



RA-Cert Division Headquarters
65 Millet St. Suite 201
Richmond, VT 05477 USA
Tel: +1 802-434-5491
Fax: +1 802-434-3116
www.rainforest-alliance.org

Audit
Managed by:
South America Regional Office

C/Manuel Ignacio Salvatierra 359, 2ºPiso
Santa Cruz - Bolivia
Tel: +591 3 3325042
Fax: +591 3 3327451
Contact Person: Rolyn Medina
Email: rmedina@ra.org



Verification Assessment Report for:

AIDER
in
Madre de Dios, Perú

Report Finalized:	April 9, 2013
Draft Report Date:	February 13, 2013
Field Audit Dates:	December 9-14, 2012
Lead Auditor:	Violeta Colán
Audit Team Member(s):	Galia Selaya; Campbell Moore
Senior Internal Reviewer	Adolfo Lemus
Audit Standard:	<i>VCS Version 3</i>
Verification Code(s):	RA-VER-VCS-017401
Project Latitude/Longitude:	-12.96286; -69.20867
Monitoring Report Version:	Version 1.0
Project Proponent Contact:	Jaime Nalvarte Armas
Project Proponent Address:	Av. Jorge Basadre 180-Oficina 6. San Isidro - Lima, Perú.

AIDER VCS VERIF 12

Document Prepared By Rainforest Alliance

Project Title	<i>Reduction of deforestation and degradation in Tambopata National Reserve and Bahuaja-Sonene National Park within the area of Madre de Dios region - Perú</i>
Version	<i>Version 1.0</i>
Report ID	<i>RA-VER-VCS-017401</i>

Report Title	<i>AIDER VCS Verif 12</i>
Client	<i>Asociación para la Investigación y el Desarrollo Integral - AIDER</i>
Pages	<i>40</i>
Date of Issue	<i>April 9, 2013</i>
Prepared By	<i>Rainforest Alliance</i>
Contact	<i>Campbell Moore, Carbon Specialist</i> <i>Rainforest Alliance</i> <i>2101 L Street NW</i> <i>Washington, DC USA 20037</i> cmoore@ra.org
Approved By	<i>Adolfo Lemus</i>
Work Carried Out By	<i>Violeta Colán, Galia Selaya, and Campbell Moore</i>

Summary:
<i>Asociación para la Investigación y el Desarrollo Integral (AIDER) has proposed project to avoid GHG emissions from Unplanned Deforestation and Degradation on Tambopata National Reserve and Bahuaja Sonene National Park on Madre de Dios, Perú. The project goal is to conserve the National Protected Area. The project area is 573,299.97 ha in management contract to AIDER and National Protected Area Service (SERNANP). In 2012, the project was validated, its lifetime is 20 years and has calculated a GHG reduction of 457,750.5 tCO_{2e} per year over the first 10 years. This verification process started when AIDER provided the Rainforest Alliance audit team the project's Monitoring Report covering July 2010 to June 2011. Rainforest Alliance's auditors conducted a field visit in December 2012 to verify the first monitoring period which generated a total of 165,992.20 tCO_{2e} (VCUs).</i>

Table of Contents

1. INTRODUCTION	5
1.1 Objective	5
1.2 Scope and Criteria.....	5
1.3 Level of assurance	5
1.4 Summary Project Description	5
2. VALIDATION PROCESS, FINDINGS AND CONCLUSION	7
2.1 Validation Process.....	7
2.1.1 Audit Team.....	7
2.1.2 Description of the Audit Process.....	8
2.1.3 Review of Documents.....	9
2.1.4 Interviews	10
2.2 Validation Findings	11
2.2.1 Gap Validation.....	11
2.2.2 Methodology Deviations	11
2.2.3 Project Description Deviations	11
2.2.4 New Project Activity Instances.....	12
2.3 Validation Conclusion	12
3. VERIFICATION PROCESS	12
3.1 Method and Criteria	12
3.2 Audit Team	12
3.3 Review of Documents.....	13
3.4 Interviews	14
3.5 Description of the Audit Process and Site Inspections	15
3.6 Resolution of Material Discrepancy.....	15
4. VERIFICATION FINDINGS	15
4.1 Project Implementation Status	15
4.1.1 Project title, Purposes and Objectives	16
4.1.2 Stratification of Baseline and Project Areas.....	16
4.1.3 Ownership/Proof of Title/Right of Use	16
4.1.4 Double counting and whether the project participated in another emission trading programme.....	16
4.1.5 Conformance with PDD Monitoring Protocol	16
4.1.6 Observation of local laws and regulations	19
4.1.7 VCS AFOLU Requirements Section 3.1.5: Negative environmental and socio-economic impacts.....	19
4.2 Accuracy of GHG Emission Reduction or Removal Calculations	19
4.2.1 Calculation of emissions in the baseline scenario (ex-post estimate) following identified methodology and validated PDD	19
4.2.2 Calculation of emissions from project activities (ex-post estimate) following identified methodology and validated PDD.....	20
4.2.3 Calculation of emissions reductions or avoided emissions due to the project (ex-post estimate) following identified methodology and validated PDD.....	20
4.2.4 Calculation of emissions from leakage (ex-post estimate) following identified methodology and validated PDD.....	20
4.2.5 Assessment of uncertainty following identified methodology and validated PDD	20
4.2.6 Appropriate use of default values following identified methodology and validated PDD.....	21
4.2.7 The assumptions made for calculating GHG emission reductions and/or removals.....	21
4.2.8 Calculation of net VCUs to be issued (ex-post estimate) following identified methodology and validated PDD.....	21
4.3 Quality of Evidence to Determine GHG Emission Reductions or Removals	21
4.3.1 Verification of inventory equipment used to calculate emissions reduction and/or removals.....	22
4.3.2 Verification of use of GPS and remote sensing analysis following identified methodology and validated PDD	22

4.3.3 Implementation of sampling plan described in the PDD.....	22
4.4 Management and Operational System	22
4.4.1 Monitoring roles and responsibilities identified	23
4.4.2 Inventory quality management systems (including both field and remote sensing as applicable)	23
4.4.3 Data transcription quality management systems	23
4.4.4 Data management and archival systems.....	23
4.5 Non-permanence Risk Assessment	24
4.5.1 VCS AFOLU Non-Permanence Risk Tool Section 2.2.4.4: Projects with tree harvesting.....	24
4.5.2 VCS AFOLU Non-Permanence Risk Tool Section 2.1.1: Risk analysis	24
4.5.3 VCS AFOLU Non-Permanence Risk Tool Section 2.5.1 – 2.5.3: Overall Project Risk Calculation.....	28
5. VERIFICATION CONCLUSION AND AUDIT OVERVIEW	28
5.1 Audit Conclusions.....	29
5.2 Nonconformance evaluation	29
5.3 Observations	39
5.4 Actions taken by the Project Proponent address NCRs (including any resolution of material discrepancy).....	39

1. INTRODUCTION

Rainforest Alliance certification and auditing services are managed and implemented within its RA-Cert Division. All related personnel responsible for audit design, evaluation, and certification/verification/validation decisions are under the purview of the RA-Cert Division, hereafter referred to as Rainforest Alliance or RA. Rainforest Alliance is an ANSI ISO 14065:2007 accredited validation and verification body; additionally, Rainforest Alliance is a member of the Climate, Community, and Biodiversity Alliance (CCBA) standards, and an approved verification body with a number of other forest carbon project standards. For a complete list of the services provided by the Rainforest Alliance, see http://www.rainforest-alliance.org/climate.cfm?id=international_standards.

Dispute resolution: If Rainforest Alliance clients encounter organizations or individuals having concerns or comments about Rainforest Alliance and our services, these parties are strongly encouraged to contact the local Rainforest Alliance regional office or the RA-Cert Division headquarters directly. Formal complaints or concerns should be sent in writing.

1.1 Objective

The purpose of this report is to document the conformance of Reduction of deforestation and degradation in Tambopata National Reserve and Bahuaja-Sonene National Park within the area of Madre de Dios region - Perú with the requirements of the Verified Carbon Standard (VCS). The project was developed by Asociación para la Investigación y el Desarrollo Integral - AIDER, hereafter referred to as "Project Proponent". The report presents the findings of qualified Rainforest Alliance auditors who have evaluated the Project Proponent's systems and performance against the applicable standard(s).

1.2 Scope and Criteria

Scope: The scope of the audit is to assess the conformance of AIDER REDD project in Perú against the Verified Carbon Standard. The objectives of this audit included an assessment of the project's conformance with the standard criteria. In addition, the audit assessed the project with respect to the baseline scenarios presented in the project design document. The project covers an area of 573,299.97 ha. The land is a National Protected Area - ANP. The information supporting the GHG assertion is projected in nature. The project has a lifetime of 30 years and a crediting period of 20 years, and has calculated a GHG reduction and/or removal of 165,992.20 tCO₂e over the course of the monitoring period.

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

- Verified Carbon Standard Program Guide Version 3.4;
- Verified Carbon Standard Version 3.3;
- Verified Carbon Standard Agriculture, Forestry and Other Land Use (AFOLU) Requirements Version 3.3;
- Verified Carbon Standard AFOLU Non-Permanence Risk Tool Version 3.2;
- Verified Carbon Standard Program Updates (please see VCS website for the latest updates); and as applicable,
- The VCS approved methodology/modules used by the project.

Materiality: All GHG sinks, sources and/or reservoirs (SSRs) and GHG emissions equal to or greater than 5% of the total GHG assertion.

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.

1.4 Summary Project Description

The project purpose is to conserve forest against deforestation imminent advance in Tambopata National Reserve and the sector of Bahuaja-Sonene National Park located in Madre de Dios region. Both Natural Protected Areas (ANP) belong politically to Tambopata province, Inambari and Tambopata districts, and have a combined area of 573,387.53 hectares. The project proposes to reduce pressure to change land-use at the ANPs Buffer Zone by promoting sustainable economic activities and establishing conservation agreements at previously identified critical areas. Both actions are looking forward to consolidate a

“barrier” against expansion of economic frontier (agricultural and mining activities), with alliance and permanent coordination with institutions that are currently doing conservation activities in the area. Additionally, RNTAMB and PNBS control and surveillance system will be strengthened, even more on conformation and operation of community committees of surveillance with official recognition, as a strategy for local communities to participate in ANPs management. The project will provide technical support to regional forest authority and National Service of Natural Protected Areas –SERNANP for forest and environmental governance of Madre de Dios region, enhancing State participation on ANPs and optimizing coordination and collaboration between authorities and local population on ANPs management. The project comprises benefits for local population and for biodiversity conservation, beyond benefits of GHG emissions reduction.

With these actions, the project expects to avoid a net emission rate of 454,827.46 **tCO₂-e** annually in comparison with baseline scenario projected during the first 10 years.

2. VALIDATION PROCESS, FINDINGS AND CONCLUSION

Note: If at the time of verification, the audit team has also undertaken a gap validation of the project, or has validated a new methodology and/or project description deviation, and/or inclusion of a new project activity instance in a grouped project, the relevant validation sections below should be completed in detail. In absence of these activities, the validated PDD must still be reviewed in detail to ensure validated project activities have continued without significant changes. Any non-conformances or observations identified during the field audit are noted in this section, and specific NCR and OBS tables are included in section 5 of this report for each identified non-conformance and observations. All findings related to audit team review of additional evidence submitted by the Project Proponent following the issuance of the Draft Audit Report by Rainforest Alliance, is included within section 5 of this report.

2.1 Validation Process

2.1.1 Audit Team

Overview of roles and responsibilities:

Auditor(s)	Responsibilities							
	Lead	Desk Review	On-site visit	Climate Specialist	Biodiversity Specialist	Social Specialist	Report	Senior Internal Review
Violeta Colán	☒	☐	☒	☐	☒	☐	☒	☐
Ian Starr	☐	☒	☒	☒	☐	☒	☒	☐
Mateo Cariño	☐	☐	☐	☐	☐	☐	☐	☒

Auditor qualifications:

Auditor(s)	Qualifications
Violeta Colán	Forestry Engineer with Master degree in Integrated Management of Renewable Natural Resources and a specialization in Natural Forest Silviculture. She has participated in formal FSC forest certification auditing courses, volunteer forestry certification, gradual approximation to certification system, chain of custody and environmental auditing ISO 14001. She has also been trained by Rainforest Alliance in carbon verification auditing. Violeta has, to date, participated in over 50 forest management evaluations, certification auditing for FSC P&C in Bolivia, Chile, Colombia, and Perú; and over 15 carbon validation processes in Colombia, Paraguay, Uruguay and Perú. Currently she is the Rainforest Alliance Program Representative for Andean Region.
Ian Starr	Ian is a consulting forester and resource manager with personal and professional experience in North America, Central and South America, and Africa. His principal interests lie in improving conservation and forest management practices related to tropical forests. Currently he is serving as an auditor for forest carbon offset projects with the Rainforest Alliance. He has also collaborated on a variety of forestry and natural resource management projects in both Amazonia, and the temperate hardwood forests of the Northeastern United States. These projects have included modeling the carbon sequestration potential of various tropical agroforestry systems in Brazil for the Nature Conservancy's Global Climate Change Team, and designing and participating in several forest inventories in New England to plan timber sales based on natural regeneration. His forestry work is complemented by his interest in performing social assessments pertaining to natural resource management. In addition, Ian has over five years of work experience related to conservation, cultural strengthening, and capacity building within indigenous lands in Brazil, Suriname and Colombia through his work with the Amazon Conservation Team. Ian received his Master's degree in Forestry from the Yale School of Forestry and Environmental Studies with a focus on tropical forest and resource management, and received his B.A. from Colgate University where he concentrated in Native American Studies. He is fluent in Spanish and proficient in Portuguese.

Mateo Cariño	Forest and Climate Services Coordinator for the Mediterranean and Africa. He has been lead auditor in certification/verification audit teams in Spain, Cameroon, Morocco, UK, Uruguay, Ethiopia, Madagascar, Italy, Portugal, México, Bolivia, Mozambique, and D.R. Congo, and has delivered trainings in Spain, Peru, Morocco, Paraguay, Brazil, Kenya, D.R. Congo, Cameroon, and Bolivia. Mateo's professional record includes the development of projects for International Development Agencies, the co-ordination of aerial means in the forest fires fight for the General Direction for Biodiversity (Spain), and several studies/field work in Management Planning (DAF, Comoros Islands/France), biomass (IRAD, Cameroun), ornithology (COCN, Spain), and Forest Certification (CATIE, Costa Rica and Guatemala). Mateo holds a double master's degree in Forestry from both Spanish and French institutions (Polytechnic University of Madrid (ETSIM, UPM), Spain; ENGREF, Montpellier, France). His working languages are Spanish, French, English and Portuguese. Mateo has completed a lead auditor training by SmartWood, both for Forest Certification and Carbon Projects auditing, as well as lead auditor to ISO 9001 and ISO 14001 standards.
--------------	--

2.1.2 Description of the Audit Process

The Project Description (PD) has been submitted to validation process on October 2011 by the Project Proponent (PP). Both PDD and supporting documents were revised by audit team in pre-validation process and some major gaps were identified as observations. The PP made any corrective actions related to the observations and a new version of PDD was prepared and it was used by audit team in the field visit. The validation process was realized in 2 steps: desk audit, field visit. According to stakeholders consult process, an agenda was prepared between PP and audit team considering NGOs, native organization, government institutions (local and national), and other interested (farmers and local people).

Desk audit. At the beginning of validation the Project Proponent – PP, made a general presentation about the project, and then explained the most important components such as: methodologies, forest stratification, additionality conditions, baseline, carbon quantification, leakage, and others. The audit team had available all support documents of PDD in digital version (spreadsheets, maps, etc.), and other relevant publications in paper.

Field visit. According to the presentations and the PD, the audit team decided to evaluate the forest stratification: flood, dissected soft terrace, dissected high terrace, and high terrace, because those strata were more representative in the Project Area. Two inventory plots of carbon quantification were selected to evaluation. All sites to visit were selected in office before field trip. In the field visit were considered buffer zone in Interoceanic Road, and sites where there are activities in rehabilitation areas and sites with agroforestry activities.

At the end of field visit, the audit team and PP hold a closing meeting, to require some additional explanations and present the preliminary findings.

Location/Facility	Date(s)	Length of Audit	Auditor(s)
AIDER Central Office, Lima SERNANP, BAM, Profonanpe	January 9 -10, 2012	2 days	Violeta Colán, Ian Starr
AIDER Office, Puerto Maldonado Stakeholders interview	January 11, 2012	1 day	Violeta Colán, Ian Starr
RN Tambopata La Torre Tambopata (TPL)	January 12, 2012	1 day	Violeta Colán, Ian Starr
RN Tambopata Nueva America Jorge Chavez Interoceanic Road, km 108	January 13, 2012	5 hours 5 hours 4 hours	Violeta Colán Ian Starr Violeta Colán, Ian Starr

AIDER Office, Puerto Maldonado	January 14, 2012	5 hours	Violeta Colán, Ian Starr
AIDER, Central Office, Lima	January 14, 2012	4 hours	Ian Starr

2.1.3 Review of Documents

The following documents were viewed as a part of the field audit:

Ref	Title, Author(s), Version, Date	Electronic Filename
1	Reducción de la deforestación y degradación en la Reserva Nacional Tambopata y en el Parque Nacional Bahuaja-Sonene del ámbito de la región Madre de Dios – Perú, AIDER, Version 1.1 May 2012	VCS Project DescriptionTambopata - español (Mayo 2012).docx
2	“CONVENIO ENTRE EL INSTITUTO NACIONAL DE RECURSOS NATURALES – INRENA, LA ASOCIACIÓN PARA LA INVESTIGACION Y EL DESARROLLO INTEGRAL –AIDER Y SFM BAM S.A.C.”, author unknown, version unknown, date unknown.	CONVENIO INRENA-AIDER-SFM.doc
3	Contrato de Administración Parcial parcial de los componentes de monitoreo biológico e investigación sobre el area natural RNTAMB y PNBS, author unknown, version unknown, 2008	Contrato de Administracion PNBS RNTamb.pdf
4	Contrato complementario entre AIDER y BAM, author unknown, version unknown, Dec. 2010	Convenio complementario AIDER -BAM S.A.C.
5	Addendum al Contrato de Administracion parcial de los componentes de monitoreo biológico e investigación sobre el area natural RNTAMB y PNBS, author unknown, version unknown, Oct. 2010.	Addendum al Contrato de Administracion parcial RNTAMB y PNBS.pdf
6	“ESTRATIFICACIÓN DE LOS BOSQUES DE LA RESERVA NACIONAL TAMBOPATA Y EL PARQUE NACIONAL BAHUAJA-SONENE ÁMBITO DE LA REGIÓN MADRE DE DIOS”, AIDER, version unknown, Jan 2012.	ANEXO 21 Estratificacion del area del proyecto 22-01-12 OK.docx
7	Estimación del Carbono Almacenado en la Biomasa de los Bosques de la Reserva Nacional Tambopata y el Parque Nacional Bahuaja-Sonene - Ámbito de la región Madre de Dios, Percy Recavarren Estares et. al, version unknown, January 2012.	ANEXO 22 - Estimacion de carbono almacenado (22-1-12) OK.docx
8	ESTIMACION DE LOS CAMBIOS EN EL CARBONO ALMACENADO Y EMISIONES DE GASES EFECTO, AIDER, version unknown, Jan 2012.	ANEXO 23 Estimacion deforestacion no planificada de linea base RNTAMB y PNBS - BL-UP -(22-01-2012)V1 OK.docx
9	Hoja de calculo-Pos-desforestacion, AIDER, version unknown, date unknown.	Hoja de calculo-Pos-desforestacion.xls.xls
10	Hoja de calculo-LINEA BASE Y CASO DEL PROYECT AIDER, version unknown, date unknown.	Hoja de calculo-LINEA BASE Y CASO DEL PROYECTO. xls.xls
11	Base de datos del calculo de carbono almacenado, AIDER, version unknown, date unknown.	Hoja de calculo-Base de datos del calculo de carbono almacenado. xls.(22-1-12).xlsx
12	Estimación de las Fugas del Proyecto REDD en la Reserva Nacional Tambopata y Parque Nacional Bahuaja-Sonene – Ámbito de la Región Madre de Dios, AIDER, version unknown, Jan 2012.	ANEXO 24 Estimacion de FUGAS por desplazamiento de actividades - (22-12-11).docx
13	Hoja de calculo - Fugas por desplazamiento de actividades, AIDER, version unknown, date unknown.	Hoja de calculo - Fugas por desplazamiento de actividades .xls. (22-1-12).xlsx
14	NON-PERMANENCE RISK REPORT Reduced Emissions from	ANEXO 29 VCS Non-Perman Risk

	Deforestation and Forest Degradation in Tambopata National Reserve and in Bahuaja-Sonene National Park, Madre de Dios region – Peru. AIDER. version n/a, May 24,2012	Report_24.05.12.doc
15	Hitos KML Coordenadas del área del proyecto: Area del Proyecto, Area de exclusión, Hitos Area Exclusion, Hitos Area Proyecto AIDER, version unknown. January 2012	Hitos KML
16	Coordenadas Area del Proyecto. AIDER, version unknown. January 2012	ANNEX 2 Project area coordinates.docx
17	Coordenadas de Areas Excluidas del Proyecto AIDER, version unknown. January 2012	ANNEX 3 Coordinates of exclusión areas.docx
18	Significacion de Reservorio Productos de Madera. AIDER, version unknown. January 2012	Hoja de Calculo – Significacion de Reservorio Productos de Madera.xlsx
19	Cálculos de incertumbre AIDER, version unknown. January 2012	Hoja de Calculo – Incertidumbre 22.01.12.xlsx
20	Estimación de la incertidumbre en las emisiones y remociones en actividades de proyectos REDD en la Reserva Nacional Tambopata y el Parque Nacional Bahuaja Sonene-Ambito de la región Madre de Dios. AIDER, version unknown. Dec 2011	Anexo 25 Estimacion de incertidumbre 22.01.12 OK.docx
21	Impacto ambiental de las actividades productivas propuestas por el proyecto REDD. Reserva Nacional Tambopata y el Parque Nacional Bahuaja Sonene-Ambito de la región Madre de Dios. AIDER, version unknown. 2010	Anexo 26 – Estudio de Impacto Ambiental OK.docx
22	CV Equipo Tecnico AIDER AIDER, version unknown. January 2012.	CV Equipo Tecnico AIDER.doc

2.1.4 Interviews

The following is a list of the people interviewed as part of the audit. The interviewees included those people directly, and in some cases indirectly, involved and/or affected by the project activities.

Audit Date	Name	Title
9 th Jan 12	Renzo Barron	Specialist SERNANP
9 th Jan 12	Ruben Paitan	Specialist SERNANP
9 th Jan 12	Carlos Hernandez	Monitoring Consult, PROFONANPE
9 th Jan 12	Jorge Torres	Project Manager, BAM
9 th Jan 12	César Seminario	Manager BAM
9 th and 14 th Jan 12	Alejandro Leon	GIS Specialist, AIDER
9 th Jan 12	Marco Antonio Llanos	Economist, AIDER
9 th – 14 th Jan 12	Percy Recavarren	Environmental Services, AIDER
9 th – 14 th Jan 12	Alonso Castro	Environmental Services, AIDER
9 th – 14 th Jan 12	Miriam Delgado	Environmental Services, AIDER
11 th – 14 th Jan 12	Carlos Sánchez	Environmental Services, AIDER
11 th and 12 th Jan 12	Deyvis Huaman	Biodiversity, AIDER
11 th Jan 12	Jhon Flores	Manager RN Tambopata
11 th Jan 12	Víctor Zambrano	Leader of Management Forest Committee RN Tambopata
11 th Jan 12	Martin Huaypuma	Leader AFIMAD
11 th Jan 12	Cesar Huisa	Manager of Natural Resources – Madre de Dios Region Government
11 th Jan 12	Federico Duran	Native Community Infierno
13 th Jan 12	Silvia Lobaton	Rural Development, AIDER
13 th Jan 12	Danis Del Aguila	Community Development, AIDER

13 th Jan 12	German Calvo	Leader Nueva America
13 th Jan 12	Edmundo Vásquez	Leader Nuevo Arequipa

2.2 Validation Findings

2.2.1 Gap Validation

Identify, discuss and justify conclusions regarding the additional project description (and any supporting documents) produced in accordance with the VCS rules on participation under approved GHG programs.

Findings from Verification Field Audit			
The proponent did not produce any additional project description under a different GHG program than VCS.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	No NCR or OBS raised		

2.2.2 Methodology Deviations

Identify, discuss and justify conclusions regarding any methodology deviations applied to the project. Note this includes any applicable deviations from the methodology as well as deviations in monitoring report from the validated monitoring plan.

Findings from Verification Field Audit			
The methodology applied to monitor the period 2010-2011 was M-MON Version 2.0. Deviations from methodology were identified in the item 5.2.2.1 degradation (M-MON V2) where the first step is to complete a Participatory Rural Appraisal (PRA) of the surrounding communities to determine potential illegal activities. The project proponent did asses degradation due to illegal logging based on reports and a workshop with park guardians; however, there is no explanation why the proponent decided to not approach the communities. The results of the workshop with park guardians suggest at least 7 sites where illegal activities are occurring (Annex A of Annex VI. Monitoreo de degradacion) reporting finding 2-10 tree stumps for 2010. The result of Annex VI indicates that upon further analysis the field crew found only 1 recent stump and asserted the rest were old ones. However, the proponent did not indicate which parameters were used to define the approximate age of the stumps. About the application of the methodology to assess degradation note that there is no clear information of the time period when degradation sampling took place. Another deviation found was the lack of analysis of natural disturbances and subsequent degradation as requested in M-MON V2. The M-MON Version 2.0 referred to http://www.gofc-gold.uni-jena.de/redd/sourcebook/Sourcebook_Version_June_2008_COP13.pdf as the guide to perform the imagery analysis. In that document there are consideration regarding the application of techniques and recommendations to improve accuracy for image object interpretation methods (page 23). In the methodology provided by the proponent the information regarding the potential shortcoming or advantages is limited. Monthly monitoring of fire outbreaks has not been completed. In the PDD the proponent asserted the use of Maryland-NASA as a source of images to monitor hotspots. Also the proponent reported INPE (Brazil) has not been used as a source of fire monitoring due to precision errors. The project proponent, however, monitored burned areas as required in the M-MON Version 2. To monitor degradation, the proponent asserted in the PDD the use of Claslite software. The proponent indicated the impossibility to use Claslite 2.2 since actualizations are not available to NGO's users. The M-MON Version 2 recognizes the still limited tools to assess degradation using GIS. In summary there are a few significant deviations from the monitoring methodology of the validated monitoring plan. These deviations are not fully justified or explained. See NCR 01/13			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 01/13		

2.2.3 Project Description Deviations

Identify, discuss and justify conclusions regarding any project description deviations.

Findings from Verification Field Audit	
The project proponent presented arguments to deviate from the initial plan to monitor fire outbreaks monthly. The arguments were two-fold. One is related to the images from University of Maryland which according to the proponent were not continuously provided and the second related to inaccuracy of data from INPE (page 8 and 9 of Annex VI. Monitoring report). National Aeronautics and Space Administration (NASA) has been identified as an alternative source of information. Further the project proponent asserted to calculate fire affected areas using the module E-BB. Arguments provided by the proponent are deemed reasonable for this verification period based in the fact that the proponent provided a calculation of fire impact on loss of forest cover. Also based in the fact that the proponent identified an alternative source of information that is	

assumed to be used in next verification periods.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised.		

2.2.4 New Project Activity Instances

For grouped projects, identify, discuss and justify conclusions regarding the following:

- Number of new project activity instances included in the project at this monitoring/verification event.
- Quality and completeness of evidence, data and documentation of new project activity instances
- Eligibility of new project activity instances
- Sampling process for validation of new project activity instances

Findings from Verification Field Audit			
This is not a grouped project.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	No NCR or OBS raised.		

2.3 Validation Conclusion

Clearly state whether the project conforms with the validation criteria for projects, as set out in VCS Version 3, and include any qualifications or limitations. This section should include a brief description of any changes from the validated PDD, and a review of project continued conformance with the validated PDD.

Findings from Verification Field Audit			
The project proponent did not prepare another PD. The project was validated as set out in VCS Version 3, on June 2012 with code RA-VAL-VCS-015609			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised.		

3. VERIFICATION PROCESS

3.1 Method and Criteria

Describe the method and criteria, including the sampling plan, used for undertaking the verification.

3.2 Audit Team

Overview of roles and responsibilities:

Auditor(s)	Responsibilities							
	Lead	Desk Review	On-site visit	Climate Specialist	Biodiversity Specialist	Social Specialist	Report	Senior Internal Review
Violeta Colán	☒	☒	☒	☐	☒	☒	☒	☐
Galia Selaya	☐	☒	☐	☒	☐	☐	☒	☐
Campbell Moore	☐	☒	☐	☒	☐	☐	☐	☐
Adolfo Lemus	☐	☐	☐	☐	☐	☐	☐	☒

Auditor qualifications:

Auditor(s)	Qualifications
Violeta Colán	Forestry Engineer with Master degree in Integrated Management of Renewable Natural Resources and a specialization in Natural Forest Silviculture. She has participated in formal FSC forest certification auditing courses, volunteer forestry certification, gradual approximation to certification system, chain of custody and environmental auditing ISO 14001. She has also been trained by Rainforest Alliance in carbon verification auditing. Violeta has, to date, participated in over 50 forest management evaluations, certification auditing for FSC P&C in Bolivia, Chile, Colombia, and Perú; and over 15 carbon

	validation processes in Colombia, Paraguay, Uruguay and Perú. Currently she is the Rainforest Alliance Program Representative for Andean Region.
Galia Selaya	PhD Forest Ecology. Extensive experience mainstreaming environmental and social responsibility in practice and policy development for sustainable forest management and conservation. Active in the evaluation of deforestation trends, drivers and greenhouse gas emissions in the Andean Amazon region. Experience monitoring carbon dynamics in Bolivia and Peru in the framework of climate change. Lead auditor ISO 14001 for Rainforest Alliance and participated in auditing social and environmental and carbon principles and indicators for Verified Carbon Standard (VCS), Carbon Community and Biodiversity (CCB) and Forest Stewardship Council (FSC) standards in Latin America. Proficient Spanish, English (TOEFL, IELTS) and conversational French (TEF) and Portuguese.
Campbell Moore	Carbon Expert with Rainforest Alliance. Campbell has experience on both the technical and policy sides of REDD+. Campbell's recent professional experience includes consulting work for GIZ Philippines performing carbon stock assessments of different forest types, including agroforestry and plantation systems, as well as work centered on reforestation in Sri Lanka for the Environmental Leadership and Training Initiative. He additionally has worked for Climate Focus on LULUCF policy issues. From 2009-2011 Campbell pursued his Master of Forestry from the Yale University School of Forestry and Environmental Studies. During this time period he concentrated heavily on REDD+. This period included a variety of forestry projects including developing a management plan for Connecticut forest preserve, planning timber sales in a New England hardwood forest, and designing and modelling carbon sequestration potential of agroforestry systems for the Nature Conservancy's Global Climate Team. Prior to his time at Yale, Campbell worked in The Gambia for over two years as a Peace Corps Volunteer designing and implementing a wide variety of forestry, agroforestry, and agricultural projects. In addition to his Master of Forestry degree, he holds a M.A. in Environmental Studies from St. Mary's College. Campbell is fluent in Pulaar and Wolof and has experience with Spanish.

3.3 Review of Documents

The following documents were viewed as a part of the field audit:

Ref	Title, Author(s), Version, Date	Electronic Filename
1	Informe Final. Tratamiento y Clasificación de Imágenes Satelitales LANDSAT para monitorear deforestación 2011 Madre de Dios – Perú. AIDER. Versión unknown. 2012	Anexo IV - Informe de Monitoreo de la Deforestación.doc
2	Tratamiento y Clasificación de Imágenes Satelitales LANDSAT TM 5 para determinar cicatrices producidas por quemas en el área del proyecto y cinturón de fugas – Año 2010. Informe Final. Proyecto REDD RNTAMB y PNBS-MDD. AIDER Versión unknown. 2011	Anexo V - Monitoreo de Áreas Quemadas.docx
3	Informe Final. Determinación de la degradación forestal ocurrida en el periodo 2010-2011 en la Reserva Nacional Tambopata y el Parque Nacional Bahuaja-Sonene en el ámbito de Madre de Dios – Perú. AIDER. Version unknown. Date unknown.	Anexo VI - Monitoreo de degradación.docx
4	Mapa de Monitoreo de Cobertura Forestal del Área del Proyecto – Periodo 2010-2011 AIDER. Version unknown. 2012.	Anexo VII - Mapa de Monitoreo del Área del Proyecto 2010-2011.pdf
5	Mapa de Monitoreo de Cobertura Forestal del Cinturón de Fugas – Periodo 2010-2011 AIDER. Version unknown. 2012.	Anexo VIII - Mapa de Monitoreo del Cinturón de Fugas 2010-2011.pdf
6	Reducción de la deforestación y degradación en la Reserva	Anexo IX - Cálculo de reducciones de emisiones .doc

	Tambopata y en el Parque Nacional Bahuaja-Sonene del ámbito de la región Madre de Dios – Perú. Cálculo de reducciones netas de emisiones de GEI para el primer periodo de monitoreo (2010-2011) del proyecto. AIDER. Version unknown. Date unknown.	
7	Reducción de la deforestación y degradación en la Reserva Tambopata y en el Parque Nacional Bahuaja-Sonene del ámbito de la región Madre de Dios – Perú. Procedimiento Operativo Estandar. Mapeo de la Deforestación. AIDER. Version unknown. 2012.	Anexo X - POE Monitoreo de la Deforestación.docx
8	Reducción de la deforestación y degradación en la Reserva Tambopata y en el Parque Nacional Bahuaja-Sonene del ámbito de la región Madre de Dios – Perú. Procedimiento Operativo Estandar. Monitoreo de degradación causada por fuego. AIDER. Version unknown. Date unknown.	Anexo XI - POE Monitoreo de quemas.docx
9	Reducción de la deforestación y degradación en la Reserva Tambopata y en el Parque Nacional Bahuaja-Sonene del ámbito de la región Madre de Dios – Perú. Procedimiento Operativo Estandar. Monitoreo de la degradación forestal causada por extracción ilegal de madera. AIDER. Version unknown. 2012.	Anexo XII - POE Monitoreo degradación forestal.docx
10	Mapa Regional de Cobertura Forestal/Cobertura No Forestal. AIDER. Version unknown. 2012.	Anexo XV Mapa de Cobertura Forestal_No forestal Julio 2010.pdf
11	Emisiones del Proyecto REDD Autor unknown. Version unknown. Date unknown.	Hoja de calculo - Emisiones del Proyecto REDD.xls
12	Calculos Incertidumbre AIDER. Version unknown. Date unknown.	Calculos Incertidumbre.xlsx
13	Reducción de la deforestación y degradación en la Reserva Nacional Tambopata y en el Parque Nacional Bahuaja-Sonene del ámbito de la región Madre de Dios – Perú. Project Description: VCS Version 3. AIDER, Version 1. Jan. 20th 2012	VCS Project Description Tambopata – español (Mayo 2012).pdf
14	Procedimientos y aseguramiento del almacenamiento de datos del proyecto “Reducción de la deforestación y degradación en la Reserva Nacional Tambopata y en el Parque Nacional Bahuaja-Sonene del ámbito de la región Madre de Dios – Perú. AIDER. Version unknown. 2012.	Anexo XIII – POE Almacenamiento de información.docx
15	Geodatabase Shapefiles Cobertura base	Geodatabase Shapefiles.mdb
16	Risk Report Calculation Tool. v3 VCS. Version 3. Date unknown.	VCS Risk Report Calculation Tool v3.0. xls

3.4 Interviews

The following is a list of the people interviewed as part of the audit. The interviewees included those people directly, and in some cases indirectly, involved and/or affected by the project activities.

Audit Date	Name	Title
Dec 10-14, 27, 2012	Percy Recarraven	Environmental Service Program Coordinator, AIDER
Dec 10-14, 2012	Alonso Castro	Environmental Service Program, AIDER
Dec 10-13, 2012	Carlos Sánchez	Environmental Service Program, AIDER
Dec 11, 2012	Miriam Delgado	Environmental Service Program, AIDER
Dec 11, 2012	Leoncio Flores Balarezo	Briolo Control Station
Dec 11, 2012	Rushdie Flores Carhuaypay	Briolo Control Station

Dec 12, 2012	Sandra Teves Flores	Loero-Jorge Chavez Control Station
Dec 12, 2012	Carlos Sinuiri Andira	Volunteer Tambopata park guard
Dec 12, 2012	Gleidy Valera Sinuiri	Volunteer Tambopata park guard
Dec 13, 2012	David Aranibar Huaquisto	Bahuaia-Sonene National Park
Dec 13, 2012	Deyvis Huaman	Biodiversity, AIDER
Dec 13, 2012	Amalia Delgado Rodriguez	Biologist, AIDER
Dec 13, 2012	Jorge Luis Sanchez Vidal	Theologian, AIDER
Dec 13, 2012	Isabel Yalico Lopez	Tambopata Management Committee
Dec 13, 2012	John Florez Leiva	Tambopata Reserve, Director
Dec 14, 2012	Claudia Level Castillo	Information System, AIDER Lima
Dec 14, 2012	Paul Ramirez	Socioeconomic, AIDER
Dec 14, 2012	Alejandro Leon	GIS Specialist, AIDER

3.5 Description of the Audit Process and Site Inspections

Location/Facility	Date(s)	Length of Audit	Auditor(s)
AIDER Puerto Maldonado Office Field trip to: Tres Islas, San Bernardo, Fitzcarrald. Km 22 Interoceanic Road Puerto Maldonado-Cuzco	Dec 10, 2012	2 hours 6 hours	Violeta Colán
Briolo Sector Transect of degradation assessment: 9, 10, 11	Dec 11, 2012	1 day	Violeta Colán
Loero-Jorge Chavez Sector Transect of degradation assessment: 16 Carbon plot: 26	Dec 12, 2012	1 day	Violeta Colán
AIDER Puerto Maldonado Office: Documents review Stakeholders interview	Dec 13, 2012	1 day	Violeta Colán
AIDER Central Office, Lima	Dec 14, 2012	1 day	Violeta Colán

3.6 Resolution of Material Discrepancy

Material discrepancies were issued with NCRs. These NCRs were addressed and closed with the submission of further evidence prior to an approved verification for this monitoring period. The proponent submitted further evidence following the issuance of first draft report. This evidence was considered in this final draft report.

4. VERIFICATION FINDINGS

4.1 Project Implementation Status

Identify, discuss and justify conclusions with respect to the following:

- Implementation status of the project activity(s), including any material discrepancies between the project and the project description.
- Implementation status of the monitoring plan and the completeness of monitoring, including any material discrepancies between the project and the project description.
- Any remaining issues from previous validation or verification.

4.1.1 Project title, Purposes and Objectives

Identify any changes in the project title, purpose or objectives since the project validation or the last verification.

Findings from Verification Field Audit			
In page 5 of Monitoring report the crediting period includes: Project crediting period: 20 years (July 01, 2010 – June 30, 2030). First period of quantified GHG emission reductions: 10 years (July 01, 2010 – June 30, 2030). Note the date is extended to June 30, 2030. It creates confusion between the total project lifetime and the first period of quantified GHG emissions reductions. See NCR 02/13			
Additionally, the Monitoring Report submitted is in Spanish. The VCS Standard requires (Section 2.1.1) that “The project description, validation report, monitoring report, verification report and all other project documentation required under the VCS Program shall be in English”. Therefore the Monitoring Report does not comply with the VCS Standard. See NCR 03/13			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 02/13 NCR 03/13		

4.1.2 Stratification of Baseline and Project Areas

Identify any changes in baseline or project area stratification. Review application of stratification in GHG calculations.

Findings from Verification Field Audit			
At validation (June 24, 2012) 541,620.14 ha pertained to project area distributed in 10 strata. Carbon pools were defined in each stratum and those were used to calculate GHG emissions in the baseline. The same strata and carbon stocks appear to be used to calculate GHG removals for the 2010-2011 monitoring period. However, there is no information indicating clearly which strata suffered deforestation or not, as a result of the GIS analysis and field validation. There is no explanation how GHG calculations led to 0 for some strata and no value in some others. See NCR 04/13			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 04/13		

4.1.3 Ownership/Proof of Title/Right of Use

Identify any changes in project area land ownership/demonstration of right of use as identified in the validated PDD.

Findings from Verification Field Audit			
Project proponent holds an administrative contract with SERNANP (Servicio Nacional de Areas Nacionales Protegidas de Peru) being the state of Peru owner of Reserva Nacional Tambopata and Parque Nacional Bahuaja Sonene. The administrative contract has not changed since the validation project in July 2012.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised.		

4.1.4 Double counting and whether the project participated in another emission trading programme

Identify if the project has participated in other emission trading programmes.

Findings from Verification Field Audit			
The project is not participating in other emission trading program. The audit team has checked the websites of other relevant standards that permit REDD projects (ACR, Plan Vivo), to confirm this.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised.		

4.1.5 Conformance with PDD Monitoring Protocol

Evaluate project activity conformance with the validated PDD Monitoring Plan. Review each step outlined within the monitoring plan in the findings box below.

Findings from Verification Field Audit	
The monitoring protocol shows gaps in steps of M-MON methods and associated methodologies regarding degradation. Items and outputs are not presented in order and sequence which makes it difficult to review the outputs. Forest cover and deforestation maps are presented with no explanation and lacking systematic order. Some tables present different values for the same variable but no explanation is provided. Assumptions regarding the timeframe for monitoring are not presented systematically.	
PDD Required Monitoring Procedures	Findings
4. Monitoring data and parameters in the PDD 4.1. Data Parameters Available at Validation <i>Mapa regional mostrando tierras forestales dentro de la región de referencia, área del proyecto y cinturón de fugas</i> Map showing forest cover in the reference region, project area and leak belt.	The proponent presented two documents regarding forest cover and deforestation: (Annex X POE <i>Monitoreo de deforestación</i>, and Annex IV <i>Informe de monitoreo de deforestación</i> October 30, 2012). The procedure to define forest and non-forest categories is presented in <i>Informe de monitoreo de deforestación</i> document. The output is accumulated deforestation at region, leakage and project area. Below the findings. 1. Note there is a discrepancy in minimum cloud cover percentage parameter which has been set 15% in Annex X POE vs 10% considered in the Annex IV <i>Informe de deforestación</i>. 2. Verification sampling points to predict deforestation have been calculated based on success or failure after image analysis. The criteria to define prediction at 85% or 15% are not mentioned (<i>Informe monitoreo de deforestación</i>). 3. Verification points have been selected close to Transoceanic road. Points have been changed in the field based on difficulty to access. There is no information on how many and how the changes took place (<i>Informe de monitoreo de deforestación</i>). 4. The <i>Informe de monitoreo de deforestación</i> mentions deforestation in the reference region, project area and leakage belt for 2010-2011. Non-forest areas for each strata in both project area and leakage are shown in an excel spread sheet; however, the methods to obtain such a data are not contained in any document nor the reference to the spread sheet. Three different deforestation areas are presented for the reference region but it is confusing the periods they represent (pages 14, 15 Annex IV <i>Informe de monitoreo Tambopata</i>). 5. The proponent asserts deforestation on 2010-2011, unlike past years, took place in small dispersed areas close to transoceanic road (page 11 <i>Informe de monitoreo de deforestación</i>). There is no an explanation to elaborate the probable reasons for such a change. 6. Conclusions of mapping forest cover at the end of monitoring period 2010-2011 are not clearly presented. For instance in table 4 of Annex IV and conclusions in the same document (pages 18 and 19) are not linked. 7. There is a map (Annex XV) showing forest cover and deforestation covering the reference region, area and leakage belt that seemed to be the benchmark map used to overlay the data after the monitoring period. See section 6.2 of data and parameters to monitor for verification of M-MO V2. But there is no information accompanying such a map and the conclusions and subsequent use of such a map. See NCR 05/13.
<i>Mapa de monitoreo de cobertura forestal del área del proyecto</i> Map of forest cover of the project area	The monitoring plan in PDD (June 2012) stated the map of the forest cover in the project area at the beginning of each monitoring period. See NCR 05/13. 1. Although a map of forest cover and deforestation for the whole region of reference region, including project area and leakage belt is available (Annex XV). There is no specification about the forest cover in the project area and associated strata available at the beginning of the monitoring period of 2010-2011 as stated in the PDD. 2. There is a discrepancy between forest cover hectares in the project area as presented in the VCS Monitoring Report Tambopata page 9 and 10 item 6.3 of data and parameters and the page 18 of the same report. The discrepancy is that project forest cover monitoring is detailed as 540,724.44 ha in Data and Parameters Monitored (item 3.2, page 10) but in Table 2 (page 18) the project area is 541,608.40 ha.
<i>Mapa de monitoreo de cobertura forestal del cinturón de fugas</i> Map of the forest cover in the leakage belt	Similarly to above a leakage belt forest cover and deforestation map is included in Annex VIII. There is no presentation of the same map at the beginning of the monitoring period in July 2010 or an explanation of how the leakage belt has changed

	during the monitoring event period and the reasons behind changes. See NCR 05/13. 1. There is no explanation of the sequence to monitor deforestation or a comparison with new data on deforestation after monitoring events during 2011. 2. There is a discrepancy between values presented in page 11 Data and Parameters and values of VCS Monitoring Report Tambopata page 18 regarding forest-non forest results in leakage belt. No explanation has been provided to justify differences in areas. The discrepancy is that project forest cover monitoring is detailed as 540,724.44 ha in Data and Parameters Monitored (item 3.2, page 10) but in Table 2 (page 18) the project area is 541,608.40 ha.
<i>Estudio de degradación</i> Study of degradation	As stated in the PDD the proponent included a document Annex XII POE <i>Monitoreo de degradación causada por extracción ilegal de madera</i>, 2012 with the methodology to assess degradation and Annex VI Monitoreo de degradacion. See NCR 05/13. 1. No information was provided regarding why Participatory Rural Appraisal included in the M-MON was not included. Also there is no justification regarding the requirement of M-MON about the result of limited degradation survey that indicates a repetition every time the PRA indicates degradation. 2. Monitoring for degradation due to natural disturbances has not been implemented during the monitoring period 2010-2011. See M-MON Data and Parameters monitored during verification in page 32. 3. Degradation due to roads as required in M-MON page 32 are not included and there is not an explanation regarding why this item was dismissed from the analysis.
<i>Focos de incendio de importancia para la actividad del proyecto</i> Fire hotspots important for the Project activities	Monitoring activities included location of fires in project prioritized areas using Fire Information for Resources Management System/FIRMS from University of Maryland, USA. In the Annex XI POE <i>Monitoreo de Quemadas</i> the proponent indicates the use of http://glovis.usgs.gov/. The Annex V <i>Informe final de monitoreo de quemas "Tratamiento y clasificación de imágenes satelitales Landsat tm 5 para determinar cicatrices producidas por quemas en el área del proyecto y cinturón de fugas – año 2010"</i> provides the burned areas for the period of June to October 2010. See NCR 05/13. 1. The fire hotspots were not monitored monthly as planned in the PDD. Shortcomings of the analysis using acceptable resolution Landsat images were reported by the proponent. As for other sources of error in page 7 of VCS Monitoring report Tambopata the proponent identified INPE errors in location of hot spots and noted that NASA images have been used instead. Considering there was other sources available such the INPE reports of hotspots, it is not clear why that source were dismissed. 2. As M-MON V2 the burned area was estimated (Annex V); however, it is not clear how the scars of 2010-2011 were located and linked with fires occurring in the region.
<i>Área deforestada en el área del proyecto</i> Deforestation in the project area in Ha.	The deforested area is presented in Annex VII and in Annex IV <i>Informe de monitoreo de deforestacion</i>. However, the Annex IV does not include information about deforestation per strata, and which actors would most probably be responsible for such deforestation. See NCR 05/13.
<i>Área sometida a degradación forestal</i> Degradation in the forest area Ha.	Degradation area were calculated and reported in the Annex VI. As stated elsewhere in this document, the PRA were not carried out by the proponent. See NCR 05/13.
<i>Área de bosque en la región de referencia</i> Forest cover in the reference region	The VCS Monitoring Report Tambopata provides information regarding forest cover in the reference region. However, the information lacks clear specification of the period they represent. For instance, the hectares at the beginning and the end of the monitoring period in the reference region. See NCR 05/13.
<i>Área de parcelas de muestreo de degradación</i> Plot áreas to sample degradation	Annex V and XII present methods and tools to assess degradation. Annex V shows the processes flow used to map burn scars, using available and updated tools. Starting the process, the project proponent used Landsat TM 5 imagery. The processing was done with ENVI 4.7.1® and ArcGIS 9.3.1®. Subsequently, the project proponent applied the geometric and atmospheric corrections and reflectance calibration. In Annex XII the project proponent explains that participatory methods were

	used to identify the location of the transects assessment, this is a method frequently used for the definition of the sampling design.		
<i>Emisiones de CO2 producidas por degradación forestal en el área del proyecto</i> Emissions of CO2 from degradation in the project scenario	Emissions due to degradation have been presented on Table 8 <i>Emisiones netas de GEI dentro del área del proyecto bajo el escenario con proyecto</i> . Page 10 of Annex IX <i>Calculo de reducción de emisiones</i> and in the Excel spreadsheet <i>Emisiones del proyecto REDD Ecuación 8-Degradación</i> .		
Combustion factors and GHG default values	Default values in Table 2.6 of IPCC, 2006 (Annex 2).		
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 05/13		

4.1.6 Observation of local laws and regulations

Identify any relevant local laws and regulations and confirm project compliance with all applicable laws and regulations.

Findings from Verification Field Audit			
This project was validated on June 2012. The validation process did not find any non-conformance about local laws and regulations. Stakeholders interviewed agree that this is an important project for the National Conservation Area because it gives strength to control activities and vigilance activities.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised.		

4.1.7 VCS AFOLU Requirements Section 3.1.5: Negative environmental and socio-economic impacts

Project proponents shall identify potential negative environmental and socio-economic impacts and shall take steps to mitigate them. Additional standards such as the Climate, Community & Biodiversity Standards (CCBS) or Forest Stewardship Council (FSC) certification may be applied to demonstrate social and environmental benefits beyond GHG emissions reductions or removals. VCU's may be tagged with additional standards and certifications on the VCS project database where both the VCS and another standard are applied.

Findings from Field Audit			
The proponent did not provide information regarding the application of the social monitoring (Annex II. Plan de monitoreo comunal). The possible environmental impact from activities proposed by the project were evaluated and qualified as: agroforestry, gold mining, forest management, chestnut management. As economic activities, has positive and negative impact over the environment. The project proponent will be taken measures of mitigation in the development of each activity.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 06/13		

4.2 Accuracy of GHG Emission Reduction or Removal Calculations

4.2.1 Calculation of emissions in the baseline scenario (ex-post estimate) following identified methodology and validated PDD

Review relevant methodological equation logic for the calculation of baseline emissions as required for the relevant monitoring years. Note that the baseline calculations from some AFOLU projects must be re-validated every 10 years.

Findings from Verification Field Audit			
The proponent submitted Annex IX <i>Calculo de reduccion de emisiones</i> containing calculations of emissions in the baseline scenario (ex-post) following MON-M Version 2.0. Equation 6. Carbon stock in all pools in post-deforestation land use u in stratum i; t CO2-e ha-1. In excel file the post-deforestation rate for agriculture and mining are the same as validated PD. Equation 5. Net carbon stock changes in all pools as a result of deforestation in the project case in land use u in stratum i at time t; t CO2-e ha-1: In Annex IX page 3 and 4 the Table 1. t CO2-e/ha. Note some strata are not included in the calculations but there is no explanation why. See NCR 07/13 Equation 5. Net carbon stock changes in all pools as a result of deforestation in the leakage belt in land use u in stratum i at time t; t CO2-e ha-1. Results are presented in Table 2 of Annex IX. Note some strata are not included in the calculations but there is no explanation why. Also, there is no explanation why some strata have no post deforestation land use u factor. See NCR 07/13 . The proponent has excluded some stratum from the analysis of carbon stock change without providing explanation or justification.			

Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 07/13		

4.2.2 Calculation of emissions from project activities (ex-post estimate) following identified methodology and validated PDD

Review relevant methodological equation logic for the calculation of emissions for project activities as required for the relevant monitoring years. Note that emissions may be considered de minimis; refer to the validated PDD for project specific requirements in relation to project activity emissions.

Findings from Verification Field Audit			
Equation 1 and 2 of E-BB: Results of equations application are presented in page 7 of Annex IX and in excel spread sheet <i>Emisiones del proyecto REDD</i> . Note the information presented is not clear regarding how burned areas and stratum have been identified and calculated since only areas bigger than 2 ha were selected for validation. See NCR 08/13 Equation 30 of MON-MO: GHG emissions from project activities. Factors to calculate GHG from project activities are presented in page 8. Emissions from fossil combustion and fertilizers are considered insignificant and set to 0. Equation 1. Net emissions from deforestation, degradation and project implementation: Degradation calculations are presented in the spread sheet <i>Emisiones del proyecto REDD</i> .			
	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 08/13		

4.2.3 Calculation of emissions reductions or avoided emissions due to the project (ex-post estimate) following identified methodology and validated PDD

Review relevant methodological equation logic for the calculation of avoided emissions or removals from project activities as required for the relevant monitoring years.

Findings from Verification Field Audit			
Equation 1. REDD-MF. Factors used in calculations of emission reductions or avoided emissions due to the project (ex-post) were net emissions compared to the baseline (Table 44 PD, page 17), emissions due to deforestation in the project area ex-post Table 8, page 10 Annex IX and net emissions due to leakage on Table 15, page 10 Annex IX. The calculations appears to be sound however the proponent asserts 0 emissions due to natural disaster with no evidences provided to support such an assertion. See NCR 09/13 .			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 09/13		

4.2.4 Calculation of emissions from leakage (ex-post estimate) following identified methodology and validated PDD

Review relevant methodological equation logic for the calculation of emissions from leakage as required for the relevant monitoring years. Note that emissions may be considered de minimis for some projects; refer to the validated PDD for project specific requirements in relation to project activity emissions.

Findings from Verification Field Audit			
Equation 4 MON-MO: Calculations of emissions from leakage belt pre-deforestation are shown in Excel file <i>Calculo de emisiones del proyecto REDD</i> (Defo-fuga). Calculations of net carbon change in leakage belt (Ecuaciones 3, 4 and 5spreadsheet) are shown in table 2 page 4 of Annex IX <i>Calculo de reduccion de emisiones</i> . Note, calculations per strata is not contained in any of the monitoring reports nor there is information about why some strata are missing and some others have 0 post-deforestation value. See NCR 07/13 Equation 1. LK-ASU: Net CO2 emissions due to unplanned deforestation displaced from the project area to the Leakage Belt; t CO2-e. Note link to calculations of Net CO2 emissions in the baseline from unplanned deforestation in the leakage belt; t CO2-e are part of the Annex 24 <i>Estimacion de fugas</i> document validated in June 2012. Equations 2-7. LK-ASU Factors to obtain ex-post deforestation (Proportion of area deforested by immigrant agents in the Leakage Belt and project area; proportion PROPIMM) was set as the same in the baseline. Equations 8-13. LK-ASU: Similar to Equation 7, because the proportion of total deforested area by immigrant agents in project scenario will be determined from the same ratio calculated in baseline data. It is assumed that proportional deforested area by immigrant agents and project remains the same.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 07/13		

4.2.5 Assessment of uncertainty following identified methodology and validated PDD

Review methodological requirements for uncertainty calculations and confirm calculations are in conformance with all methodological requirements related to uncertainty calculations.

Findings from Verification Field Audit			
Equations Part 1 and 2 of X-UNC Module have been presented in <i>Calculo de incertidumbre</i> Excel spread sheet. Also in Excel file <i>Calculo de emisiones</i> . Tables 18 and 19 in Annex IX <i>Calculo de deforestacion en el Proyecto REDD</i> present calculations of uncertainty. Although the calculations have been found sound, there are discrepancies between the amounts expressed in Table 19 and the Excel spread sheet regarding summation of squares and square roots in with project scenario. See NCR 10/13			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 10/13		

4.2.6 Appropriate use of default values following identified methodology and validated PDD

Review default values used for GHG calculations and confirm conformance with required values identified in the validated PDD and applicable methodology.

Findings from Verification Field Audit			
The following default values were reported in the monitoring report: <i>COMFi</i> , (Combustion factor for stratum <i>i</i> vegetation type). The value of 0,5 was used to determine GHG emissions from biomass burning. Default values in Table 2.6 of IPCC, 2006 (Annex 2). <i>G_{gi}</i> Combustion Emission factor for stratum <i>i</i> for gas <i>g</i> - source of data (Defaults can be found in Volume 4, Chapter 2, of the IPCC 2006 Inventory Guidelines in table 2.5 (see Annex 2): Emission factors for various types of burning for CH ₄ 6,80 and N ₂ O 0,20, <i>in tropical forest</i> . Also the CO ₂ = 1; CH ₄ = 21; N ₂ O = 310 values as greenhouse warming potential. The values were used in equation 1 E-BB Biomass burning, to estimate emissions from project activity (Anexo IX Calculo de reduccion de emisiones del Proyecto).			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised		

4.2.7 The assumptions made for calculating GHG emission reductions and/or removals

Identify assumptions made when calculating GHG emission reductions and/or removals, and confirm assumptions are in conformance with those in the validated PDD. Assumptions should be clearly and transparently described within the monitoring report, and supported with verifiable evidence.

Findings from Verification Field Audit			
The following assumptions have been identified in the monitoring reports: - May to September was set as the months to monitor deforestation and degradation. Assumptions regarding this timeframe are not clearly discussed in the monitoring reports. - Assumptions to identify burned areas to calculate emissions in the project area due to degradation are not clearly stated in the methodology and reports. - Assumptions regarding the decision to omit degradation due to natural disasters during the period 2010-2011 are not discussed in any of the documents presented for the verification. Crucial assumptions for the calculation of GHG emissions reductions and removals have not been explained or justified. See NCR 11/13			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 11/13		

4.2.8 Calculation of net VCUs to be issued (ex-post estimate) following identified methodology and validated PDD

Findings from Verification Field Audit			
Net VCUs ex-post has been calculated discounting 13% due to risk of permanence as stated in the PD. However, for the final net VCU calculation to be credible and in conformance with VCS, NCRs 7-11 must be addressed.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 07/13 NCR 08/13 NCR 09/13 NCR 10/13 NCR 11/13		

4.3 Quality of Evidence to Determine GHG Emission Reductions or Removals

Identify, discuss and justify conclusions regarding the sufficiency of quantity and appropriateness of quality of the evidence, the reliability of the evidence, and the source and nature of the evidence (external or internal, oral or documented) for the determination of GHG emission reductions or removals.

4.3.1 Verification of inventory equipment used to calculate emissions reduction and/or removals

Identify the inventory techniques used to calculate project emission reductions and removals. Confirm techniques conform with those identified in the validated monitoring plan outlined within the validated PDD. Note that most PDD's include Standard Operating Procedures (SOPs) for forest inventory that detail the inventory design and process.

Findings from Verification Field Audit			
The proponent carried out no new forest inventory during the monitoring period of 2010-2011. The inventory techniques, design and process included in the PDD has not been changed ever since validation.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised		

4.3.2 Verification of use of GPS and remote sensing analysis following identified methodology and validated PDD

Identify any GPS and/or remote sensing analysis conducted as part of the development of the monitoring report. Confirm all remote sensing analysis and georeferencing was conducted in conformance with the identified methodology and validated PDD.

Findings from Verification Field Audit			
The project applies GPS and conducted remote sensing analysis to report monitoring development for variables forest cover, deforestation, areas burned and degradation. Software ENVI 4.8 y Arc GIS 9.3.1Equipo GPS Navegador Garmin and Landsat 5 images are used for the analysis. Procedures used had not changed since the validation of PD.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised		

4.3.3 Implementation of sampling plan described in the PDD

Identify any requirements within the validated PDD that describe the sampling plan and confirm conformance with the sampling plan requirements. Confirm adequate sampling intensity was completed based on calculated project area variability.

Findings from Verification Field Audit			
The sampling plan described in the PDD includes forest, non-forest cover at region, area and leakage belt and burned areas. The criteria to select the sampling intensity and area are not clearly explained in Standard Operative Procedure - POE or monitoring reports. Sampling points for deforestation have been selected mostly along the transoceanic road and it is not clear how the crew cover each point. Note some sampling points have been changed from the original ones detected in the remote sensing analysis, but no information has been provided about how many and how some other points have been selected. There is also no information about the month of the year the field sampling has been carried out.			
A detailed justification for the methodology, sampling intensity, sampling location, and sampling timing is missing. As a result, it is impossible to verify the sampling followed best practice and methodology requirements. See NCR 12/13			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 12/13		

4.4 Management and Operational System

Identify, discuss and justify conclusions regarding the suitability of the management system for monitoring and reporting (ie, organisational structure, responsibilities, competencies, non-conformance handling, internal audits and management review).

Findings from Verification Field Audit			
AIDER is the project proponent and it is responsible for implementing all activities as part of their responsibilities as executor of partial agreement for management Reserva Nacional Tambopata. AIDER is also responsible for design and monitoring of the project, so it has an organized an experienced team. SERNANP is the government organization, and it is responsible for Reserva Nacional Tambopata. Other organization involved is the Catholic University.			
There is a difference with the validated PDD because PDD includes Bosques Amazonicos, but in Monitoring Report it does not refer to this organization.			
The project proponent has demonstrated that biodiversity, carbon, and socio-economic monitoring are properly carried out in three regions (Madre de Dios, Piura and Ucayali, Perú) by the same staff for multiple different project types including CDM, VCS, and CCB. Furthermore they are technical executors of similar projects in other regions (VCS, CCB projects).			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised		

4.4.1 Monitoring roles and responsibilities identified

Identify any changes in the monitoring roles and responsibilities from the validated PDD. Confirm project staff competency for conducting applicable tasks as designated.

Findings from Verification Field Audit			
Bosques Amazonicos was considerate as financial partner and marketing manager of VCUs in validated PDD; however, in monitoring report this partner is not included. The project proponent is not clear about this responsibility.			
Conformance	Yes ☐	No ☒	N/A ☐
NCR/OBS	NCR 13/13		

4.4.2 Inventory quality management systems (including both field and remote sensing as applicable)

Identify quality management systems (QMS) required by the project methodology and/or described within the validated PDD. Confirm project has implemented QMS effectively, and inventory accuracy thresholds if applicable are met.

Findings from Verification Field Audit			
The project proponent has organised an Institutional Overall System through Standard Operating Procedure, "Procedimiento Operativo Estandar" – POE. Monitoring team is located in Lima, but regional offices are visited to verified quality of information and management systems. All information is updated and verified with specific procedures for each component of project. System manager appoint responsible for each level of data. Annexe XIII give a global procedure to quality management systems. In field, the auditor has verified that all information has been saved according to a specific methodology, including deforestation monitoring, degradation monitoring, and forest cover.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised		

4.4.3 Data transcription quality management systems

Identify data management systems required by the project methodology and/or described within the validated PDD. Confirm project has implemented data management systems, and data transcription from field inventory to electronic records is accurate. Audit team should complete a sample of data transcription accuracy from original field data sheets.

Findings from Verification Field Audit			
A sample of data transcription and processes was reviewed during the field visit focusing on carbon plots, degradation transect, socioeconomic information, forest stratification, forest cover, etc.. In the field the auditor compared data in field forms with evaluation in plots or transect. In the office, this information was compared against electronic data sheets. No mistake was found.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised		

4.4.4 Data management and archival systems

Identify data management and archival systems required by the project methodology and/or described within the validated PDD. Confirm project has implemented data archival systems and can demonstrate effective retrieval of archived data for the period of time defined within the validated PDD (note the VCS requires at a minimum the storage of all relevant data for 2 years following the end of the project crediting period).

Findings from Verification Field Audit			
In the field verification process, the auditor confirmed that a project assurance and data storage procedures is implemented by the project proponent. In Annexe XIII mentions that information will be stored for 20 years. At the moment of the verification process, all information since 2009 was stored. The archival system is organized by each component of the project. In each case, all documents were saved according to PDD CCBA and PDD VCS. Database, methodology, maps, and analysed report have been saved in Pogoplug REDD Project Tambopata. Manager of system gives responsibilities through invitation to access any component. Only a small group has authorization to access to information.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised		

4.5 Non-permanence Risk Assessment

Note: Risk factors are determined through a qualitative analysis conducted, following the guidance of the VCS AFOLU Non-Permanence Risk Tool. As stated in Section 1.1.3 "Project proponents shall clearly document and substantiate the risk analysis covering each risk factor applicable to the project. During the analysis, the validation/verification body shall evaluate the risk assessment undertaken by the project proponent and assess all data, rationales, assumptions, justifications and documentation provided by the project proponent to support the non-permanence risk rating."

4.5.1 VCS AFOLU Non-Permanence Risk Tool Section 2.2.4.4: Projects with tree harvesting

For ARR and IFM projects with harvesting, project longevity may include the length of time the activities that maintain carbon stocks will continue, either through the continuation of the project activity or by replanting or re-growth of the trees after the last harvest in the project crediting period. Such commitment to continue the management practice, or to replant or allow re-growth shall be demonstrated through evidence such as certification of sustainable forest management under Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or other internationally recognized schemes, or contractual agreements for timber supply beyond the last harvest in the project crediting period. Re-growth may be considered only where project areas, after harvesting, will be managed for regeneration (naturally or with assistance), maintaining the current species mix and allowing trees to re-grow to an age equivalent to at least the age at which trees were harvested, as demonstrated in management plans.

Findings from Review on Field Audit			
Project does not include tree harvesting because it is a protected area. Therefore this item does not apply.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	No NCR or OBS raised		

4.5.2 VCS AFOLU Non-Permanence Risk Tool Section 2.1.1: Risk analysis

Projects shall prepare a non-permanence risk report in accordance with VCS document AFOLU Non-Permanence Risk Tool at both validation and verification. In the case of projects that are not validated and verified simultaneously, having their initial risk assessments validated at the time of VCS project validation will assist VCU buyers and sellers by providing a more accurate early indication of the number of VCUs projects are expected to generate. The non-permanence risk report shall be prepared using the VCS Non-Permanence Risk Report Template, which may be included as an annex to the project description or monitoring report, as applicable, or provided as a stand-alone document.

The potential transient and permanent losses in carbon stocks shall be assessed over a period of 100 years from the start of the current monitoring period, unless otherwise specified in Sections 2.2 to 2.4 of the VCS AFOLU Non-Permanence Risk Tool, to determine the appropriate risk rating.

Risk Factor	Self Assessment Risk Rating	Findings (including description of any mitigation activities as required per VCS AFOLU Non-Permanence Risk Tool Section 2.1.2.2)	NCR/OBS
Internal Risks (VCS AFOLU Non-Permanence Risk Tool Section 2.2):			
Project Management: Shall be assessed using Table 1 of VCS AFOLU Risk Tool.	-2	a) This project is not project plantations (score 0) b) The project has not issued GHG credit. (score 0) c) The management team of project demonstrated experience about REDD project. The proponent includes Curriculum of AIDER staff in Non-Permanence Risk Report. The proponent team has prepared another REDD project and it has been validated and it is implementing in Madre de Dios Region, Ucayali Region, and Piura Region. The team has experience in VCS, CCBA, and CDM	No NCR or OBS raised

		Project. (score 0) d) The project proponent has a regional office in Puerto Maldonado, Madre de Dios; it is located less than a day from project site. (score 0) e) The team of project proponent has designed several REDD project with VCS, CCB and CDM standard and the team has experience in project implementation. (score - 2). f) The project activities are not applicable to adaptive management. (score 0).	
Financial viability: Shall be assessed using Table 2 of VCS AFOLU Risk Tool.	2	a) and b) Project cash flow breakeven point is achieved at 5 years. In validated PDD, the project proponent shows project cash flow as confidential information. The auditor revised the financial analysis (as a commercially sensitive information) and it was found appropriately calculate and the breakeven point has been deemed acceptable. (score 0) c) In the Non-Permanence Risk Report, the proponent project explains about cash flow, income and funding. Then include to Bosques Amazonicos as financial partner and marketing manager but it is not included in monitoring report. (score 1). See NCR 13/13 d) Project cash flow breakeven point is achieved at 5 years. (score 0) e), f), g). The project proponent said the funding of project is secure but it is not clear Bosques Amazonicos as partner. In monitoring report the contract is not mentioned. (score 0). See NCR 13/13 g) score 1 h) Not applicable. The project has not secured 80% of funding (score 0) i) Not applicable. The project has not available 50% of financial resources. (score 0)	See NCR 13/13
Opportunity cost: Shall be assessed using Table 3 of the VCS AFOLU Risk Tool.	0	a), b), c), d), e), f), The project proponent gives the most conservative rate (score a=8). An analysis of NPV from mining was made base in Pachas (2011), it conclude that NPV for mining is greater than 10 years from NPV project. The project proponent mentioned that it is not possible calculations of NPV for agriculture, cattle or illegal mining activities because production areas are unknown. It has been confirmed by auditor trough interview with manager of Tambopata National Reserve and Manager of Tambopata Committee. In application of Table 3 AFOLU Non-Permanence Risk Tool v3.1 this score is 8. g) The project proponent is a NGO recognized by Government of Peru. (score 0 because criterion "i" is applied, but it is possible score - 2) h) The project is included in contract for administration of Tambopata National Reserve (score 0 because criterion "i" is applied, but it is possible score -2)	

		i) The project proponent has administration contract of Tambopata National Reserve for 20 years and it can be renewable for another 20 years. According to National Protected Area law, Tambopata National Reserve is protected in perpetuity. Then score -8 is reasonable.	
Project longevity: Shall be assessed using Table 4 of the VCS AFOLU Risk Tool.	10	Factor a) is not applicable because the project area has a legal agreement requiring the current management to continue. This is because the project is a national protected area. (score 0) b) Score is 10; project proponent has use Risk Tools calculations sheet and description of project is: - The project has not an agreement that covers at least a 100 year period. - The project has 40 years as project longevity - The legal agreement includes a requirement to management practice.	
Total Internal Risk: Shall be calculated using Table 5 of the VCS Risk Tool.	10	-2+2+0+10	See NCR 13/13
External risks (VCS AFOLU Non-Permanence Risk Tool Section 2.3):			
Land and resource tenure: Shall be assessed using Table 6 of the VCS Risk Tool.	0	a) Score 0, see b) b) The property of the project area is the Peruvian State, but AIDER has a contract with the Peruvian State for management of the National Protected Area Tambopata and Bahuaja Sonene. Score is appropriate 2. c) There are three sectors with any conflict. All area representatives aprox. 1 %. In interview to Tambopata Manager Committee and Tambopata Director, they mention that all conflicts are in the solution process. The figure is included by proponent in database information and in Validated PDD. Score 0 d) In interview during Verification process, stakeholders said the project is helping to identify the rights use of native communities through participatory studies. Score 0 e) WRC project is not applicable. Score 0 f) According National Protected Area Law, project area is conservancy perpetuity. Score -2 g) See d). score 0	
Community engagement: Shall be assessed using Table 7 of the VCS Risk Tool.	0	a) The project proponent has shown in Annexe C of Non-permanent Risk Report, a list of communities consulted. It is more than 50% of household living within the project area. Score 0 b) In Annexe C of Non-permanent Risk Report, the project proponent includes all household consulted 20km project boundary outside. Score 5. c) The project proponent has validated CCB PDD, with positive impacts in local communities. In verification process, the	

		auditor visited Loero-Jorge Chavez-Nueva America communities and verified implementation of agroforestry project. In interview to farmers, they commented the project implemented increase well-being of community. Score -5	
Political risk: Shall be assessed using Table 8 of the VCS Risk Tool.	0	a), b), d), e). score 0. See c) c) score 2. This score was calculated with governance score. Annexe B Risk Report shows score for 2006-2010, using World Bank Institute's Worldwide Governance Indicator. However, Section 2.3.3 of the AFOLU Non-Permanence Risk Tool requires that "the most recent five years of available data" be used. Auditor review of the relevant World Bank website confirms that data is available for 2011, so 2010 is not the most recent year, and this is not in conformance with the requirement. See NCR 13/13 . Also Risk Calculation sheet is used. f) score -2. Peru has been granted funding from the World Bank Forest Carbon Partnership Facility for its R-PP, demonstrating conformance with the mitigation requirement. The audit team has confirmed this with the World Bank website.	NCR13/13
Total external risks: Shall be calculated using Table 9 of the VCS Risk Tool.	0	0+0+0	
Natural Risks (VCS AFOLU Non-Permanence Risk Tool Section 2.4):			
Natural risks: Shall be assessed using Table 10 of the VCS Risk Tool.	2.5	Fire. Score 0,5. The project proponent has prepared a Prevention and Control of forest Fires Plan. This plan is being implemented in other region. In Nueva America community, near to project area, the fire occurred in agriculture areas, but it impacted less than 5% of the area. For this case, LS score is 2. Mitigation is 0,25 because project proponent has proven experience in control fire, and fire plan has been implemented. As a result, the risk rating is 0,5. Pest and Disease outbreaks. Score 1. Project area is endemic zone for some diseases, said National Agrarian Health Service – SENASA. The project proponent has prepared Forest Protection Plan to ensure the protection crops and agroforestry. Although there are pest and disease endemic in project zone, SENASA reported that it hasn't effect in carbon stocks, so LS is 2. Mitigation is 0,5 because the project activities about forest protection have been implemented. Extreme weather. Score 1. It is not frequent in project area. The auditor checks the web: (http://www.preventionweb.net/english/countries/) and verified disaster statistic (by every 10 to less than 25 last years). Mitigation is 1 because the project proponent has not	

		implemented activities for this. Geological risk. Score 0. It is not applicable.	
--	--	---	--

4.5.3 VCS AFOLU Non-Permanence Risk Tool Section 2.5.1 – 2.5.3: Overall Project Risk Calculation

Note: As per VCS AFOLU Non-Permanence Risk Tool 2.5.2, the minimum risk rating shall be 10, regardless of the risk rating calculated using Table 11. Furthermore, where overall risk rating is greater than 60, project risk is deemed unacceptably high and the project fails the entire risk analysis (see VCS AFOLU Non-Permanence Risk Tool 2.5.3). For additional information on project risk assessment failure see VCS AFOLU Non-Permanence Risk Tool 2.1.

To determine the number of buffer credits that shall be deposited in the AFOLU pooled buffer account, the overall risk rating shall be converted to a percentage (e.g., an overall risk rating of 35 converts to 35%). This percentage shall be multiplied by the net change in the project's carbon stocks (stated in the verification report), as set out in the VCS document Registration and Issuance Process. Where a project is divided into more than one geographic area for the purpose of risk analysis, the overall risk rating percentage for each area shall be multiplied by the net change in the project's carbon stocks (stated in the verification report) in such geographic area.

Risk Factor	Self Assessment Risk Rating	Findings	NCR/OBS
Overall non-permanence risk rating as determined using Table 11 of the VCS Risk Tool.	12.5	The overall risk rating was appropriately estimated.	No NCRs or OBS

5. VERIFICATION CONCLUSION AND AUDIT OVERVIEW

Based on Project's conformance with audit criteria, the auditor makes the following recommendation:		
Final Report Conclusions		
☒	Verification approved: NCR(s) closed	
☐	Verification not approved: Conformance with NCR(s) required	
Draft Final Report Conclusions		
☒	Verification approved: NCR(s) closed	The Project Proponent has 7 days from the date of this report to submit any comments related to the factual accuracy of the report or the correctness of decisions reached. The auditors will not review any new material submitted at this time.
☐	Verification not approved: Conformance with NCR(s) required	
Draft Report Conclusions		
☐	Verification approved: No NCRs issued	The Project Proponent has 30 days from the date of this report to revise documentation and provide any additional evidence necessary to close the open non-conformances (NCRs). If new material is submitted the auditor will review the material and add updated findings to this report and close NCRs appropriately. If no new material is received before the 30 day deadline, or the new material was insufficient to close all open NCRs the report will be finalised with the NCRs open, and validation and/or verification will not be achieved. If all NCRs are successfully addressed, the report will be finalised and proceed towards issuance of a assessment statement.
☒	Verification not approved: Conformance with NCR(s) required	

5.1 Audit Conclusions

See Section I above for the verification objectives, scope, criteria, and level of assurance.

The audit team has reviewed all information submitted by the Project Proponent (see sections 2.1.3; 3.3 and 5.4.1 of this report) and determined that the proposed project is in conformance with VCS 3.3 standard.

The field audit was carried out on December 2012 and the draft report contained several issues that required correction in the draft final report. The corrections were submitted in March 2013.

Verified Emission Reductions and/or Removals:

Following the review of the monitoring report and supporting documents, the audit team has concluded with a reasonable level of assurance that the project is in full conformance with the VCS standard requirements, validated project design document, and approved VCS methodology. Below is a description of the verified emission reductions as reviewed and approved by the audit team.

Reporting Period: From July 1, 2010 to June 30, 2011

The following table includes the emission reductions and/or removals evaluated and approved during the verification audit:

GHG Emission Reductions or Removals	tCO ₂ e
Baseline Emissions	195 385,7 tCO ₂ -e
Project Emissions	4,589.52
Leakage	0
Uncertainty Deduction (if applicable)	0
Net GHG emission reductions or removals	190,796.20
Total calculated buffer contribution	24,804
Total VCU's to be issued	165,992.20

5.2 Nonconformance evaluation

Note: A non-conformance is defined in this report as a deficiency, discrepancy or misrepresentation that in all probability materially affects carbon credit claims. Each NCR is brief and refers to a more detailed finding in the appendices.

NCRs identified in the Draft Report must be closed through submission of additional evidence by the Project Proponents before Rainforest Alliance can submit an unqualified statement of conformance to the GHG program. Findings from additional evidence reviewed after the issuance of the draft report are presented in the NCR tables below.

NCR #:	01/13
Standard & Requirement:	VCS Version 3. V3.3 - 3.5 - 3.5.1. Methodology deviations
Report Section:	2.2.2 Methodology Deviations
Description of Non-conformance and Related Evidence:	
The methodology applied to monitor the period 2010-2011 was M-MON Version 2.0. Deviations from methodology were identified in the item 5.2.2.1 degradation (M-MON V2) where the first step is to complete a Participatory Rural Appraisal (PRA) of the surrounding communities to determine potential illegal activities. The project proponent did asses degradation due to illegal logging based on reports and a workshop with park guardians; however, there is no explanation why the proponent decided to not approach communities. The results of the workshop with park guardians suggest at least 7 sites where illegal activities are occurring (Annex A of Annex VI. Monitoreo de degradacion) reporting a findings of tree stump of 2 to 10 for 2010. The result of Annex VI indicates that the field crew found only 1 recent stump and asserted the rest were old ones. However, the proponent did not indicate which parameters were used to define the approximate age of the stumps. About the application of the methodology to assess degradation note that there is no clear information the dates when degradation sampling took place. Another deviation found was the lack of analysis of natural disturbances and subsequent degradation as requested in MO-MON V2.	

The M-MON Version 2.0 referred to http://www.gofc-gold.uni-jena.de/redd/sourcebook/Sourcebook_Version_June_2008_COP13.pdf as guide to perform the imagery analysis. In that document there are consideration regarding the application of technics and recommendations to improve accuracy for image object interpretation methods (page 23). In the methodology provided by the proponent, the information regarding the potential shortcoming or advantages is limited. Monthly monitoring of fire outbreaks has not been completed. In the PDD the proponent asserted the use of Maryland-NASA as a source of images to monitor hotspots. Also the proponent reported INPE (Brazil) has not been used as a source of fire monitoring due to precision errors. The project proponent, however, monitored burned areas as required in the M-MON Version 2. To monitor degradation, the proponent asserted in the PDD the use of Claslite software. The proponent indicated the impossibility to use Claslite 2.2 since actualizations are not available to NGO's users. The M-MON Version 2. recognizes the still limited tools to assess degradation using GIS. In summary, there are a few significant deviations from the monitoring methodology of the validated monitoring plan. These deviations are not fully justified or explained.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification.
Evidence Provided by Organization:	Implementation of the Participatory Rural Appraisal: The project proponent argued that Rainforest Alliance auditors accepted the omission of a Participatory Rural Appraisal (PRA) during the validation process ended in June 2012 and indicates the item 2.6. Deviations of methodology of the PD approved in June 21, 2012. The project proponent added in Annex VI Monitoreo de degradacion the dates, sites and coordinates in which the field crew performed the evaluation of degradation. In the document Base de Datos: Monitoreo de Degradacion there is explained the findings, stumps and estimated age. In The Annex VI Monitoreo de degradacion the proponent indicated the criteria to estimate the age of the stump based on literature review and expert knowledge. The project proponent presented information from the National Institute for Civil Defense – INDECI regarding the occurrence of natural disasters in the project region and area. Information based in satellite imagery suggested the project area had not being affected by any notable natural event (earthquake, landslide or volcano) during the period of 2010-2011. Carbon loss due to fire has been calculated following E-BB module.
Findings for Evaluation of Evidence:	In page 104 of PD the proponent stated omitting the PRA as a deviation of the M-MON 2.2.1 methodology to approach degradation in the project area. The proponent stated it will use the reports of park guards as a source to identify critical zones of illegal logging. Based on the decision of the validation team to accept this deviation, during the verification it is accepted. The Annex VI Monitoreo de degradacion has been updated and dates of sampling degradation has been included (pages 12 to 15). Also the project proponent included references and literature to establish the criteria to evaluate the stump age (pages 4 to 6) as requested by the audit team. In Annex VI Monitoreo de degradacion includes now information about the natural disturbances in the project area based on the National Institute for Civil Defense – INDECI. For this verification period, the information provided is considered reasonable.
NCR Status:	CLOSED.
Comments (optional):	

NCR #:	02/13
Standard & Requirement:	VCS Version 3. VCS Standard Requires Section 2.1.1
Report Section:	4.1.1 Project title, Purpose and Objectives
Description of Non-conformance and Related Evidence:	

The Monitoring Report submitted is in Spanish. The VCS Standard requires (Section 2.1.1) that “The project description, validation report, monitoring report, verification report and all other project documentation required under the VCS Program shall be in English”. Therefore the Monitoring Report does not comply with the VCS Standard.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification.
Evidence Provided by Organization:	VCS Project Description Tambopata REDD English (May12) VCS Monitoring Report Tambopata – English Annex III – VCS Non-Permanent Risk Report
Findings for Evaluation of Evidence:	The Project Proponent has submitted in English the main documents about the verification process. The VCS validation report is in English too.
NCR Status:	CLOSED.
Comments (optional):	

NCR #:	03/13
Standard & Requirement:	VCS Version 3. V3.3 – 3.18.2. 1.c. Content of project description
Report Section:	4.1.1 Project title, Purposes and Objectives
Description of Non-conformance and Related Evidence:	
In page 5 of Monitoring report the crediting period includes: Project crediting period: 20 years (July 01, 2010 – June 30, 2030). First period of quantified GHG emission reductions: 10 years (July 01, 2010 – June 30, 2030). Note the date is extended to June 30, 2030. It creates confusion between the total project lifetime and the first period of quantified GHG emissions reductions. The project should clearly state if the first period of quantified GHG emission reduction span from July 01, 2010 to June 30, 2030 or June 30, 2020.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification.
Evidence Provided by Organization:	The project proponent corrected the crediting period in the Annex VI Monitoring report. Project crediting period: 20 years (July 01, 2010 – June 30, 2030). First period of quantified GHG emission reductions: 10 years (July 01, 2010 – June 30, 2020).
Findings for Evaluation of Evidence:	The correction has been made and now there is conformance between the PD and the Monitoring Report for the period of 2010-2011. As such this NCR is closed.
NCR Status:	CLOSED.
Comments (optional):	

NCR #:	04/13
Standard & Requirement:	VCS Version 3. V3.3 – 3.16.3. Monitoring plan.
Report Section:	4.1.2 Stratification of Baseline and Project Areas
Description of Non-conformance and Related Evidence:	

At validation (June 24, 2012) 541,620.14 ha was included in the project area distributed in 10 strata. Carbon pools and carbon stocks were defined in each stratum, and those were used to calculate GHG emissions in the baseline. The same strata and carbon stocks appears to be used to calculate GHG removals for the 2010-2011 monitoring period. However, there is no information indicating clearly which strata suffered deforestation or not, as a result of the Remote Sensing/GIS analysis and field validation. There is no explanation how GHG calculations led to 0 for some strata, and no value in some others.

The proponent should explain the reasons why some strata are not included in the calculations and why some of them have 0 as deforestation value. The same should be done when emissions of each forest strata are presented.

Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification
Evidence Provided by Organization:	The project proponent updated the Excel file document Emisiones del Proyecto REDD 8-3-13 (spreadsheets Defo-Area-Py; and Superficies) indicating the areas undergoing loss of forest cover per vegetation strata for both project area and leakage belt (estratos). The forest cover at the beginning and the end of the crediting period is indicated in the same table.
Findings for Evaluation of Evidence:	The document updated by the proponent now clearly indicates the strata and areas lost in the project area and leakage belt at the beginning and end of the crediting period with clear reference on which ones suffered loss of forest cover.
NCR Status:	CLOSED.
Comments (optional):	

NCR #:	05/13
Standard & Requirement:	VCS Version 3. V3.3 – 3.16.6. Monitoring report
Report Section:	4.1.5 Conformance with PDD Monitoring Protocol
Description of Non-conformance and Related Evidence:	
Although most monitoring plan items in PD are related with the monitoring report and annexes presented for verification, the systematization of results sometimes shows gaps and different outputs as shown in findings above; therefore, project proponent should thoughtfully review the monitoring reports and reorganize them for greater clarity so it can be determined that the methodology has been followed. The results should be presented in a way it is possible to compare the situation at the beginning of the monitoring period as benchmark to subsequent monitoring development events during the 2010-2011 having as a guide to report the M-MO output parameters (Page 4) and Verification parameters (Page 32) including potential degradation due to natural disasters indicating clearly the time frame of analysis. Any map should be accompanied by an explanation regarding the outputs. Also should explain the assumptions to select the time frame analysis or sampling selection. The proponent should explain inconsistencies on quantities of forest/non forest areas, degradation, emissions and any quantitative value monitored. More information should be presented regarding the identification of burned areas in the project area and leakage belt.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification.
Evidence Provided by Organization:	The project proponent improved the presentation and systematization of outputs of monitoring plan: ref: forest/non-forest maps of region, project area and leakage belt. The information reflects the situation at the beginning of the crediting period, the accumulated deforested area at the end of the crediting period and during the monitoring period of 2010-2011. The information is available in Annex IV Monitoring Report (pages 18 to 25). The proponent also indicates mining as the primary cause of deforestation in the project area. The discrepancies between monitoring procedures, manuals and reports to obtain the maps as noted in the non conformity status have been corrected as follows: 1. The percentage of clouds has been set at 10% in both Annex X. POE Deforestation and Annex IV Monitoring reports. 2. Sampling, assertions and errors level of 42 coordinates for field validation of deforestation maps

	based on a 90% confidence interval and at 10% of standard error were clarified in pages 11 to 17 of Annex IV Monitoring report for the 2010 -2011 monitoring period. As noted, the proponent increased the level of the test from 85% when image quality has > 30 pixels of verification and larger areas to 90% when images are better quality. 3. The list of validation points that were switched during the field validation is presented in Annex IV pages 14 and 15. In Table 8 of the same annex are presented the coordinates of validation points, including the points that were switched due to inaccessibility or access restriction of land owners, it is justified by social conditions in Madre de Dios region. 4. New information to clarify how deforested areas were calculated is presented in pages 17 and 18 of Annex IV Monitoring Report. Three diagrams are indicating how calculations of deforestation at project area, leakage belt and reference region based on ArcGIS 9.3, and Clip tool and information of Ecological and Economic Zoning from IIAP (Instituto de Investigaciones de la Amazonia Peruana) regarding the deforestation occurring in Madre de Dios during the monitoring period. 5. Deforested areas in the reference region were corrected in page 21 of Annex IV Monitoring report. 6. The proponent indicates that in the period 2010-2011 the deforested area was lower than previous year, but it was dispersed in all project areas. The proponents support this argument based in the GIS analysis and relative retrogression of illegal mining. 7. The proponent enhanced and improved the output presentation and conclusions regarding the remnant forest and forest loss at reference region, project area and leakage belt, and provided maps and tables addressing the situation at the beginning and at the end of the crediting period 2010-2011. 8. Map of Annex XV are now linked with the IV Annex Monitoring Report and it was incorporated as a benchmark to asses forest loss at reference region level at the beginning of the crediting period (page 18 and 19 IV Annex Monitoring Report).
Findings for Evaluation of Evidence:	Monitoring protocol related to setting thresholds and parameters for GIS analysis and Field validation as a source to create the forest/non forest map for the reference region, project area and leakage belt has now been clarified. Thresholds and parameters are referred to allowed cloud percentage in images, and assertion and errors for field validation. As such, the documentation provided by the proponent is deemed reasonable. The proponent indicated reasons for changes in the initial validation planning for map validation. The reasons were field access difficulties and restrictions set by stakeholders to access their properties. The new coordinates to replace the original ones are now disclosed. Improvements in the outputs of the monitoring period 2010-2011 have been added to Annex IV and corrections of typos and inaccurate values were carried out. The information has been expanded in a way that the situation at the beginning and the end of the crediting period is clear and corresponds to the spreadsheet Hoja de cálculo – Emisiones del proyecto REDD.xls.
NCR Status:	CLOSED.
Comments (optional):	

NCR #:	06/13
Standard & Requirement:	VCS AFOLU Requirements Section 3.1.5: Negative environmental and socio-economic impacts
Report Section:	4.1.7 Negative environmental and socio-economic impacts
Description of Non-conformance and Related Evidence:	
The proponent did not provide information regarding the application of the social monitoring. The possible environmental impact from activities proposed by the project were evaluated and qualified as: agroforestry, gold mining, forest management, chestnut management. As economic activities, has positive and negative impact over the environment. The project proponent will be taken measures of mitigation in the development of each activity.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification.
Evidence Provided by	Anexo II Plan de Monitoreo Comunitario. Reducción de la deforestación y degradación en la Reserva

Organization:	Nacional Tambopata y en el Parque Nacional Bahuaja Sonene del ámbito Madre de Dios – Perú. Environmental impact of productive activities proposed by the project.
Findings for Evaluation of Evidence:	The project proponent is starting the implementation of community monitoring plan, according to the social requirement of CCB standard for the project area. The plan uses the tool "Social Impact Assessment" and aims to highlight the social impact in human groups in the project area. The plan establishes a baseline and considers indicators to goals and impacts. The objective of community monitoring, according to CCB standard, is to generate information to continuously improve the project management in the communities in the project area. The newly implemented community monitoring allows maintaining and improving the quality of life of the native communities, strengthen producer associations, strengthening the capacity of families growing chestnut, improve artisanal gold mining systems, and strengthen tourism initiatives. The project proponent has analyzed the productive activities. The project activities will have no greater impact on the natural environment, but mitigation measures will be taken in the development of each of the activities and monitor the occurrence of unanticipated impacts for early mitigation: agroforestry, gold mining, and forest management.
NCR Status:	CLOSED.
Comments (optional):	

NCR #:	07/13
Standard & Requirement:	VCS Version 3. V3.3 – 3.16.6.3 and 4. Monitoring report
Report Section:	4.2.1 Calculation of emissions in the baseline scenario (ex-post estimate) following identified methodology and validated PDD 4.2.4 Calculation of emissions from leakage (ex-post estimate) following identified methodology and validated PDD 4.2.8 Calculation of net VCUs to be issued (ex-post estimate) following identified methodology and validated PDD
Description of Non-conformance and Related Evidence:	
The proponent submitted Annex IX Calculo de reduccion de emisiones containing calculations of emissions in the baseline scenario (ex-post) following MON-MO Version 2.0. Equation 6. Carbon stock in all pools in post-deforestation land use u in stratum i; t CO₂-e ha⁻¹: The excel file containing post-deforestation index for agriculture and mining are the same as validated PD. Equation 5. Net carbon stock changes in all pools as a result of deforestation in the project case in land use u in stratum i at time t; t CO₂-e ha⁻¹: In Annex IX page 3 and 4 the Table 1. t CO₂-e/ha. Note some strata are not included in the calculations but there is no explanation why. Equation 5. Net carbon stock changes in all pools as a result of deforestation in the leakage belt in land use u in stratum i at time t; t CO₂-e ha⁻¹. Results are presented in Table 2 of Annex IX. Note some strata are not included in the calculations but there is no explanation why. Also, there is no explanation why some strata have no post deforestation land use u factor. Equation 4 MON-MO: Calculations of emissions from leakage belt pre-deforestation are shown in Excel file Calculo de emisiones del proyecto REDD (Defo-fuga). Calculations of net carbon change in leakage belt (Ecuaciones 3, 4 and 5 spreadsheet) are shown in table 2 page 4 of Annex IV Calculo de reduccion de emisiones. Note calculations per strata is not contained in any of the monitoring reports nor there is information why some strata are missing and some other have 0 post deforestation value. The proponent should transparently identify deforestation areas per stratum for 2010-2011 and indicates why some strata are missing in the analysis, and why some of them contain 0 in post deforestation land use factors. The proponent has excluded some stratum from the analysis of carbon stock change without providing explanation or justification. Net VCUs ex-post has been calculated discounting 13% due to risk of permanence as stated in the PD. However, for the final net VCU calculation to be credible and in conformance with VCS, NCRs 7-11 must be addressed.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification
Evidence Provided by	The proponent included a table in the spreadsheet Hoja de cálculo – Emisiones del proyecto REDD.xls,

Organization:	page Estrato indicating deforestation areas per stratum for the period 2010-2011. In the page Estrato all stratum is presented indicating whether it suffered or did not suffer, loss of forest cover. This information has been updated in the project and leakage belt areas.
Findings for Evaluation of Evidence:	The corrections performed by the proponent in in the spreadsheet Hoja de cálculo – Emisiones del proyecto REDD.xls, page Estratos are acceptable now.
NCR Status:	CLOSED.
Comments (optional):	

NCR #:	08/13
Standard & Requirement:	VCS Version 3. V3.3 – 3.16.6.3 and 4. Monitoring report
Report Section:	4.2.2 Calculation of emissions from project activities (ex-post estimate) following identified methodology and validated PDD 4.2.8 Calculation of net VCUs to be issued (ex-post estimate) following identified methodology and validated PDD
Description of Non-conformance and Related Evidence:	
Equation 1 and 2 of E-BB: Results of equations application are presented in page 7 of Annex IX and in excel spread sheet Emisiones del proyecto REDD. Note the information presented is not clear regarding how burned areas and stratum have been identified and calculated since only areas bigger than 2 ha were selected for validation. Note burned areas could be underestimated because fires are below canopy or small. Equation 30 of MON-MO: GHG emissions from project activities. Factors to calculate GHG from project activities are presented in page 8. Emissions from fossil combustion and fertilizers are considered insignificant and set to 0. Equation 1. Net emissions from deforestation, degradation and project implementation: Degradation calculations are presented in the spread sheet Emisiones del proyecto REDD. The project proponent should disclose the assumptions regarding to the methodology and factors to calculate degradation in order to have a robust argument of the amount of GHG emission from project activities. Net VCUs ex-post has been calculated discounting 13% due to risk of permanence as stated in the PD. However, for the final net VCU calculation to be credible and in conformance with VCS, NCRs 7-11 must be addressed.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification.
Evidence Provided by Organization:	The project proponent referred the calculations of deforested areas contained in the spreadsheet Emisiones del Proyecto REDD 8-3-13 to the Annex IX Calculo de reduccion de emisiones indicating stratum, areas deforested as well as burned areas and corresponding strata impacted by fire (Tables 3,4 and 5 of Annex IX). In order to show the analysis of burned areas using GIS software. The proponent showed the spectral analysis to discriminate impact due to fire, mining and agriculture. The proponent also provided arguments to support the selection of the minimum areas of 2 ha to validate burned areas. The argument is based in the fact that small burned areas are rapidly occupied by agriculture, which makes it difficult to discriminate due to rapid vegetation regrowth. The proponent also provided literature referring to intact forest resilience to fire which in practical terms makes difficult the discrimination of small areas with the use of SIG.
Findings for Evaluation of Evidence:	The information regarding burned areas and corresponding stratum has been disclosed in the Annex IX Calculo de de reduccion de emisiones.. This Annex identifies only a single strata as having been impacted by fire.
NCR Status:	CLOSED.
Comments (optional):	

NCR #:	09/13
Standard & Requirement:	VCS Version 3. V3.3 – 3.16.6.3 and 4. Monitoring report
Report Section:	4.2.3 Calculation of emissions reductions or avoided emissions due to the project (ex-post estimate) following identified methodology and validated PDD 4.2.8 Calculation of net VCUs to be issued (ex-post estimate) following identified methodology and validated PDD
Description of Non-conformance and Related Evidence:	
Equation 1. REDD-MF. Factors used in calculations of emission reductions or avoided emissions due to the project (ex-post) were net emissions total from baseline (Table 44 PD, page 17), emissions due to deforestation in the project area ex-post Table 8, page 10 Annex IX and net emissions from leakage in Table 15, page 10 Annex IX. The calculations appear to be sound; however, the proponent asserts 0 emissions due to natural disaster with no evidences provided to support such an assertion. Also, the proponent should provide evidences that no natural disaster affected carbon stocks in the project area. Net VCUs ex-post has been calculated discounting 13% due to risk of permanence as stated in the PD. However, for the final net VCU calculation to be credible and in conformance with VCS, NCRs 7-11 must be addressed.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification.
Evidence Provided by Organization:	The project proponent presented information from the National Institute for Civil Defense – INDECI regarding the occurrence of natural disasters in the project region and area. Information based in satellite imagery suggested the project area had not been affected by any notable natural event (earthquake, landslide or volcano) during the period of 2010-2011. Carbon loss due to fire has been calculated following E-BB module.
Findings for Evaluation of Evidence:	In Annex VI Monitoreo de degradacion includes new information about the natural disturbances in the project area based on the National Institute for Civil Defense – INDECI. For this verification period the information provided is considered acceptable to demonstrate that no natural disasters occurred during the monitoring period.
NCR Status:	CLOSED.
Comments (optional):	

NCR #:	10/13
Standard & Requirement:	VCS Version 3. V3.3 – 3.16.6.3, 4 and 5 Monitoring report
Report Section:	4.2.5 Assessment of uncertainty following identified methodology and validated PDD 4.2.8 Calculation of net VCUs to be issued (ex-post estimate) following identified methodology and validated PDD
Description of Non-conformance and Related Evidence:	
Equations Part 1 and 2 of X-UNC Module have been presented in Calculo de incertidumbre Excel spread sheet. Also in Excel file Calculo de emisiones. Tables 18 and 19 in Annex IX Calculo de deforestacion en el Proyecto REDD present calculations of uncertainty. Although the calculations have been found sound, there are discrepancies between the amounts expressed in Table 19 and the Excel spread sheet regarding summation of squares and square roots in with project scenario. Although the application of equations of X-UNC in excel files have been found sound, the project proponent should explain and why Table 19 in Annex IX Calculo de deforestacion en el Proyecto REDD shows different results for “with project scenario”. Net VCUs ex-post has been calculated discounting 13% due to risk of permanence as stated in the PD. However, for the final net VCU calculation to be credible and in conformance with VCS, NCRs 7-11 must be addressed.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above.

	Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification.
Evidence Provided by Organization:	The proponent rectified the reporting of uncertainty calculations reported in Table 19 of Annex IX Calculo de deforestacion del proyecto (page 19) according the X-UNC equations performed in the spreadsheet Emisiones del Proyecto REDD Tambopata 8-3-13 page Analisis de incertidumbre.
Findings for Evaluation of Evidence:	Reports of the application of X-UNC module, regarding the calculations of uncertainty factors, are now reported based in the results of spreadsheet Emisiones del Proyecto REDD 8-3-13 Analisis de incertidumbre. Therefore, this non conformity is closed.
NCR Status:	CLOSED.
Comments (optional):	

NCR #:	11/13
Standard & Requirement:	VCS Version 3. V3.3 – 3.16.6.3 and 4. Monitoring report
Report Section:	4.2.7 The assumptions made for calculating GHG emission reductions and/or removals 4.2.8 Calculation of net VCUs to be issued (ex-post estimate) following identified methodology and validated PDD
Description of Non-conformance and Related Evidence:	
The following assumptions have been identified in the monitoring reports: 1. May to September was set as the months to monitor deforestation and degradation. Assumptions regarding this timeframe are not clearly discussed in the monitoring reports. 2. Assumptions to identify burned areas to calculate emissions in the project area due to degradation are not clearly stated in the methodology and reports. 3. Assumptions regarding the decision to omit degradation due to natural disasters during the period 2010-2011 are not discussed in any of the documents presented for the verification. Crucial assumptions for the calculation of GHG emissions reductions and removals have not been explained or justified. Net VCUs ex-post has been calculated discounting 13% due to risk of permanence as stated in the PD. However, for the final net VCU calculation to be credible and in conformance with VCS, NCRs 7-11 must be addressed.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification.
Evidence Provided by Organization:	The arguments to select the timeframe to monitor deforestation and degradation are presented in Annex IV Monitoring Report (page 5). The proponent offered two reasons to support the time frame, i) cloud free images are easier to obtain during this period, ii) the field work is much more feasible for the crew to perform during this period. This is related with dry periods occurring during the months of August, September and part of October in Madre de Dios. The project proponent referred the calculations of deforested areas contained in the spreadsheet Emisiones del Proyecto REDD 8-3-13 to the Annex IX Calculo de reduccion de emisiones indicating stratum, areas deforested as well as burned areas and corresponding strata impacted by fire (Tables 3,4 and 5 of Annex IX). In order to show the analysis of burned areas using GIS software. The proponent provided the spectral analysis to discriminate impact due to fire, mining and agriculture. The proponent also provided arguments to support the selection of the minimum areas of 2 ha to validate burned areas. The argument is based in the fact that small burned areas are rapidly occupied by agriculture, which makes it difficult to discriminate due to rapid vegetation regrowth. The proponent also provided literature referring to intact forest resilience to fire which, in practical terms, makes difficult the discrimination of small areas with the use of SIG. The project proponent presented information from the National Institute for Civil Defense – INDECI, regarding the occurrence of natural disasters in the project region and area. Information based in satellite imagery suggested the project area had not been affected by any notable natural event (earthquake, landslide or volcano) during the period of 2010-2011. Carbon loss due to fire has been calculated

	following E-BB module.
Findings for Evaluation of Evidence:	Arguments and information used behind the assumption to address deforestation, burned areas and natural impacts over forest are disclosed in the documents indicated above. The information is deemed acceptable for the verification period of 2010-2011.
NCR Status:	CLOSED.
Comments (optional):	

NCR #:	12/13
Standard & Requirement:	VCS Version 3. V3.3 – 3.18.2. 3 and 4 Content of project description
Report Section:	4.3.3 Implementation of sampling plan described in the PDD
Description of Non-conformance and Related Evidence:	
The sampling plan described in the PDD includes forest, non-forest cover at region, area and leakage belt and burned areas. The criteria to select the sampling intensity and area are not clearly explained in POE or monitoring reports. Sampling points for deforestation have been selected mostly along the transoceanic road, and it is not clear how the crew covers each point. Note some sampling points have been changed from the original ones detected in the remote sensing analysis but no information has been provided about how many and how some other points have been selected. There is also no information about the month of the year the field sampling has been carried out. A detailed justification for the methodology, sampling intensity, sampling location, and sampling timing is missing. As a result, it is impossible to verify whether the sampling followed best practice and methodology requirements.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification.
Evidence Provided by Organization:	Sampling method and calculations is presented in page 5 of Annex X POE Monitoreo de la deforestacion. Map validation of forest/non forest areas are based in literature review (Chuvienco 2008). The proponent explained the basis of the methodology and potential risk for field work, either due to accessibility, hazards or budget. Data collection is analyzed through Kappa matrix in order to obtain confirmation or errors in the selection of coordinates for forest/non forest areas.
Findings for Evaluation of Evidence:	The explanation of sampling method and shortcoming to field validation are now disclosed. The arguments for the crediting period of 2010-2011 are deemed acceptable.
NCR Status:	CLOSED.
Comments (optional):	

NCR #:	13/13
Standard & Requirement:	VCS Standard v.3.1 – 3.19 Project Description Sections 3.19.1 Content of Project Description
Report Section:	4.4.1 Monitoring roles and responsibilities identified
Description of Non-conformance and Related Evidence:	
“Bosques Amazonicos” was considered as financial partner and marketing manager of VCUs in validated PDD; however, in monitoring report this partner is not included. The project proponent is not clear about this responsibility.	
Corrective Action Request:	Organization shall implement corrective actions to demonstrate conformance with the requirement(s) referenced above. Note: Effective corrective actions focus on addressing the specific occurrence described in evidence above, as well as the root cause to eliminate and prevent recurrence of the non-conformance.
Timeline for Conformance:	Prior to Verification.
Evidence Provided by Organization:	Anexo III VCS Non-Permanence Risk Report. Carta AIDER.

	Balance AIDER. Cash flow Tambopata. (commercial sensible information).
Findings for Evaluation of Evidence:	The project proponent has made a change in the Financial Viability of Risk Report. In the cash flow the revenue earned is from the sale of their products; in this case, the sale of carbon credits, there is also additional revenue by PROFONANPE for a period of two years, and this is how the cash flow will reflect the project revenue. On the other hand, funding are financial resources disbursements to cover the investment, what the cash flow will reflect are the amounts of income, investment and project costs. AIDER contributions are not reflected in the cash flow because they are part of a secured funding that the project counts on and cannot be considered as income. Bosques Amazónicos S.A.C. was responsible for financing the design and implementation of the project as an investment, and together with AIDER until July 2012. Since then, BAM is removed from the project because it has a direct execution on other projects and human resources capacity was insufficient. AIDER assumes the financing and implementation of the entire project since August 2012. It has been established that AIDER will elaborate annually technical-financial work plans for the implementation of the project, which will be presented to SERNANP for approval. According to letter of Committee AIDER, they will ensure funding for activities to reduce emissions and for project implementation. AIDER will ensure 53.61% of the funding for activities before reaching the breakeven point has been secured. According to cash flow and Balance of AIDER, this percentage was obtained from different contribution to project activities.
NCR Status:	CLOSED.
Comments (optional):	

5.3 Observations

Note: Observations are issued for areas that the auditor sees the potential for improvement in implementing standard requirements or in the quality system; observations may lead to direct non-conformances if not addressed. Unlike NCRs, observations are not formally closed. Findings from the field audit related to observations are discussed in Appendix A below.

None

5.4 Actions taken by the Project Proponent address NCRs (including any resolution of material discrepancy)

Action Taken by Project Proponent following the issuance of the Draft Report			Date
Additional documents submitted to audit team (additional documents listed below)	☒ Yes ☐ No ☐ N/A		March 11, 2013
Additional stakeholder consultation conducted (evidence described below)	☐ Yes ☒ No ☐ N/A		
Additional clarification provided	☒ Yes ☐ No ☐ N/A		March 11, 2013
Documents revised (document revision description noted below)	☒ Yes ☐ No ☐ N/A		March 11, 2013
GHG calculation revised (evidence described below)	☐ Yes ☒ No ☐ N/A		

Included in the actions taken by the Project Proponent to address NCRs was the submission of the following revised files:

Ref	Title, Author(s), Version, Date	Electronic Filename
1a.	Reduction of deforestation and degradation in Tambopata National Reserve and Bahuaja-Sonene National Park within the area of Madre de Dios region –Peru. Monitoring Report. AIDER, V 1. 2012	VCS Monitoring Report Tambopata – English.doc
2a.	Reduction of deforestation and degradation in Tambopata National Reserve and Bahuaja-Sonene National Park within the area of Madre de Dios region –Peru. Project Description. AIDER, V.1. 2013	VCS Project Description Tambopata REDD English (May 12-March13).doc
3a.	Non Permanence Risk Report AIDER, v.1. 2013	Anexo III VCS Non-Perman Risk Report_Oct.12Final English11.03.13.doc

4a.	Reduction of deforestation and degradation in Tambopata National Reserve and Bahuaja-Sonene National Park within the area of Madre de Dios region –Peru. Plan de Monitoreo Comunitario. AIDER, V 1. 2012	Anexo II - Plan de Monitoreo Comunitario 291012.doc
5a.	Carta de Asamblea AIDER	Carta AIDER.pdf
6a.	Balance auditado AIDER Weis & Asociados S.C. v.1. 2012	BALANCE AUDITADO 2011-2010_AIDER.pdf
7a.	Annex 26 Environmental impact of productive activities proposed by the project. AIDER. Version unknown. 2010.	ANEXO 26 - Estudio de Impacto Ambiental.doc