VALIDATION PROJECT TITLE REDD+ PROJECT FOR CARIBBEAN GUATEMALA: THE CONSERVATION COAST

AENOR

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Project Title	REDD + PROJECT FOR THE CARIBBEAN GUATEMALA: THE CONSERVATIONS COAST
Version	1
Report ID	VAL REPORT 20170329

Report Title	Validation report of the FUNDAECO Project
Client	FUNDAECO
Pages	
Date of Issue	2017-03-29
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Summary:

The purpose of the visit assessment was to determine the conformance of the project with respect to the VCS Version 3.6 Standard and the Third Edition of the CCB Standard and information provided in the joint P.D.

The field visit took place from 30 January 2017 to 4 February 2017 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 scope of the validation was to assess the conformance of information in the P.D with the VCS and CCB.

The project area is designed as grouped. At validation, the project area of the first instances covers 54.157,68 hectares of forest established within the Izabal Department in Guatemala.

The National Government of Guatemala divided the country in five regions based on defined social, economic and geophysical characteristics that involve different deforestation patterns.

Sarstun-Motagua is the region where the FUNDAECO Project is located and then, the used Reference Region.

This validation report has been submitted to the PP in which 9 CARs and 7 CLs were reported (see validation protocol in appendix 3) for VCS and CCB. However, all these issues raised during the validation process where appropriately closed by means of corrections, more clear explanations and other supported documents.

Hence, once all issued detected were appropriately 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 for VCS and CCB. 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, for the lands included in the project boundary at validation stage has been quantified in accordance with VCS rules. AENOR assessed the calculations and can confirm estimated GHG emission reductions removals are correct, the project expects to avoid annual average net emissions of 728.161 t CO2e for the whole crediting period.

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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 of the proposed project activity in Guatemala against the Verified Carbon Standard, the identified methodology and associated tools as well as to validate the Climate Community and Biodiversity requirements of the CCB Standard.

The objectives of this audit included a validation of the projects calculated emission reductions 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. For the CCB Standard also were validated the benefit on Climate Community and Biodiversity generated by the project activities.

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 3.6, including the following documents:

- VCS Program Guide v 3.6
- VCS Standard 3.6
- VCS AFOLU Requirements v.3.5
- VCS AFOLU Non-Permanence Risk Tool v 3.3
- CCB Standard Third Edition
- Rules December 2013 for CCB

Unless otherwise indicated, the assessment was performed against the most recent version of the relevant VCS and CCB 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
Jose Luis Fuentes Pérez	Lead validator
Manuel García-Rosell	Validator

Validation team

1.4 Summary Description of the Project

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

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

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

2 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 PP was reviewed against the approved methodology and against VCS and CCB. Additional background documents related to the project design, baseline, additionality, community and biodiversity objectives were also made available before and during the on-site visit in Guatemala along with the Non Permanence Risk Reports.

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 2 and developed a final version 2.36 dated on 27 March 2017.

2.3 Interviews

The AENOR validation team composed of José Luis Fuentes Pérez and Manuel García-Rosell conducted interviews with project developers to confirm selected information and to resolve issues identified in the document review.

From January 30 to February 4, 2017 the AENOR validation team carried out the visit to the project site. The list of the interviewed people is attached in annex 2. The people interviewed were those directly affected or involved in the project activity and in some cases were just indirectly affected.

2.4 Site Inspections

The objectives of the on-site inspections performed were mainly to cross check the description provided in the P.D related to the environmental and social 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.

• 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;

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 Design.

As the project is grouped, the visit was also designed to visit a sample of project instances considering the different kinds of land tenure in the project area.

The sampling was based on the equation used by the Forest Stewardship Council (FSC) in the Certification of the Forest Management Systems. This scheme uses the formula: 0.8*(n)^1/2, being “n” the number of instances for the validation purposes (n=646 instances). Thus, 20 instances were selected

based on cost effectiveness criteria but also considering the three municipalities involved (Morales, Puerto Barrios and Livingston), the variety of land tenure and the project instance size.

The instances checked/visited by the AENOR team were:

Instance	Ownership	Land tenure modality	Location	Area	Internal Code
34	FUNDAECO	propietario	Cerro San Gil	67,41	REDD-0034
72	Aktenamit	poseedor	AUMRS	36,52	REDD-0072
658	Concepción Coc Rax De Tiul	propietario	Cerro San Gil	20,04	REDD-0658
419	Cesar Miguel Alarcon Leonardo	Propietario	Cerro San Gil	168,19	REDD-0419
507	Otoniel de Jesus Ramos 3	poseedor	Cerro San Gil	7,28	REDD-0507
723	Santiago Bà Coc	poseedor	San Gil/PNRD	320,00	REDD-0723
97	FUNDAECO Tapon Creek	propietario	AUMRS	524,1	REDD-0097
98	Tapon Creek Rosario	propietario	AUMRS	2	REDD-0098
103	Marta Pop Xol	poseedor	AUMRS	3,27	REDD-0103
224	FUNDAECO La Firmeza/	propietario	Sierra Caral	1100	REDD-0224
276	Montaña Chiclera/Francisco Cappa	Municipal	Montaña Chiclera	1092,43	REDD-0276
148	Sebastián Bá Xol (Sesaquipec Regularizada)	Comunitaria	Sierra Santa Cruz	184,68	REDD-0148
212	Carlos Humberto	poseedor	Livingston	691,88	REDD-0212

	Ruano García				
731	Marvin Arcely Argueta Pinto	poseedor	Cerro San Gil	27	REDD-0731
617	José Victor Girón Pérez	poseedor	Cerro San Gil	39,33	REDD-0617
628	Silvia Judith Ramos Girón	propietario	Cerro San Gil	7,73	REDD-0628
609	Marvin Sosa	Propietario	San Gil	27,22	REDD-0609
611	Marvin Sosa	Propietario	San Gil	26,88	REDD-0611
608	Marvin Sosa	Propietario	San Gil	17,55	REDD-0608
101	Alfredo Coc Xi (Blue Creck)	poseedor	AUMRS	650	REDD-0101

2.5 Public Comments

The Joint P.D was submitted to the Climate, Community and Biodiversity Alliance's (CCBA) website for a 30-day public comment period from 13 January 2017 – 12 February 2017. No public comments were received during the validation process.

2.6 Resolution of Findings

All findings issued by the AENOR audit team during the validation process have been closed for both VCS and CCB Standards. In accordance with Section 5.3.6 of the VCS Standard, all findings issued during the validation process, and the inputs for their closure, are described in Appendix 2 of this report.

2.7 Forward Action Requests

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

3 GENERAL

3.1 Summary Description of the Project (G3)

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

The FUNDAECO project covers an area of 54.157, 68 ha of forest in the Department of Izabal in the Atlantic Coast of Guatemala with a high value for biodiversity conservation and watershed protection.

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

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

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

For the Community component the objective is to empower marginalized and vulnerable communities through the legalization of land, promotion of reproductive rights and participation in resource management though the following actions:

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

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

- Sufficient household income from provision of ecotourism services, sale of agroforestry products, and resource protection
- Protection of ecosystem services important to livelihoods and health
- Increased access to health information and care within the project zone
- Widespread access to community capacity building and educational opportunities

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

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

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

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

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

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

Reduce threats to rare, threatened and endangered species.

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

Maintain the function of the natural ecosystems.

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

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

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

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

3.2 Project Location (G1 & G3)

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

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

A complete set of maps is provided in the PD and complemented with a KMZ package to show the project location.

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

Condition prior to project initiation was described in the joint PDD. Communities located in the project zone, current land use and customary and legal property rights, biodiversity and threats to that biodiversity (G1.3), types and condition of vegetation and the presence of High Conservation Values, were described in the validated joint VCS-CCB PD, which cannot change from the start of the project. There are no conflicts or legal disputes over the ownership or the right of use within the project area. The AENOR validation team confirms the information given in the P.D.

More specific information regarding Communities, Biodiversity and High Conservation Values are provided in the different sections of the PDD. That Information provided was verified by checking different evidence such as the management plans of natural protected areas located within the project zone, scientific articles, and the assessment of agents of drivers of deforestation conducted by FUNDAECO, Socioeconomic Survey, among other documentation as well as through interviews with key stakeholders during the on-site visit.

The community information is provided in section 1.3.6 of PDD where the communities at the start of the project are described. Inside the Project Zone 111 communities are found, 69 of them are from the Maya-q'eqchi' ethnic group, 40 are mestizo communities and 2 are mixed mestizo-q'eqchi' communities. q'eqchi' communities are located at the north, and ladino communities at the south. Communities own around 8% of forests inside the grouped project area. Also section.1.3.6 of PDD provides details of community organization, differences and interactions between the community groups, poverty rates, gender situation, economic activities and incomes, main settlements, ethnic groups and cultural diversity, migration, among other aspects (CM1.1).

Section 2.7 of PDD provides a list of identified stakeholders and the process of stakeholder identification is summarized in Section 2.7.2. According to the PDD, FUNDAECO has identified the key actors (stakeholders) of the REDD+ project through its five regional offices in Izabal and the knowledge and experience of their field technicians. The Izabal regional offices held identification activities and meetings in which the following key actors were identified: Community Development Councils (COCODES) and their Assemblies, Local Regional Indigenous and Community Associations and Protected Area Community Assemblies (Asambleas o Consejos Intercomunitarios de Áreas Protegidas), Protected Area Executive Councils or Boards of Directors ("Consejos Ejecutivos Locales de Áreas Protegidas"),

Departmental and Municipal Coordination Instances: CODEDE and COMUDES, Farmers associations and Local leaders. The document “Plan de Comunicacion Final” gives more details about this process (G1.5 & G1.6).

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

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

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

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

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

Section 3.7.2 provides general information regarding the occurrence of conflicts or disputes over rights to lands at national, regional and local level as well as described the institutional framework that seeks to solve agrarian conflicts and support access to land and secure legal tenure rights for communities.

In that sense, the Agrarian Affairs Secretariat, the Government agency in charge of monitoring, reporting, and solving agrarian conflicts in Guatemala, ensures follow-up to between 1,300 to 1,500 cases per year in Guatemala. Of these, between 75 and 150 are reported on average for Izabal, of which an average of 20 to 25 has been located within the project zone.

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

HCVs related to Community Well-Being (CM 1.2): PDD has identified the presence of HCVs related to community well-being describing its qualifying attributes.

• Protected areas of the Caribbean Region comprises 21 sub basins, which provides critical ecosystem services that included water provision to approximately 172 communities and villages that live in protected areas and adjacent areas. Also forests of these basins are an important barrier that reduces the sedimentation and siltation of navigation canals. There are three main rivers in the zone constitute the most important water bodies in the region. These tributaries provide navigation services, fishing, and tourism.

• Regading community's needs, Project Zone services are not only fundamental for water generation, but also, provided fuel wood; medicinal plants; fruits, and natural fibers and seeds that are used for the production of handicrafts Some communities around the mountain known as Sierra Santa Cruz, extract the leaves of an ornamental plan known as xate (*Chamaedorea elegans and Chamedorea oblongata*) which is exported.

• The Q'eqchi' beliefs revolves around respect to the earth and the cosmos that are recognized as Tzuultaq'a, which literally means "the mountain and what is below". While the sacred sites or Tzuutaq'a sites are not well defined geographically, participatory sessions and previous activities supporting cultural traditions have allowed the project proponent to identify as sacred sites at a regional level; the Tameja River cave system, Rio Quehueche cave system, and the mountain known as Cerro Sarstun.

Biodiversity Information (B1.1)

The Project Zone is considered one of the country´s biodiversity hotspots. Section 1.3.7 of the PDD describes the biodiversity within the Project Zone based in different research studies conducted by FUNDAECO, CONAP and many other organizations. For the region, an avian diversity of 426 species are reported, also 145 mammals, fifty five amphibian and one hundred six reptilian species are reported. Furthermore, according to historical records in the Flora of Guatemala, 1825 species are reported; however, experts agree that this number is extremely conservative.

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

HCVs related to Biodiversity (B 1.2): Biodiversity High Conservation Values for the Project are detailed in Section 1.3.8 of PDD:

• There are eight (8) protected areas within the project area which have some form of legal declaration at the national level: Cerro San Gil, Sierra Caral, Sierra Santa Cruz, Chocón Machacas Biotope, Montaña Chiclera, Río Sarstún, Punta de Manabique and Río Dulce National Park.

• Several especies have been reported and identified under IUCN catefores as Vulnerable (such as Highland Guan (*Penelopina nigra*), Keel-billed Motmot (*Electron carinatum*), Thomas's Sac-winged Bat (*Balantiopterix io*) and White-lipped Peccary (*Tayassu pecari*). Rana Del Bosque Verrugosa (*Craugastor psephosypharus),* Leprus Chirping Frog *(Eleutherodactylus leprus),* Bolitoglossa mulleri *(Müller's Mushroomtongue Salamander),* among others) and "Endangered*" (such as Yucatan Black Howler*

Monkey (Alouatta pigra), Yellow-headed Parrot *(Amazona oratrix),* Geoffroy's Spider Monkey *(Atteles geofroyi),* Baird´s Tapir *(Tapirus bairdii), Craugastor charadra,* among others*).* This was checked against list IUCN Red List 2016-3.

- Several endemic species has been identified in the PDD. Species and its level of endemicity are identified in section 1.3.8.3 of the PDD.

- The area is critical for a large number of Nearctic-Neotropical Migratory species during the boreal winter. It is also an important migratory route for Neartic Shorebirds.

- The Project Zone´s extent is well above the recommended threshold of 50,000 ha given by the "Common Guidance for HCV Identification for the region to be considered a High Conservation Value (HCV Resource Network)" to be considered under criterium 2. Thus, the region probably maintains an area sufficient to maintain viable populations for most large species.

- Lowland "terra firme" forests", Mangrove forests and associated coastal areas are rare ecosystems located in the project zone which are considered specially threatened.

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

3.4 Project Proponent (G4)

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

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

3.5 Other Entities Involved in the Project (G4)

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

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

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

The knowledge, skills and experience of these other entities is developed in more deep in section 1.5 of the P.D.

3.6 Project Start Date

The project start date is April 1, 2012.

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

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

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

3.7 Project Crediting Period (G3)

Section 1.7 of the PD states that crediting period runs from April 1 2012 to March 31 2042, a total of 30 years. A detailed chronological plan is presented in the implementation plan which has been provided to the audit team.

In this regard, AENOR can confirm that PP has developed 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 3.6, 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.

3.8 Project Scale and Estimated GHG Emission Reductions or Removals

The project is classified as “large project” according its scale. It will remove an average annual of 728.161 t CO2e during the crediting period, which is higher than 300,000 tons of CO2e per year required by section 3.9.1 of the VCS Standard.

According to estimations, the project will generate net positive impacts in the Climate. The net avoided emissions are amounted to be 21.844.843 tCO2-e for the 30 years crediting period. Thus, the benefits to the Climate are net positive.

AENOR checked during the validation the correct application of the methodology and associated tools by means of replication of calculations and procedures applied. In our opinion, the applicability to the project is appropriate. Formulae considered are consistent with the applied methodology and tools, assumptions

and hypothesis applied are conservative and results are a reliable estimation of emissions avoided of the project then, this indicator is fulfilled (CL2.2).

3.9 Leakage Management

To manage the leakage, PP has established some activities to reduce the risk of activity-shifting leakage to forest areas. In this regard, the PP considers the training to landowners as a key element to change cultural practices, promoting the legalization and title of land within the Leakage Area, increase the access to resources for agroforestry programs, reforestation initiatives, concession of familiar harvest permits and other legal means of small-scale timber extraction. Using all these activities the PP intend to provide alternatives to diversify the incomes and re-lead the potential activities-shifting to non-forested areas.

4 DESIGN

4.1 Sectoral Scope and Project Type

The project is under Sectoral scope 14 – Agriculture, Forestry and Other Land Use. AFOLU project category: Reduced Emissions from Deforestation and Degradation (REDD).

Activity type: Avoiding Unplanned Deforestation and Degradation (AUDD)

The project is designed as a group, then, using a programmatic approach.

4.2 Description of the Project Activity (G1)

Project activities are described in the PDD Section 2.2. The project seeks to create emissions reductions by reducing the amount of forest area that would be converted to agriculture and pasture in the baseline scenario.

The PDD provides a brief description of each project activity and expected outputs, outcomes and impacts and identifying the causal relationships that explain how the activities will achieve the project's predicted climate, community and biodiversity benefits. The REDD+ Project for the Caribbean Guatemala includes a series of actions that altogether will allow the reduction of deforestation. In order to mitigate these factors and achieve solutions, the REDD+ Project has planned the following strategies (G1.8):

- Supporting and Assisting Agroforestry.
- Fostering Forest value.
- Education of girls and young women, and improving the training opportunities.
- Raising awareness on sustainable management of natural resources and the biodiversity values of the Caribbean Guatemala.
- Raising forest value and creating economic opportunities through Ecotourism.
- Law enforcement: Two main strategies and Control and Surveillance.

- Litigation and Environmental Defense.
- Land legalization.
- Social and biological monitoring:

The validation team planned the site visit to collect the maximum number of documental but mainly spoken and visuals evidence to check the main characteristics of the project. As such, the project activity accurately reflects the proposed project which mainly consists of receiving the biggest number of forest areas to preserve the Caribbean Coast of Guatemala in Izabal' Department. To achieve this objective the project encompasses several actions lines appropriately described in the PDD and briefly commented above. They are based on promoting sustainable economic activities, improving the enforcement law, allowing the access to alternative economic resources by accessing to forest incentive programs, training to local communities in a better understanding of environmental services of forests, etc.

During the site visit, per interviews with the proponent and local stakeholders and other institution involved in the project, AENOR reviewed the strategies above in a general sense. Specific project activities will be implemented and continued or discontinued based on their assessed efficacy using an adaptive management approach.

Likewise, during this validation process, AENOR checked the PDD with the supported documentation provided and evidence collected during the site visit resulting in the raising to the PP of some misunderstanding, errors or points not much clear. All of them were corrected to provide to readers a clear comprehension of the project design, its purposes and objectives. 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 Mexico along with the non-permanence risk report.

Therefore, AENOR can conclude that project design is faithful to the project objectives.

4.3 Management of Risks to Project Benefits (G1)

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

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

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

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

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

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

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

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

Section 2.4.1 and Section 6.1.2 describes the measures to be applied to maintenance of the high conservation value attributes related with community. The primary measure taken to maintain HCVs is the reduction of deforestation within the sites identified as HCVs, through the voluntary integration of some of these forests to the project area and the implementation of protection activities. By reducing deforestation and degradation, the project will avoid threats within these areas, and their environmental services and cultural uses can be guarantee. No negative impacts on High Conservation Values due to project activities are expected. Conversely, the project objectives are in line with the maintenance of High Conservation Values (CM2.4).

Measures to maintain HCVs related to Biodiversity (B2.3 and B2.4).

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

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

4.5 Project Financing (G1 & G4)

FUNDAECO is committed to cover project operation costs, initially through an investment from Althelia climate Fund that covers development expenses. During the rest of the project lifetime FUNDAECO is committed to sell carbon credits with the support from ACF. Also a VCUs marketing unit will be established in Guatemala to reach local companies. However, FUNDAECO continues searching funds from international cooperation. FUNDAECO will work with recognized sustainable development and conservation funds and agencies to cover costs from the different project components considering the carbon market uncertainty, with intention to guarantee project cash flow. Financial projection was provided to the audit team. (G1.12)

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

4.6 Employment Opportunities and Worker Safety (G3)

Section 2.6.1 describes de measures identified and implemented to provide orientation and training for the project's and people from the Communities.

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

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

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

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

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

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

In the case of the REDD+ Project for Caribbean Guatemala, FUNDAECO will retain existing staff in order to harness already acquired experience in: REDD+ topic; the knowledge of the project area, and its social and natural conditions and dynamics; and the contacts with local communities and stakeholders. The staff hired by the project is local people with important experience in the area (G3.10).

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

4.7 Stakeholders (G3)

The veracity of the local stakeholder consultation was verified during the on-site visit. AENOR checked the evidence of the different meetings about the project as well as the reports of the FPIC, the communication plan, etc. Evidence confirms that information in PD is credible and consistent.

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

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

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

These meetings and assemblies planning by FUNDAECO were implemented with the organized and unorganized groups, individuals, Departmental Development Councils (CODEDE), Municipal Development Councils (COMUDES), Community Development Councils (COCODES), Women Rights

Groups and governmental institutions. These community structures were used to implement the consultation processes of the project.

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

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

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

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

Section 2.7.2 summarized the process of stakeholder identification. The document "Plan de Comunicacion Final" gives more details about this process.

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

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

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

Grievance redress procedure (G3.8) is described in section 2.7.5 of the PDD.

Reception, registration, response, resolution and/or referral of grievances will be executed at different geographical and organizational levels, according to their gravity and urgency, ranging from requests of

access to information, operational and administrative complaints, grievances and disputes over rights of access, collective conflicts, and potential violations of Legislation and Fundamental Rights. Different and specific channels of communication and complaint will be used, based on current practices, in order to ensure that all stakeholders, particularly vulnerable populations – such as indigenous women- have rapid access to complaints and grievance redress.

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

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

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

4.8 Commercially Sensitive Information

No information has been excluded from the public version of project description in order to demonstrate the additionality of the project and the baseline scenario. All information used has been provided and there has not been information deemed to be commercially sensitive for these goals.

4.9 Sustainable Development

The project is designed to preserve the forest of the Project Area but allowing the sustainable development of the affected communities improving their quality of life through a better education and training about the exploitation of natural resources, the application of sustainable agricultural practices more efficient and less harmful to the environment, fostering new practices providing new incomes such as the ecotourism, though the implementation of agroforestry systems, etc.

Definitely, the project is a REDD project, then, focus on reducing the deforestation and degradation. In order to achieve this primary goal the project focuses on working with local communities and local landowners as the essential step to reach the success of the project activities. Thus, AENOR assessed the sustainable contributions to the sustainable development through the review of the project design document but mainly through the site visit and interviewing to the local stakeholders.

4.10 Grouped Projects

The project is grouped.

Taking into account the requirements of section 3.4.9 of the VCS Standard a set of eligibility criteria has been defined for the inclusion of new project activity instances if they are located within the grouped geographic project area. They have to comply with all the eligibility criteria that were stated in the P.D and reproduced below. Partial compliance with the multiple set of eligibility criteria is insufficient.

The criteria are the following:

1. All new project activity instances included must be located within the Grouped Project Area, which is one of the designated geographic areas specified in Section 1.2.5 of the PDD.

2. All new project activity instances must comply with the eligibility criteria delineated in this section of the PD.

3. All new project activity instances will be included in the monitoring report with sufficient necessary information to demonstrate compliance and enable sampling by the validation/verification body.

4. All new project activity instances will be validated at the time of verification against the applicable eligibility criteria described in this section.

5. All new project activity instances will have evidence of project ownership for each project activity instance starting at least at the respective start date of each project activity instance provided.

6. All new project activity instances will be eligible for crediting only from the start date of that project activity instance through to the end of the project crediting period.

Eligibility criteria of the applicable methodology:

7. Each new PAI must demonstrate that the project ownership has been transferred to the FUNDAECO through a legal contract.

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

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

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

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

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

13. The project area cannot include any forested area that grows on peat soils. Peat shall be defined as organic soils with at least 65% organic matter and a minimum thickness of 50 cm.

14. New project activity instances must use technologies specified below and in section 2.2 of the Project Description, and must apply these technologies in the same manner as is described in section 2.2 of the Project Description.

Project technologies will be enabled by the financial or technical assistance of the project proponent.

- Parcel protection by legal designation as a protected area
- Parcel protected by forest patrols
- Parcel protected by PINFOR/ PINPEP
- Parcel protected by acquisition
- Parcel protected after environmental and forest training
- Parcel protected after Best Agricultural Practices training – BPA – to reduce pressure over the forest
- Parcel protected after alternative productive activities to reduce pressure over the forest
- Parcel protected after ecotourism project to reduce pressure over the forest
- Parcel protected by contractual agreement for protection or management
- Parcel protected by land legalization

15. All new project activity instances are subject to the single baseline that has been established for the Grouped Project Area and new project activity instances must also fall under a baseline scenario of unplanned deforestation by known agents and drivers of deforestation.

16. New project activity instances must have characteristics with respect to additionality that are consistent with those demonstrated in Section 4.6 for the specified project activity (AUD) within the Grouped Project Area. As a result, new PAIs must demonstrate that they received financial or technical support from the project proponent that resulted in emission reductions.

According to the bullet 3.4.3 of the VCS Standard, AENOR validated that additionality was based upon the initial project activity instances. Then, any new instance has to demonstrate that its characteristics with respect to additionality are consistent with the initial instances for the specified project activity and geographic area, i.e, to overcome at least one of the barriers identified in the P.D.

AENOR checked that determination of the baseline scenario was carried out in compliance with the applied methodology, i.e, the scenario represents the continuation of land uses under pre-project scenario.

Thus and considering the section 3.4.3 of the VCS Standard, AENOR validated that determination of baseline scenario was based upon the initial project activity instances and it was similar to the defined it for the remaining forests in Reference Region. Then any new instance has to demonstrate that is subject to the baseline scenario determined in the project description for the specified project activity and geographic area.

AENOR checked the criteria established for the inclusion of new instances. The list is complete and they are reasonable in order to guarantee and establish an appropriate maintenance of the project.

PP has provided to AENOR procedures for verification and monitoring purposes that describe the steps to be followed in order to determine if above conditions are fulfilled.

5 LEGAL STATUS

5.1 Compliance with Laws, Statues, Property Rights and Other Regulatory Frameworks (G4 & G5)

Section 3.1 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 their enforcement analysed in the PD.

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

The main regulations highlighted in the PD are the followings:

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

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

- The Regulation on Health and Safety at Work, contained in the Government Agreement No. 229-2014 and its amendments contained in No.33-2016, which contains regulations regarding work environment, vehicle driving, handling and operation of machinery, infrastructure and facilities, hazardous substances, infectious diseases and first aid kits.

- Regulation on Accident Protection, published by the Guatemalan Social Security Institute board (Agreement no. 1002) that regulates issues relating to accident prevention and first aid measures.

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

addition to social security coverage, the institution establishes an aggregate insurance policy with life insurance and medical expenses coverage.

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

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

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

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

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

Table 14 of section 3.1 of the PDD list laws and regulation in the host country that are relevant to the project activities.The project is conducted under all those laws. (G5.6). FUNDAECO is compliant with all relevant local and national laws. (G5.7)

5.2 Evidence of Project Ownership (G5)

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

Based on the VCS Standard Section 3.11.1, the project demonstrates that the proponents have Right of Use over the emission reductions under subsection 4:

"Project ownership arising by virtue of a statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions and/or removals (where such right includes the right of use of such reductions or removals and the project proponent has not been divested of such project ownership)"

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

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

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

5.4 Participation under Other GHG Programs

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

5.5 Other Forms of Environmental Credit

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

5.6 Projects Rejected by Other GHG Programs

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

5.7 Respect for Rights and No Involuntary Relocation (G5)

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

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

5.8 Illegal Activities and Project Benefits (G5)

PDD section 3.9, table 15 lists the identified illegal activities that could affect the project impacts and the measures to be taken to reduce those illegal activities. The Project Implementation Plan describes in detail the planned project activities. The project does not considered any benefit from illegal activities (G5.4).Document the evidence used to determine that the project satisfies G5.5.

6 APPLICATION OF METHODOLOGY

6.1 Title and Reference of Methodology

The approved VCS Methodology VM0015, version 1.1 (Methodology for Avoided Unplanned deforestation) is applied to the REDD project.

A complete list of the tools used is referenced in section 4.2 of the PD.

6.2 Applicability of Methodology

The final P.D states all evidence used to demonstrate each condition of the applicable methodology. Complete explanations are included in section 4.2 of the P.D. 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 supporting documents, and the compliance check of the local project setting with the applicability conditions in regard to baseline setting and eligible project measures as follows:

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 PD and the “drivers and agents of deforestation study” provided the baseline activity corresponds to unplanned deforestation, due to the conversion of forest areas to agriculture and pasture.

During site visit, AENOR took evidence of these different situations across 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).

The project is an Avoided Unplanned Deforestation (AUD) activity in a mosaic configuration which is very visible in the geographic grouped project area. The scope of the project includes the eligible category A, i.e, protection without logging.

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 two types of forest, specifically Very Humid Forest and Humid Forest, and harmonizes with the Guatemala National Emissions Reduction Program.

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” according to the definition of the Government of Guatemala 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 Guatemala to the UNFCC 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.

d) 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 project area excludes mangrove areas in order to fulfil the above condition, as they contain peat soils. The excluded area was delimited by a technical analysis using remote sensing techniques conducted by CATHALAC and MARN. The GIS files were provided to AENOR.

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

6.3 Methodology Deviations

Several deviations were used by PPs. They are listed and assessed below:

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

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

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

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

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

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

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

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

6.4 Project Boundary (G1)

The VCS Standard requires that projects describe the project boundary and identify and select appropriate carbon pools; i.e. sources, sinks, and reservoirs relevant to the baseline.

Procedures to quantify emissions are included for each of these pools and sources by demonstrating significance in using the appropriate VCS modules and tools.

The project addresses the establishment of spatial, temporal, and gaseous boundaries to meet VCS AFOLU Requirements for the REDD project category under the AUDD project scenario.

Spatial boundaries

The Reference Region was defined according to their similar geophysical, social and economic characteristics. The option 2 of the section "1.1.1 Reference Region" is applied to the project, i.e, there is not an applicable national or sub-national baseline available.

In the case of Guatemala, the National Government divided the country in five regions based on defined social, economic and geophysical characteristics that involve different deforestation patterns. Sarstún-Motagua is the region where the project area is located and then, the used Reference Region.

PP provided to AENOR with the report of the Environment and Natural Resources Minister. 2011. "Preparation proposal for REDD (R-PP) in Guatemala." This report contains all this information related the strategy and planning for REDD activities.

The following criteria of the methodology have been met by the project to define the boundaries of the reference region:

- Agents and drivers of deforestation expected to cause deforestation within the project area in absence of the proposed AUD project activity must exist or have existed elsewhere in the reference region.

  According to information provided by PP and cross-checked during site visit with main stakeholders, the main deforestation agents existing in the project area and reference region are small, medium and big scale cattle rancher, loggers, and miners. Neither new or improved infrastructures nor other special drivers are expected to influence the project area.

- Landscape configuration and ecological conditions: PP demonstrated to the AENOR team that the project area is within the required thresholds for the forest/vegetation classes, elevation and rainfall criteria. The conditions are demonstrated with data referenced in the PDD and evidence that support the assumptions considered.

- Socio-economic and cultural conditions: The legal status and land tenure in the baseline case in the project area exists in the reference region. The PD sets out the different legal status and land tenure arrangements in the grouped project area that are also gathered in the reference region.

  Land uses in baseline scenario in the project area are also found elsewhere in the reference region, mainly annual and permanent agriculture, extensive cattle and shrubs. The policies and regulations in the mosaic of land tenures in the grouped project area are the same than those applicable to the Reference Region.

The project area belonging to the first instances at validation is 54.517,68 hectares.

The first instances consists of 646 discrete parcels each one corresponding to a Project Activity Instance. A complete list of individual Project Activity Instances has been provided to AENOR in the spreadsheet calculation.

At the project start date, the project area must include only forest land. Landsat images, KLM files and coordinates were provided to the audit team and confirm that project area is forest as defined by Guatemalan DNA.

Leakage belt and leakage management areas.

To determine the leakage belt the PP applies the mobility analysis method described by the applicable methodology.

The project has considered a leakage belt based on forested areas surrounding the project area in which baseline activities could be displaced due to project activities implemented in the project area. This area is based on the VCS definition for the L.B. Moreover, the PP has provided to AENOR with the KMZ file delimiting its boundaries. This way the L.B will be monitored, reported and verified as required by the methodology.

As the project has been designed to receive new instances in the project area, the delineation of the leakage belt is contingent on the creation of a finalized Project Area. For validation purposes a leakage size factor was used to determine the activity data in the L.B. The leakage size factor was the expected size of the Leakage Area relative to the size of the Project Area as of the end of the first monitoring period and was calculated to be about 54%.

The leakage size factor was applied to the projected size of the Project Area to estimate the projected size of the Leakage Area over time. The ex- ante quantity of land use change on a per-hectare basis for each LULC transition for the Leakage Area was likewise estimated from LULC transition data for the projected Project Area in the baseline case.

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.

Temporal boundaries are in compliance with the applied methodology.

- The starting date and end date of the crediting period is April 1 2012 to March 31 2042 for a total of 30 years.
- The historical reference period was established for 10 years, from year 2000 to year 2010.
- The first fixed baseline period is defined on April 1 2012 to March 31 2022.

The minimum duration of a monitoring period will be for one year, and it won't exceed the fixed baseline period.

Thus, the spatial and temporal boundaries for the Project were assessed for conformance to VCS rules and found to be sufficiently detailed, appropriate, and adequate as well as in compliance with the methodology.

Carbon pools

The validation team found that mandatory and optional pools in this project are appropriate for unplanned conversion of forest.

Significant pools, sinks, and reservoirs accounted for are in compliance with AFOLU Requirements section 4.3 and are appropriately justified for the project.

To identify the carbon reservoirs mandatory and optional for the proposed project the methodological framework and AFOLU Requirements were used. Tables below show the reservoirs applied and sources of GHG emissions for the project activity.

Carbon pools	Included/excluded	Justification
AGB	Tree: included	Always significant
	Non tree: excluded	For sake of conservativeness as the carbon pool is expected to decrease in the baseline scenario in post deforestation classes.
BGB	Included	Significant
DW	Excluded	Not significant
WP	Included	Significant and conservative.
Litter	Included	Significant
SOC	Excluded	For sake of conservativeness as the carbon pool is expected to decrease in the baseline.

Source		Gas	Inlcuded?	Justification
Baseline/Project	Biomass burning	CO2	No	CO2 is a major source that is already considered for carbon stock changes and is therefore not included. CH4 is not included for sake of
		CH4	No	

		N2O	No	conservativeness and allowed by the methodology calculations, and N2O emissions are insignificant, too, according to VCS program update of May 24, 2010.
Baseline/project	Livestock emissions	CO2	No	CO2 emissions from cattle are not significant according to the methodology. CH4 and N2O emissions are also excluded for sake of conservativeness.
		CH4	No	
		N2O	No	

6.5 Baseline Scenario (G2, CM1, B1)

A complete description of the baseline scenario and its justification is provided in the methodological annex of the P.D.

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

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

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

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

The expected changes in the well-being conditions and other characteristics of Communities under the without-project land use scenario (CM1.3) are described in section 4.5.1 of the PD. It is described the

assessment conducted based on methods proposed by Richards and Panfil (2011). The assessment was related to access to land and natural resources in both the baseline and project scenarios and focused over 6 main issues:

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

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

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

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

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

The negative effects caused by identified threats to biodiversity in the without project scenario encompass causing a drop in marine species abundance, increasing habitat fragmentation, changing the forest's structural composition, and the overall loss of forest cover within the project region. All of this leads to changes in species composition and ecosystem function, which greatly impact an ecosystem's ability to maintain and support original levels of biodiversity.

Without the project's intervention, there are no indications that measures would be taken to protect and maintain biodiversity within the Sarstun-Motagua region, which would result in the further fragmentation and loss of forest habitat as well as the decline in health and abundance of forest and marine species.

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

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

6.6 Additionality (G2)

To demonstrate the additionality of the project the VCS T-ADD tool, "VT0001 Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities" v. 3.0 is used.

Section 2.5 of the PDD describes the project baseline scenario and how existing condition affect land use. In addition, section 2.6 of PDD demonstrates the project additionality and justify that the benefits being claimed by the project are truly 'additional' and would not have occurred without the project (G2.2).

The steps of the VCS tool were applied and appropriately developed and justified in the P.D. As conclusion, the baseline scenario in the project area is the continuation of the pre-project situation.

Project Proponent 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. Other sub-steps contained within the T-ADD tool deemed not applicable by project proponent and confirmed by the validation team. Project proponent correctly identified three credible and realistic alternative land use scenarios from the outcome of sub-step 1a:

- Scenario 1. Continuation of pre-project land use, i.e, the unplanned expansion of small-scale commercial agriculture, subsistence agriculture, and cattle grazing .

- Scenario 2. Project activity on the land within the project boundary performed without being registered as the VCS AFOLU project:

It is possible, though highly unlikely, that FUNDAECO could prevent deforestation from small-scale farming and cattle-grazing that result in the project area without registering the activity as a VCS project and by financing alternative livelihood and other project activities through aid agencies, philanthropy, or grants.

It is possible, though highly unlikely, that national or international development or non-governmental organizations could implement similar alternative livelihood, governance, and capacity building activities to reduce deforestation.

- Scenario 3. Activities similar to proposed project activity on at least part of the land within the project boundary resulting from legal requirements or observed similar activities

These activities are represented by the forest protection programs PINFOR and PINPEP that INAB promotes and include payments for conservation or protection of forest resources on private lands. It is possible, although highly unlikely, that landowners could pursue these payments individually in the project area to protect or conserve forested areas and prevent unplanned deforestation.

All above scenarios are credible. The scenario 1 is the current scenario in the reference region, then a real scenario, credible. FUNDAECO is working in the region over 20 years with different financing solutions to promote the forestation instead of the deforestation and developing other similar project activities with local communities. Likewise, other NGOs have carried out similar initiatives in the Izabal region but a lower scale, hence, this option 2 is also credible and finally, the scenario 3 is also credible, as the PINPEP and PINFOR programs managed by INAB are implemented before the project activities and try to avoid deforestation providing to local stakeholders other alternatives incomes.

In conclusion, the three scenarios proposed above are credible. The first one fulfil with mandatory laws and regulations in places where the activities are carried out outside the protected areas. In the "Zona

Nucleo" of the protected areas the activities proposed by the scenario 1 are illegal but the mandatory laws are not enforced and the non-compliance is widespread, then, it is valid for the assessment. According to the used tool, any land use scenarios which are not in compliance with applicable mandatory laws and regulations must be removed from the land use scenarios identified in the sub-step 1a, unless it can be shown these land use scenarios result from systematic lack of enforcement of applicable laws and regulations. The scenarios 2 and 3 are in compliance with mandatory laws and regulations.

Thus, the project proponent correctly establishes the outcomes of sub-step 1b. All proposed land use scenarios are credible and arise from the application of law (scenarios 2 and 3) or the systematic incompliance of regulations (scenario 1).

The following step of the additionality tool is the sub-step 1c to determine the baseline scenario. The PP assessed the different alternatives to the proposed project to select the baseline scenario and identified several barriers that affect to some of the alternatives. The scenario 1 that represents the current situation in the region is chosen as the most plausible and realistic scenario to occurs if the project is not implemented. This scenario implies that displacements of Ladino and Q'etchi into protected areas will continue and the lack of adequate governance and resources to limit land conversion for agriculture and cattle-grazing within the project area will continue, as well.

The scenario 2 that represents the implementation of similar activities to the proposed project without being registered as a REDD project under the VCS Standard is credible as commented above but it is very unlikely to occur due to the implementation of project activities integrated in a project designed to a long term and at large scale involves high financial requirements and the cooperation of many stakeholders. These are consistent barriers to choose this scenario as a realistic baseline.

The scenario 3 was not selected either as baseline due to the PINFOR and PINPEP just offer a temporal alternative income for the landowners. After several years the incomes finish and there is not the possibility to re-enroll to the programs. Moreover, the access to these programs requires to landowners to present a technical report from forestry expertise, then, expenses. Hence, this alternative is also ruled out due to its temporality, costs and scale.

PP has to follow step 2 or step 3 as per additionality tool. For the proposed project activity, the barrier analysis has been selected as commented below:

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 implementation of at least one of the alternative land use scenarios.

The barriers identified in the assessment were:

Investment barriers.

The lack of financing sources for this kind of project is a barrier to overcome by the entities working on its implementation.

In this case, FUNDAECO, the entity that manages the REDD project, has been working in the Izabal Region for more than 20 years in activities such as education, access to resources, nature protection, governance, etc.…thanks to the international cooperation, donors and the national government but financing sources ended in 2011.

All these activities were designed in a different way to a REDD project that involves long term planning, large scale, integrated scheme, the support of many stakeholders. Accordingly, high funds are required and high risks are associated without incomes what justify the lack of financing. To overcome this barrier,

FUNDAECO designed the project as a VCS REDD project allowing the issuance of VCUS for selling them and generates incomes.
Therefore, this investment barrier rules out the scenario 2 as a plausible scenario but allows the scenario 1. Likewise, the VCUs would alleviate the barrier making easier the access to credits as the PD states with the MoU with Althelia Fund under a REDD scheme.

Institutional barriers.

The low efficiency of administrations to resolve the illegal cases does not discourage to the agents of deforestation and illegal situations. The lack of governance triggering the lack of law enforcement especially in protected areas due to deficiencies in coordination activities, lack of responsibilities between official institutions etc are barriers that also excludes scenario 2, while scenario 1 remains a viable alternative.

The selling of VCUs would allow to the PP to develop organizational strengthening programs addressed to organizational boards, committees and associations that are part of the stakeholders involved in the project, to improve the governance and enforcement of laws in the territory.

Barrier related to local tradition and others.

The increase of population in the protected areas suggests as well as the increase in the path network existing within the Izabal Region due to needs of local communities. This means a serious barrier that can diminish the chance of meeting the management objectives in the medium and long term. This barrier represents a challenge for positing Scenario 2 as a plausible scenario in terms of the ability to consistently maintain adequate enforcement and protection activities and suggests that Scenario 1 is more probable.

Needs of local communities are basically based in agriculture crops such as maize. In this regard, two of the main population groups, Ladino and Q'etchí small farmers, settle in protected areas and cleared forest at a rapid pace to open up land for agriculture. These agriculture practices are not linked to broader markets. Markets are unregulated and informal.

Other barriers identified by PP are related to Land tenure and property rights. The prevailing communal land ownership limits the incentives for conservation, as property rights on the timberlands are not clearly defined. The internal informal tenure systems present a risk of land fragmentation and to see the scenario 2 as a plausible scenario and suggest that scenario 1 is more likely to occur.

Barriers related to markets, transport and storage. AENOR could evidence during the site visit that lack of appropriate infrastructure in the region is a high barrier to develop markets for agricultural goods, transport and storage are limited. Some of the areas within the project boundary are only accessible by sea. Hence, the Remoteness of AFOLU activities results without an appropriate road network and infrastructure resulting in high transportation costs, eroding competitiveness and profitability of non-timber forest products.

The proposed project will work to overcome these barriers improving the governance of the area and biodiversity conservation searching the approval of all stakeholders in the area to avoid misunderstanding over rights, land uses, enforcement of law, improving the agricultural practices to be sustainable and more efficient, etc.

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 1, 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 PP 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, excluding activities under carbon schemes.

Other initiatives searching similar targets were carried out by the current proponent, FUNDAECO, but they differ from the proposed project due to several reasons such as the financial security in the medium to long term, the lack of integration policies, etc.

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 other activities different, not similar to the 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.

7 QUANTIFICATON OF GHG EMISSION REDUCTIONS AND REMOVALS

7.1 GHG Emission Reductions and Removals

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

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 and spreadsheet calculations.

Data and parameters selected for spatial and temporal boundaries were found to be properly 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 modeling related to location and quantification of threats of unplanned deforestation was checked for accuracy and development of risk maps was confirmed correct.

The following two strata were identified in the project area: Very Humid Forest and Humid Forest.

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:

Initial Forest Class (icl)		Cab_{icl}		Cbb_{icl}		Cdw_{icl}		Cl_{icl}		$Csoc_{icl}$		Cwp_{icl} short, medium, and long lived	
ID_{icl}	Name	C stock $tCO_2e\ ha^{-1}$	C stock change $tCO_2e\ ha^{-1}$	C stock $tCO_2e\ ha^{-1}$	C stock change $tCO_2e\ ha^{-1}$	C stock $tCO_2e\ ha^{-1}$	C stock change $tCO_2e\ ha^{-1}$	C stock $tCO_2e\ ha^{-1}$	C stock change $tCO_2e\ ha^{-1}$	C stock $tCO_2e\ ha^{-1}$	C stock change $tCO_2e\ ha^{-1}$	C stock $tCO_2e\ ha^{-1}$	C stock change $tCO_2e\ ha^{-1}$
1	Very Humid Forest	116,2	0	27,9	0,0	N/A	0	3,9	0	0	0	7,5	0
2	Humid Forest	115,6	0	27,7	0	N/A	0	7,0	0	0	0	2,9	0

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 were projected and located for the Reference Region, the Project area and the leakage belt. and the total change of carbon stocks in t CO2 eq. are as follows:

	Project area	Leakage Belt
Year	Net yearly Deforestation (ha)	Net yearly Deforestation (ha)
1	1.233	668
2	2.255	1.222
3	2.339	1.267
4	2.652	1.437
5	2.931	1.588

6	3.054	1.655
7	3.189	1.728
8	3.377	1.830
9	3.627	1.966
10	3.946	2.139

Following the methodology, the total changes in carbon stocks were calculated and subsequently, the carbon stock change produced in the post deforestation classes was subtracted to the initial forest classes. In this regard, the following post-deforestation classes were identified: Water, Urban, Wetland, Permanent Agriculture, Annual Agriculture, Pasture, Shrubs and other non forest.

The project does not consider non CO2 emissions either in the baseline scenario or project scenario from fires. 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.

Actual carbon stock changes and non-CO2 emissions under the project scenario.

The two possible sources were assessed:

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

Planned activities were not included in the baseline and are not estimated for the purpose of project emissions.

The main part of the project activities are conducted in the leakage management areas, i.e, non forest areas and their implementation will not reduce the carbon stock or increase the emissions compared to the baseline.

On the other hand, forest will be managed with good practices, sustainable management, then, it is possible a recovery of cover trees, however, the potential increase in carbon stocks due to project activities is not considered in calculation, then, a conservative approach.

b) Actual carbon stock changes due to unavoidable unplanned deforestation

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

The “EI” was defined in part relying on ex-post information available at validation of the project from 2012 to 2014. Beyond 2014, the “EI” was defined for the full project crediting period based on the Implementation Plan, provided to AENOR, and the scaling of project activities.

Using this method the index from 2012 to 2014 was found to be 71%. This value was determined by comparing the baseline deforestation that was defined within the Project Area and comparing it to observed deforestation from 2012 to 2014. This comparison was possible due to the availability of a 2014 LULC map described in the Monitoring and Implementation Report that uses that same LULC classes.

For the period after 2014 until 2042 that defines the project crediting period the EI was incremented by roughly 1% per year until reaching 93% in 2042. This is a conservative estimate of project effectiveness based on the scaling of project activities. Table 57 in the PD shows the different rates per year.

The expected carbon stocks changes due to the unavoidable unplanned deforestation within the project area is as follows:

Years	Total carbon stock decrease due to unavoidable unplanned deforestation (t CO2e)
1	141.654
2	262.264
3	276.878
4	310.082
5	339.288
6	351.123
7	364.356
8	383.710
9	408.593
10	438.083

Leakage

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

However, the project considers leakage due to the market effects. By implementing project activities aimed at reducing timber extraction due to illegal logging, it is expected that the project will affect the supply of timber in the local market. The project is conservatively estimating a 20% default market leakage factor following the requirements in the VCS AFOLU Requirements.

The 20% default factor is applied in situations “where the ratio of merchantable biomass to total biomass is higher within the area to which harvesting is displaced compared to the project area.” Explanations are

provided in the PD and deemed by AENOR as reasonable and credible. Moreover, its application is conservative, then acceptable.

Years	Leakage due to markets effects (tn CO2e)
1	69.362
2	128.419
3	135.575
4	156.925
5	177.544
6	190.034
7	204.047
8	222.521
9	245.597
10	273.268

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 project considers at validation stage ex post information from 2012-2014 due to the creation of a 2014 LULC map using the same LULC classes. The development of the 2014 LULC map product is described in full in the Monitoring and Implementation Report. Using this method the DLF from 2012 to 2014 was found to be negative, as fewer emissions occurred in the project scenario than were estimated in the baseline scenario. As with the Effectiveness Index, this value was determined by comparing the baseline deforestation that was defined within the Leakage Area and comparing it to observed deforestation from 2012 to 2014 in the Leakage Area. However, in order to produce a conservative assumption of emissions due to activity displacement leakage, it was estimated that the project would result in a DLF of 5%, as the project expands to cover more area within the region.

For the period following 2014 until the end of the project crediting period, the displacement leakage factor was increased to roughly 5% over the project lifetime. This is justified by the scaling of project activities

across the Grouped Project Area including in the Leakage Area. The defined DLF is summarized in Table 59 of the PD.

The validation team found that the leakage factor method used to estimate displacement from the project area to the leakage belt to be reasonable.

Years	Leakage due to displacement (tCO2e)
1	0
2	0
3	0
4	0
5	1.859
6	3.942
7	6.303
8	9.103
9	12.564
10	16.828

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:

$\Delta REDD = (\Delta CBSLPAt+\Delta EBBBSLPAt)-(\Delta CPSPAt+\Delta EBBPSPAt)-(\Delta CLKt+\Delta ELKt)$

Where:

$\Delta REDD$ = Ex ante estimated net anthropogenic greenhouse gas emission reduction attributable to the AUD project activity at year *t*; tCO2e

$\Delta CBSLPAt$ = Sum of baseline carbon stock changes in the project area at year *t*; tCO2e

$\Delta EBBBSLPAt$ = Sum of baseline emissions from biomass burning in the project area at year t; tCO2e

ΔCPSPAt =Sum of ex ante estimated actual carbon stock changes in the project area at year t; tCO2e

ΔEBBPSPAt = Sum of (ex ante estimated) actual emissions from biomass burning in the project area at year t; tCO2e
ΔCLKt = Sum of ex ante estimated leakage net carbon stock changes at year t; tCO2e

ΔELKt = Sum of ex ante estimated leakage emissions at year t; tCO2e

t = 1, 2, 3 … t, a year of the proposed project crediting period; dimensionless

Years	Estimated baseline carbon stock changes in the project area (tCO2e) ΔCBSLPAt	Estimated ex ante actual carbon stock changes in the project area at year (tCO2e) ΔCPSPAt	Estimated leakage Carbon stock Changes (tCO2e) ΔCLKt	Estimated net GHG emission reductions or removals (tCO2e) ΔREDDt
1	488.461	141.654	69.362	277.446
2	904.359	262.264	128.419	513.676
3	954.751	276.878	135.575	542.299
4	1.094.705	310.082	156.925	627.698
5	1.227.008	339.288	179.403	708.317
6	1.301.295	351.123	193.976	756.196
7	1.384.590	364.356	210.350	809.884
8	1.496.312	383.710	231.624	880.979
9	1.636.578	408.593	258.161	969.825
10	1.804.422	438.083	290.096	1.076.243

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.

FUNDAECO carried out a separate risk rating based on differing land tenure and conservation commitments. Risks are assigned at the property level with FUNDAECO properties being assigned to Risk Area A and non-FUNDAECO owned properties participating in the project in Risk Area B.

Out of the 54,157 hectares of the Project Area, the land area in Risk Area A totals 11.121 hectares, and the land area in Risk Area B totals 43.036 hectares.

Taking into account the requirements from the Non Permanence Risk Tool the risk assessment was provided for the two risk areas. The overall risk rating is 14% in both cases.

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 10 years and the whole crediting period, respectively, for each risk area.

Year	Estimated net GHG emission reductions or removals (tCO2e)	Ex ante Buffer Credits (tCO2e)	Ex ante VCUs Tradable (tCO2e)
1	277.446	48.553	228.893
2	513.676	89.893	423.783
3	542.299	94.902	447.396
4	627.698	109.847	517.851
5	708.317	124.281	584.036
6	756.196	133.024	623.172
7	809.884	142.833	667.051
8	880.979	155.764	725.214
9	969.825	171.918	797.907
10	1.076.243	191.288	884.956

	Estimated net GHG emission reductions or removals (tCO2e)		Ex ante Buffer Credits (tCO2e)		Ex ante VCUs Tradable (tCO2e)	
Year	Risk Area A	Risk Area B	Risk Area A	Risk Area B	Risk Area A	Risk Area B
1	56.973	220.473	9.970	38.583	47.003	181.890
2	105.482	408.194	18.459	71.434	87.023	336.760
3	111.360	430.939	19.488	75.414	91.872	355.525
4	128.896	498.802	22.557	87.290	106.339	411.512
5	145.451	562.866	25.521	98.760	119.930	464.106

6	155.283	600.913	27.316	105.708	127.967	495.205
7	166.308	643.577	29.330	113.502	136.977	530.074
8	180.907	700.072	31.986	123.779	148.921	576.294
9	199.151	770.674	35.303	136.615	163.848	634.059
10	221.004	855.240	39.280	152.007	181.723	703.232

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 audit team has reviewed the carbon accounting model.

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.

7.2 Climate Change Adaptation Benefits (GL1)

Not Applicable.

8 COMMUNITY

8.1 Net Positive Community Impacts (CM2)

In accordance with Section 6.1 of PDD, Theory of Change Analysis was applied to assess the impacts on each of the identified Community Groups resulting from project activities under the with-project scenario. Expected impacts determined, which included positive impact related to access to resources and economic opportunities and education positive impacts are listed in Section 6.1 of the PDD. (CM2.1)

On the other hand, PDD Section 6.1 describes that through a deep analysis exercise with the project team and a compilation of the main concerns expressed by the communities during the Free, Prior and Informed Consent process, the team of the project has identified some potential negative impacts. Mitigation measures are also identified. Due to the fact that the project has numerous positive impacts and is actively working to mitigate any potential negative impacts, the project is determined to have a net positive impact on communities. On the other hand, section 2.4.1 of PDD describes the measures applied to maintenance of the high conservation value attributes related with community (CM2.2).

Section 2.4.1 describes the measures to be applied to maintenance of the high conservation value attributes related with community. The primary measure taken to maintain HCVs is the reduction of deforestation within the sites identified as HCVs, through the voluntary integration of some of these

forests to the project area and the implementation of protection activities. By reducing deforestation and degradation, the project will avoid threats within these areas, and their environmental services and cultural uses can be guarantee. No negative impacts on High Conservation Values due to project activities are expected (CM2.4)

The audit team has assessed documentation provided and considered the assessment describe in the PDD as accurate. The net effect of the project on community is clearly positive (CM2.3).Document the evidence used to determine that the project satisfies CM1.1-2.

8.2 Negative Offsite Stakeholder impacts (CM3)

The project team has identified the project impact on other stakeholders, which include government institutions, municipalities, and other organized groups that are not communities, such as Committees of Farmers, Cattle Ranchers, among others. The expected impacts are mostly positive except for Cattle Ranchers, which may experience potential negative impacts as a result of the reduced availability of forest for the expansion of pasture. Without the ability to expand pasture areas by clearing forest, there is a potential negative impact on the incomes of cattle ranchers. However, FUNDAECO is mitigating these negative impacts by providing alternative livelihood options for landowners throughout the region (CM3.1).

Although the expected impacts are mostly positive, Cattle Ranchers may experience potential negative impacts as a result of the reduced availability of forest for the expansion of pasture. Without the ability to expand pasture areas by clearing forest, there is a potential negative impact on the incomes of cattle ranchers. However, FUNDAECO is mitigating these negative impacts by providing alternative livelihood options for landowners throughout the region (project activities include supporting and assisting agroforestry, supporting the access to forest incentives of the PINFOR, PINPEP, creating economic opportunities through Ecotourism and alternative products such as Xate, Rambutan, among others) (CM3.2).

The Project Team has identified the project impacts on other stakeholders (see section 6.2 of PDD). The expected impacts are predominantly positive and there are planned mitigation activities to avoid or reduce potential negative impacts. Thus, the net impact of the project activities on the wellbeing of other stakeholder identified in the project zone is positive (CM3.3).

The audit team has assessed documentation provided by the Project Proponent (PDD, Socioeconomic Survey, Agents and Drivers Assessment, etc) and the interviews conducted during the on-site visit and considers the assessment described in the PDD as accurate. Document the evidence used to determine that the project satisfies CM2.1-3.

8.3 Exceptional Community Benefits (GL2)

Not Applicable

9 BIODIVERSITY

9.1 Net Positive Biodiversity Impacts (B2)

Section 7.1 of the PDD provides an assessment of the project's net impacts on biodiversity. The demonstration of a net-positive biodiversity impact over the project lifetime has been done by comparing the biodiversity baseline scenario, with the project's current biodiversity conditions. The Theory of Change approach, proposed in Richards and Panfil (2011), was applied. This process helps to identify both positive and potential negative impacts of a project activity, enabling the project proponent to implement preventative measures to minimize risks, and to evaluate the effectiveness of each activity in achieving predicted biodiversity benefits over time. Clearly defined assumption has been considered (B2.1).

The project activities that will produce biodiversity impacts have been categorized into four different program areas, which focus on resource protection, empowerment and inclusiveness, education, and access to resources. Many of these project activities that are effectively maintaining and supporting biodiversity in the project area are bringing about climate and community benefits as well. The expected biodiversity impacts of each program area and its corresponding project activities are described in table 60 of PDD "Theory of change overview for biodiversity related project activities". The expected project net impact on biodiversity is clearly positive (B2.2).

Potential negative biodiversity impacts have been identified and would be associated with deforestation-related activities displacement to areas outside the project area. In addition, it can also come from the misuse of pesticides and fertilizers as well as ineffective waste management techniques. However, FUNDAECO has taken steps to mitigate all potential harmful impacts on biodiversity benefits as a direct and indirect result of project activities. Agroforestry project activities adhere to standard USAID protocols on the safe and judicious use and disposal of pesticides and fertilizers in addition to banning the use of GMO's and invasive species as part of project activities. The FUNDAECO's Plan of Good Agricultural Practices (Plan General de BPA 2016.docx) was provided to the audit team (B2.3.)

The project is dedicated to maintaining these biodiversity HCVs through numerous targeted project activities. Several HCV management areas have been identified (see Figure 12 of PDD) in order to focus HCV conservation efforts within the project area. The primary measure taken to maintain biodiversity HCVs is through the reduction of deforestation within the project area. As is discussed in PDD, biodiversity is highly correlated with forest cover, and many of the identified biodiversity HCVs consist of forested areas within the project area and project zone, including protected areas, migratory corridors, landscape level ecosystems, and threatened ecosystems. By reducing deforestation and degradation threats within these areas, both the ecosystems and the threatened species within those ecosystems will be protected and maintained. Furthermore, FUNDAECO is implementing forest protection measures through the deployment of forest patrols, the enrollment of landowners in PINFOR and PINPEP programs, conservation education initiatives, and agroforestry systems. These project activities and their direct biodiversity benefits are described in detail in Section 7 of PDD (B2.3 & B2.4).

Additionally, FUNDAECO is implementing specific measures to protect endangered amphibian species within the project area through the training of park guards in measures to prevent the spread of deadly amphibian fungal diseases. See Figure 12 for a map of amphibian protection zones. During the on-site

visit “Sierra Caral Forest and Water Reserve” was visited. Thus, the audit team was able to verify the reserve facilities, equipment, staff and measures implemented, to interview reserve staff, and to walk on a path of sighting of specimens (B2.4).

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

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

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

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

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

9.2 Negative Offsite Biodiversity Impacts (B3)

Section 7.2 of PDD provides the PP assessment of potential negative impacts on biodiversity outside the Project Zone. The potential displacement of hunting, mining, or deforestation and degradation activities has been assessed. As a result of the assessment PP concludes it is unlikely that kinds of activities would have negative offsite impacts as a result of project activities. (B3.1).

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

In that sense, potential unmitigated negative impact offsite would be minimal in comparison with the project's biodiversity benefits within the Project Zone (B3).

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

The net effect of the project on biodiversity is positive.

9.3 Exceptional Biodiversity Benefits (GL3)

Not Applicable.

10 MONITORING

10.1 Description of the Monitoring Plan (CL4, CM4 & B4)

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 VCS methodology. For the monitoring of carbon stock changes the requirements and parameter list as per methodology and associated tools were followed.

All activities performed for all strata will be recorded and relevant parameters quantified for verification that the applicability conditions of the methodology have been met, for verification of changes in carbon stocks in the selected pools and for verification of project emissions and leakage.

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 8 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 PP, as well as main processes, data management, quality assurance and quality control procedures that will be implemented in the context of the project.

Community Impact Monitoring (CM4):

PDD section 8.1.2.2 describes the community monitoring plan. Community impacts will be monitored according to the SOPs presented in Socioeconomic and Community Monitoring Procedure (*Procedimiento para el Monitoreo Socioeconomico y Comunitario.docx*) provided to the audit team. Community monitoring parameters and details, such as frequency, unit and data source, are included in section 8.3.2 of the PDD (CM 4.1).

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

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

Biological Impact Monitoring

Section 8.1.2.3 of the PDD described the biodiversity monitoring methods. The focus of biodiversity monitoring is on forest cover and habitat integrity, which will be done through the use of remote sensing techniques. However, Biological monitoring activities such as terrestrial and Marine biodiversity monitoring and deforestation monitoring are planned. The data and parameters monitored are in Section 8.3 of PDD (B4.1).

The design of the data and parameters monitored is such that the project will be able to quantify its impact on biodiversity on a regional and local level. Several indicators are related to the implementation of measures aimed to maintain biodiversity related HCV. In that sense, the monitoring plan described in the PDD will allow to monitor the impact of the measures taken to maintain or enhance all identified High Conservation Values related to biodiversity well-being (B4.2)

The PDD, including the Monitoring Plan, has been published at VCS and CCB website in English version. Also a PDD summary was published in CCB website and in FUNDAECO website. During the site visit the audit team was able to verify the project documents has been made accessible to local stakeholders. For

instance, advertisements given detail about the CCB public comments period and the links to access to the full documentation were found in the local office of FUNDAECO in Morales.

On the other hand and in accordance with the PDD, the results of the biodiversity monitoring will be made publically available, published on the internet and disseminated to the Forest Owners Assembly and communities inside the project area, as well as other stakeholders such as MARN and CONAP. Results of monitoring will be communicated in an appropriate language and format to the communities and stakeholders in the project zone.

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 8 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.

11 NON-PERMANENCE RISK ANALYSIS

FUNDAECO carried out two risk analysis based on land ownership.

FUNDAECO has elaborated VCS Non permanence Risk Report for the validation process according to the AFOLU Non Permanence Risk Tool v.3.3

Below, it is explained the assessment of the non-permanence risk rating determined by the project participant in the reports dated on March 23 2017 version 2.10 and issues raised to them in this regard.

RISK AREA A

Risk factor	**Risk Rating**	**Findings and mitigation activities**	**Corrective Actions/Clarifications**
Internal Risks			
Project Management: It is assessed using table 1 of the VCS AFOLU Risk Tool.	-4	a) Not applicable as it is not a forestation project. The project is a REDD project as checked with the design of the project. Risk rating=0 is justified. b) Not applicable as the project has not	No Corrective Actions Requests or Clarifications

		previously issued any GHG credit. Risk rating=0 is justified. c) In accordance with the evidence provided, management team includes individuals with significant experience in sustainable forestry and VCS projects. This was checked during site visit. Risk rating=0 is justified. d) Manager team maintains a presence in the country. The PP has people in the Izabal Region. This was checked during site visit. This, rating =0 is justified. e) For the project a multidisciplinary team with high experience in REDD projects is working such as Ecopartners. Then, it is well justified the rating=-2. f) Adaptive management plan in place. The project has an adaptive management plan for VCS and CCBS that will enable the Project implementation team supervising the real impact of the project over the climate, community and biodiversity. The potential risks are cover in the PDD. The monitoring progress is cover by the Monitoring Plan and Monitoring report. Then, rating = -2 is correct.	
Financial viability: It is assessed using table 2 of the VCS AFOLU Risk Tool.	3	a)-d).According to the project cash flow carried out by the PP, the breakeven point is reached between 7 and 10 years. Cash flow was provided to AENOR which can confirm this matter. Thus, the rating chosen=2 is correct. e)- h) The project has secured 40% to less than 80% of funding needed to cover the total cash out required before the project reaches breakeven. Thus, the rating chosen=1 is correct. i) No mitigation actions. Then, rating=0 is correct.	**CAR 7** **The applicable criterion from e)-h) is not consistent with evidence and explanations provided.** The criterion was corrected based on secured funding analysis provided and evidence.
Opportunity Cost: It is assessed using table 3 of the VCS AFOLU	0 (total may be less than	a)-f) In the case of the project the case c) is applied. NPV from the most profitable alternative land use activity is expected to be between 20% and up to	**CAR 7** **The negative score for this**

Risk Tool.	zero)	50% more than from project activities. NPV analysis was provided to AENOR, then rating 4 is correct. g) FUNDAECO is a NGO, then rating -2 is correct. h) Project is protected by legally binding commitment to continue management practices that protect the credited carbon stocks over the length of the project crediting period. Then rating -2 is correct. i) No mitigation measure, then rating 0 is correct.	**risk is acceptable, then, scoring is incorrect.** **The NPV calculation provided was incorrect without discount rate.** The scoring was corrected and NPV recalculated with an appropriate discount rate applied.
Project Longevity: It is assessed using table 4 of the VCS AFOLU Risk Tool.	15	a)-b) The project proponent has a legal agreement to continue the management practices for the whole project longevity, i.e, the 30 years. Then option b is applied.	No Corrective Actions Requests or Clarifications
Total internal Risk=14			
External Risks			
Land Tenure and resources access/impact: It shall be assessed using table 6 of the Risk Tool.	0 (total may not be less than zero)	a)-b) Option a is applicable in area A as all properties belong to FUNDAECO. Then rating 0 is correct. c)-d) There are not disputes, then rating 0 is correct. e) it is not applicable. f) Project area A is protected by the commitment of FUNDAECO as PP to continue management practices over 30 years. The document "ACTA NOTARIAL PUNTO DE ACTA REDD+.pdf" legally designates all FUNDAECO owned lands as part of the REDD+ project and stipulates that the management of these lands will be carried out in accordance with the REDD+ project goals and continued for a total of 60 years. Then rating -2 is correct. g) Not applicable. Then rating =0 is correct.	**CAR 7** **The concept of binding commitment shall be clarified since the criterion to assess the mitigation factor on Opportunity cost and Land Tenure is not consistent.** The concept was clarified and corrected to be consistent in both risks**.**
Community engagement: It shall be assessed using table 7 of the	-5	a) FUNDAECO has consulted with 2101 of the 2800 families living within the Grouped Project Area. This means that at least 75% of the families living within	No Corrective Actions Requests or Clarifications

Risk Tool.		the Project Area have been consulted as part of the FPIC process. This is described in more detail in the FPIC guidance document. Then rating=0 is correct. b) A mobility analysis of agents within the project area found that the longest distance willing to travel to collect timber, firewood, or clear an area for cultivation was 2.6 km. In order to conservatively estimate the number of households surveyed by FUNDAECO, all households within the project zone were considered for this analysis. Of those roughly 5,000 households within the project zone, FUNDAECO has consulted with 2101 of those households that may be dependent on the project area. This means that FUNDAECO has consulted with roughly 42% of the households that may be dependent on the project area within the surrounding region, which is well above the 20% threshold. Then rating=0 is correct. 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.	
Political Risks: It shall be assessed using table 8 of the Risk Tool.	2	a)-e) The governance score calculated using "World Bank Institute´s Worldwide Governance Indicators (WGI)",average for the last five years available is -0.61 Then, rating 4 is correct. AENOR verified the value and reliability of source. f) Mitigation: Country is implementing REDD+ Readiness or other activities as evidence provided demonstrated. Then, rating -2 is correct.	**CAR 7** **The political risk has not been calculated for the last 5 years.** This calculation has been corrected using the last five years available.
Total external risks=0 (negative score is not allowed)			

Natural Risks -

Fire Risk: It shall be assessed using table 10 of the Risk Tool.	LS*M=0	Significance (S) for this risk is "insignificant" and likelihood is "once every 100 years or more". Then LS=0. The project does not consider mitigation actions, then, risk is penalized with a M=1. Data from INAB and different studies and reports about fires in tropical rainforest confirm a very likelihood of this risk in the project area. Sources are presented in the PD.	No Corrective Actions Requests or Clarifications
Pest and disease outbreaks: It shall be assessed using table 10 of the Risk tool.	LS*M= 0	Significance and Likelihood (LS): For the present project a value of "insignificant" has been reported due to the project area is natural forest, then, naturally resilient to extensive pest outbreaks. Likewise, the project is a REDD project, then, commercial forest plantation are not allowed, then, there is not risk of diseases from these activities. The likelihood has been selected to be "every 50-100 years", then LS=0. Mitigation (M) measures are not claimed, then rating 1 is correct.	No Corrective Actions Requests or Clarifications
Extreme weather: It shall be assessed using table 10 of the Risk tool.	LS*M=0	Significance and Likelihood (LS). Significance is rated as "insignificant" The likelihood has been qualified as "not applicable". According to reports and sources consulted and presented in the PDD no events are reported or just one in the last 100 years. The project area suffer flooding or drought but damages are focused on agriculture and deforested areas. No Mitigation (M) measures were addressed in this point, then, rating one is correct.	CL 4 **Clarify if hurricanes were assessed in the risk assessment as no explanations were provided.** The CL was closed as information was included in the Reports.
Geological risks: It shall be assessed using table 10 of the Risk Tool.	LS*M=0	Significant and Likelihood (LS). According to the studies by the Coordination Centre for the prevention of Natural disasters in Central America (CEPREDENEC) and the United Nation Office to reduce risks from disasters (UNIDSR) the Izabal Region is not a significant risk for major earthquakes and the biomass and, likelihood is once 100 years, then LS=0 is correct. No Mitigation (M) measures were addressed, then, rating M=1 is correct.	No Corrective Actions Requests or Clarifications

Total Natural Risks=0
OVERALL RISK RATING: It shall be calculated according to table 11 of the Risk Tool. **OVERALL RISK RATING in area A=14+0+0=14.**

RISK AREA B

Risk factor	**Risk Rating**	**Findings and mitigation activities**	**Corrective Actions/Clarifications**
Internal Risks			
Project Management: It is assessed using table 1 of the VCS AFOLU Risk Tool.	-4	a) Not applicable as it is not a forestation project. The project is a REDD project as checked with the design of the project. Risk rating=0 is justified. b) Not applicable as the project has not previously issued any GHG credit. Risk rating=0 is justified. c) In accordance with the evidence provided, management team includes individuals with significant experience in sustainable forestry and VCS projects. This was checked during site visit. Risk rating=0 is justified. d) Manager team maintains a presence in the country. The PP has people in the Izabal Region. This was checked during site visit. This, rating =0 is justified. e) For the project a multidisciplinary team with high experience in REDD projects is working such as Ecopartners. Then, it is well justified the rating=-2. f) Adaptive management plan in place. The project has an adaptive management plan for VCS and CCBS that will enable the Project implementation team supervising the real impact of the project over the	See Risk Area A above

		climate, community and biodiversity. The potential risks are cover in the PDD. The monitoring progress is cover by the Monitoring Plan and Monitoring report. Then, rating = -2 is correct.	
Financial viability: It is assessed using table 2 of the VCS AFOLU Risk Tool.	3	a)-d).According to the project cash flow carried out by the PP, the breakeven point is reached between 7 and 10 years. Cash flow was provided to AENOR which can confirm this matter. Thus, the rating chosen=2 is correct. e)- h) The project has secured 40% to less than 80% of funding needed to cover the total cash out required before the project reaches breakeven. Thus, the rating chosen=1 is correct. i) No mitigation action. Then rating=-0 is correct.	See Risk Area A above
Opportunity Cost: It is assessed using table 3 of the VCS AFOLU Risk Tool.	0 (total may be less than zero)	a)-f) In the case of the project the case c) is applied. NPV from the most profitable alternative land use activity is expected to be between 20% and up to 50% more than from project activities. NPV analysis was provided to AENOR, then rating 4 is correct. g) FUNDAECO is a NGO, then rating -2 is correct. h) Project is protected by legally binding commitment to continue management practices that protect the credited carbon stocks over the length of the project crediting period. Then rating -2 is correct. i) No mitigation measure, then rating 0 is correct.	See Risk Area A above
Project Longevity: It is assessed using table 4 of the VCS AFOLU Risk Tool.	15	a)-b) The project proponent has a legal agreement to continue the management practices for the whole project longevity, i.e, the 30 years. Then option b is applied. The register provided to AENOR "ACTA NOTARIAL PUNTO DE ACTA REDD+.pdf" establishes that FUNDAECO commits to management the project over 60 years, i.e, beyond the project crediting period, but contracts with landowners other than FUNDAECO are establishes for the project lifetime, i.e, 30 years. Then, the crediting period of the project was selected considering	See Risk Area A above

		this milestone.	
Total internal Risk=14			
External Risks			
Land Tenure and resources access/impact: It shall be assessed using table 6 of the Risk Tool.	0 (total may not be less than zero)	a)-b) Option b is applicable in area B as all properties belong to other entities different to FUNDAECO, but rights are of FUNDAECO. Then rating 2 is correct. c)-d) There are not disputes, then rating 0 is correct. e) it is not applicable. f) Project area b is protected by contracts between FUNDAECO and the different landowners to continue management practices over 30 years. Then rating -2 is correct. g) Not applicable. Then rating =0 is correct.	See Risk Area A above
Community engagement: It shall be assessed using table 7 of the Risk Tool.	-5	a) FUNDAECO has consulted with 2101 of the 2800 families living within the Grouped Project Area. This means that at least 75% of the families living within the Project Area have been consulted as part of the FPIC process. This is described in more detail in the FPIC guidance document. Then rating=0 is correct. b) A mobility analysis of agents within the project area found that the longest distance willing to travel to collect timber, firewood, or clear an area for cultivation was 2.6 km. In order to conservatively estimate the number of households surveyed by FUNDAECO, all households within the project zone were considered for this analysis. Of those roughly 5,000 households within the project zone, FUNDAECO has consulted with 2101 of those households that may be dependent on the project area. This means that FUNDAECO has consulted with roughly 42% of the households that may be dependent on the project area within the surrounding region, which is well above the 20% threshold.	See Risk Area A above

		Then rating=0 is correct. 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.	
Political Risks: It shall be assessed using table 8 of the Risk Tool.	2	a)-e) The governance score calculated using "World Bank Institute´s Worldwide Governance Indicators (WGI)",average for the last five years available is -0.61 Then, rating 4 is correct. AENOR verified the value and reliability of source. f) Mitigation: Country is implementing REDD+ Readiness or other activities as evidence provided demonstrated. Then, rating -2 is correct.	See Risk Area A above
Total external risks=0 (negative score is not allowed)			

Natural Risks -			
Fire Risk: It shall be assessed using table 10 of the Risk Tool.	LS*M=0	Significance (S) for this risk is "insignificant" and likelihood is "once every 100 years or more". Then LS=0. The project does not consider mitigation actions, then, risk is penalized with a M=1. Data from INAB and different studies and reports about fires in tropical rainforest confirm a very likelihood of this risk in the project area. Sources are presented in the PD.	See Risk Area A above
Pest and disease outbreaks: It shall be assessed using table 10 of the Risk tool.	LS*M= 0	Significance and Likelihood (LS): For the present project a value of "insignificant" has been reported due to the project area is natural forest, then, naturally resilient to extensive pest outbreaks. Likewise, the project is a REDD project, then, commercial forest plantation are not allowed, then, there is not risk of diseases from these activities. The likelihood has been selected to be "every 50-100 years", then LS=0.	See Risk Area A above

		Mitigation (M) measures are not claimed, then rating 1 is correct.	
Extreme weather: It shall be assessed using table 10 of the Risk tool.	LS*M=0	Significance and Likelihood (LS). Significance is rated as "insignificant" The likelihood has been qualified as "not applicable". According to reports and sources consulted and presented in the PDD no events are reported or just one in the last 100 years. The project area suffer flooding or drought but damages are focused on agriculture and deforested areas. No Mitigation (M) measures were addressed in this point, then, rating one is correct.	See Risk Area A above
Geological risks: It shall be assessed using table 10 of the Risk Tool.	LS*M=0	Significant and Likelihood (LS). According to the studies by the Coordination Centre for the prevention of Natural disasters in Central America (CEPREDENEC) and the United Nation Office to reduce risks from disasters (UNIDSR) the Izabal Region is not a significant risk for major earthquakes and the biomass and, likelihood is once 100 years, then LS=0 is correct. No Mitigation (M) measures were addressed, then, rating M=1 is correct.	See Risk Area A above
Total Natural Risks=0			
OVERALL RISK RATING: It shall be calculated according to table 11 of the Risk Tool. **OVERALL RISK RATING in area B=14+0+0=14.**			

12 VALIDATION CONCLUSION

AENOR has verified that the project is in compliance with the Verified Carbon Standard version 3.6 and the AFOLU requirements v.3.5 without qualifications or limitations as well as the CCB Standards Third Edition. The project is located in Guatemala and covers an area of 54.157,68 hectares at validation stage.

The project participant FUNDAECO has the control over the whole project area and the rights of use, at validation.

AENOR has performed the validation of this REDD project in Guatemala 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 VT0001 Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities," Version 3.0 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 methodology VCS VM0015, version 1.1 was applied to determine the GHG net anthropogenic removals by sinks.

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 fulfillment 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.3.6 and AFOLU requirements v.3.5.

- 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 Verified Carbon Units after discounting the risk rating for the first baseline period, resulting in a value of 716.256 tn CO2 is most likely to be achieved within the 10 years of this first baseline period and positive community and biodiversity impacts.

GENERAL SECTION	**CONFORMANCE**	
G1. Project Goals, Design and Long-term Viability (Required)	YES _X_	NO __
G2. Without-project Land Use Scenario and Additionality (Required)	YES _X_	NO __
G3. Stakeholder Engagement (Required)	YES _X_	NO __
G4. Management Capacity (Required)	YES _X_	NO __
G5. Legal Status and Property Rights (Required)	YES _X_	NO __

CLIMATE SECTION

CL1. Without-Project Climate Scenario (Required)	YES _X_	NO __
CL2. Net Positive Climate Impacts (Required)	YES _X_	NO __
CL3. Offsite Climate Impacts ("Leakage") (Required)	YES _X_	NO __
CL4. Climate Impact Monitoring (Required)	YES _X_	NO __
GL1. Climate Change Adaptation Benefits (Optional)	YES __	NO _X_
COMMUNITY SECTION		
CM1. Without-Project Community Scenario (Required)	YES _X_	NO __
CM2. Net Positive Community Impacts (Required)	YES _X_	NO __
CM3. Other Stakeholder Impacts (Required)	YES _X_	NO __
CM4. Community Impact Monitoring (Required)	YES _X_	NO __
GL2. Exceptional Community Benefits (Optional)	YES __	NO _X_
BIODIVERSITY SECTION		
B1. Biodiversity Without–project Scenario (Required)	YES _X_	NO __
B2. Net Positive Biodiversity Impacts (Required)	YES _X_	NO __
B3. Offsite Biodiversity Impacts (Required)	YES _X_	NO __
B4. Biodiversity Impact Monitoring (Required)	YES _X_	NO __
GL3. Exceptional Biodiversity Benefits (Optional)	YES __	NO _X_

Date 29 March 2017

Lead auditor

José Luis Fuentes

APPENDIX 1: LIST OF EVIDENCE

1. Final version of the P.D
2. First version of the P.D.
3. Methodology VM0015 v 1.1
4. VCS Standard v.3.6
5. AFOLU requirement v.3.5
6. KML files and GIS information
7. Contract Transfers between FUNDAECO and participants.
8. Package of spreadsheet calculations
9. Free, Prior and Inform Consent (FPIC)
10. Laws and regulations in section 1.11 of the P.D
11. Implementation Plan
12. Technical annex to the PD.
13. Socieconomic Base. Althelia
14. FUNDAECO-Pronacom Letter
15. CNCG SM Drivers of deforestation
16. EG-PERSUAP Final October 2012

17. Factor Maps collection
18. Technical Memory and baseline methodology Sarstun Motagua
19. FUNDAECO-Segeplan Letter
20. Master Plans Collection
21. Seminar Memory “Agents and drivers” El Progreso, Morales, Puerto Barrios and Rio Hondo
22. Financial package
23. Comunication, CLIP Plan
24. TOC Activity Matrix
25. General Plan BPA
26. Hurricanes maps collection
27. Report “RESUMEN REGIONAL DEL IMPACTO DE LA DEPRESIÓN TROPICAL 12-E EN CENTROAMÉRICA. CUANTIFICACIÓN DE DAÑOS Y PÉRDIDAS SUFRIDOS POR LOS PAÍSES DE LA REGIÓN EN EL MES DE OCTUBRE DE 2011”
28. Convenio CARE
29. Document “Acta Notarial de Certificación de punto de Acta Acreditativa de FUNDAECO”.
30. Statistical report by INAB
31. Selvin Perez document
32. Accuracy Assessment Baseline Emissions in the R.R by Inga.Margarita Vides and

FUNDAECO

33. Guatemala ER-PIN 2014

34. Guatemala Final RPP 2012

35. Agents Mobility Assessment

36. Serpentarios Manual

37. MARN Statement about the Project.

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(SERIE PDM SEGEPLAN)

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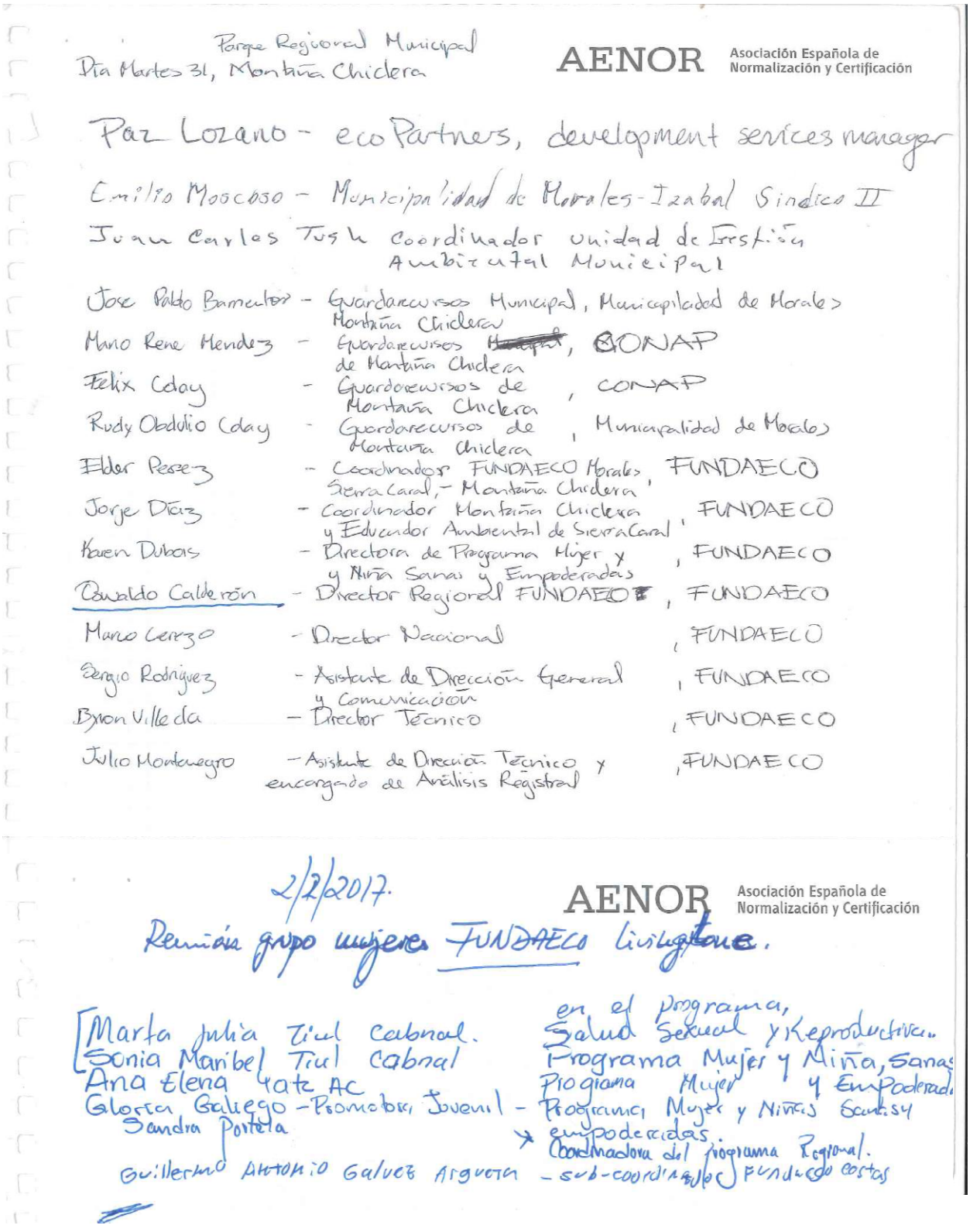
APPENDIX 2: LIST OF PEOPLE INTERVIEWED



Parque Regional Municipal
Dia Martes 31, Montaña Chiclera

AENOR Asociación Española de Normalización y Certificación

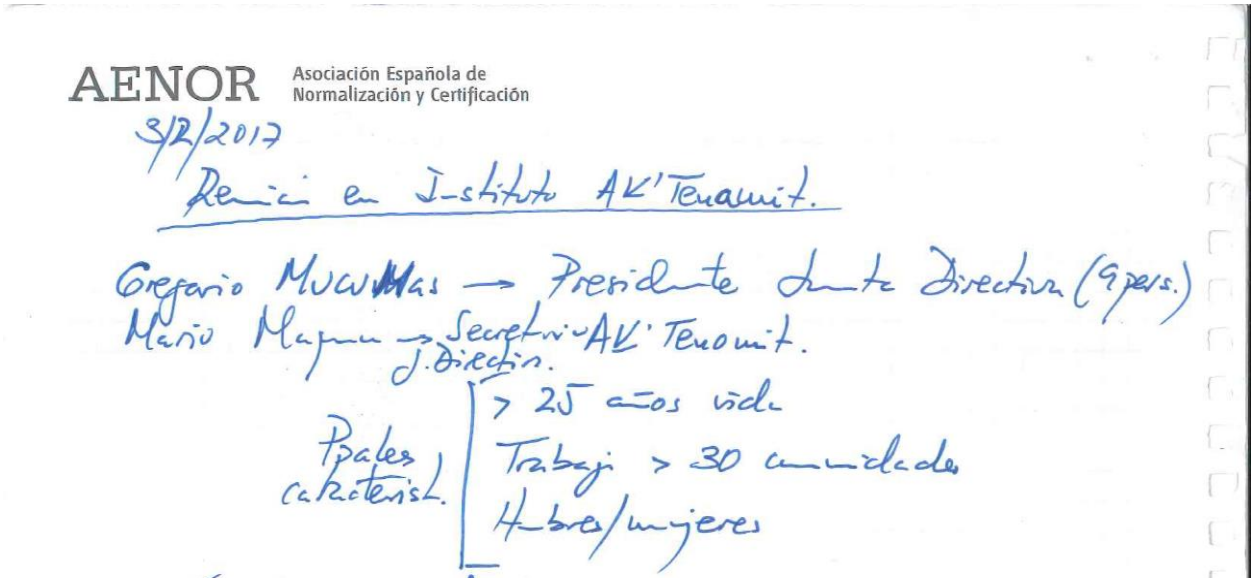
Paz Lozano - ecoPartners, development services manager
Emilio Moscoso - Municipalidad de Morales-Izabal Sindico II
Juan Carlos Tush Coordinador unidad de Gestión Ambiental Municipal
Jose Pablo Barrientos - Guardarecursos Municipal, Municipalidad de Morales
Mario Rene Mendez - Guardarecursos Montaña Chiclera, CONAP
Felix Coday - Guardarecursos de Montaña Chiclera, CONAP
Rudy Obdulio Coday - Guardarecursos de Montaña Chiclera, Municipalidad de Morales
Elder Perez - Coordinador FUNDAECO Morales, Sierra Caral, - Montaña Chiclera, FUNDAECO
Jorge Diaz - Coordinador Montaña Chiclera y Educador Ambiental de SierraCaral, FUNDAECO
Karen Dubon - Directora de Programa Mujer y y Niña Sanas y Empoderadas, FUNDAECO
Oswaldo Calderón - Director Regional FUNDAECO, FUNDAECO
Marco Cerezo - Director Nacional, FUNDAECO
Sergio Rodriguez - Asistente de Dirección General y Comunicación, FUNDAECO
Byron Villeda - Director Técnico, FUNDAECO
Julio Montenegro - Asistente de Dirección Técnico y encargado de Análisis Registral, FUNDAECO

2/2/2017.

AENOR Asociación Española de Normalización y Certificación

Reunión grupo mujeres FUNDAECO Livingston.

Marta Julia Tiul Cabnal. en el programa, Salud Sexual y Reproductiva.
Sonia Maribel Tiul Cabnal Programa Mujer y Niña, Sanas
Ana Elena Yate AC Progiama Mujer y Empoderadas
Gloria Gallego - Promotora Juvenil - Programa Mujer y Niñas Sanas y empoderadas.
Sandra Portela Coordinadora del Programa Regional.
Guillermo Antonio Galvez Argueta - sub-coordinador Fundación costas

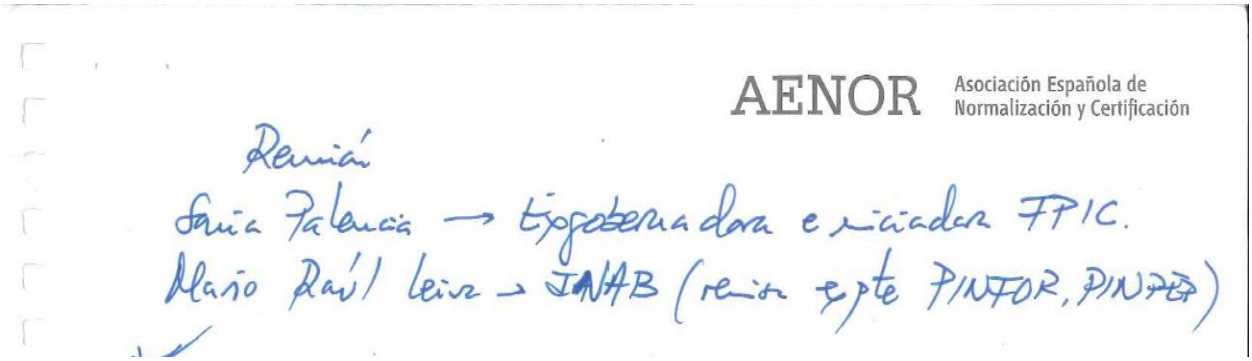

AENOR Asociación Española de Normalización y Certificación

3/2/2017

Reunión en Instituto AK'Tenamit.

Gregorio Mucu Mas → Presidente Junta Directiva (9 pers.)
Mario Mayen → Secretario AK'Tenamit. J. Directiva.

Ppales caracterist.
- > 25 años vida
- Trabaja > 30 comunidades
- Hombres/mujeres


AENOR Asociación Española de Normalización y Certificación

Reunión

Sonia Palencia → Exgobernadora e iniciadora FPIC.
Mario Raúl Leiva → INAB (reunión cpte PINFOR, PINPEP)

AENOR Asociación Española de Normalización y Certificación

Comunidad S. J. Banaza
S. Jose

- Paulino Mendez
- Juventino Mendez
- Gabriel Chacon
- Carlos Godinez
- Eli Quiñonez Perez

Isidoro De Jesus Garcia
Pedro Gutiérrez Gutiérrez
bernabé Mendez camacho.
Johana Elizabeth López pérez
Angelica Xol Ical
Natanael quiñonez Perez
Gonzalo chacon Perez
Mateo Ramírez.
Dalia. Bonilla → Fundaeco

Reunión → Asociación Amantes de la Tierra.

Cesar Pop → Asistente Tecnico
Misael → Cocoli
Carmen Che → Voluntario - equipo
Alfredo Coc Xt → Comunitario de 112 familias → que aportan 650 Ha. → Poseedores.
Catastro 101 Blue Creek
Comunidad La Guaira. De 13/09/2016 6
→ Traducción etnica quitche con asistente de Fundaeco.

Santiago Bá Coc → representante comunitario. El Cedro.
(Catastro 723) 330,54 Ha → 320 Ha 5 de 13/09/2016

Malta Pop Xol → poseedor individual 10/8/2016 de 5,16 Has 4 3,27 Ha
Catastro 0103

8/2/2017 **AENOR** Asociación Española de Normalización y Certificación

Reu. Río Dulce →

Carlos Humberto Ruano García – presidente comité de Agua Sahila
Predio 212 691,8 Ha. → Aldea Sahila

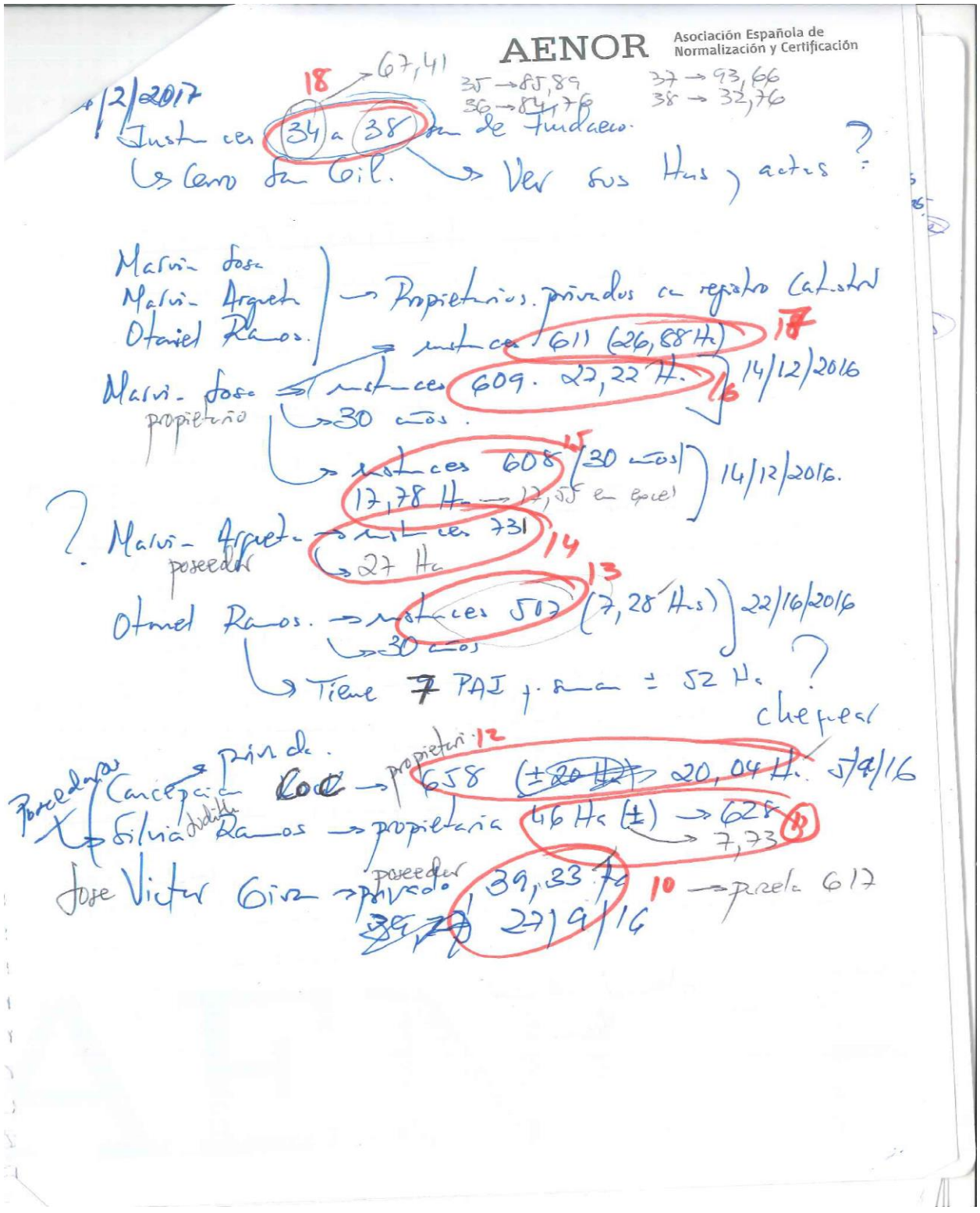
Rolando Andrade – Miembro COCODE y Comité Agua Sahila
Tesorero Comité Agua

Irma Alvarez – Miembro de COCODE

→ Miembros Comité del Agua (Comunidad Sahila)
650 Ha ± (15 caballerías)?

Reunión con Comunidad Sesaquipec → Propiedad.
184 Ha Totales Comunales. → Predio 148
Contrato 2016.

Cesario Bol Cajbon — Sesaquipec
Sebastian Bá Xol — Sesaquipec.
Candelaria Xol — Sesaquipec.
Ana Xol — Sesaquipec.
Marcos Maquin Mucú — Sepac.
Elias Pop Cucul — Setzol.


AENOR
Asociación Española de Normalización y Certificación

AENOR Asociación Española de Normalización y Certificación

Reunión Muni Pto Barrios, CONAP 1/2/2017.

Iva Cabrera → CONAP
Moises Ramirez → Munip. Pto Barrios.
Yorik Lima → Municip. Pto Barrios. (Concejal)
Oswald. Calderón → Director FUNDAECO Regional.
Karen Aguilar → Directora Desarrollo FUNDAECO.
12 Guardarecursos de muni Pto Barrios.

Reunión con. Comunidad San Pedro
↳ Asociación mujeres de Cerro San Gil.
↳ Hacen artesanía

Productor de pimienta.
Fco López ↳ → Asociación pimenteros.
- Capacitación agroforestal
- Proporcionar semillas
) Colaboración de Fundaeco.
- de inicio 2001.
- 6 Quetzales / plántula pimienta. se vende a Fundaeco la semilla para vender a otros.

Representante de Prop. privado. → finca 419 (168,19 Ha)
↳ Gran tamaño. ↳ 29/8/2016
César Miguel Alarcón
Propietario privado
Sta María. →
San Juan

APPENDIX 3: VALIDATION PROTOCOL

VCS VALIDATION PROTOCOL

PROJECT:

REDD+ PROJECT FOR CARIBBEAN GUATEMALA: THE CONSERVATION COAST

PROJECT PROPONENT:

FUNDAECO

Validation Type	
☒ VCS Validation of a Project Activity	
Validation Team: José Luis Fuentes Pérez: Chief Validator Manuel García Rosell: Validator	
Version of this Validation Protocol: 02	Date: 2017-03-29

CHECKLIST TOPIC / QUESTION	MoV/Ref.*	COMMENTS	Draft Conclusion	Final Conclusion
A. GENERAL DESCRIPTION OF PROJECT ACTIVITY				
A.1. Title of the project activity				
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 I	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 P.D details the revision number and date of revision. PD version 2.36 dated on 27 March 2017.	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
A.2. Description of the project activity				
A.2.1 Is the description delivering a transparent overview of the project activities?	DR	**CL 1** **Information about the inclusion of wetlands with peat areas in the project boundary is confused in some sections of the P.D. It shall be clarified its scope.** The PD was reviewed to be consistent and clear in this regard. Wetlands areas were excluded from the project boundary. A KMZ file on wetlands was provided and they were ruled out in the accounting model.	**CL 1**	**OK**
A.2.2 Is the sectoral scope and the project type clearly stated?	DR	Yes, the sectoral scope 14 "Agriculture, Forestry and Land Use" is clearly indicated in the VCS-PD. The project is REDD and grouped project.	OK	OK

A.2.3 Is the information required for the indication of project proponent correctly presented?	DR	The information about PPs is correct.	OK	OK
A.2.4 Are there other entities other than the project proponent involve in the project?	DR	Yes, there are other entities involved in the project, they are listed in P.D.	OK	OK
A.2.5 Is all information on proponent / Parties provided in consistency with details provided by further chapters of the VCS-PD?	DR	Yes, the information is consistent in the entire VCS-PD.	OK	OK
A.2.6 Are the project's starting date clearly defined and reasonable?	DR I	The start date is April 1 2012.	OK	OK
A.2.7 Is the assumed crediting time clearly defined and reasonable according to the VCS requirements?	DR I	**CAR 1** **Section 1.7 of the PD shall state the project crediting period showing day/month/year and the start and end of the period as required by VCS Standard.** This has been corrected, then closed. The crediting period runs from April 1 2012 to March 31 2042.	**CAR 1**	**OK**
A.2.8 What is the scale of the project? What are the estimated emissions annual GHG emission reductions or removals for the crediting period?.	DR	The project is scaled as project. The estimated average annual emission reductions over the crediting period are 728.161 tn CO2e.	OK	OK
A.2.9 Is the form required for the indication of projected emission reductions correctly applied?	DR	The form required is correctly applied.	OK	OK
A.2.10 Does the technical design of the project activity reflect current good practices? How much is applied technology is environmental safe?	DR I	The technical design of the project reflects good practices.	OK	OK

A.2.11 Does the information provided on the location of the project activity allow for a clear identification of the site(s)?	DR	The information provided on the location of the project activity allows for a clear identification of the site.	OK	OK
A.2.12 Describe the conditions prior to the project initiation. Demonstrate that the project has not been implemented to generate GHGs emissions for the purpose of their subsequent reduction, removal or destruction.	DR I	The PD describes the conditions prior to the project initiation. The project has not been implemented to generate GHGs emissions for the purpose of their subsequent reduction, removal or destruction.	OK	OK
A.2.13 Compliance with laws, statutes and other regulatory frameworks	DR I	The PD states that project fulfils with regulations in Guatemala. This issue was validated during site visit.	OK	OK
A.3. Ownership and other programs				
A.3.1 Right of use?	DR I	FUNDAECO has the right of use. **CAR 2** **An inconsistency is detected between the information provided in the PD and the information in contract transfer with landowners regarding the project commitment period. The PD states that contracts are signed for 20 years and renewable, however contracts checked by AENOR are signed by 30 years.** This matter was corrected. The information in PD was obsolete. All contracts are signed for 30 years as AENOR checked and confirmed with FUNDAECO on site.	**CAR 2**	**OK**
A.3.2 Will the generated ERs be used for compliance with an emissions trading program, or	DR	GHG removals generated by the project will not be used for compliance with binding limits to GHG emissions since such limits are not	OK	OK

to meet the binding limits on GHG emissions?		enforced in Guatemala, and there is no emissions trading program in place in the country.		
A.3.3 Is the project registered under any other GHG-program?	DR I	The FUNDAECO project does not participate in any other GHG program.	OK	OK
A.3.4 Does the project intends to generate any other form of GHG-related environmental credit? (e.g. renewable energy certificates)	DR	The FUNDAECO project will only generate credits from the storage of carbon in forest pools, and these are claimed only under the VCS program.	OK	OK
A.3.5 Has the proposed project been rejected by any other GHG program?	DR	The FUNDAECO project has never applied neither been rejected by other GHG program.	OK	OK
A.3.6 Additional information relevant to the project				
A.3.6.1 In case of grouped projects, are there clear eligibility criteria for potential new participants (VCS term: Project In-stances)?	DR	**CAR 3** **The project description shall set out in section 2.1.8 the eligibility criteria for the inclusion of new instances according to 3.4.1 of the VCS Standard. Moreover, conditions for the applicability of methodology shall include the assessment of bullets d) and e) of the methodology conditions.** This CAR is closed as PP included in more detail the eligibility conditions to be applied for new instances and clearly defined the assessment of all methodology criteria. **CL 2** **The meaning of the different "concepts" defined under the KMZ file (Project area, project area limit, grouped project area, g.p.a limit…..) shall be clarified. VCS Standard uses for grouped projects the**	**CAR 3** **CL 2**	**OK**

		geographic areas within which project activity instances may be developed and the project area of the project instances at validation. **Furthermore, figure 1 of the PDD is identified as the Grouped Project Area Limits however the KMZ file identifies it as project area limit.** This clarification has been closed. The areas used by the project to determine the boundaries are those defined in the VCS Standard for grouped projects and the applicable methodology. Moreover, the figure 1 was corrected.		
A.3.6.2 Is the leakage management properly described?	DR	P.D gathers this information which is also explained in other documents such as the methodological annex provided.	OK	OK
A.3.6.3 Has commercially sensitive information been excluded from the VCS-PD? Ex-plain to which items this information refers to.	DR	No sensitive information has been excluded from P.D	OK	OK
A.3.6.4 Is there any further information available regarding the project?	DR	The project is also searching the registration under CCB scheme and it is a grouped project.	OK	OK
B. BASELINE AND MONITORING METHODOLOGY				
B.1. Title and reference of the approved baseline and monitoring methodology				
B.1.1. Are reference number, version number, and title of the approved baseline and monitoring methodology clearly indicated?	DR I	The project shall use the latest version of the VCS methodology VM0015 version 1.1. Methodology for avoided unplanned deforestation as well as the latest version of the document “AFOLU Requirements”.	OK	OK

		Used tools must be provided in the P.D.		
B.1.2. Is the applied version the most recent one and / or is this version still applicable?	DR	The version applied is the most recent one.	OK	OK
B.1.3 If the baseline and monitoring methodology, applied in the original VCS-PD, was withdrawn after the registration of the VCS project activity and replaced by a consolidated methodology: Is the latest approved version of the respective consolidated methodology used?	DR	N/A.	N/A	N/A
B.1.4 In the case the registered VER project activity does not meet the applicability criteria of the options provided in B.1.2. or B.1.3., due to their revision or due to the update of the baseline: Have the project participants either selected another applicable approved methodology or request, through the DOE, a deviation from an approved methodology for the purpose of renewal of the crediting period?	DR	N/A	N/A	N/A
B.1.5 Does the methodology refer to the tools with its latest approved versions?	DR	The PD details the methodology and associated tools	OK	OK
B.2. Applicability of the selected methodology to the project activity				
B.2.1. Is the applied methodology considered the most appropriate one?	DR	Yes, the applied methodology is the most appropriate to the project.	OK	OK
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”				

B.2.2. Are the applicability conditions of the methodology complied by the project?.	DR I	The applicability conditions are assessed in the PD in order to evaluate their assessment. This section was also strengthened during the validation process.	OK	OK
B.3. Description of the Project Boundary				
B.3.1 Are all the sources and gases included in the project boundary of the project activity (baseline scenario, project scenario and leakage) in accordance with the applied methodology?	DR	Sources and gases considered in the project boundary are correct and appropriately mentioned in the P.D.	OK	OK
B.3.2. Are the inclusion or exclusion of the sources of gases correctly justified?	DR	Technical annex includes in section 1.4 a justification of gases included or excluded in the project.	OK	OK
B.3.3. Do the spatial and technological boundaries as verified on-site comply with the discussion provided by the VCS-PD?	DR	**CL 3** **Further information shall be provided to define the spatial boundary for the project area, leakage belt and leakage management areas.** This clarification is closed. Further information was included in the PD in this regard. The boundaries of these areas are related due to the project is grouped. The project area for the first instances is 54.167,68 has and to define the L.B a leakage size factor	**CL 3**	**OK**

		was used by the PP to determine the activity data. KMZ files were provided.		
B.4. Description of the baseline scenario identification				
B.4.1. Is the baseline scenario clearly described?	DR	The baseline scenario has been determined following the steps of the applicable methodology. The P.D and with more detail, the methodological annex show the process to determine it. As most relevant event in the baseline determination, the reference region was divided in three strata based on agents, drivers and the causes of deforestation. To estimate the deforestation rate, the approach b) of the methodology was used for the project area strata and the approach a) for the others two. Deforestation risk maps have been created and provided to AENOR using different "factor maps" for every strata and the "Figure of Merit" was used for the model prediction in a statistical manner.	OK	OK
B.4.2. Have there been other alternative scenarios considered? Is it justified the selected scenario as the most likely one?	DR	Other alternatives were selected and the most likely selected scenario was justified.	OK	OK
B.4.3. Does the VCS-PD follow the steps to determine the baseline scenario required by the methodology?	DR	The baseline scenario has been determined following the steps of the applicable methodology.	OK	OK
B.4.4. Has the baseline scenario been determined using conservative assumptions where possible?	DR	Appropriate assumptions were used to determine the baseline scenario.	OK	OK

B.4.5 If alternatives are excluded: a.- Is sufficient evidence/ justification provided to support every exclusion of alternatives? Is it reasonable? b.- Is it shown that at least one credible and feasible alternative does not face a barrier? Is this reasonable?	DR	The analysis of alternatives is well explained in the PD and technical annex. Reasonable justifications are provided and the scenario classified as current situation does not face any barrier.	OK	N/A
B.4.7 Is the baseline scenario determination compatible with the available data and are all literature and sources clearly referenced?	DR	Baseline scenario identified is compatible with information in P.D and evidence provided.	OK	N/A
B.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.5.1 Is the project additionality assessed according to the applicable methodology? Detail the Tool used to demonstrate the Additionality of the project activity.	DR	To determine the additionality the tool VT0001 Tool for the Demonstration and Assessment of the Additionality in VCS AFOLU projects v.3 was used. This is correct according to the applicable methodology.	OK	OK
B.5.2 Are alternative scenarios defined that provide outputs or services comparable with the proposed VER project activity?	DR	Alternative scenarios have been identified as per applicable tool.	N/A	N/A
B.5.3 Can be the list of alternatives considered to be complete, why? 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
B.5.4 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	DR	Not applicable.	N/A	N/A

combinations been considered as project scenario?				
B.5.5 Describe why the alternative scenarios are credible and realistic (technology, practices, services, status of implementation)?	DR	Three scenarios were identified in the P.D. The implemented project without being registered, the current situation which is the increasing of deforestation in the project area and a scenario similar to the proposed project but resulting from legal requirements or activities observed.	OK	N/A
B.5.6 Do the alternative scenarios comply with mandatory laws and regulations?	DR	Yes, the three alternatives fulfils with the laws except some activities of scenario 1.	OK	OK
B.5.7 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 or reference region?	DR	Yes, AENOR could verify during the site visit the systematic lack of enforcement of laws in the region.	OK	OK
B.5.8 In case of applying step 2 / investment analysis of the additionality tool: Is the analysis method identified appropriately?	DR	The additionality of the project has been determined by barrier analysis.	OK	OK
B.5.9 In case of Option I (simple cost analysis): Is it demonstrated that the activity produces no economic benefits other than VERs income? a. Are the assumptions for all alternatives compared consistent (including discount rates if applicable)?	DR I	N/A	OK	OK

B.5.10 In case of Option II (investment comparison analysis): Is the most suitable financial indicator clearly identified (IRR, NPV, cost benefit ratio, or (levelized) unit cost)? a. Are the assumptions for all alternatives compared consistent (including discount rates if applicable)?	DR	N/A	OK	N/A
B.5.11 In case of Option III (benchmark analysis): Is the most suitable financial indicator clearly identified (IRR, NPV, cost benefit ratio, or (levelized) unit cost)? a. If an IRR indicator is used, is the choice of benchmark appropriate to the type of IRR calculated? b. Is the choice of benchmark or discount rate justified with supporting evidence for its appropriateness?	DR	N/A	N/A	N/A
B.5.12 How is it demonstrated that the financial/economic analysis (benchmark) represents standard returns in the market, 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)?	DR	N/A	OK	N/A
B.5.13 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	DR	N/A	OK	N/A

and Option III)?				
B.5.14 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	OK	N/A
B.5.15 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	OK	N/A
B.5.16 Are all assumptions and input data clearly presented, documented, evidenced and consistent with the rest of the VCS-PD?	DR	N/A	OK	N/A
B.5.17 Does the sensitivity analysis show that the conclusion of financial/economical attractiveness is robust to reasonable variations in the critical assumptions?	DR	N/A	OK	N/A
B.5.18 How is demonstrated that this variations have been adequately taken (range is adequate)?	DR	N/A	OK	N/A
B.5.19 In case of applying step 3 (barrier analysis) of the additionality tool: Is a complete list of barriers developed that prevent the implementation of the proposed project and the different alternatives to occur?	DR	**CAR 4** **Information provided in the initial PD is incorrect to demonstrate the prevailing practice and common practice. Some projects already registered under VCS Standard have been considered in the assessment.**	**CAR 4**	OK

		This CAR is closed. The projects registered under carbon schemes were updated and removed from the assessment.		
B.5.20 Is transparent and documented evidence provided on the existence and significance of these barriers?	DR	Yes, barriers were identified and explanations provided in the PD and checked during site visit by means of interviews with the main stakeholders.	OK	N/A
B.5.21 Is it transparently shown that the execution of at least one of the alternatives is not prevented by the identified barriers?	DR	The current situation is not prevented by identified barriers.	OK	N/A
B.5.22 How is confirmed that the VER does alleviate the barriers presented?	DR	The VCUs alleviate the barriers and help to overcome them.	OK	N/A
B.5.23 Has common practice analysis been undertaken?	DR I	By analyzing the common practice, it is demonstrated that the REDD project is not the business as usual. The other similar activities are projects registered under Carbon Standards.	OK	OK
B.5.24 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	There are no other similar activities in the country except the carbon projects.	OK	OK
B.5.25 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	No similar activities are occurring in the country except other carbon projects.	OK	OK

B.5.26 Overall, is the proposed VCS project activity considered common practice?	DR	No, the proposed project is not common practice.	OK	OK
B.5.27 Is it demonstrated/justified that the project activity is not a likely baseline scenario?	DR	It is demonstrated that the project is not the baseline scenario.	OK	OK
B.6. Emissions reductions				
B.6.1. Explanation of methodological choices				
B.6.1.1. Is it explained how the procedures provided in the methodology are applied by the proposed project activity?	DR	The procedures to calculate the emission reductions are provided in the P.D and the methodological annex. They are in compliance with the applicable methodology.	OK	OK
B.6.1.2. Is every selection of options offered by the methodology correctly justified and is this justification in line with the situation verified on-site?	**DR**	Every selection of options offered by the methodology is correctly justified and this justification is in line with the situation verified on-site.	OK	OK
B.6.1.3. Are the formulae required for the determination of emissions reductions correctly presented and used? (*Open excel, trazability of data, etc*)	DR	**CAR 5** **The following issues were requested:** **The lower value of the C.I to the "Humid Forest" class with uncertainty higher than 10% is not applied to the calculations.** **The higher boundary of the C.I for final non forest classes in the project area, according to the paragraph f) of section 6.1.2.** **The data source of parameter BEF=0.5 shall be provided.** **The PD is not consistent regarding the consideration of planned timber logging**	**CAR 5**	**OK**

		activities within the project activities. This CAR is closed. All issues detected were provided and corrected. A new version of the calculations was provided with corrections applied. The final net GHG emission reductions requested for the crediting period changed from 27.268.810 tn CO2 to 21.844.843 tn C02. No planned timber logging activities are planned by the project and the BEF value applied is correctly justified.		
B.6.1.4 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.	OK	OK
B.6.2. Data and parameters that are available at validation				
B.6.2.1. 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	The list of parameters presented in VCS-PD is considered to be complete with regard to the requirements of the applied methodology. **CAR 6** **Tables used in the monitoring plan are not the official in templates.** The CAR is closed. PP updated table templates.	**CAR 6**	**OK**
B.6.2.2. Are all the data derived from official data sources or replicable records and have been correctly quoted?	DR	Yes, all the data is derived from official data sources or replicable records and is correctly quoted.	OK	OK
B.6.2.3. For parameter:	DR	For all parameters in the P.D the information provided is in line with the methodology, it is	OK	OK

a. Title in line with Methodology? 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?		correctly expressed and described, sources are referenced and correct values provided, verified and justified and measurement method described if applicable.		
B.6.2.4. Will the data and parameters result in a conservative estimate of emissions reductions?	DR	Data and parameters result in a conservative estimation of emission reduction as AENOR has checked.	OK	OK
B.6.3 Calculation of GHG Emission Reductions – Baseline Emissions *It is assessed whether the baseline emissions are stated according to the methodology and whether the argumentation for the choice of default factors and values – where applicable – is justified.*				
B.6.3.1 Are the calculations documented according to the approved methodology and in a complete and transparent manner?	DR	Due to some CARs and CLs calculations were updated and corrected. The PP uses for accounting the emission reduction the Visual Basic Program. AENOR checked and reproduced sample of data. AENOR considers that calculations are in compliance with methodology.	OK	OK
B.6.3.2. Have conservative assumptions been used when calculating the baseline emissions?	DR	Conservative assumptions were used in calculations.	OK	OK
B.6.3.3 Are uncertainties in the baseline emission estimates properly addressed?	DR	Uncertainties have been properly addressed.	OK	OK

B.6.3.4. Is additional background information on baseline data provided in Annex of the VCS-PD? Is this information consistent with data presented by other sections of the VCS-PD?	DR	No additional information is provided in annex of the P.D However, a methodological annex has been developed by PPs to develop in detail the steps of the methodology.	OK	OK
B.6.4 Calculation of GHG Emission Reductions – Project Emissions *It is assessed whether the project emissions are stated according to the methodology and whether the argumentation for the choice of default factors and values – where applicable – is justified.*				
B.6.4.1 Are the calculations documented according to the approved methodology and in a complete and transparent manner?	DR	Calculations have been documented in an appropriate way allowing its reproduction and traceability with the methodology and assumptions in the technical annex.	OK	OK
B.6.4.2. Have conservative assumptions been used when calculating the project emissions?	DR	Project emissions were calculated based on documented evidence provided.	OK	OK
B.6.4.3 Are uncertainties in the project emission estimates properly addressed?	DR	Uncertainties were appropriate estimated in the project emissions calculations.	OK	OK
B.6.5. Calculation of GHG Emission Reductions – Leakage *It is assessed whether leakage emissions are stated according to the methodology and whether the argumentation for the choice of default factors and values – where applicable – is justified.*				
B.6.5.1 Are the leakage calculations 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.	OK	OK
B.6.5.2. Have conservative assumptions been used when calculating the leakage emissions?	DR	Leakage has been assessed according to the documented evidence provided.	OK	OK

B.6.5.3. Are uncertainties in the leakage emission estimates properly addressed?	DR	Uncertainties were estimated appropriately in calculations.	OK	OK
B.6.6. Ex-ante calculation of emission reductions				
B.6.6.1. Are the GHG calculations documented in a complete and transparent manner? Are all the calculations correct?	DR	Once, all issues raised to the PP were corrected and clarified and new calculations and evidence provided, AENOR considers that GHG calculations are documented in a complete and transparent manner.	OK	OK
B.6.6.2. 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.	OK	OK
B.6.7.1. Will the project result in fewer GHG emissions than the baseline scenario?	DR	The project will result in higher emission reductions than the baseline scenario.	OK	OK
B.6.7.2. Are the emissions reductions projected in line with the envisioned time schedule for the project' implementation and the indicated crediting period?	DR	The emission reductions projected are in line with the envisioned time schedule for the project' implementation and the indicated crediting period.	OK	OK
B.7. Application of the monitoring methodology and description of the monitoring plan				
B.7.1. Description of the monitoring plan				
B.7.1.1 Is the monitoring plan documented according to the approved methodology and relevant tools and in a complete and transparent	DR	The monitoring plan is documented in an appropriate way in the P.D and methodological annex.	OK	OK

manner?				
B.7.1.2. Does the monitoring methodology provide a consistent approach in the context of all parameters to be monitored and further information provided in the VCS-PD?	DR	Information in P.D is complete regarding parameters to be monitored. Information is in compliance with the applicable methodology.	OK	OK
B.7.1.3. Does the monitoring plan provide a clear description of the organization structure involved in monitoring activities and their responsibilities?	DR	The monitoring plan provides a clear description of the organization structure involved in monitoring activities and their responsibilities	OK	OK
B.7.1.4. If applicable: Does VCS-PD provide useful information enabling a better understanding of the envisioned monitoring provisions?	DR	Information in the P.D is useful to a better understanding of the monitoring provisions	OK	OK
B.7.1.5. Is the registration, monitoring, measurement and reporting procedure defined?	DR	QC/QA procedures were detailed in the monitoring plan.	OK	OK
B.7.2 Compliance of the monitoring plan with the approved methodology				
B.7.2.1 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?	DR	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	OK	OK
B.7.2.2. 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?	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

B.7.2.3. For 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 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)?	DR	For each parameter to be monitored the information provided in the P.D is complete.	OK	OK
B.7.3 Implementation of the Monitoring Plan				
B.7.3.1 Do the means of monitoring of each of the parameters included in the plan complies with the requirements of the methodology?	DR	Means of monitoring of each parameter is in compliance with methodology.	OK	OK
B.7.3.2. Is the measurement equipment described and deemed appropriate?	DR	The measurement equipment are deemed appropriate.	OK	OK
B.7.3.3. Are procedures identified for maintenance of monitoring equipment and installations? Are provisions regarding the calibration intervals	DR	Procedures for maintenance of equipment are available when applicable.	OK	OK

included in the monitoring plan?				
B.7.3.5. Is the monitoring Plan sufficient to ensure the verification of a proper implementation of the monitoring plan?	DR	The monitoring plan is enough to ensure the verification of the implementation of the monitoring plan.	OK	OK
C. ENVIRONMENTAL IMPACTS				
C.1. Documentation on the analysis of the environmental impacts, including transboundary impacts				
C.1.1. Has the analysis of the environmental impacts of the project activity been sufficiently described in the VCS-PD?	DR	The environmental impacts have been described in the PD and supported documentation.	OK	OK
C.1.2. Are there any Host Party requirements for an Environmental Impact Assessment (EIA), and if yes, has an EIA been approved?	DR I	The project fulfils with the environmental rules of the host country.	OK	OK
C.1.3. 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 negative impacts were detected.	OK	OK
C.1.4. 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
C.1.4. Are transboundary environmental impacts identified in the analysis?	DR	No transboundary environmental impacts are identified in the analysis.	OK	OK
C.2. If environmental impacts are considered significant by the project participants or the host Party, please provide conclusions and all references to support documentation of an environmental impact assessment undertaken in accordance with the procedures as required by the host Party.				

C.2.1. Have the identified environmental impacts been addressed in the VCS-PD sufficiently?	DR	Yes, they have been sufficiently addressed.	OK	OK
D. STAKEHOLDERS' COMMENTS				
D.1. Brief description how comments by local stakeholders have been invited and compiled				
D.1.1. Have relevant local stakeholders been consulted? Is the exact date of the consultation process included in the VCS-PD?	DR I	Relevant local stakeholders were consulted. A complete report of the consultation process was provided (FPIC report).	OK	OK
D.1.2. Have appropriate media been used to invite comments by local stakeholders?	DR	Appropriate media were used to invite comments by local stakeholders.	OK	OK
D.1.3. If a stakeholder consultation process is required by regulations/laws in the host country, has the stakeholder consultation process been carried out in accordance with such regulations/laws?	DR	The consultation process was defined to comply with requirements of the VCS and CCB schemes but also the consultation process was carried out according to national regulations in these issues.	OK	OK
D.1.4. Is the undertaken stakeholder process that was carried out described in a complete and transparent manner?	DR	The process was carried out in a complete and transparent manner.	OK	OK
E.2. Summary of the comments received				
E.2.1. Is a summary of the stakeholder comments received provided?	DR	A complete report of the consultation process was provided. This report gathers comments received from stakeholders during the process.	OK	OK
E.3. Report on how due account was taken of any comments received				

E.3.1. Has due account been taken of any stakeholder comments received?	DR	The CLIP report details how the comments received from stakeholders were considered. The main issues were related the Entities managing the project, the benefits for local communities and how the benefits would be managed and activities allowed under the project.	OK	OK
E.4. Non-permanence risk				
Has a non permanence risk report been prepared using the VCS Non permanence risk report template?	DR	The correct version of the non permanence risk report template (short form) has been used. Likewise, the version of the risk calculation tool template is also correct.	OK	OK
Has the risk analysis been carried out in accordance with the VCS document AFOLU Non permanence risk tool?	DR	**CAR 7** **The evidence and explanations provided for the Financial viability criterion, bullets e)-h) are not consistent with values assigned.** The criterion was corrected based on secured funding analysis provided and evidence. **The negative score for the opportunity cost criterion is acceptable, then, scoring is incorrect.** The O.C assessment was updated and corrected. **The NPV calculation provided was incorrect without discount rate.** The scoring was corrected and NPV recalculated with an appropriate discount rate applied.	**CAR 7** **CL 4**	**OK**

		The concept of binding commitment shall be clarified since the criterion to assess the mitigation factor on Opportunity cost and Land Tenure is not consistent. The concept was clarified and corrected to be consistent in both risks. **The political risk has not been calculated for the last 5 years available.** This calculation has been corrected using the last five years available. **CL 4** **Clarify if hurricanes were assessed in the risk assessment as no explanations were provided.** The CL was closed as information was included in the Reports.		
Has buffer credits taken into account based on the non permanence risk report?	DR	Yes, the buffer credits were correctly estimated once CARs were resolved.	OK	OK

*MoV/Ref: Means of Validation and references of background documents. DR: Desk Review; I: Interview

CCB VERIFICATION FINDINGS

G1. Project Goals, Design and Long-term Viability

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

Indicator G1.2 – Define the project's climate, community and biodiversity objectives.	This initiative have identified the following climate, community and biodiversity objectives: **Climate Objectives:** • Reduce CO2 emissions that result from the conversion of intact forest to agricultural and pastoral land. **Community Objectives:** • Empower marginalized and vulnerable communities through the legalization of land, promotion of reproductive rights and participation in resource management. • Improve quality of life in the project zone by creating access to new markets, promoting sustainable production and improving public health and education opportunities. • Promote landowner and community self-sufficiency in the project zone through diversified economies and sustainable land uses. • Preserve awareness and respect for traditional, cultural, spiritual and religious identities of

	communities within the project area. **Biodiversity Objectives** • Maintain habitat for viable, abundant and diverse natural populations. • Reduce threats to rare, threatened and endangered species. • Maintain the function of the natural ecosystems. • Support local and global knowledge of biodiversity in the project zone.
Evidence used to assess conformance	PDD and Project Implementation Plan.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G1.3 – Provide the location (country, sub-national jurisdictions(s)) and a brief overview of the basic physical and social parameters of the project.	The REDD+ Project for Caribbean Guatemala is located along the Caribbean coast of Guatemala, in the department of Izabal. Section 1.2.3 of the PDD describes the basic physical parameters, such as soils, topography and climate. Furthermore, in section 1.3 of the PDD, it is described conditions prior to project initiation, which includes communities, land use, biodiversity, vegetation and forest type and condition and presence of High Conservation Values. This information was verified during the on-site visit.
Evidence used to assess conformance	PDD, Project Implementation Plan, Master Plans of Cerro San Gil Protected Spring Reserve, Río Dulce National Park, Montaña Chiclera Regional Park, Punta de Manabique Wildlife Refuge; Sarstun River Multiple Uses Zone, Socioeconomic Survey, Project Maps, KML files, GIS files and Site Visit.
Finding	This indicator has been correctly addressed, then, no findings were raised.

Indicator G1.4 - Define the boundaries of the Project Area	Section 1.2.4 of the PDD described the method applied to delimit the Project Zone and figure 6 shows its

where project activities aim to generate net climate benefits and the Project Zone where project activities are implemented.	boundaries. Project Zone has been delimited in accordance with the CCB standards third edition and considerations for grouped (programmatic projects). The Grouped Project Area is defined as forest area found at the project start date within the Grouped Project Area Limits (see Section 1.2.2) that has been forested for at least 10-years. The Project Area is defined as forested parcels within the Grouped Project Area where the project proponent has demonstrated clear project ownership. Figure 9 show the location of the Project Area.
Evidence used to assess conformance	PDD, Project Implementation Plan, Project Maps, KML files, GIS files and Site Visit.
Finding	This indicator has been correctly addressed, then, no findings were raised.

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

Indicator G1.6 – List all Communities, Community Groups and Other Stakeholders identified using the process explained in G 1.5.	The identified stakeholders have been list in section 2.7 of PDD.
Evidence used to assess conformance	PDD, Informe de Proceso de Consulta Previa, Libre e Informada-CPLI (FPIC Report), record of meetings and interviews during the site visit.
Finding	This indicator has been correctly addressed, then, no findings were raised.

Indicator G1.7 – Provide a map identifying the location of Communities and the boundaries of the Project Area(s), of the Project Zone, including any High Conservation Value areas (identified in CM1 and B1), and of additional areas that are predicted to be impacted by project activities identified in CL3, CM3 and B3.	Maps identifying the Project Area, Grouped Project Area, Project Zone, HCVs and predicted areas to be impacted by the project activities have been included in the PDD. Specific maps of community and biodiversity HCVs management areas have been included. However, communities have not been identified in any map included in the PDD.
Evidence used to assess conformance	PDD, Project Maps, KML files and site visit.
Finding	**CAR 8: Location of Communities in the Project Area and Project Zone shall be identified in a PDD map.** PP Response: A map of communities has been included in section 1.3.6 of the PDD. Audit Team Conclusion: Final version of PDD has included correctly a map of location of communities in the Project Area and Project Zone. **CAR 8 is closed.**

Indicator G1.8 – Briefly describe each project activity and the	Section 2.2 of the PDD provides a brief description of each project activity and expected outputs, outcomes

expected outputs, outcomes and impacts of the activities identifying the causal relationships that explain how the activities will achieve the project's predicted climate, community and biodiversity benefits.	and impacts and identifying the causal relationships that explain how the activities will achieve the project's predicted climate, community and biodiversity benefits. The REDD+ Project for the Caribbean Guatemala includes a series of actions that altogether will allow the reduction of deforestation. In order to mitigate these factors and achieve solutions, the REDD+ Project has planned the following strategies: • Supporting and Assisting Agroforestry. • Fostering Forest value. • Education of girls and young women, and improving the training opportunities. • Raising awareness on sustainable management of natural resources and the biodiversity values of the Caribbean Guatemala. • Raising forest value and creating economic opportunities through Ecotourism. • Law enforcement: Two main strategies and Control and Surveillance. • Litigation and Environmental Defence. • Land legalization. • Social and biological monitoring:
Evidence used to assess conformance	PDD and Implementation Plan.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G1.9 – Define the project start date and lifetime, and GHG accounting period and biodiversity and community benefits assessment period if relevant, and explain and justify any differences between them. Define an implementation schedule, indicating key dates and milestones in the	The project start date is April 1, 2012. The project crediting period is 30 years, starting 1 April 2012 and ending 31 March 2042. The project lifetime as well as the crediting period is 30-years. In accordance with the section 1.7.1 of the PDD, a detailed chronological plan is presented in the

project's development.	implementation plan (Plan de Implementación REDD V6.docx). However, the implementation plan has not been provided.
Evidence used to assess conformance	PDD, implementation plan and interviews during the site visit.
Finding	**CL 5: The document "Plan de Implementación REDD V6.docx" shall be provided.** PP Response: The implementation plan ("Plan de Implementación REDD V6.docx") has been provided to the audit team. **Audit team conclusion:** A detailed chronological plan is presented in the implementation plan. **CL 5 is closed.**

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

Indicator G1.11 – Describe the measures needed and taken to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime.	The project lifetime is 30 years; however, the project is designed to create benefits and impacts that are expected to last far beyond this time frame. For instance, through activities to support land titling FUNDAECO is ensuring community rights and also access to projects, funding, and stability for benefited communities. Furthermore, technical assistance for productive alternatives and access to education will

	contribute to maintain project benefits. It is expected all these joint interventions to generate impacts at the local development dynamics and patterns in the project zone, beyond project lifetime.
Evidence used to assess conformance	PDD, Implementation Plan and
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

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

Indicator G1.13 – Specify the Project Area(s) and Communities that may be included under the programmatic approach, and identify any new Project Area(s) and Communities that have been included in the project since the last validation or verification against the CCB Standards.	Figure 7 of PDD shows the potential areas that would be covered for the Grouped Project. However, communities were not identified in any map included in the PDD v 01.
Evidence used to assess	PDD, Project Maps, KML files and site visit.

conformance	
Finding	A map identifying the location of Communities in the Project Area and Project Zone has been included in section 1.3.6 of the PD final version. This indicator has been correctly addressed in the PDD final version.

Indicator G1.14 – Specify the eligibility criteria and process for project expansion under the programmatic approach and demonstrate that these have been met for any new Project Areas and Communities that have been included in the project since the last validation or verification against the CCB Standards.	Section1.3.1 describes the eligibility criteria: The project activities have been designed as part of the REDD+ project with the intention of reducing CO2 emissions from deforestation compared to baseline levels. As required by VM015, the land in the project area is forested, meeting the definition of forest as defined by the Government of Guatemala. These areas were forests for a minimum of 10 years before the project start date as evidenced by historical LULC analysis. Additionally, as required by VM0015 peat soils with organic matter content above 65% were removed from the project area.
Evidence used to assess conformance	PDD, Project Maps, KML files and VCS "Methodology for avoided unplanned deforestation"-VM0015, version 1.1
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

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

Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

G2. Without-project Land Use Scenario and Additionality

Indicator G.2.1 - Describe the most likely land-use scenario within the Project Zone in the absence of the project, describing the range of potential land-use scenarios and the associated drivers of land use changes and justifying why the land-use scenario selected is most likely. It is allowable for different locations within the Project Zone to have different without-project land use scenarios.	The project has used the VCS Tool for the In order to identified the most likely land use scenario the project proponent has used the VCS tool Demonstration of Additionality in VCS AFOLU Project Activities (VT0001) version 3.0. Continuation of pre-project land use was determined as the most likely land use scenario, that is unplanned expansion of small-scale commercial agriculture, subsistence agriculture, and cattle grazing – As stated above, the Ladino and Q'etchi communities are relocating from fluvial valleys to protected areas due to heavy investment for large-scale commercial production of timber species, palm oil, and cattle-grazing. The remaining forested areas and protected areas of the region are located in the region's mountains that are generally above 300m in altitude with steep slopes and are unattractive for agro-industrial cultivation. As a result, agents of deforestation are typically small-scale farmers growing annual or permanent crops and farming livestock. This land use results in deforestation (unplanned).
Evidence used to assess conformance	PDD, VCS tool Demonstration of Additionality in VCS AFOLU Project Activities (VT0001) version 3.0, Budget and Cashflow-xlsx, NPV Analysis.xlsx, Agents and Drivers Assessment and Socioeconomic Survey.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.2.2 - Document that project benefits including climate, community and biodiversity benefits would not have occurred in the absence of the project, explaining how existing laws, regulations and governance arrangements, or lack of laws and regulations and their enforcement, would likely affect	Section 2.5 of the PDD describes the project baseline scenario and how existing condition affect land use. In addition, section 2.6 of PDD demonstrates the project additionality and justify that the benefits being claimed by the project are truly 'additional' and would not have occurred without the project.

land use and justifying that the benefits being claimed by the project are truly 'additional' and would not have occurred without the project. Identify any distinct climate, community and biodiversity benefits intended for use as offsets and specify how additionality is established for each of these benefits.	
Evidence used to assess conformance	PDD, VCS tool Demonstration of Additionality in VCS AFOLU Project Activities (VT0001) version 3.0, Budget and Cashflow-xlsx, NPV Analysis.xlsx, Agents and Drivers Assessment and Socioeconomic Survey.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

G3. Stakeholder Engagement

Indicator G.3.1.- Describe how full project documentation has been made accessible to Communities and Other Stakeholders, how summary project documentation (including how to access full documentation) has been actively disseminated to Communities in relevant local or regional languages, and how widely publicized information meetings have been held with Communities and Other Stakeholders.	Section 2.7 of the PDD described how the project participant communicated to the local communites and other stakeholder the process for validation. In that sense, the PDD in English as well as the summary in Spanish has been published at CCB website. At the same time, it was verified the Project Summary in Spanish version has been published in FUNDAECO website (http://www.FUNDAECO.org.gt/documentos/Resumen-Proyecto-REDD-Guatemala.html) Furthermore, it was verify the project documents have been made accessible to stakeholders in FUNDAECO offices located in the project zone. For instance, advertisements given information regarding the CCB public comments period as well as the links to access to the full documentation were found in the local office of FUNDAECO in Morales. In accordance with the PDD, FUNDAECO will organize socialization activities with associations and community groups, in order to ensure understanding and obtain comments. When needed a Q'eqchi' translator will participate to guarantee comprehension of Q'eqchi' communities. During the site visit the audit team was able to verify the interaction with Q'eqchi' speakers.

	Local language has been used in that meetings supported by a Q'eqchi' translator.
Evidence used to assess conformance	PDD, FUNDAECO Web Site, records of meetings, advertisements and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.3.2.- Explain how relevant and adequate information about potential costs, risks and benefits to Communities has been provided to them in a form they understand and in a timely manner prior to any decision they may be asked to make with respect to participation in the project.	The Free Prior and Informed Consent process was implemented by FUNDAECO with the identified stakeholders. The information presented and discussed during the FPIC process explained: the fundamental knowledge about Climate Change and the environmental services of the forest; the deforestation rates of the Caribbean Guatemala; the concepts and elements related to REDD+, and the objectives, strategies and benefits of the REDD+ Project. The strategy followed during the implementation of the FPIC process (detailed in document "Informe de Proceso FPIC") looked to cover all the coordination and organization levels within the project region.
Evidence used to assess conformance	PDD, FPIC Process Report and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.3.3.- Describe the measures taken, and communications methods used, to explain to Communities and Other Stakeholders the process for validation and/or verification against the CCB Standards by an independent Auditor, providing them with timely information about the Auditor's site visit before the site visit occurs and facilitating direct and independent communication between them or their representatives and the Auditor.	Section 2.7.4 of the PDD describes how the project participant communicated to the Communities and Other Stakeholder the process for validation is complying with this indicator. The PDD in English as well as the summary in Spanish has been published at CCB website. At the same time, it was verified the Project Summary in Spanish version has been published in FUNDAECO web site (http://www.FUNDAECO.org.gt/documentos/Resumen-Proyecto-REDD-Guatemala.html) Furthermore, in accordance with the PDD, FUNDAECO will organize socialization activities with associations and community groups, in order to ensure

	understanding and obtain comments. When needed a Q'eqchi' translator will participate to guarantee comprehension of Q'eqchi' communities. During the site visit the audit team was able to verify the interaction with different stakeholders. Local language has been used in some meetings supported by an Q'eqchi' translator Furthermore, it was verify the project documents have been made accessible to stakeholders in FUNDAECO offices located in the project zone. For instance, advertisements given information regarding the CCB public comments period as well as the links to access to the full documentation were found in the local office of FUNDAECO in Morales..
Evidence used to assess conformance	PDD, FUNDAECO Web Site, advertisements, interviews with local stakeholders.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.3.4.- Describe how Communities including all the Community Groups and Other Stakeholders have influenced project design and implementation through Effective Consultation, particularly with a view to optimizing Community and Other Stakeholder benefits, respecting local customs, values and institutions and maintaining high conservation values. Project proponents must document consultations and indicate if and how the project design and implementation has been revised based on such input. A plan must be developed and implemented to continue communication and consultation between the project proponents and Communities, including all the Community Groups, and Other Stakeholders about the project and its impacts to facilitate adaptive management throughout the life of	The Free Prior and Informed Consent process was implemented by FUNDAECO with the identified stakeholders. The strategy followed during the implementation of the FPIC process (detailed in document "Informe de Proceso FPIC") looked to cover all the coordination and organization levels within the project region.

the project.	
Evidence used to assess conformance	PDD, PDD, FPIC Process Report and interviews during the site visit, Site visit, interviews with local stakeholders.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

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

Indicator G.3.6.- Describe the measures needed and taken to enable effective participation, as appropriate, of all Communities, including all the Community Groups, that want and need to be involved in project design, implementation, monitoring and evaluation throughout the project lifetime, and describe how they have been implemented in a culturally appropriate and gender sensitive manner.	Section 2.7.1 of the PDD described the measures identified and taken to enable local communities' participation as follows: FUNDAECO has designed, promoted and supported different mechanisms and structures that ensure the active participation of all stakeholders in consultation, decision making, and implementation of field activities across the project region. Communities in particular, will participate not only as Forest owners, but also as members of protected area management bodies, as project beneficiaries and as

	direct participants in the implementation of project activities. From the local to the regional level, the following structures have been involved in project consultation and planning, and will also ensure project implementation, follow-up and oversight: COCODEs-Community Development Councils, Local Regional Indigenous and Community Associations and Protected Area Community Assemblies, Protected Area Executive Councils or Boards of Directors, COMUDEs or Municipal Development Councils CODEDE-the Development Council for the Department of Izabal,etc Additionally, a **"General Assembly of Carbon Rights Holders" ("Asamblea General de Tenedores de Derechos de Carbono")** will be established, in which all landowners within the project area will participate - including community forest owners, private forest owners, and institutional forest owners. In order to ensure the active integration of Indigenous Peoples, during the consultation period FUNDAECO has worked closely with local *Q´eqchí* Associations *Aj Rihonel Re li Ch´och* in Río Sarstún, *Aj Ilol* Quiché in Chocón Nacional and San Antonio Aj Awinel in Jalauté, and these associations will also be key project implementation partners. During the consultation phase, FUNDAECO´s team of Social workers, Nurses, and Health workers made a focused effort in order to ensure the participation of women and youth in project presentations and consultations, using local Q´eqchí speakers. During the site visit, the audit team was able to verify the process by checking records of meetings and interviewing different local stakeholders.
Evidence used to assess conformance	Records of meetings conducted with the identified stakeholder and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.3.7.- Describe the measures needed and taken to ensure that the project proponent	In accordance with section 2.7.1 of the PDD, a Gender and Non Discrimination Policy will be enacted, socialized, and implemented - based on FUNDAECO´s

and all other entities involved in project design and implementation are not involved in or complicit in any form of discrimination or sexual harassment with respect to the project.	Code of Ethics- in order to ensure compliance with CCB Standards and in order to avoid discrimination of harassment based on gender, race, religion, sexual orientation and other habits.
Evidence used to assess conformance	PDD and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.3.8.- Demonstrate that a clear grievance redress procedure has been formalized to address disputes with Communities and Other Stakeholders that may arise during project planning, implementation and evaluation with respect but not limited to, Free, Prior and Informed Consent, rights to lands, territories and resources, benefit sharing, and participation. The project shall include a process for receiving, hearing, responding to and attempting to resolve Grievances within a reasonable time period. The Feedback and Grievance Redress Procedure shall take into account traditional methods that Communities and Other Stakeholders use to resolve conflicts. The Feedback and Grievance Redress Procedure shall have three stages with reasonable time limits for each of the following stages. First, the Project Proponent shall attempt to amicably resolve all Grievances, and provide a written response to the Grievances in a manner that is culturally appropriate. Second, any Grievances that are not resolved by amicable negotiations shall be referred to mediation by a neutral third party. Third, any Grievances that are not resolved through mediation shall be referred either to a) arbitration, to the extent allowed by the laws of the relevant jurisdiction or b) competent courts in the relevant	In Section 2.7.5 of the PDD it is described the implemented project grievance redress procedure. Reception, registration, response, resolution and/or referral of grievances will be executed at different geographical and organizational levels, according to their gravity and urgency, ranging from requests of access to information, operational and administrative complaints, grievances and disputes over rights of access, collective conflicts, and potential violations of Legislation and Fundamental Rights. Different and specific channels of communication and complaint will be used, based on current practices, in order to ensure that all stakeholders, particularly vulnerable populations – such as indigenous women- have rapid access to complaints and grievance redress. A registry of complaints, responses and referrals will be kept at the Regional, National and Institutional Level. In order to improve the Project´s performance as related to proper and effective response to complaints and grievances, mechanisms will be implemented, such as quarterly monitoring of requests for information, complaints and grievances, annual stakeholder satisfaction surveys, annual risk assessment and identification of potential conflicts, and development of a project contingency plan.

jurisdiction, without prejudice to a party's ability to submit the Grievance to a competent supranational adjudicatory body, if any. The Feedback and Grievance Redress Procedure must be publicized and accessible to Communities and Other Stakeholders. Grievances and project responses, including any redress, must be documented and made publicly available.	
Evidence used to assess conformance	PDD
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

Indicator G.3.9.- Describe measures needed and taken to provide orientation and training for the project's workers and relevant people from the Communities with an objective of building locally useful skills and knowledge to increase local participation in project implementation. These capacity building efforts should target a wide range of people in the Communities, with special attention to women and vulnerable and/or marginalized people. Identify how training is passed on to new workers when there is staff turnover, so that local capacity will not be lost.	Section 2.6.1 describes de measures identified and implemented to provide orientation and training for the project's and people from the Communities. In order to build local useful skills and knowledges to increase success in the project implementation and goals, a significant amount of training and capacity building its being implemented by FUNDAECO, and is provided in different level to field technicians and community beneficiaries. Through workshops, filed technicians, and project beneficiaries will be trained to implement several types of agro-ecological products (black pepper, cardamom, rambutan, forestry amount others) and ecotourism in an environmentally low-impact manner. Through these activities economic opportunities can be improved in different area. FUNDAECO trains all staff in the different aspects of the project components. For new employees, training period (induction process) will be provided in a 4 week term. Also periodical training can be made with project staff, covering relevant topic that are new to the staff or that needs to be improved and updated. Trainings on Human Rights, Sexual and Reproductive Health and Rights, and other issues covering community rights and empowerment, will be organized by the Social and Gender Director. Furthermore, partner institutions and organizations have been identified to support the implementation of the

	training programs. Other institutions can be included along the project life.
Evidence used to assess conformance	PDD, Implementation Plan, record of workshops and site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

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

Indicator G.3.11.- Submit a list of all relevant laws and regulations covering worker's rights in the host country. Describe measures	Relevant laws and regulations covering worker's rights in Guateamal have been listed in the PDD. The rights and obligations of workers are contained in

needed and taken to inform workers about their rights. Provide assurance that the project meets or exceeds all applicable laws and/or regulations covering worker rights and, where relevant, demonstrate how compliance is achieved.	the Labor Code (Decree 1441 of the Guatemalan Congress). Furthemore, within the regulations of the Guatemalan Social Security Institute conducted in coordination with the Ministry of Labor, FUNDAECO applies the following regulations: • The Regulation on Health and Safety at Work, contained in the Government Agreement No. 229-2014 and its amendments contained in No.33-2016 • Regulation on Accident Protection, published by the Guatemalan Social Security Institute board (Agreement no. 1002). FUNDAECO -in compliance with the content on civil, commercial and labor- enacts a Human Resources Policy, as part of Manual for Policies, Rules and Procedures which was presented to the Ministry of Labor and Social Security for review and approval by a representative of the employer and two representatives of the workers, having been approved by the Ministry through the 179-2002 resolution, regulating the conditions of working hours, salary payments, holidays, requests and claims, obligations of the employer and employees, safety and health. In compliance with the established regulations, this manual has to be available to workers at each office in printed form and in digital form. More recently FUNDAECO has developed it Policy on Gender, No Discrimination and Violations against Fundamental Human Rights. Specific procedures related to FUNDAECO field work are included in the institutional Policy and Plan for Health and Safety. FUNDAECO has also adopted the Security and Risk Manual at the Herpetarium from the Guadalajara Zoo Herpetarium, to manage its local herpetarium at Cerro San Gil, this herpetarium is registered at CONAP, and personnel has been trained by the Director of the National History Museum herpetarium (see manual de serpentarios.pdf).
Evidence used to assess conformance	Labor Code-Decree 1441 of the Guatemalan Congress, FUNDAECO's Manual of Internal Working Regulation and Procedure and Security and Risk Manual at the Herpetarium .

Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

Indicator G.3.12.- Comprehensively assess situations and occupations that might arise through the implementation of the project and pose a substantial risk to worker safety. Describe measures needed and taken to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be guaranteed, project proponents must show how the risks are minimized using best work practices in line with the culture and customary practices of the communities.	PDD version 01 and the annex xi of the FUNDAECO's Internal Labor Regulation describe measured adopted to minimize risk to worker safety. However, there are not included an assessment of situations that pose a substantial risk to workers.
Evidence used to assess conformance	PDD, FUNDAECO's Internal Labor Regulation and site visit.
Finding	**CL 6: PP shall clarify which situations and occupations that might be arises through the implementation of the project and pose a substantial risk to worker safety have been identified.** PP Response: Situations and occupations that might pose risks to worker's safety as well as FUNDAECO's mitigation of those risks have been included in section 2.6.4 of the PD final version. **Audit team conclusion:** PDD final version identified situations and occupations that might pose some risk to worker safety and measures to mitigate that risk. **CL 6 is closed.** This indicator has been correctly addressed in the PDD final version.

G4. Management Capacity and Best Practices.

Indicator G.4.1 Describe the project's governance structures, and roles and responsibilities of all the entities involved in project design and implementation. For projects using a programmatic approach, identify any new entities included in the project since the last validation or verification against the CCB Standards.	FUNDAECO is the project proponent and is solely responsible for all aspects of project design, implementation, and management. In accordance with the section 1.5.1 of the PDD, the organizational structure for the REDD+ Project for Caribbean Guatemala as well as the team's experience is detailed in the Implementation Plan (Plan de Implementación REDD V6.docx). However, the document was not provided to the audit team (see CL 2).
Evidence used to assess conformance	Implementation plan ("Plan de Implementación REDD V6.docx")
Finding	The implementation plan ("Plan de Implementation REDD V6.docx") has been provided to the audit team. The project's governance structures, and roles and responsibilities of all the entities involved in project design and implementation is described properly. This indicator has been correctly addressed in the PDD final version.

Indicator G.4.2.-. Document key technical skills required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills. Document the management team's expertise and prior experience implementing land management and carbon projects at the scale of this project. If relevant experience is lacking, the proponents must either demonstrate how other organizations are partnered with to support the project or have a recruitment strategy to fill the gaps.	In accordance with the section 1.5.1 of the PDD, the organizational structure for the REDD+ Project for Caribbean Guatemala as well as the team's experience is detailed in the Implementation Plan (Plan de Implementación REDD V6.docx). However, the document has not been provided to the audit team.
Evidence used to assess conformance	
Finding	The implementation plan ("Plan de Implementación

	REDD V6.docx") was provided to the audit team. The organizational structure for the REDD+ Project for Caribbean Guatemala as well as details of the team's experience has been provided. As detailed in section 1.5 of PDD, along with FUNDAECO other entities involved in the project are Ecopartners, Althelia Ecosphere and Universidad del Valle de Guatemala (UVG). Roles and experience of each partner has been verified.

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

G5. Legal Status and Property Rights.

Indicator G.5.1.- Describe and map statutory and customary tenure/use/access/management	As a grouped project the REDD+ Project for Caribbean Guatemala has a number of landholders with different land tenure arrangements where project activities are

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

	effects of Greenhouse Gases (Decree 07-2013) and Cadastral Information Registry Act of 2005 (Decree 41-2005), site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

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

Indicator G.5.3.- Demonstrate that project activities do not lead to involuntary removal or relocation of Property Rights Holders from their lands or territories, and does not force them to relocate activities important to their culture or livelihood. If any relocation of habitation or activities is undertaken within the terms of an agreement, the project	The project does not require or involve the involuntary relocation of people or of activities important for their livelihoods or culture. The project is designed respecting and supporting people rights, in this sense the project includes land legalization actions that allow interested communities, with historical rights but without land titles, to include their forest in the grouped project area. This was verified through interviews with several stakeholders during the on-site visit.

proponents must demonstrate that the agreement was made with the Free, Prior, and Informed Consent of those concerned and includes provisions for just and fair compensation	
Evidence used to assess conformance	PDD, Implementation Plan and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

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

Indicator G.5.5.- Identify any ongoing or unresolved conflicts or disputes over rights to lands, territories and resources and also any disputes that were resolved during the last twenty years where such records exist, or at least during the last ten years. If applicable, describe measures needed and taken to resolve	This item has not been addressed.

conflicts or disputes. Demonstrate that no activity is undertaken by the project that could prejudice the outcome of an unresolved dispute relevant to the project over lands, territories and resources in the Project Zone.	
Evidence used to assess conformance	PDD and interviews during the site visit.
Finding	**CAR 9: The indicator G.5.5 of CCB Standards Third Edition has not been addressed in the PDD.** PP response Section 3.7 has been updated to address conflicts over rights to lands that have historically happened in the Izabal region and the project zone as well as FUNDAECO's response to these types of disputes**.** Audit Team Conclusion: Section 3.7.2 provide general information regarding the occurrence of conflicts or disputes over rights to lands at national, regional and local level as wll as described the institutional framework that seeks to solve agrarian conflicts and support access to land and secure legal tenure rights for communities. In that sense, the Agrarian Affairs Secretariat, the Government agency in charge of monitoring, reporting, and solving agrarian conflicts in Guatemala, ensures follow-up to between 1,300 to 1,500 cases per year in Guatemala. Of these, between 75 and 150 are reported on average for Izabal, of which an average of 20 to 25 have been located within the project zone. In this regard, FUNDAECO has developed a proactive strategy in order to tackle and defuse agrarian conflicts and in order to support the legalization of community lands and forests throughout the project region. This strategy is summarized in the PDD. It is important to point out that the REDD+ Project for Caribbean Guatemala includes a Land Legalization component, which will seek to support the legalization of 25 communities across the project region. In this regard, FUNDAECO has integrated community forests as they

	have identified by communities themselves, and recognized by their local Municipalities, thus ensuring their transparent and equitable participation in the project. This in itself has been an important strategy in order to avoid further agrarian conflicts in the project region Finally, it is important to point out that the National Climate Change Law (Decree 7-2013) – assuming the fact that many community managed forests do not have a legal registry of property - specifically indicates that carbon rights are held by the owners or possessors of land, thus recognizing the right of communities that have managed and possessed their lands and forests, to participate in Emission Reduction projects. In the audit team opinion, no activity is undertaken by the project that could prejudice the outcome of an unresolved dispute relevant to the project over lands, territories and resources in the Project Zone. **CAR 9 is closed.** This indicator has been correctly addressed in the PDD.

Indicator G.5.6.- Submit a list of all national and local laws and regulations in the host country that are relevant to the project activities. Provide assurance that the project is complying with these and, where relevant, demonstrate how compliance is achieved.	Table 14 of section 3.1 of the PDD list relevant laws and regulation in the host country. The project is conducted under all those laws.
Evidence used to assess conformance	PDD, Decree 07-2013. Framework for the Regulation of the Reduction of Vulnerability, the Mandatory Adaptation to the effects of Climate Change and the Mitigation of the effects of Greenhouse Gases, Law for Forestry Incentives for Posessors of Small Extensions of Land for Forestry or Agroforestry Use (PINPEP). Decree 51-2010, Protected Areas Act, Forestry Law, etc.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.5.7.- Document that	FUNDAECO is compliant with all relevant local and

the project has approval from the appropriate authorities, including the established formal and/or traditional authorities customarily required by the Communities.	national laws. Section 3.1 and 3.2 of the PDD document the approval obtained.
Evidence used to assess conformance	PDD and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator G.5.8.- Demonstrate that the Project Proponent(s) has the unconditional, undisputed and unencumbered ability to claim that the project will or did generate or cause the project's climate, community and biodiversity benefits.	Based on the VCS Standard Section 3.11.1, the project demonstrates that the proponents have Right of Use over the emission reductions under subsection 4: "Project ownership arising by virtue of a statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions and/or removals (where such right includes the right of use of such reductions or removals and the project proponent has not been divested of such project ownership)" With established rights to property, Article 22 of the Framework for the Regulation of the Reduction of Vulnerability, the Mandatory Adaptation to the effects of Climate Change and the Mitigation of the effects of Greenhouse Gases (Decree 07-2013) furthers the project ownership of legal owners or poseedores to emission reductions generated in either voluntary or compliance markets. For the REDD+ Project for Caribbean Guatemala, all participating properties have transferred their emissions reductions project ownership to FUNDAECO. A database of confidential contracts with each land owner will be provided to auditors upon request. Each contract transfers carbon rights for a minimum of 30 years.
Evidence used to assess conformance	PDD, Decree 07-2013. Framework for the Regulation of the Reduction of Vulnerability, the Mandatory Adaptation to the effects of Climate Change and the Mitigation of the effects of Greenhouse Gases and contracts of transfers carbon rights
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

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

Climate Section

CL1. Without-Project Climate Scenario

Indicator CL.1.1- Estimate the total GHG emissions inside the Project Area under the without-project land use scenario (described in G2) using an Approved or Defensible methodological approach. The timeframe for this analysis is the project GHG accounting period or the project lifetime. In the without-project scenario, it is allowable for the analysis to exclude GHG emissions from sources such as biomass burning, fossil fuel combustion, synthetic fertilizers, and to exclude non-CO2 GHG emissions such as CH4 and N2O gases, in cases where this can be justified as conservative. The analysis of GHG emissions or removals must include carbon pools expected to increase significantly under the without-project scenario.	The net change in carbon stocks under the with-out project scenario was estimated using the procedure defined in the Approved VCS “Methodology for avoided unplanned deforestation”, VM0015, version 1.1. This methodology has been applied along with the tools referenced in it. AENOR checked during the validation the correct application of the methodology and associated tools. In our opinion, the applicability to the project is appropriate. The timeframe for this analysis is the project GHG accounting period which is also the project lifetime. Formulae considered are consistent with methodology and tools, assumptions and hypothesis applied are conservative and results are a reliable estimation of emissions avoided of the project. The results obtained are included in section 5.3 of PDD. AENOR also checked and reproduced the calculations to assess the validity of final results and deems as appropriate. The requirements of this indicator are fulfilled and the with-out project scenario has been correctly estimated. Under CCB Standard, AENOR deems that methodology applied is suitable and fulfils with CCB requirements.

Evidence used to assess conformance	PDD, VCS "Methodology for avoided unplanned deforestation"-VM0015, version 1.1 and FUNDAECO VM0015 Accounting Model v1.51.xlsm,
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

CL2. Net Positive Climate Impacts

Indicator CL2.1.- Estimate the total GHG emissions expected from land use activities inside the project area under the with-project land use scenario using an Approved or Defensible methodological approach. This estimate must be based on clearly defined and defendable assumptions about changes in GHG emissions under the with-project scenario over the project lifetime or the project GHG accounting period. The GHG emissions estimate must include non CO2 emissions such as CH4 and N2O (in terms of CO2-equivalent) and GHG emissions from sources such as biomass burning, fossil fuel combustion, use of synthetic fertilizers and the decomposition of Nfixing species, etc., if those GHG emissions sources are cumulatively likely to account for more than 20% of the project's expected total GHG emissions in the with-project scenario.	GHG emission expected under the with-project land use scenario has been estimated in accordance with the approved VCS "Methodology for avoided unplanned deforestation", VM0015, version 1.1. This methodology has been applied along with the tools referenced in it. AENOR checked during the validation the correct application of the methodology and associated tools. In our opinion, the applicability to the project is appropriate. Formulae considered are consistent with methodology and tools, assumptions and hypothesis applied are conservative and results are a reliable estimation of emissions avoided of the project. The results obtained are included in section CL.2.1 of PDD. In accordance with the applied methodology Non-CO2 emissions such as CH_4 and N_2O, from sources such as biomass burning and livestock emissions can be excluded. Section 4.4.2 of the PDD describes the inclusion and exclusion of GHGs and Sources in accordance with the applied methodology. Thus, N2O emissions are considered insignificant (less than 5 % of the total benefit generated) and CH_4 emissions have been excluded, provided that its exclusion does not lead to a significant over-estimation of the net anthropogenic GHE emission reductions. The requirements of this indicator are fulfilled and the with-project scenario has been correctly estimated.
Evidence used to assess conformance	PDD, VCS "Methodology for avoided unplanned deforestation"-VM0015, version 1.1 and FUNDAECO VM0015 Accounting Model v1.51.xlsm.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator CL2.2.- Demonstrate that the net climate impact of the project is positive. The net climate impact of the project is the difference between the total GHG emissions or removals in the without-project scenario (including CO2 and non-CO2 GHG emissions) and total GHG emissions or removals resulting from project activities, minus any project-related negative offsite climate impacts ('Leakage' see CL3).	According to estimations, the project will generate net positive impacts in the Climate. The net avoided emissions are amounted to be 21.844.843 tCO2-e for the 30 years crediting period. Thus, the benefits to the Climate are net positive. AENOR checked during the validation the correct application of the methodology and associated tools by means of replication of calculations and procedures applied. In our opinion, the applicability to the project is appropriate. Formulae considered are consistent with the applied methodology and tools, assumptions and hypothesis applied are conservative and results are a reliable estimation of emissions avoided of the project then, this indicator is fulfilled.
Evidence used to assess conformance	PDD, VCS "Methodology for avoided unplanned deforestation"-VM0015, version 1.1 and FUNDAECO VM0015 Accounting Model v1.51.xlsm,
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

CL3 Offsite Climate Impacts ('Leakage')

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

Indicator CL.3.2.- Describe the measures taken to mitigate Leakage.	The leakage management strategy has been described. As part of it, FUNDAECO plans to combine educational initiatives, land tenure support, increased landowner enrollment, and increased access to resources as tools to implement within the Leakage Management Area to prevent deforestation within the Leakage Area and Grouped Project Area.
Evidence used to assess conformance	PDD and Implementation Plan.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

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

CL4 Climate Impact Monitoring

Indicator CL.4.1.- Develop and implement a plan for monitoring changes in relevant carbon pools,	The proponent developed a monitoring plan indicating the objectives, reservoirs that would be monitored, methods, activities, frequency and tools for degradation

non-CO2 GHGs and emissions sources and leakage (as identified in CL1, CL2 and CL3) using an Approved or Defensible methodological approach and following the defined frequency of monitoring of defined parameters. Emissions sources to monitor must include any sources expected to cumulatively contribute more than 20% of total GHG emissions in the with-project scenario (See footnote to CL2.1). Where the methodological approach used to estimate leakage under CL3 requires monitoring, this leakage must be monitored.	and deforestation. The monitoring plan has been designed in accordance with the VCS "Methodology for avoided unplanned deforestation"-VM0015.
Evidence used to assess conformance	PDD and VCS "Methodology for avoided unplanned deforestation"-VM0015
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator CL.4.2.- Disseminate the monitoring plan and any results of monitoring undertaken in accordance with the monitoring plan, ensuring that they are made publicly available on the internet and summaries are communicated to the Communities and Other Stakeholders through appropriate means.	During the site visit the audit team was able to verify the project documents, including the monitoring plan, have been made accessible to stakeholders. For instance, advertisements given detail about the CCB public comments period and the links to access to the full documentation were found in the office of FUNDAECO located in Morales. In accordance with the PDD results of the community monitoring will be made publically available, published on the internet through de web site of CCBA and the VCS web page for each verification process and disseminated to the Forest Owners Assembly and communities inside the project area, as well as other stakeholders such as MARN and CONAP.
Evidence used to assess conformance	PDD, FUNDAECO Web Site, Site visit, interviews with local stakeholders.
Finding	

Community Section

CM1 Without-Project Community Scenario

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

Indicator CM1.2.- Evaluate whether the Project Zone includes any of the following High Conservation Values (HCVs) related to community well-being and describe the qualifying attributes for any identified HCVs: a. Areas that provide critical ecosystem services; b. Areas that are fundamental for the livelihoods of Communities; and c. Areas that are critical for the traditional cultural identity of Communities. Identify the areas that need to be managed to maintain or enhance the identified HCVs.	PDD has identified the presence of HCVs related to community well-being describing its qualifying attributes. a. Protected areas of the Caribbean Region comprises 21 sub basins, which provides critical ecosystem services that included water provision to approximately 172 communities and villages that live in protected areas and adjacent areas. Also forests of these basins are an important barrier that reduces the sedimentation and siltation of navigation canals. There are three main rivers in the zone constitute the most important water bodies in the region. These tributaries provide navigation services, fishing, and tourism. b. Regarding community's needs, Project Zone services are not only fundamental for water generation, but also, provided fuel wood; medicinal plants; fruits, and natural fibers and seeds that are used for the production of handicrafts. Some

	communities around the mountain known as Sierra Santa Cruz, extract the leaves of an ornamental plan known as xate (*Chamaedorea elegans* and *Chamedorea oblongata*) which is exported. c. The Q'eqchi' beliefs revolves around respect to the earth and the cosmos that are recognized as Tzuultaq'a, which literally means "the mountain and what is below". While the sacred sites or Tzuutaq'a sites are not well defined geographically, participatory sessions and previous activities supporting cultural traditions, have allowed the project proponent to identify as sacred sites at a regional level; the Tameja River cave system, Rio Quehueche cave system, and the mountain known as Cerro Sarstun. A map of community HCV Values is included in Figure 9 below.
Evidence used to assess conformance	PDD, Master Plan 2006-2010 of Cerro San Gil Protected Spring Reserve, Master Plan 2015-2010 Río Dulce National Park, Master Plan of the Montaña Chiclera Regional Park, Master Plan 2007-2011 of Punta de Manabique Wildlife Refuge; Master Plan 2010-2014 of Sarstun River Multiple Uses Zone, and Interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised.

Indicator CM1.3.- Describe the expected changes in the well-being conditions and other characteristics of Communities under the without-project land use scenario, including the impact of likely changes on all ecosystem services in the Project Zone identified as important to Communities.	Section 4.5.1 of the PDD describes the assessment conducted based on methods proposed by Richards and Panfil (2011). The assessment and were related to access to land and natural resources in both the baseline and project scenarios and focused over 6 main issues: • Access to land • Maize production/crop lands • Access to livelihoods other than maize. • Rains and water • Education • Sexual and Reproductive education and health. Without the project, communities will stay in present conditions, meaning they will need to expand croplands

	eliminating forests, but also getting into others lands when their land is not producing enough. As a result some the expected changes in the wellbeing conditions shall be the the lack of food security, migration and social conflict, scarce of quality lands, peasants lack of best agricultural practices and then presence of shorter fallow cycles, among others. Reduced education opportunities for women, mortality rates for pregnant women will remain as well as poor health conditions in general. Other envisaged situations are related to rains, erosion and disasters. There will be no law enforcement or access to incentives that guaranteed watersheds protection, that will be deforested leading to reduced river flows and competition for its use. Without the project, there will be less access to alternative economic activities and then less support to diversified and alternative livelihoods.
Evidence used to assess conformance	PDD, TOC Activity Matrix v1.14.xlsm, site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

CM2 Net Positive Community Impacts

Indicator CM 2.1.-. Use appropriate methodologies to assess the impacts, including predicted and actual, direct and indirect benefits, costs and risks, on each of the identified Community Groups (identified in G1.5) resulting from project activities under the with-project scenario. The assessment of impacts must include changes in well-being due to project activities and an evaluation of the impacts by the affected Community Groups. This assessment must be based on clearly defined and defendable assumptions about changes in well-being of the Community Groups under the with-project scenario, including potential impacts of changes in all ecosystem services	A study on the drivers of deforestation in the Sarstun Motagua Region carried out in 2015 identifies the lack of economic and employment opportunities as the strongest factor for deforestation in the region where the REDD+ Project is located. Project design take into account the underlying driver can be tackled improving two basic conditions that will then trigger positive long term impacts: a) Access to Resources and Economic Opportunities, and b) Education. Section 6.1 described the expected positive impacts on the Community Groups. Theory of Change Analysis has been applied. Expected impacts determined, which included positive impact related to access to resources and economic opportunities and education positive

identified as important for the Communities (including water and soil resources), over the project lifetime.	impacts. are listed in Section 6.1 of the PDD,
Evidence used to assess conformance	PDD, "Using Exploratory Factor Analysis to Explore the Drivers of Deforestation in the Sarstun Motagua Region of Guatemala", TOC Activity Matrix v1.14.xlsm, site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

Indicator CM2.2.- Describe measures needed and taken to mitigate any negative well-being impacts on Community Groups and for maintenance or enhancement of the high conservation value attributes (identified in CM1.2) consistent with the precautionary principle.	Section 6.1.1 describes that through a deep analysis exercise with the project team and a compilation of the main concerns expressed by the communities during the Free, Prior and Informed Consent process, the team of the project has identified some potential negative impacts. Due to the fact that the project has numerous positive impacts and is actively working to mitigate any potential negative impacts, the project is determined to have a net positive impact on communities. Mitigation measures have also been identified. On the other hand, section 2.4.1 describes the measures applied to maintenance of the high conservation value attributes related with community.
Evidence used to assess conformance	PDD, Implementation Plan, FPIC report, TOC Activity Matrix v1.14.xlsm, site visit.
Finding	Since the PDD template VCS+CCB was made under second edition of CCB standards but the validation of PDD is under CCB standards third edition, some inconsistencies have been found in the use of concepts "off-site stakeholder" and "other stakeholders". In that sense (in PDD v01) is not clear: - if potential project negative impacts on the well-being of Community Groups living into the project zone and potential negative impacts on the well-being of "other stakeholders" have been identified. -which other groups have been considered as "other Stakeholders"

	CL 7: PP shall clarify if impacts on the well-being of Community Groups living into the project zone and potential negative impacts on the well-being of "other stakeholders" has been identified and which groups have been considered as "other Stakeholders". Measures needed and taken to mitigate them shall be indicated if applicable. **PP Response:** Sections 6.1.1, 6.1.2 and 6.2 were modified in the PD according to the CCB Standard Third Edition sections CM2.2 and CM3. Section 6.1 was dedicated to impacts on communities, whereas section 6.2 was dedicated to discussing impacts on other stakeholder groups. The title of section 6.2 was also updated to reflect the changes in language for the third edition of the CCB Standard. Section 6.1.2 was dedicated to measures to Maintain HCVs important to community's wellbeing. **Audit team conclusion:** Section 6 of PDD has been updated and concept has been applied properly. This issue has been clarified. **CL 7 is closed.** This indicator has been correctly addressed in the PDD final version.

Indicator CM2.3.- Demonstrate that the net well-being impacts of the project are positive for all identified Community Groups compared with their anticipated well-being conditions under the without project land use scenario (described in CM1).	Section 6.1 of PDD describes the expected positive impacts on the Community Groups. Theory of Change Analysis has been applied. Expected impacts determined, which included positive impact related to access to resources and economic opportunities and education positive impacts. are listed in Section 6.1 of the PDD,
Evidence used to assess conformance	PDD, TOC Activity Matrix v1.14.xlsm, site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

Indicator CM2.4.- Demonstrate that no High Conservation Values (identified in CM1.4) are negatively affected by the project.	Section 2.4.1 1 and Section 6.1.2 describes the measures to be applied to maintenance of the high conservation value attributes related with community. The primary measure taken to maintain HCVs is the

	reduction of deforestation within the sites identified as HCVs, through the voluntary integration of some of these forests to the project area and the implementation of protection activities. By reducing deforestation and degradation, the project will avoid threats within these areas, and their environmental services and cultural uses can be guarantee. No negative impacts on High Conservation Values due to project activities are expected. Conversely, the project objectives are in line with the maintenance of High Conservation Values.
Evidence used to assess conformance	PDD, Implementation Plan and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

CM3. Other Stakeholder Impacts

Indicator CM3.1.- Identify any potential positive and negative impacts that the project activities are likely to cause on the well-being of Other Stakeholders.	**See CL 7.** Once CL 7 was closed this indicator was assessed. The team of the project has identified the project impact on other stakeholders, which include government institutions, municipalities, and other organized groups that are not communities, such as Committees of Farmers, Cattle Ranchers, among others. The expected impacts are mostly positive except for Cattle Ranchers, which may experience potential negative impacts as a result of the reduced availability of forest for the expansion of pasture. Without the ability to expand pasture areas by clearing forest, there is a potential negative impact on the incomes of cattle ranchers. However, FUNDAECO is mitigating these negative impacts by providing alternative livelihood options for landowners throughout the region.
Evidence used to assess conformance	PDD, Socioeconomic Survey, Agents and Drivers Assessment and interviews conducted during the on-site visit.

Finding	This indicator has been correctly addressed in the PDD,

Indicator CM3.2.-. Describe the measures needed and taken to mitigate the negative well-being impacts on Other Stakeholders.	Although the expected impacts are mostly positive, Cattle Ranchers may experience potential negative impacts as a result of the reduced availability of forest for the expansion of pasture. Without the ability to expand pasture areas by clearing forest, there is a potential negative impact on the incomes of cattle ranchers. However, FUNDAECO is mitigating these negative impacts by providing alternative livelihood options for landowners throughout the region (project activities include supporting and assisting agroforestry, supporting the access to forest incentives of the PINFOR, PINPEP, creating economic opportunities through Ecotourism and alternative products such as Xate, Rambutan, among others).
Evidence used to assess conformance	PDD, Implementation Plan, Records of Workshops, and interviews conducted during the on-site visit.
Finding	This indicator has been correctly addressed in the PDD,

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

CM4. Community Impact Monitoring

Indicator CM4.1.- Develop and implement a monitoring plan that identifies community variables to be monitored, Communities, Community Groups and Other Stakeholders to be monitored, the types of measurements, the	Community monitoring activities is planned. PDD section 8.1.2.2 describes the community monitoring plan. Community impacts will be monitored according to the SOPs presented in the document “Procedimiento para el Monitoreo Socioeconomico y Comunitario.docx” (Socioeconomic and Community Monitoring Procedure).

sampling methods, and the frequency of monitoring and reporting. Monitoring variables must be directly linked to the project's objectives for Communities and Community Groups and to predicted outputs, outcomes and impacts identified in the project's causal model related to the well-being of Communities (described in G1.8). Monitoring must assess differentiated impacts, including and benefits, costs and risks, for each of the Community Groups and must include an evaluation by the affected Community Groups.	Section 8.3.2 of the PDD includes the community monitoring parameters. Details about community variables, such as frequency, data source and linked project activity, are given.
Evidence used to assess conformance	PDD, Socioeconomic and Community Monitoring Procedure and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

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

Indicator CM4.3.-. Disseminate the monitoring plan, and any results of monitoring undertaken in accordance with the monitoring plan, ensuring that they are made	During the site visit the audit team was able to verify the project documents has been made accessible to stakeholders. For instance, advertisements given detail about the CCB public comments period and the links to access to the full documentation were found in the office

publicly available on the internet and summaries are communicated to the Communities and Other Stakeholders through appropriate means.	of FUNDAECO located in Morales. In accordance with the PDD results of the community monitoring will be made publically available, published on the internet and disseminated to the Forest Owners Assembly and communities inside the project area.
Evidence used to assess conformance	PDD, FUNDAECO Web Site, Site visit, interviews with local stakeholders.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

Biodiversity Section

B.1 Biodiversity Without–project Scenario

Indicator B1.1.- Describe biodiversity within the Project Zone at the start of the project and threats to that biodiversity, using appropriate methodologies.	The Project Zone is considered one of the country´s biodiversity hotspots. Section 1.3.7 of the PDD describes the biodiversity within the Project Zone based in different research studies conducted by FUNDAECO, CONAP and many other organizations. For the region, an avian diversity of 426 species are reported, also 145 mammals, fifty five amphibian and one hundred six reptilian species are reported. Furthermore, according to historical records in the Flora of Guatemala, 1825 species are reported; however, experts agree that this number is extremely conservative. On the other hand, FUNDAECO has used the theory of change to identify the threats to that biodiversity in the Project Zone. The majority of threats to biodiversity in the Project Zone are directly tied to the drivers of deforestation and forest degradation, and to the prevalence of unsustainable fishing practices along the Caribbean coast. The primary drivers of forest loss are the conversion of forest to cattle grazing and cropland for subsistence agriculture, while overfishing is driven primarily by a lack of employment and economic opportunities in the region.
Evidence used to assess conformance	PDD, Landscape-level impact of tropical forest loss and fragmentation on bird occurrence in eastern Guatemala Ecological Modelling, The Resident and Migratory Bird Monitoring Program of the Caribbean Region of Guatemala, Master Plan 2006-2010 of Cerro San Gil Protected Spring Reserve, Master Plan 2015-2010 Río

	Dulce National Park, Master Plan of the Montaña Chiclera Regional Park, Master Plan 2007-2011 of Punta de Manabique Wildlife Refuge; Master Plan 2010-2014 of Sarstun River Multiple Uses Zone, TOC Activity Matrix v1.14.xlsm and interviews during the site visit.
Finding	This indicator has been correctly addressed. Then no finding was raised.

B.1.2. Evaluate whether the Project Zone includes any of the following High Conservation Values (HCVs) related to biodiversity and describe the qualifying attributes for any identified HCVs. a. Globally, regionally or nationally significant concentrations of biodiversity values; i. protected areas. ii. threatened species. iii. endemic species. iv. areas that support significant concentrations of a species during any time in their lifecycle. b. Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance; c. Threatened or rare ecosystems. Identify the areas that need to be managed to maintain or enhance the identified HCVs.	Biodiversity High Conservation Values for the Project are detailed in Section 1.3.8 of PDD: a.i. <u>Protected Areas:</u> There are eight (8) protected areas within the project area which have some form of legal declaration at the national level: Cerro San Gil, Sierra Caral, Sierra Santa Cruz, Chocón Machacas Biotope, Montaña Chiclera, Río Sarstún, Punta de Manabique and Río Dulce National Park. a.ii <u>Threatened species:</u> Several especies have been reported and identified under IUCN catefores as Vulnerable (such as Highland Guan (*Penelopina nigra*), Keel-billed Motmot (*Electron carinatum*), Thomas's Sac-winged Bat (*Balantiopterix io*) and White-lipped Peccary (*Tayassu pecari*). Rana Del Bosque Verrugosa (*Craugastor psephosypharus*), Leprus Chirping Frog (*Eleutherodactylus leprus*), Bolitoglossa mulleri (*Müller's Mushroomtongue Salamander*), among others) and “Endangered” (such as Yucatan Black Howler Monkey (*Alouatta pigra*), Yellow-headed Parrot (*Amazona oratrix*), Geoffroy’s Spider Monkey (*Atteles geofroyi*), Baird´s Tapir (*Tapirus bairdii*), *Craugastor charadra*, among others). This was checked against list IUCN Red List 2016-3. iii. <u>Endemic species.</u> Several endemic species has been identified in the PDD. Species and its level of endemicity are identified in section 1.3.8.3 of the PDD. iv. <u>Areas that support significant concentrations of a species during any time in their lifecycle.</u> The area is critical for a large number of Nearctic-Neotropical Migratory species during the boreal winter. It is also an important migratory route for

	Neartic Shorebirds. b. <u>Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance:</u> The Project Zone´s extent is well above the recommended threshold of 50,000 ha given by the "*Common Guidance for HCV Identification for the region to be considered a High Conservation Value (HCV Resource Network)"* to be considered under criterium 2. Thus, the region probably maintains an area sufficient to maintain viable populations for most large species. c. Threatened or rare ecosystems. Lowland "terra firme" forests", Mangrove forests and associated coastal areas are rare ecosystems located in the project zone which are considered specially threatened. The project is dedicated to maintaining these biodiversity HCVs through numerous targeted project activities (see section 2.4 of the PPD). Section 2.4 of the PDD (see Figure 10) identified several HCV management areas in order to focus HCV conservation efforts within the project area.
Evidence used to assess conformance	PDD, Common Guidance for HCV Identification for the region to be considered a High Conservation Value, Landscape-level impact of tropical forest loss and fragmentation on bird occurrence in eastern Guatemala Ecological Modelling, The Resident and Migratory Bird Monitoring Program of the Caribbean Region of Guatemala, Master Plan 2006-2010 of Cerro San Gil Protected Spring Reserve, Master Plan 2015-2010 Río Dulce National Park, Master Plan of the Montaña Chiclera Regional Park, Master Plan 2007-2011 of Punta de Manabique Wildlife Refuge; Master Plan 2010-2014 of Sarstun River Multiple Uses Zone, IUCN Red List v. 2016.3 and interviews during the site visit.
Finding	This indicator has been correctly addressed. Then no finding was raised.

B.1.3. Describe how the without-project land use scenario would affect biodiversity conditions in the	The negative effects caused by identified threats under the without project scenario include: reduction in marine species abundance, increasing habitat fragmentation, changing the forest's structural composition, and the

Project Zone.	overall loss of forest cover within the project region. All of this leads to changes in species composition and ecosystem function, which greatly impact an ecosystem's ability to maintain and support original levels of biodiversity. Without the project's intervention, there are no indications that measures would be taken to protect and maintain biodiversity within the Sarstun-Motagua region, which would result in the further fragmentation and loss of forest habitat as well as the decline in health and abundance of forest and marine species.
Evidence used to assess conformance	PDD, Agents and Drivers Assessment and interviews during the site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised.

B.2 Net Positive Biodiversity Impacts

B.2.1 Use appropriate methodologies to estimate changes in biodiversity, including assessment of predicted and actual, positive and negative, direct and indirect impacts, resulting from project activities under the with-project scenario in the Project Zone and over the project lifetime. This estimate must be based on clearly defined and defendable assumptions.	The Theory of Change approach, proposed in Richards and Panfil (2011), was used to design project activities that address threats to biodiversity and achieve the desired project objectives. This process helps to identify both positive and potential negative impacts of a project activity, enabling the project proponent to implement preventative measures to minimize risks, and to evaluate the effectiveness of each activity in achieving predicted biodiversity benefits over time. The demonstration of a net-positive biodiversity impact over the project lifetime is done by comparing the biodiversity baseline scenario, with the project's current biodiversity conditions. Clearly defined assumption has been considered.
Evidence used to assess conformance	PDD, TOC Activity Matrix v1.14.xlsm and interviews during the site visit
Finding	This indicator has been correctly addressed, and then no findings were raised.

B.2.2 Demonstrate that the project's net impacts on biodiversity in the Project Zone are positive, compared with the biodiversity conditions under the without-project land use scenario (described in B1).	Section 7.1 of the PDD provides an assessment of the project's net impacts on biodiversity. The demonstration of a net-positive biodiversity impact over the project lifetime has been be done by comparing the biodiversity baseline scenario, with the project's current biodiversity conditions. The project activities that will produce biodiversity impacts have been categorized into four different program areas, which are focus on resource protection, empowerment and inclusiveness, education, and access to resources. Many of these project activities that are effectively maintaining and supporting biodiversity in the project area are bringing about climate and community benefits as well. The expected biodiversity impacts of each program area and its corresponding project activities are described in table 60 "Theory of change overview for biodiversity related project activities". The expected project net impact on biodiversity is clearly positive.
Evidence used to assess conformance	PDD, TOC Activity Matrix v1.14.xlsm and interviews during the site visit
Finding	This indicator has been correctly addressed, and then no findings were raised.

B.2.3 Describe measures needed and taken to mitigate negative, impacts on biodiversity and any measures needed and taken for maintenance or enhancement of the High Conservation Value attributes (identified in B1.2) consistent with the precautionary principle.	Negative biodiversity impacts for REDD+ projects are associated with deforestation-related activities displaced to areas outside the project area. Also can come about from the misuse of pesticides and fertilizers as well as ineffective waste management techniques. FUNDAECO has taken steps to mitigate all potential harmful impacts on biodiversity benefits as a direct and indirect result of project activities. FUNDAECO is implementing forest protection measures through the deployment of forest patrols, the enrollment of landowners in PINFOR and PINPEP programs, conservation education initiatives, and agroforestry systems. These project activities and their direct biodiversity benefits are described in more detail in Section 7. Additionally, FUNDAECO is implementing specific measures to protect endangered amphibian species within the project area through the training of park guards in measures to prevent the spread of deadly amphibian fungal diseases. Sierra Caral Forest and

	Water Reserve was visited during the in site visit. Thus, the audit team was able to verify the facilities and measures implemented, interview reserve staff, and to walk on a path of sighting of specimens. Agroforestry project activities adhere to standard USAID protocols on the safe and judicious use and disposal of pesticides and fertilizers in addition to banning the use of GMO's and invasive species as part of project activities (see Plan General de BPA 2016.docx, and EG-PERSUAP-Final_Oct2012.docx). The project is dedicated to maintaining biodiversity HCVs through numerous targeted project activities. Several HCV management areas have been identified in order to focus HCV conservation efforts within the project area. The primary measure taken to maintain biodiversity HCVs is through the reduction of deforestation within the project area. As is discussed in Section 7, biodiversity is highly correlated with forest cover, and many of the identified biodiversity HCVs consist of forested areas within the project area and project zone, including protected areas, migratory corridors, landscape level ecosystems, and threatened ecosystems. By reducing deforestation and degradation threats within these areas, both the ecosystems and the threatened species within those ecosystems will be protected and maintained.
Evidence used to assess conformance	Implementation Plan, Plan of Good Agricultural Practices and site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised.

B.2.4 Demonstrate that no High Conservation Values (identified in B1.2) are negatively affected by the project.	The primary measure taken to maintain biodiversity HCVs is through the reduction of deforestation within the project area. As is discussed in Section 7, biodiversity is highly correlated with forest cover (Richards and Panfil, 2011), and many of the identified biodiversity HCVs consist of forested areas within the project area and project zone, including protected areas, migratory corridors, landscape level ecosystems, and threatened ecosystems. By reducing deforestation and

	degradation threats within these areas, both the ecosystems and the threatened species within those ecosystems will be protected and maintained. FUNDAECO is implementing forest protection measures through the deployment of forest patrols, the enrollment of landowners in PINFOR and PINPEP programs, conservation education initiatives, and agroforestry systems. These project activities and their direct biodiversity benefits are described in more detail in Section 7. Additionally, FUNDAECO is implementing specific measures to protect endangered amphibian species within the project area through the training of park guards in measures to prevent the spread of deadly amphibian fungal diseases. See Figure 12 for a map of amphibian protection zones.
Evidence used to assess conformance	PDD, Implementation Plan and Interviews during the site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised.

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

B.2.6 Describe possible adverse effects of non-native species used by the project on the region's environment, including impacts on native species and disease introduction or facilitation. Justify	Due to existing agricultural markets and increased economic incentives for small-scale farmers, FUNDAECO does use several non-native species in its agroforestry programs, including rubber, cardamom, rambutan, and pepper. However, these species are non-invasive and were introduced into Guatemala as

any use of non-native species over native species.	agricultural species over 50 years ago. The Guatemalan government considers these species to be "naturalized" and to pose no threats to biodiversity within the country. In order to further reduce any risks to biodiversity benefits through the use of non-native species in agroforestry programs, FUNDAECO engages landowners in land-management and planning activities to diversify agricultural commodities across an ownership and to avoid monoculture plantations.
Evidence used to assess conformance	PDD, Implementation Plan and Interviews during the site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised.

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

B.2.8. Describe the possible adverse effects of, and justify the use of, fertilizers, chemical pesticides, biological control agents and other inputs used for the project.	FUNDAECO has taken steps to mitigate all potential harmful impacts on biodiversity benefits as a direct and indirect result of project activities. In accordance with the PDD, all agroforestry and sustainable agricultural programs through FUNDAECO also abide by USAID guidelines for safe pesticide use (Plan General de BPA 2016.docx), and an internal best agricultural practices policy that outlines and justifies safe and appropriate pesticide and fertilizer use (Plan General de BPA 2016.docx).

Evidence used to assess conformance	PDD, Good Agricultural Practices Plan, USAID-Pesticide Evaluation Report and Safe Use Action Plan (Persuap), interviews during the site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised.

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

B3. Offsite Biodiversity Impacts

B.3.1. Identify potential negative impacts on biodiversity that the project activities are likely to cause outside the Project Zone	Section 7.2 of PDD provides the PP assessment of potential negative impacts on biodiversity outside the Project Zone. The potential displacement of hunting, mining, or deforestation and degradation activities has been assessed. As a result of the assessment PP concludes it is unlikely that kinds of activities would have negative offsite impacts as a result of project activities.
Evidence used to assess conformance	PDD, Socioeconomic Survey, Agents and Drivers Assessment and interviews conducted during the on-site visit.
Finding	This indicator has been correctly addressed, and then

	no findings were raised

B.3.2. Describe the measures needed and taken to mitigate these negative impacts on biodiversity outside the Project Zone.	Considering is theoretically possible for offsite negative biodiversity impacts to occur as a result of shifted deforestation and degradation activities, FUNDAECO is taking steps to mitigate this type of biodiversity leakage from occurring. Mitigation activities include the incorporation of landowners throughout the project zone into PINFOR and PINPEP programs as well as the grouped project area and implementation of educational programs throughout the project.
Evidence used to assess conformance	PDD, Socioeconomic Survey, Agents and Drivers Assessment and interviews conducted during the on-site visit.
Finding	This indicator has been correctly addressed, and then no findings were raised

B.3.3. Evaluate unmitigated negative impacts on biodiversity outside the Project Zone and compare them with the project's biodiversity benefits within the Project Zone. Justify and demonstrate that the net effect of the project on biodiversity is positive.	Section 7.2 of PDD provides the PP assessment of potential negative impacts on biodiversity outside the Project Zone. The potential displacement of hunting, mining, or deforestation and degradation activities has been assessed. As a result of the assessment PP concludes it is unlikely that kinds of activities would have negative offsite impacts as a result of project activities. Provided that it is theoretically possible for offsite negative biodiversity impacts to occur as a result of shifted deforestation and degradation activities, FUNDAECO is taking steps to mitigate this type of biodiversity leakage from occurring. Mitigation activities include the incorporation of landowners throughout the project zone into PINFOR and PINPEP programs as well as the grouped project area and implementation of educational programs throughout the project. In that sense, potential unmitigated negative impact offsite would be minimal in comparison with the project's biodiversity benefits within the Project Zone. The net effect of the project on biodiversity is positive.
Evidence used to assess conformance	PDD, Socioeconomic Survey, Agents and Drivers Assessment and interviews conducted during the on-site visit.

Finding	This indicator has been correctly addressed, and then no findings were raised

B4. Biodiversity Impact Monitoring

B.4.1. Develop and implement a monitoring plan that identifies biodiversity variables to be monitored, the areas to be monitored, the sampling methods, and the frequency of monitoring and reporting. Monitoring variables must be directly linked to the project's biodiversity objectives and to predicted activities, outcomes and impacts identified in the project's causal model related to biodiversity (described in G1.8).	Section 8.1.2.3 of the PDD described the biodiversity monitoring methods. The focus of biodiversity monitoring is on forest cover and habitat integrity, which will be done through the use of remote sensing techniques. However, Biological monitoring activities such as terrestrial and Marine biodiversity monitoring and deforestation monitoring are planned. The data and parameters monitored are in Section 8.3.
Evidence used to assess conformance	PDD and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

B.4.2. Develop and implement a monitoring plan to assess the effectiveness of measures taken to maintain or enhance all identified High Conservation Values related to globally, regionally or nationally significant Biodiversity (identified in B1.2) present in the Project Zone.	Section 8.3.3 of the PDD includes the biodiversity monitoring parameters. The design of the data and parameters monitored is such that the project will be able to quantify its impact on biodiversity on a regional and local level. Several indicators are related to the implementation of measures aimed to maintain biodiversity related HCV. The primary measure taken to maintain biodiversity HCVs is through the reduction of deforestation within the project area. Many of the identified biodiversity HCVs consist of forested areas within the project area and project zone, including protected areas, migratory corridors, landscape level ecosystems, and threatened ecosystems. By reducing deforestation and degradation threats within these areas, both the ecosystems and the threatened species within those ecosystems will be protected and maintained. In that sense, the monitoring plan described in the PDD

	will allow to monitor the impact of the measures taken to maintain or enhance all identified High Conservation Values related to biodiversity well-being.
Evidence used to assess conformance	PDD and interviews during the site visit.
Finding	This indicator has been correctly addressed in the PDD, then, no findings were raised

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