. 3 <sup>rd</sup> reviewed edition.
28. REDD Strategy in the Forests of the Natives Communities of Calleria, Curiaca, Flor de Ucayali, Pueblo Nuevo, Sinchi Roca and Roya.
29. Carbon Storage by Land Use in Two Sites of the Peruvian Amazon. Alegre, J., Arévalo, L, and Ricse, Alberto. ICRAF/INIA, Perú.
30. Environmental impact assessment of REDD activities in the Natives Communities of Callería, Flor De Ucayali, Puerto Nuevo, Sinchi Roca, Roya, Puerto Nuevo and Curiaca.
31. Estimation of carbon storage in Forest Biomass of Sinchi Roca Native Community, Ucayali. Peru. Percy Recavarren Estares and Miriam Delgado Obando.
32. Carbon Storage in the Los Amigos Conservation Concession, Madre de Dios, Perú. May 2006. Winrock et al.
33. Land Ownership Title of the Native Community of Callería.
34. Land Ownership Title of the Native Community of Flor de Ucayali.
35. Land Ownership Title of the Native Community of Puerto Nuevo.
36. Land Ownership Title of the Native Community of Sinchi Roca.
37. Land Ownership Title of the Native Community of Roya.
38. Land Ownership Title of the Native Community Puerto Nuevo.
39. Land Ownership Title of the Native Community Curiaca.
40. Non-permanence Risk Report. Version 05.

**ANNEX 2. VALIDATION PROTOCOL**

VCS VALIDATION PROTOCOL

PROJECT:

FOREST MANAGEMENT TO REDUCE DEFORESTATION AND DEGRADATION IN SHIPIBO CONIBO AND CACATAIBO INDIGENOUS COMMUNITIES OF UCAYALI REGION

PROJECT PROPONENT:

AIDER

Validation Type	
<input checked="" type="checkbox"/> VCS Validation of a Project Activity	
Validation Team: Manuel García Rosell: Chief Validator José Luis Fuentes Pérez: Validator	
Version of this Validation Protocol: 03	Date: 2015/08/04

CHECKLIST TOPIC / QUESTION	MoV/Ref.*	COMMENTS	Draft Conclusion	Final Conclusion
<b>A. Title Page</b>				
A.1.1 Does the used project title clearly enables to identify the unique VCS activity? Is it consistent in all section of the VCS-PD and in all documents?	DR 1	The project title clearly enables to identify the VCS activity. This name is consistent throughout the PD.	OK	OK
A.1.2 Are there any indication concerning the revision number and the date of the revision?	DR	Yes, the final VCS-PD version 05 is dated on 31 July 2015.	OK	OK
A.1.3 Is this consistent with the time line of the project's history?	DR	Yes, it is consistent with the timeline of the project	OK	OK
<b>1. Project Details</b>				
<b>1.1. Summary Description of Project</b>				
Is a summary of the project description provided?	DR	The PD provides a clear description of the project.	OK	OK
<b>1.2. Sectoral Scope and Project Type</b>				
Is the sectoral scope(s) applicable to the project? Is the AFOLU project category and activity type identified? Is the project a grouped project?	DR	Yes, the sectoral scope 14 "Agriculture, Forestry and Land Use" is clearly indicated in section 1.2 of the VCS-PD. AFOLU project category: Reducing Emissions from Deforestation and Degradation (REDD+). Type of activity: Avoiding Unplanned Deforestation and Degradation (AUDD)	OK	OK
<b>1.3. Project Proponent</b>				

Are all Project Proponents listed, including contact information and roles/responsibilities?	DR	Yes, the project proponents are the 7 communities (Calleña, Curiaca, Puerto Nuevo, Pueblo Nuevo, Sinchi Roca, Flor de Ucayali and Royá) and the NGO AIDER. These participants together are responsible for the operation and implementation of the project.	OK	OK
<b>1.4. Other entities</b>				
Are all other entities listed including their contact information and roles/responsibilities?	DR	There no other entities involved in the project.	OK	OK
<b>1.5. Project Start Date</b>				
Is the project start date indicated? Are the day, month and year for the project start date specified? Is Justification provided?	DR	The Project start date is indicated as 1 July 2010. However, the justification is not clearly indicated  <b>CL 01: Project participants shall indicate in PDD in a clear manner the start date justification.</b>  The final version of PDD indicates clearly the start date and gives its justification. The project start date is July 1, 2010, date. Evidence has been provided and is considered correct.  <b>CL is closed.</b>	<b>CL 01</b>	<b>OK</b>
<b>1.6. Project Crediting Period</b>				
Are the project crediting period, the day, month and year for the start and end dates and the total number of years indicated?	DR	Yes, the Project crediting period is from July 1, 2010 to June 30, 2030, a total of 20 years. The baseline will be renewed every 10 years after the start of the project. The first reduction period of quantified GHG emissions will be of 10 years (beginning July 1, 2010 to June 30, 2020).	OK	OK
<b>1.7. Project Scale and Estimated GHG Emission Reductions or Removals</b>				
Is the scale of the project (project or large project) indicated? Are the annual GHG emission reductions or removals for the project crediting period estimated?	DR	According with the VCS standard v.3.5 the category "project" applies to less than 300,000 tCO <sub>2</sub> per year of estimated average annual GHG emission reductions or removals. Project scales was incorrectly considered as "project".  <b>CAR 01: The scale of the Project shall be correctly</b>	<b>CAR 01</b>	<b>OK</b>



		<p><b>considered in accordance with the VCS standard and the project GHG net removals estimations.</b></p> <p>Final PD indicates the Project category as Large Project. Since the estimated GHG net removals are greater than 300,000 tCO2 per year the Large Project category applies it.</p> <p><b>CAR 01 is closed.</b></p>		
<b>1.8. Description of Project Activity</b>				
<p>Are the project activity or activities (including the technologies or measures employed) and how it/they will achieve net GHG emission reductions or removals described? Is information on any conservation, management or planting activities, (including a description of how the various organizations, communities and other entities are involved), for all measures listed, included? Is the project located within a jurisdiction covered by a jurisdictional REDD+ program?</p>	DR	<p>Yes, a summary of the project measures are described in section 1-8 of PD.</p> <p>The project will avoid unplanned deforestation through the implementation of a project REDD+ strategy; which is comprised by four components:</p> <ul style="list-style-type: none"> <li>a) Suitable environmental use of communal land;</li> <li>b) Creating capabilities for administration of natural resources</li> <li>c) Project finance and articulation with the market;</li> <li>d) Technical assistance and supervision in Native Communities by the State.</li> </ul> <p>The project REDD strategy is detailed in appendix II of the PD.</p> <p>Furthermore, the project is not located within a jurisdiction covered by a jurisdictional REDD+ program.</p>	OK	OK
<b>1.9. Project Location</b>				
<p>Is the project location and geographic boundaries indicated? Are geo-coordinates provided for the project boundary? Are coordinates submitted as a KML file?</p>	DR	<p>The Project location is indicated in the PD. In addition KML file with the coordinates was provided to the audit team. However, since the project area is comprised of multiple polygons and exclusion areas, the corresponding surface of each polygon is not clearly delimited in the KML file.</p>	<b>CL 02</b>	OK

		<p><b>CL 02: PPs shall provide to the audit team with the KML files indicating not only coordinates but also the polygons surfaces.</b></p> <p>A new version of the KML files was provided to the audit team. In addition the coordinates of project area polygons and exclusion polygons coordinates were included in appendix VI of the PD. The information is considered complete in accordance with the AFOLU requirements.</p> <p><b>CL 02 is closed.</b></p>		
<b>1.10. Conditions Prior to Project Initiation</b>				
Are the conditions prior to project initiation described?	DR	Section 1.10 of the PD describes the conditions prior to the project implementation.	OK	OK
Is it demonstrated that the project has not been implemented to generate GHG emissions for the purpose of their subsequent reduction, removal or destruction?	DR	<p>The main objective of the project is to avoid the deforestation and forest degradation, contributing to mitigate climate change.</p> <p>The project has not been implemented to generate GHG emissions for the purpose of their subsequent reduction, removal or destruction.</p>	OK	OK
Are the present and prior environmental conditions of the project area, including as appropriate information on the climate, hydrology, topography, relevant historic conditions, soils, vegetation and ecosystems, included?.	DR	Yes , environmental conditions are included in PD.	OK	OK
<b>1.11. Compliance with Laws, Statutes and Other Regulatory Frameworks</b>				
Is compliance of the project with all and any relevant local, regional and national laws, statutes and regulatory frameworks identified and demonstrated?	DR I	Section 1.11 shows the compliance of the project with regulatory frameworks.	OK	OK

<b>1.12 Ownerships under Other GHG Programs</b>				
<b>1.12.1 Right of Use</b>				
Is evidence of right of use provided?	DR	<p>Section 1.12.1 describe the title number, order confirming the title, date of approving resolution and area entitled for each native community. However, evidence shall be provided.</p> <p><b>CL 03: Evidence of right of use shall be provided.</b></p> <p>PP has provided the evidence of right of use. The right to use the native forest communities that are part of the project are supported with their respective deed titles, which are granted by the Peruvian state.</p> <p><b>CL 03 is closed.</b></p>	<b>CL 3</b>	OK
<b>1.12.2 Emissions Trading Programs and other Binding Limits</b>				
Is it demonstrated that net GHG emission reductions or removals generated by the project will not be used for compliance with an emissions trading program or to meet binding limits on GHG emissions?	DR	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 Peru and there is no emissions trading program in place in the country	OK	OK
<b>1.12.3 Participation under other GHG Programs</b>				
Indicate whether the project has been registered, or is seeking registration under any other GHG programs. Where the project has been registered under any other GHG program, provide the registration number and details. Are all other programs under which the project is eligible to participate (to create another form of GHG-related environmental credit) listed?	DR	The project does not participate in any other GHG program.	OK	OK
<b>1.12.4. Other Forms of Environmental Credit</b>				

Has the project generated any other form of GHG-related environmental credit for GHG emission reductions or removals? If yes, has or will any such credit be cancelled from the relevant program?	DR	The project has not participated in any other environmental accreditation program for GHG emissions reduction or removal. Also the project is not intended to generate any other type of environment credit related to GHG emissions.	OK	OK
<b>1.12.5. Projects Rejected by Other GHG Programs</b>				
Has the project been rejected by any other GHG programs? If yes, has the relevant information been provided?	DR	The project has never applied neither been rejected by other GHG program.	OK	OK
<b>1.13. Additional Information Relevant to the Project</b>				
<b>1.13.1. Eligibility Criteria</b>				
For grouped projects: Are eligibility criteria identified for inclusion of new instances of each project activity?	DR	Not applicable	OK	OK
<b>1.13.2 Leakage Management</b>				
Are the leakage management plan and implementation of leakage and risk mitigation measures identified?	DE	Since it is considered leakage due to the displacement of activities in the project scenario, it should also be considered the delimitation of leakage management areas over non-forest at the start date of project, where the activities of the 4 components established in the project REDD strategy will be implemented, most of which are aimed to mitigate the risk of a possible leakage. In section 1.8 and appendix II, the 4 components of the project strategy are described.	OK	OK
<b>1.13.3 Commercially Sensitive Information</b>				
Indicate whether any commercially sensitive information has been excluded from the public version of the project description and briefly describe the items to which such information pertains.	DR	The cash flow of the project was considered to be sensitive information and is excluded from the public version in the project description. Since additionality analysis is based in barriers analysis, the exclusion is deemed admissible.	OK	OK

<b>1.13.4 Further Information</b>				
Include any additional relevant legislative, technical, economic, sectoral, social, environmental, geographic, site-specific and/or temporal information that may have a bearing on the eligibility of the project, the net GHG emission reductions or removals, or the quantification of the project's net GHG emission reductions or removals.	DR	Additional information regarding the national definition of forest was included.	OK	OK
<b>2. VCS Methodology</b>				
<b>2.1 Title and references of the VCS methodology</b>				
Is the title, reference and version number of the methodology or methodologies applied to the project identified?	DR	Yes, the applied version is "Methodology to avoid unplanned deforestation, VM0015 version" 1.1	OK	OK
Is the applied version the most recent one and / or is this version still applicable?	DR	Yes, the applied version "Methodology to avoid unplanned deforestation, VM0015 version" 1.1 is the most recent one	OK	OK
Does the methodology refer to the following tools with its latest approved versions?	DR	<p>PD refers the tools applied by the project. However, version number is not indicated for each tool.</p> <p><b>CAR 02: Applied tools references shall include the version number of each one.</b></p> <p>The applied tools were indicated in the PD correctly, including correctly the title and version number.</p> <p><b>CAR 02 is closed.</b></p>	<b>CAR 02</b>	<b>OK</b>
<b>2.2 Applicability of Methodology</b>				
Fill in the required amount of sub checklists for applicability criteria as given by the methodology applied and comment at least every line answered with "No"				
Are the applicability criteria discussed in the PD?	DR	<p><b>CAR 03: Applicability condition shall be discussed in the PD.</b></p> <p>Applicability conditions are discussed in the Appendix I of the PD.</p>	<b>CAR 03</b>	<b>OK</b>

<p>Criterion 1 - 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.</p>	<p>DR 1</p>	<p><b>Then CAR 03 is closed.</b></p> <table border="1" data-bbox="1010 277 1470 553"> <thead> <tr> <th>Applicability checklist</th> <th>Yes/No</th> </tr> </thead> <tbody> <tr> <td>Criterion discussed in the VCS-PD?</td> <td>Yes</td> </tr> <tr> <td>Evidence provided?</td> <td>Yes</td> </tr> <tr> <td>Compliance verified?</td> <td>Yes</td> </tr> </tbody> </table> <p>The project promotes activities that avoid unplanned deforestation and degradation in the project area. Therefore, is within the unplanned deforestation and degradation of the category (AUDD) VCS AFOLU.</p>	Applicability checklist	Yes/No	Criterion discussed in the VCS-PD?	Yes	Evidence provided?	Yes	Compliance verified?	Yes	<p><b>CAR 03</b></p>	<p><b>OK</b></p>
Applicability checklist	Yes/No											
Criterion discussed in the VCS-PD?	Yes											
Evidence provided?	Yes											
Compliance verified?	Yes											
<p>Criterion 2 -Project activities may include one or a combination of the eligible categories defined in the description of the scope of the methodology (table 1 and figure 2).</p>	<p>DR 1</p>	<table border="1" data-bbox="1010 740 1470 1027"> <thead> <tr> <th>Applicability checklist</th> <th>Yes/No</th> </tr> </thead> <tbody> <tr> <td>Criterion discussed in the VCS-PD?</td> <td>Yes</td> </tr> <tr> <td>Evidence provided?</td> <td>Yes</td> </tr> <tr> <td>Compliance verified?</td> <td>Yes</td> </tr> </tbody> </table> <p>The project activity considers a community forest management of the forest (forest mature protection with controlled harvesting), thus the project falls within the category D.</p>	Applicability checklist	Yes/No	Criterion discussed in the VCS-PD?	Yes	Evidence provided?	Yes	Compliance verified?	Yes	<p><b>CAR 03</b></p>	<p><b>OK</b></p>
Applicability checklist	Yes/No											
Criterion discussed in the VCS-PD?	Yes											
Evidence provided?	Yes											
Compliance verified?	Yes											

<p>Criterion 3 - 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 definition of "forest".</p>	<p>DR I</p>	<table border="1" data-bbox="1010 199 1470 483"> <thead> <tr> <th>Applicability checklist</th> <th>Yes/No</th> </tr> </thead> <tbody> <tr> <td>Criterion discussed in the VCS-PD?</td> <td>Yes</td> </tr> <tr> <td>Evidence provided?</td> <td>Yes</td> </tr> <tr> <td>Compliance verified?</td> <td>Yes</td> </tr> </tbody> </table> <p>The project area included forested area in accordance with the forest definition sent by the government of Peru to the UNFCCC (<a href="http://www.unfccc.int">www.unfccc.int</a>):</p> <ul style="list-style-type: none"> <li>- A minimum canopy cover of 30 per cent,</li> <li>- A minimum land area of 0,5 hectares, and</li> <li>- A minimum tree height of 5 m.</li> </ul>	Applicability checklist	Yes/No	Criterion discussed in the VCS-PD?	Yes	Evidence provided?	Yes	Compliance verified?	Yes	<p><b>CAR 03</b></p>	<p>OK</p>
Applicability checklist	Yes/No											
Criterion discussed in the VCS-PD?	Yes											
Evidence provided?	Yes											
Compliance verified?	Yes											
<p>Criterion 4 - At project commencement, the project area shall include only land qualifying as "forest" for a minimum of 10 years prior to the project start date.</p>	<p>DR</p>	<table border="1" data-bbox="1010 841 1470 1125"> <thead> <tr> <th>Applicability checklist</th> <th>Yes/No</th> </tr> </thead> <tbody> <tr> <td>Criterion discussed in the VCS-PD?</td> <td>Yes</td> </tr> <tr> <td>Evidence provided?</td> <td>Yes</td> </tr> <tr> <td>Compliance verified?</td> <td>Yes</td> </tr> </tbody> </table> <p>- At project commencement, and for a minimum of 10 years prior to the project start date. The project area included only land qualifying as "forest". Project proponents have provided with geographic imagery as evidence.</p>	Applicability checklist	Yes/No	Criterion discussed in the VCS-PD?	Yes	Evidence provided?	Yes	Compliance verified?	Yes	<p><b>CAR 03</b></p>	<p>OK</p>
Applicability checklist	Yes/No											
Criterion discussed in the VCS-PD?	Yes											
Evidence provided?	Yes											
Compliance verified?	Yes											

<p>Criterion 5 - The project area can include forested wetlands (such as bottomland forests, floodplain forests, mangrove forests) as long as they do not grow on peat. Peat shall be defined as organic soils with at least 65% organic matter and a minimum thickness of 50 cm. If the project area includes a forested wetlands growing on peat (e.g. peat swamp forests), this methodology is not applicable.</p>	<p>DR</p>	<table border="1" data-bbox="1010 248 1470 532"> <thead> <tr> <th>Applicability checklist</th> <th>Yes/No</th> </tr> </thead> <tbody> <tr> <td>Criterion discussed in the VCS-PD?</td> <td>Yes</td> </tr> <tr> <td>Evidence provided?</td> <td>Yes</td> </tr> <tr> <td>Compliance verified?</td> <td>Yes</td> </tr> </tbody> </table> <p>The project are comprises different types of forest, such as low hill, average hill, riverbank complex, high terrace, low terrace and average terrace. In accordance with the evidence assessment there is no presence of soils with peat.</p>	Applicability checklist	Yes/No	Criterion discussed in the VCS-PD?	Yes	Evidence provided?	Yes	Compliance verified?	Yes	<p><b>CAR 03</b></p>	<p>OK</p>
Applicability checklist	Yes/No											
Criterion discussed in the VCS-PD?	Yes											
Evidence provided?	Yes											
Compliance verified?	Yes											
<p><b>Criteria related to conditions for relevant Modules and Tools</b></p>												
<p>Have relevant modules and tools applicability criteria been met?</p>		<p>All relevant tools were applied accordingly.</p>	<p>OK</p>	<p>OK</p>								
<p><b>2.3 Project Boundary</b></p>												
<p>Is the project boundary defined?</p>	<p>DR</p>	<p>Temporal boundaries, carbon pools and sources of emissions of greenhouse gases (other than carbon stock changes) were defined and explanation is provided in appendix I of PD. However, there are some errors and gaps of information regarding the definition of reference region:</p> <p>In the case of criteria “landscape configuration and ecological conditions”, only two conditions was discussed. Although a table indicating forest type’s presence in the Reference Region and Project Area was included, no assessment for these conditions is included.</p> <p>On the other hand, for slope the justification is not clear.</p>	<p><b>CAR 04</b></p>	<p><b>OK</b></p>								



		<p><b>CAR 04: The reference region determination shall be justified according to the methodology procedures.</b></p> <p>Project boundary determination was correctly justified in the appendix I of PD. The compliance of the criteria landscape configuration and ecological conditions was justified through the assessment of the conditions Forest/vegetation classes, elevation and slope. Justification is deemed appropriate.</p> <p><b>CAR 04 is closed.</b></p>		
Is sufficient information provided about GHG sources, sinks and reservoirs for the baseline scenario and for the project given? Are the relevant GHG sources, sinks and reservoirs for the project and baseline scenarios identified?	DR	All sources and gases included in the project boundary of the project activity (baseline scenario, project scenario and leakage) in accordance with the applied methodology.	OK	OK
Is the inclusion or exclusion of the sources of gases correctly justified?	DR	Inclusion and exclusion are appropriately explained.	OK	OK
<b>2.4 Baseline</b>				
Is the baseline scenario identified and justified?	DR	<p>Yes, the identification of the most likely reference scenario for the project area was justified according to the procedure of VCS VT0001- Tool for the demonstration and assessment of additionality for VCS project activities in Agriculture, Forestry and other land uses (AFOLU).</p> <p>Using this tool it is concluded that the most likely scenario would be the continuation of illegal logging as well as forest invasions by coca growers, miners and farmers, thereby causing deforestation and forest degradation of the native communities.</p>	OK	OK
<b>2.5. Description of how the anthropogenic emissions of GHG by sources are reduced below those that would have occurred in the absence of the registered VCS project activity (assessment and demonstration of additionality):</b>				
Is the project additionality assessed according	DR	The steps as outlined in the "VT0001Tool for the Demonstration and Assessment of Additionality in	OK	OK

to the applicable methodology? Detail the Tool used to demonstrate the Additionality of the project activity		VCS AFOLU Project Activities" version 03 are followed to demonstrate that the proposed project activity is additional.		
Are alternative scenarios defined that provide outputs or services comparable with the proposed VER project activity?	DR	Alternative scenarios have been identified as per combined tool.	OK	OK
Can be the list of alternatives considered to be complete? Is the scenario project activity without being registered as VER project included?	DR	The list of alternative is complete. Project activity without being registered is included as alternative.	OK	OK
In case several different facilities, technologies, outputs or services are present in the project, are separately alternative scenarios for each of them included? Have realistic combinations been considered as project scenario?	DR	Not applicable.	N/A	N/A
Describe why the alternative scenarios are credible and realistic (technology, practices, services, status of implementation)?	DR	<b>CL 04: PP shall clarify the arguments to justify the credibility of each scenario, including if any does not comply with mandatory laws and regulation.</b>	<b>CL 04</b>	<b>OK</b>
Do the alternative scenarios comply with mandatory laws and regulations?	DR	Alterative scenarios comply with mandatory laws and regulation, except scenario 1.	<b>CL 04</b>	<b>OK</b>
If a scenario does not comply with the mandatory laws and regulations, is it clearly demonstrated that the law and/or regulation is systematically not enforced in the country?	DR	In the case of scenario 1, is clearly justified in PDD that the laws and regulations is not enforced in the country,	<b>CL 04</b>	<b>OK</b>
In case of applying step 2 / investment analysis of the additionality tool: Is the analysis method	DR	N/A, the project uses the barrier analysis.	OK	OK

identified appropriately?				
<p>In case of Option I (simple cost analysis): Is it demonstrated that the activity produces no economic benefits other than VERs income?</p> <p>Are the assumptions for all alternatives compared consistent (including discount rates if applicable)?</p>	DR	N/A, the project uses the barrier analysis.	OK	OK
<p>In case of Option II (investment comparison analysis): Is the most suitable financial indicator clearly identified (IRR, NPV, cost benefit ratio, or (level zed) unit cost)?</p> <p>Are the assumptions for all alternatives compared consistent (including discount rates if applicable)?</p>	DR	N/A, the project uses the barrier analysis.	OK	OK
<p>In case of Option III (benchmark analysis): Is the most suitable financial indicator clearly identified (IRR, NPV, cost benefit ratio, or (levelized) unit cost)?</p> <p>a. If an IRR indicator is used, is the choice of benchmark appropriate to the type of IRR calculated?</p> <p>b. Is the choice of benchmark or discount rate justified with supporting evidence for its appropriateness?</p>	DR	N/A, the project uses the barrier analysis.	OK	OK
<p>How is it demonstrated that the financial/economic analysis (benchmark) represents standard returns in the market,</p>	DR	N/A, the project uses the barrier analysis.	OK	OK

considers the specific risk of the project type, but is not linked to the subjective profitability expectation or risk profile of a particular project developer (Option II and Option III)?				
In case of company internal benchmark, is it clearly demonstrate that there is only one potential project developer and that the benchmark has been consistently used in the past (Option II and Option III)?	DR	N/A, the project uses the barrier analysis.	OK	OK
In case of Option II or Option III: Is the calculation of financial figures for this indicator correctly done for all alternatives (Option II) and the project activity (Option III)?	DR	N/A, the project uses the barrier analysis.	OK	OK
In case of Option II or Option III: Is the analysis presented in a transparent manner including publicly available proofs for the utilized data?	DR	N/A, the project uses the barrier analysis.	OK	OK
Are all assumptions and input data clearly presented, documented, evidenced and consistent with the rest of the VCS-PD?	DR	N/A, the project uses the barrier analysis.	OK	OK
Does the sensitivity analysis show that the conclusion of financial/economical attractiveness is robust to reasonable variations in the critical assumptions?	DR	N/A, the project uses the barrier analysis.	OK	OK
How is demonstrated that this variations have been adequately taken (range is adequate)?	DR	N/A, the project uses the barrier analysis.	OK	OK
In case of applying step 3 (barrier analysis) of	DR	Yes, the list of barrier is considered complete.	OK	OK

<p>the additionality tool: Is a complete list of barriers developed that prevent the implementation of the proposed project and the different alternatives to occur?</p>				
<p>Is transparent and documented evidence provided on the existence and significance of these barriers?</p>	<p>DR</p>	<p>In step 3, barriers assessment, section c. ii: "Systems of formal and informal tenure that increase the risk of fragmentation of properties", PPs states: <i>"The continuous form of granting of rights of rewarding the change in land use of forest to categorizing not-forest as "improvements" is this a crop or pasture. These "improvements" are used as evidence and to guarantee access to a certificate of possession is a mode of land tenure"</i>.</p> <p>Then, since is not clearly understandable what does those "improvements" mean neither is that barrier argument.</p> <p>In addition, barriers due to lack of organization of local communities and barriers related to markets was considered. Some evidence, such as the Project Rural Appraisal, is noted, but has not been provided.</p> <p><b>CL 05: PP shall argument in a clear manner the existence of barriers and all relevant evidence shall be provided.</b></p> <p>The final PD has included the barrier assessment in a clear manner and evidence has been provided to the audit team.</p> <p><b>CL 05 is closed.</b></p>	<p><b>CL 05</b></p>	<p><b>OK</b></p>

Is it transparently shown that the execution of at least one of the alternatives is not prevented by the identified barriers?	DR	Yes, the scenario 1 is not prevented by the identified barriers.	<b>CL 05</b>	<b>OK</b>
Has common practice analysis been undertaken?	DR	The common practice analysis has been considered and it is detailed in the P.D	OK	OK
Have other activities in the host country / region similar to the project activity been identified and are these activities appropriately analyzed by the VCS-PD?	DR	<p>According to the PD there have not been similar activities in the reference region and neither is expected to be implemented in future. However, the assessment of common practice conducted to result in that conclusion was not included in the PD.</p> <p><b>CAR 06: PD shall include an assessment of common practice as required by the additionality tool VCS VT0001.</b></p> <p>Updated version of PD includes the common practice assessment conducted. After the assessment, it is concluded that no similar activities were identified.</p> <p><b>CL 06 is closed.</b></p>	<b>CL 06</b>	<b>OK</b>
If similar activities are occurring: Is it demonstrated that in spite of these similarities the project activity would not be implemented without the VER component?	DR	N/A	<b>CL 06</b>	<b>N/A</b>
Overall, is the proposed VCS project activity considered common practice?	DR	The project is not common practice	<b>CL 06</b>	<b>OK</b>
Is it demonstrated/justified that the project activity is not a likely baseline scenario?	DR	Yes, it is clearly demonstrated and justified.	<b>CL 06</b>	<b>OK</b>

<b>2.6 Methodology Deviations</b>				
Are any methodology deviations identified and justified?	DR	No deviation was identified.	OK	OK
<b>3. Quantification of GHG Emission Reductions and Removals</b>				
<b>3.1 Baseline Emissions</b>				
Is it explained how the procedures provided in the methodology are applied by the proposed project activity?	DR	The procedures are explained in the section 3.1 and appendix I of PD. Procedures includes: <ul style="list-style-type: none"> <li>• Historical analysis of land-use and land-cover change.</li> <li>• Analysis of agents, drivers and main causes of deforestation and their likely future development</li> <li>• Projection of future deforestation</li> <li>• Definition of the land-use and land-cover change component of the baseline</li> <li>• Estimation of baseline carbon stock changes and non CO2 emissions</li> </ul>	OK	OK
Is every selection of options offered by the methodology correctly justified and is this justification in line with the situation verified on-site?	DR	Yes, techniques and equations used are correctly justified and they are in line with the applicable methodology and associated tools.	OK	OK
Are the formulae required for the determination of baseline emissions correctly presented and used? ( <i>Open excel, trazability of data, etc</i> )	DR	<b>CAR 05</b> <b>Some gaps and minor mistakes were found in the calculation spreadsheet. Inconsistencies and mistakes shall be resolved in accordance with the methodology applied.</b>  A new spreadsheet calculation was provided. AENOR reproduced calculations, again and found them consistent and reasonable based on assumptions defined and information provided in the P.D and	<b>CAR 05</b>	OK

		documents of support. Assumptions and formulae used are consistent with chosen options of the applicable methodology and associated tools.		
Are all the data and assumptions listed in the VCS-PD and are appropriate and calculations result in a conservative estimate of emission reductions?	DR	All data and assumptions are listed in P.D. They are appropriate and consistent with data sources and they result in a conservative estimation of removals.	<b>CAR 05</b>	<b>OK</b>
<b>3.2 Project Emissions</b>				
Are the procedure for quantification of project emissions and/or removals documented according to the approved methodology and in a complete and transparent manner?	DR	Calculations are documented according to the approved methodology and in a complete and transparent manner.	<b>CAR 05</b>	OK
Have conservative assumptions been used when calculating the project emissions?	DR	Conservative assumptions were used in calculations.	<b>CAR 05</b>	OK
Are uncertainties in the project emission estimates properly addressed?	DR	Uncertainties have been properly addressed.	<b>CAR 05</b>	OK
<b>3.3 Leakage</b>				
Are the procedures for quantification of leakage emissions documented according to the approved methodology and in a complete and transparent manner?	DR	The final PD documents in an appropriate manner the leakage calculations.	<b>CAR 05</b>	<b>OK</b>
B.6.5.2. Have conservative assumptions been used when calculating the leakage emissions?	DR	Conservative assumptions were used in calculations.	<b>CAR 05</b>	<b>OK</b>
B.6.5.3. Are uncertainties in the leakage	DR	Uncertainties have been properly addressed.	<b>CAR 05</b>	<b>OK</b>



emission estimates properly addressed?				
<b>3.4 Net GHG Emission Reductions and Removals</b>				
Is the procedure for quantification of net GHG emission reductions and removals documented according to the approved methodology and in a complete and transparent manner? Are all relevant equations for the quantification of net change in carbon stocks included?	DR	AENOR considers that GHG calculations are documented in a complete and transparent manner	<b>CAR 05</b>	<b>OK</b>
Are the emissions reductions projected in line with the envisioned time schedule for the project' implementation and the indicated crediting period?	DR	Yes, emission reduction project are in line with the envisioned time schedule for the project implementation and the indicated crediting period.	<b>CAR 05</b>	<b>OK</b>
Is the data provided in this section consistent with data as presented in other chapters of the VCS-PD?	DR	Data are consistent throughout the P.D.	<b>CAR 05</b>	<b>OK</b>
<b>4. Monitoring</b>				
<b>4.1 Data and Parameters Available at Validation</b>				
Is the list of parameters presented in VCS-PD considered to be complete with regard to the requirements of the applied methodology? Is all the information required for each parameter included?	DR	<b>CAR 06: PD shall include all parameter available at validation in accordance with the selected methodological options. Furthermore, the information shall be completed in accordance with template requirements.</b>  The list of parameters presented in VCS-PD is considered to be complete with regard to the requirements of the applied methodology. All the information required for each parameter is included.	<b>CAR 6</b>	<b>OK</b>
Are all the data derived from official data sources or replicable records and have been correctly quoted?		Yes, all the data is derived from official data sources or replicable records and is correctly quoted.	<b>CAR 06</b>	<b>OK</b>
For each parameter: a. Title in line with Methodology?		For all parameters in the P.D. (i.e. <i>Map of forest cover   no forest cover in the reference region 2010, Leakage belt, Map of</i>	<b>CAR 06</b>	<b>OK</b>

<p>b. Data unit correctly expressed?  c. Appropriate description?  d. Source clearly referenced? (and appropriate?)  e. Correct value provided?  f. Has this value been verified?  g. Choice of data correctly justified?  h. Measurement method correctly described?</p>		<p><i>projected deforestation (2011-2020), ABSLRRt, ABSLPAi,t, ABSLPAct,t, ABSLLki,t, Ctotcl, Ctotfcl,t</i>), the information provided is in line with the methodology, it is correctly expressed and described; sources are referenced and correct values provided, verified and justified and measurement method described if applicable.</p>		
<p>Will the data and parameters result in a conservative estimate of emissions reductions?</p>		<p>Data and parameters result in a conservative estimation of emission reduction as AENOR has checked.</p>	<p><b>CAR 06</b></p>	<p><b>OK</b></p>
<p><b>4.2 Data and Parameters Monitored</b></p>				
<p>Is the list of parameters considered to be complete with regard to the requirements of the applied methodology? Are all of them clearly described in the monitoring plan and in accordance with the methodology and tools?</p>	<p>DR</p>	<p><b>CAR 07 PD shall include all parameter to be monitored in accordance with the selected methodological options. Furthermore, the information shall be completed in accordance with template requirements.</b></p> <p>The list of parameters is considered to be complete with regard to the requirements of the applied methodology; all of them are clearly described in the monitoring plan and in accordance with the methodology and tools.</p>	<p><b>CAR 07</b></p>	<p><b>OK</b></p>
<p>Does the monitoring plan provide for the collection and archiving of all relevant data necessary for estimation or measuring the emission reductions within the project boundary during the crediting period?</p>	<p>DR</p>	<p>The monitoring plan provides enough information for the collection and archiving of all relevant data necessary for estimation or measuring the emission reductions within the project boundary during the crediting period.</p>	<p><b>CAR 07</b></p>	<p><b>OK</b></p>
<p>For each parameter:  a. Title in line with methodology?  b. Data unit correctly expressed?  c. Parameter appropriately described?  d. Source clearly referenced? (And appropriate?)  e. Measurement methods correctly described and in line with the methodology/tools?  f. Frequency of monitoring/recording is in line with the methodology/tools? g. Correct value</p>	<p>DR</p>	<p>For all parameters in the P.D to be monitored, <i>i.e., ABSLPAi,t , ABSLLKi,t and the forestry cover map</i>. The information is in line with the methodology, data and parameter are correctly expressed and described, respectively, sources are appropriate and they are referenced. Measurements methods are described, if applicable, the frequency of monitoring is in compliance with methodology and tools. Correct values were provided for the estimations of the</p>	<p><b>CAR 07</b></p>	<p><b>OK</b></p>

provided for the purpose of VCS-PD estimations? h. Monitoring equipment is correctly described? i. QA/QC procedures described (And appropriate)? j. Correct reference to standards (i.e. for calibration and maintenance)?		project.		
<b>4.3 Description of the Monitoring Plan</b>				
Is the monitoring plan described? Is the process and schedule for obtaining, recording, compiling and analyzing the monitored data and parameters set out in Section 4.2 included?	DR	The monitoring plan is described. Section 4.3 of the PD describe the process for obtaining, recording, compiling and analyzing the monitored data and parameters set out in Section 4.2	OK	OK
Are methods described for generating, recording, storing, aggregating, collating and reporting data on monitored parameters?	DR	The monitoring plan provides enough information for the collection and archiving of all relevant data necessary for estimation or measuring the emission reductions within the project boundary during the crediting period.	OK	OK
Are organizational structure, responsibilities and competencies identified?	DR	<b>CAR 08: PP shall include in PD a description of the organizational structure, responsibilities and competences or monitoring personnel</b>  Information about the organization structures, responsibilities and competencies identified are included in the PDD and appendix IV: "Monitoring of REDD Project Strategy".  <b>CAR is closed.</b>	<b>CAR 08</b>	<b>OK</b>
Are procedures described for internal auditing and QA/QC?	DR	The group of Assurance and Quality Control program audit visits to verify compliance of the Standard Operating Procedures-SOPs; also select random processes to verify the correct implementation of the SOPs.	OK	OK
Are details described of any sampling approaches used, including target precision levels, sample sizes, sample site locations, stratification, frequency of measurement and QA/QC procedures?	DR	Yes, details are described in the PD.	OK	OK

<b>5. Environmental impact</b>				
Has the analysis of the environmental impacts of the project activity been sufficiently described in the VCS-PD?	DR	The analysis of the environmental impacts of the project activity has been sufficiently described in the VCS-PD.	OK	OK
Are there any Host Party requirements for an Environmental Impact Assessment (EIA), and if yes, has an EIA been approved?	DR	For this kind of project an E.I.A is not required by the Host Country, however an E.I.A has been carried out.	OK	OK
Will the project create any adverse environmental effects? Has any environmental impact identified as significant?	DR	Adverse impacts were identified and they are shown in the P.D. No significant impacts were detected.	OK	OK
Does the project comply with any other environmental legislation in the host country?	DR	The project fulfils with environmental requirements of the country.	OK	OK
Are transboundary environmental impacts identified in the analysis?	DR	The project fulfils with environmental requirements of the country.	OK	OK
Have the identified environmental impacts been addressed in the VCS-PD sufficiently?	DR	Yes, they have been sufficiently addressed.	OK	OK
<b>6. Stakeholders comments</b>				
Are relevant outcomes from stakeholder consultations and mechanisms for on-going communication summarized in the PD?	DR	Comments from stakeholders were gathered and recorded from participatory meetings and interviews. Some of them were taken into account in the design of the project. All these spaces and participatory processes served to clarify doubts and generate commitments from the communities to the project.	OK	OK
<b>7. Non-permanence risk</b>				
Has a non-permanence risk report been prepared using the VCS Non permanence risk report template?	DR	<b>CAR 09: The non-permanence risk report template shall be used unaltered.</b> The non-permanence risk report template has been used. Evidence has been provided to support the assessment carried out. In AENOR opinion, the risk report has been developed in accordance with the AFOLU Non permanence tool.	<b>CAR 09</b>	<b>OK</b>

		<b>CAR 09 is closed.</b>		
Has the risk analysis been carried out in accordance with the VCS document AFOLU Non permanence risk tool?	DR	Yes, the risk analysis has been carried out in accordance with the AFOLU Non permanence risk tool	<b>CAR 09</b>	<b>OK</b>
Has buffer credits taken into account based on the non-permanence risk report?	DR	Yes. The buffer credits have been taken into account based on the non-permanence risk report.	<b>CAR 09</b>	<b>OK</b>