



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:
Imaflora

Estrada Chico Mendes, 185
Sertãozinho Piracicaba - SP, Brazil
13400970

Tel: +55 19 3429 0848
Fax: +55 19 3429 0809
Contact Person: Bruno Brazil de Souza
Email: bruno@imaflora.org
servicosambientais@imaflora.org
www.imaflora.org



Verification Assessment

Report for:

SURUÍ FOREST CARBON PROJECT in Terra Indígena Sete de Setembro, Rondônia, Brazil

Report Finalized:	July 15 th , 2013
Draft Report Date:	July 04 th , 2013
Field Audit Dates:	May 14 th to 17 th , 2013
Lead Auditor:	David Escaquete
Audit Team Member(s):	Bruno Brazil, David Escaquete, Edson Santos, Thales West
Senior Internal Reviewer	Leonardo Martin Sobral
Audit Standard:	VCS Version 3
Verification Code(s):	RA-VER-VCS018309
Project Latitude/Longitude:	Lat: -11.228953° Long: -61.208090°
Monitoring Report Version:	1.1 (May 19, 2013)
Project Proponent Contact:	Almir Suruí Narayamoga almir.surui@paiteir.org
Project Proponent Address:	Av. JK no. 5217, Riozinho - Cacoal

Metareila VCS verif 13

Document Prepared By Rainforest Alliance

Project Title	<i>Suruí Forest Carbon Project</i>
Version	<i>Final Report (Metarela VCS verif 13)</i>
Report ID	<i>RA-VER-VCS-018309</i>

Report Title	<i>Metareilá VCS verif 13</i>
Client	<i>Associação Metareilá do Povo Indígena Suruí</i>
Pages	<i>40</i>
Date of Issue	<i>July 15, 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> <i>cmoore@ra.org</i>
Approved By	<i>Leonardo Martin Sobral</i>
Work Carried Out By	<i>David Escaquete (Lead auditor)</i> <i>Bruno Brazil</i> <i>Edson Santos</i> <i>Thales West</i>

Summary:
<i>The Suruí Forest Carbon Project (SFCP) aims to halt deforestation and its associated greenhouse gas (GHG) emissions in an area under deforestation pressure in the Sete de Setembro Indigenous Territory (TISS). The project is based on four themes: Forest Protection and Environment, Food Security and Sustainable Production, Institutional Strengthening; Development and Implementation of Financial Mechanisms: The Suruí Fund. This set of activities is designed to end deforestation in the TISS by addressing it's two main roots: the lack of economic alternatives to ensure the well-being of the Paíter Suruí, and the presence of external actors conducting illegal activities. In order to establish the baseline of the project, a projection model of land use change in the TISS was developed. This model is called SimSuruí and is based on system dynamics to represent the existing system in TISS, its agents and their interactions with the surrounding vegetation. The objective of the SFCP is to prevent 13,575.3 hectares of tropical forests from being cleared in the TISS for 30 years (crediting period), to avoid the emission of a long term average of 7,423,806.2 tCO₂e in the atmosphere and to contribute to the preservation of the Paíter Suruí lifestyle and traditions.</i> <i>In September 2010, a large forest fire was recorded in the Indigenous Land Sete de Setembro (TISS), which consumed, during the months of September and October 2010, 4,224.86 hectares of forest. The impact was quite extensive due to the intense drought of 2010, one of the most serious and severe registered to date in the Amazon region in the last hundred</i>

years. This fact was classified as a catastrophic event, according to all applicable VCS requirements and definitions disposed into VCS documents: VCS Standard v3.3 and VCS Program Definitions v3.4, which leads to a baseline redefinition. Thus, the SFCP had also passed through a baseline reassessment during the verification audit.

The audit of the monitoring report, supporting documentation review, field visit, and interviews with stakeholders were conducted by the audit team in order to collect evidence to determine conformance with the VCS Standard v3.3 and all relevant documents such as Verified Carbon Standard Agriculture, Forestry and Other Land Use (AFOLU) Requirements 2011 v3.3, Verified Carbon Standard AFOLU Non-Permanence Risk Tool 2011 v3.2 and VM0015: Methodology for Avoided Unplanned Deforestation, v1.1, with a reasonable level of assurance.

For the first monitoring period (January 1, 2009 to December 31, 2012), the net GHG emission reductions verified is 299,895.80 tCO₂e. The calculated buffer contribution is 48,366.30 tCO₂e and the total VCUs to be issued is 251,530 tCO₂e. No non-conformities were found by the audit team in the first verification audit of SFCP.

Table of Contents

1. INTRODUCTION	6
1.1 Objective	6
1.2 Scope and Criteria	6
1.3 Level of assurance	6
1.4 Summary Project Description	6
2. VALIDATION PROCESS, FINDINGS AND CONCLUSION	7
2.1 Validation Process	8
2.1.1 Audit Team	8
2.1.2 Description of the Audit Process	9
2.1.3 Review of Documents	10
2.1.4 Interviews	12
2.2 Validation Findings	13
2.2.1 Gap Validation	13
2.2.2 Methodology Deviations	13
2.2.3 Project Description Deviations	14
Identify, discuss and justify conclusions regarding any project description deviations.	14
2.2.4 New Project Activity Instances	14
2.3 Validation Conclusion	14
3. VERIFICATION PROCESS	15
3.1 Method and Criteria	15
3.2 Audit Team	15
3.3 Review of Documents	16
3.4 Interviews	18
3.5 Description of the Audit Process and Site Inspections	19
3.6 Resolution of Material Discrepancy	19
4. VERIFICATION FINDINGS	19
4.1 Project Implementation Status	19
4.1.1 Project title, Purposes and Objectives	20
4.1.2 Stratification of Baseline and Project Areas	20
4.1.3 Ownership/Proof of Title/Right of Use	20
4.1.4 Double counting and whether the project participated in another emission trading programme	20
4.1.5 Conformance with PDD Monitoring Protocol	20
4.1.6 Observation of local laws and regulations	22
4.1.7 VCS AFOLU Requirements Section 3.1.5: Negative environmental and socio-economic impacts	23
4.2 Accuracy of GHG Emission Reduction or Removal Calculations	23
4.2.1 Calculation of emissions in the baseline scenario (ex-post estimate) following identified methodology and validated PD	23
4.2.2 Calculation of emissions from project activities (ex-post estimate) following identified methodology and validated PD	24
4.2.3 Calculation of emissions reductions or avoided emissions due to the project (ex-post estimate) following identified methodology and validated PD	25
4.2.4 Calculation of emissions from leakage (ex-post estimate) following identified methodology and validated PD	25
4.2.5 Assessment of uncertainty following identified methodology and validated PD	25
4.2.6 Appropriate use of default values following identified methodology and validated PD	25
4.2.7 The assumptions made for calculating GHG emission reductions and/or removals	26
4.2.8 Calculation of net VCUs to be issued (ex-post estimate) following identified methodology and validated PD	26
4.3 Quality of Evidence to Determine GHG Emission Reductions or Removals	26

4.3.1	Verification of inventory equipment used to calculate emissions reduction and/or removals.....	27
4.3.2	Verification of use of GPS and remote sensing analysis following identified methodology and validated PD.....	27
4.3.3	Implementation of sampling plan described in the PD.....	27
4.4	Management and Operational System.....	27
4.4.1	Monitoring roles and responsibilities identified	28
4.4.2	Inventory quality management systems (including both field and remote sensing as applicable)	29
4.4.3	Data transcription quality management systems	29
4.4.4	Data management and archival systems.....	29
	Non-permanence Risk Assessment.....	30
4.3.1	VCS AFOLU Non-Permanence Risk Tool Section 2.2.4.4: Projects with tree harvesting	30
4.3.2	VCS AFOLU Non-Permanence Risk Tool Section 2.1.1: Risk analysis.....	30
4.3.3	VCS AFOLU Non-Permanence Risk Tool Section 2.5.1 – 2.5.3: Overall Project Risk Calculation	35
5.	VERIFICATION CONCLUSION AND AUDIT OVERVIEW	35
5.1	Audit Conclusions.....	36
5.2	Observations	36
5.3	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 SURUÍ FOREST CARBON PROJECT (SFCP) with the requirements of the Verified Carbon Standard (VCS). The project was developed by Associação Metareilá do Povo Indígena Suruí, 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.

1.2 Scope and Criteria

Scope: The scope of the audit is to assess the conformance of Suruí Forest Carbon REDD project in Sete de Setembro Indigenous Land (TISS – *Terra Indígena Sete de Setembro*) located in RO and MT States 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 31,994.2 ha. The land is an officially Indigenous Territory recognized by Brazilian government. The information supporting the GHG assertion is project in the nature; it comes from the model called SimSuruí. This model is based on system dynamics to represent the existing system in TISS, its agents and their interactions with the surrounding vegetation. The determinant vector of these interactions is expressed by the needs and wants of the natives earning a living alternative to timber sales – the main activities being cattle farming and coffee growing. The model includes five sub-models: demographics, groups of land use change agents, economic dynamics of agent groups, subsistence agriculture, and vegetation dynamics in the TISS. The project has a lifetime of 30 years, and has calculated a GHG reduction and/or removal of 299,895.80 tCO₂e over the course of the monitoring period (*the calculated buffer contribution is 48,366.30 tCO₂e and the total VCUs to be issued is 251,530 tCO₂e*).

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 unless otherwise defined by the standard criteria.

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 following was adapted from section 1.1 of the PD v1.1 and section 1.1 of the Monitoring Report v1.0:

Responsible for most of the greenhouse gas (GHGs) emissions in Brazil, the forestry sector accounts for 58% of national emissions. Most of those emissions originate from deforestation in the Amazon. The State of Rondônia (RO), which contains most of the Suruí Forest Carbon

Project (SFCP) and where the Suruí have economic access and relationships with stakeholders, is one of the states that lost the most forest in the Brazilian Amazon. More than 2.4 million hectares were deforested between 2000 and 2009, which accounts for approximately 14% of total deforestation in the Brazilian Amazon during this period. The other fraction of the SFCP is located in the State of Mato Grosso which accounted for 36% of Amazon deforestation during the same period.

The Paiter Suruí indigenous people inhabit the northeast of Rondônia, a region that comprises the western flank of a long corridor of indigenous lands surrounded by consolidated agricultural areas. Suruí contact with non-Indians first occurred in 1969. The demarcation of the Paiter Suruí's territory was ratified by Decree No. 88.867 of October 18, 1983, and defined what was called the Sete de Setembro Indigenous Land (TISS). Some farmers, who occupied lands in what is now TISS, were expelled from these areas and these were eventually occupied by the Paiter Suruí. The surrounding region is heavily deforested and pressure from loggers and ranchers on the border of TISS is increasingly intense. The Suruí are currently distributed in 25 villages across an area of approximately 247,845 hectares between the central-eastern region of the State of Rondônia, Municipalities of Cacoal and Espigão D'Oeste, and the northwest region of the State of Mato Grosso, Municipality of Rondolândia.

Contact with non-Indians increasingly changed the livelihoods standard for the Suruí, with the consumption of manufactured goods and the need for health services and education promoted by the surrounding society. As a result, beyond benefitting from coffee plantations inherited from a portion of their land that once belonged to rural settlements, the Suruí began practicing commercial activities, with logging as their most significant and accessible resource. The Paiter Suruí sold wood in their territory for approximately 40 years to purchase goods and services.

Logging has caused profound social changes that include the formation of new villages. From 2000, beginning with the depletion of timber resources and the consolidation of most of the surrounding areas by livestock and coffee, the Paiter Suruí people began investing in alternative land uses and means of income generation. In this context, the main driver of deforestation in the TISS has been a change of strategy from the Paiter Suruí people to replace timber with other sources of income, particularly coffee and livestock production.

The SFCP aims to halt deforestation and its associated greenhouse gas (GHG) emissions in an area under intense deforestation pressure in the TISS. The region is located in one of the main centres of the Brazilian Amazon's "deforestation arc", and is shaped by the expansion of consolidated farms requiring new forest areas for agricultural activities. The remaining forests in these regions are primarily limited to protected areas. The trend indicates that the Indigenous are increasingly turning to alternatives to earn the monetary income once provided by timber. These alternatives include crops such as coffee and extensive livestock systems, and leasing and "sharecropping" with surrounding farmers and ranchers. The most likely future scenario for the TISS is shaped by the interaction between external and internal factors, where productive agreements would lead to a consequential acceleration in the rate of forest cover loss.

The SFCP emerged as a pioneering initiative led by the Paiter Suruí, the Chief Almir Suruí in particular, searching for financial mechanisms to ensure the implementation of a forest conservation strategy, the improved quality of life of their populations, and the preservation of their traditional culture.

The project is based on four themes: Forest Protection and Environment, Food Security and Sustainable Production, Institutional Strengthening and Development and implementation of a financial mechanism: The Suruí Fund. This set of activities is designed to end deforestation in the TISS by attacking its two main roots: the lack of economic alternatives to ensure the well-being of the Paiter Suruí, and the appearance of external actors to conduct illegal activities. In order to establish the baseline of the project, a projection model of land use change in the TISS was developed. This model is called SimSuruí and is based on system dynamics to represent the existing system in TISS, its agents and their interactions with the surrounding vegetation. The determinant vector of these interactions is expressed by the needs and wants of the natives earning a living alternative to timber sales – the main activities being cattle farming and coffee growing. The model includes five sub-models: demographics, groups of land use change agents, economic dynamics of agent groups, subsistence agriculture, and vegetation dynamics in the TISS. Observing trends in the region, these five sub-models interact to produce the area to be deforested in the baseline scenario (without the project). The total amount of deforested area due to the catastrophic event that occurred in TISS during 2010 was considered in baseline recalculation. So, the primary objective of the SFCP is to prevent 13,575.3 hectares of tropical forests from being cleared in the TISS by 2038, avoiding the emission of 7,423,806.2 tCO₂e in the atmosphere still prevails.

The SFCP falls within the scope of the AFOLU sector (Agriculture, Forestry and Other Land Use), and in the category of Reducing Emissions from Deforestation and Degradation (REDD) in particular. The proposed type of activity is Avoided Unplanned Deforestation and/or Degradation.

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
Talía Bonfante	☒	☒	☒	☐	☒	☒	☒	☐
Edson Santos	☐	☐	☒	☐	☐	☒	☐	☐
Guilherme Stucchi	☐	☐	☒	☐	☒	☐	☐	☐
Jared Nunery	☐	☒	☒	☒	☐	☐	☒	☐
Jeffrey Hayward	☐	☐	☐	☐	☐	☐	☐	☒
Thales West	☐	☒	☒	☒	☐	☐	☒	☐

Auditor qualifications:

Auditor(s)	Qualifications
Talía Bonfante (TB)	Biologist and expert in Integrated Management Systems - Health, Environment and Security. Talia received her master's degree in the program of Management of Organizations FEA - USP, where she studied the economic viability of small scale projects included in the CDM. She has experience in social and environmental audits (FSC, CCB, VCS standards) as well in research related to the carbon market and socio-environmental responsibility. She has project strong expertise in biodiversity assessment, forest management, and nuanced local context issues that are important to consider when assessing conformance against the CCB standards.
Edson Santos (ES)	Social Scientist graduated by Federal University of Acre. Master in Development, Agriculture and Society. He has 10 years of experience in working with communities from the Amazon Forest. Furthermore he is FUNTAC's researcher and consuler for public institutions and nongovernmental organizations.
Guilherme Stucchi (GS)	Forest Engineer. Auditor in FSC certification processes for Amazon natural forest management. He has more than 3 years of experience in reduced impact forest management and worked in FSC certified companies in Brazilian Amazon. In addition he is a certified lead auditor by – Lead Advisor to ISO 14001: 2004.
Jared Nunery (JN)	Jared has participated in over 30 forest carbon project and methodology assessments, spanning four continents. In addition he has led the technical review and approval of the first IFM LIPF Methodology under the VCS, and participate in the evaluation of over a half dozen other AFOLU methodologies against the VCS, and is a recognized AFOLU Expert by the VCS for Improved Forest Management (IFM). Before joining the Rainforest Alliance, Jared worked as a member of the Carbon Dynamics Lab at the University of Vermont, where he conducted research on the effects of forest management on carbon sequestration. Jared has published multiple scientific articles on forest carbon dynamics as well as general forest ecological processes. Jared has presented research and guest lectured on the topic of forest management and forest carbon dynamics at over a dozen scientific conferences and universities both within the USA and abroad. Jared has a B.S. in Environmental Sciences from the University of Vermont and earned his M.Sc. in Forestry from the University of Vermont. Jared has extensive experience in forest stand dynamics, forest carbon dynamics, forest mensuration, GHG quantification, forest growth and yield modeling, and wildlife habitat conservation. In addition Jared is a certified lead auditor with the Climate Action Reserve for Forest and Urban Forest projects, and ISO 14001.
Jeffrey Hayward (JH)	Jeff Hayward is Director, Climate Program at the Rainforest Alliance. Based in Washington, DC, he leads a global program active in carbon verification, best practices and standards for climate mitigation and adaptation, REDD+ capacity building, and facilitation of carbon forestry and agroforestry projects. He has 20 years experience working to advance sustainability in natural

	resource management, particularly through policy mechanisms that harness markets responsibly. For nearly six years he managed the Rainforest Alliance forest certification programs in the Asia Pacific region from Jakarta, Indonesia. Jeff earned an Msci in forestry, (Univ. of British Columbia, Canada); and a B.A. in Latin American development with a specialization on forestry (Univ. of Washington, USA). In forest certification and carbon verification, he has conducted over 100 assessments or audits. Jeff is a registered AFOLU expert with VCS and lead verifier with Climate Action Reserve.
Thales A. P. West (TW)	Forest Engineer and M.Sc. in Forest Resources, both from the University of São Paulo, studying forest management and carbon project activities. Thales holds a specialization in Business Management from Fundação Getúlio Vargas and has worked for several companies as consultant in forest carbon projects, under the CDM and voluntary carbon market schemes.

2.1.2 Description of the Audit Process

The audit was conducted in a two-step process. The first step consisting of a pre-validation audit conducted as a desk review of PD V1.0 and others support project materials. Following the pre-validation audit, the pre-validation report was delivered to the project proponent, identifying any significant gaps within the project documentation. The second step in the audit process included the field audit to the project area. At this moment, the audit was performed by documentation review, stakeholders' interviews, visit to the project areas (biomass and biodiversity plots, vigilance camps, and leakage belt) as well as four public meetings with the Paiter Suruí People held at Metareilá Association Office and in the Villages Nabekodabalaquibá, Joaquim and Lapetanha. All meetings were carried on in a collective manner, always with the presence of four clan members (Gameb, Gamir, Kaban and Makor), respecting the Paiter Suruí People social organization. On those meetings attended leaders and community members, included the participation of the women, men, youth, children and elders'. After the field audit, the project proponent sent to the audit team an updated version of the project (DP v.1.1), considered in Draft Report elaboration. The audit team identified 2 non-conformities which were addressed by the Project Proponent. Additional evidences were submitted to the audit team (PD v.1.2 and Doc.#1a) and were reviewed to close all non-conformities prior to the finalization of this report.

Furthermore a CCB Standard validation audit was conducted in parallel to the VCS validation audit, and both audits were carried out by the same audit team. Below is a description of the field audit process and list of documents reviewed during the field audit.

Location/Facility	Date(s)	Length of Audit	Auditor(s)
Associação Metareila Office	Nov 07 th , 2011	8 hours	TB, ES, GS, JN, TW
Funai Office – Cacoal/RO	Nov 07 th , 2011	2 hours	TB, ES
Paiter Suruí Territory – Village Nabekodabalaquibá/ Escola Polo	Nov 08 th , 2011	6 hours	TB, ES
Paiter Suruí Territory – Inventory plot 02	Nov 08 th , 2011	5 hours	GS, JN, TW
Paiter Suruí Territory – Village José Gaway Suruí Community	Nov 08 th , 2011	1 hour	GS, JN, TW
Paiter Suruí Territory – Western Boarder Vigilance Camp	Nov 08 th , 2011	3 hours	GS, JN, TW
Paiter Suruí Territory – Village Joaquim	Nov 09 th , 2011	6 hours	TB, ES
Paiter Suruí Territory – Western edge of leakage belt	Nov 09 th , 2011	4 hours	GS, JN
Paiter Suruí Territory – Western Boarder Vigilance Camp	Nov 09 th , 2011	4 hours	TW
Paiter Suruí Territory – Village Lapetanha	Nov 09 th , 2011	4 hours	GS, JN, TW
Paiter Suruí Territory – Village Lapetanha	Nov 10 th , 2011	8 hours	TB, ES, GS, JN, TW
Associação Metareila Office	Nov 11 th , 2011	8 hours	TB, ES, GS, JN, TW

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	SURUÍ FOREST CARBON PROJECT ver 1.1 22Nov11	PCFS_PDD_English_V1.1
2	Relatorio_Campo_Suruí, Ver. 2, 02Mai10	Relatorio_Campo_Suruí_IDEASAM_V2_2mai10
3	Inventário Florestal de Biomassa na Terra Indígena Sete de Setembro: abordagem participativa de coleta de dados adaptada ao Open Data Kit, Jun 2011	Relatorio_Biomassa_Final_Vs_PDD_Carbono.doc
4	CARBON MONITORING AND VERIFICATION PROTOCOLS FOR THE SURUÍ FOREST CARBON PROJECT, Nov 2011	Documento_de_Registros.doc
5	Planilha_Campo_Temporárias	Planilha_Campo_Temporárias.doc
6	Carbon Monitoring and Verification Protocols for the Suruí Forest Carbon Project, 12-11-03	QA_QC_protocols_12-11-03.doc
7	Análise_Conglomerados_C_abaixadosolo_Silva	Análise_Conglomerados_C_abaixadosolo_Silva.xls
8	Biomass Inventory Map 07Sept11	Localiza_Conglomerados
9	Biomass Inventory Map 07Sept11	Mapa_Suruí_2EXP
10	Management Plan Map 07Sept11	Planejamento_Plots_2ªEXP
11	011-602 Estágio Profissionalizante em Engenharia Florestal Jun08	AndreVianna_IPE.pdf
12	011-602 Estágio Profissionalizante em Engenharia Florestal Jun08	AndreVianna_IPE.pdf
13	Apêndice I – Metodologia para inventários e monitoramento de estoque de carbono	Apêndice I.doc
14	MODELAGEM DE DESMATAMENTO E EMISSÕES DE GASES DE EFEITO ESTUFA NA REGIÃO SOB INFLUÊNCIA DA RODOVIA MANAUS-PORTO VELHO (BR-319), Fearnside et al. 2009	Biomassa_Euler_INPA.pdf
15	Carbon pool and biomass dynamics associated with deforestation, land use, and agricultural abandonment in the neotropics. Kauffman et al. 2009	Cummings_Cabg_Rondonia.pdf
16	Estrutura de um trecho de floresta Amazônica na Bacia do alto rio Xingu. Ivanauskas et al. 2004	dist_diam_alto_xingu.pdf
17	Projeção da dinâmica da floresta natural de Terra-firme, região de Manaus-AM, com o uso da cadeia de transição probabilística de Markov, Teixeira et al. 2007.	dist_diam_manaus.pdf
18	Análise estrutural da floresta tropical úmida do município de Alta Floresta, Mato Grosso, Brasil, Malheiros et al. 2009.	Dist_diam_mato_grosso.pdf
19	Does REDD+ Threaten to Recentralize Forest Governance? Phelps et al. 2010.	DoesREDD_Threaten_to_Recentralize_For_Gov_Phelps_Science_2010.pdf
20	Acknowledging Conservation Trade-Offs and Embracing Complexity, Hirsch et al. 2010	Hirsch et al _2011_REDD_Conservation tradeoffs.pdf
21	Critical analysis of root: shoot ratios in terrestrial biomes, Mokany et al. 2006.	Mokany et al 2006 root_shootratio.pdf
22	Tree height in Brazil's „arc of deforestation”: Shorter trees in south and southwest Amazonia imply lower biomass, Nogueira et al. 2008.	Nogueira 2008b Trees shorter
23	Root biomass allocation in the world's upland forests, Cairns et al. 1997.	RootBiomassAllocationInTheWorldsUplandForests_Cairns_et_al_1997_IPCCguideline.pdf
24	SIMSURUÍ MODELAGEM SISTÊMICA DA COBERTURA VEGETAL E MUDANÇA NO USO DA TERRA NA TERRA INDÍGENA SETE DE SETEMBRO (TISS) – RO, MT, 2011	Modelo SimSuruí_Final.pdf
25	Projeto de Carbono Florestal Suruí, Ver. 2.0, 2011	PCFS_Materiais Complementares_14_10
26	Suruí REDD VCS Non-Permanence Risk Report v1	Suruí REDD VCS Non-Permanence Risk Report v1.pdf

27	Methodology Tabela 22Nov11	Tabelas metodologia 3_221011.xls
28	Field Inventory Data 22Nov11	Analise_Conglomerados_C_Validaco_PDD_Vs_221111.xls
29	Project area LULC Classification Data 2009	Classification_final_summary.xls
30	Socio Economic Table 27Oct11	Tabela_socio_economica.final_27_10_2011
31	Rentabilidade de Café 16Jun11	Rentabilidade de Café_Suruí_160611
32	Suruí Financial Analysis 23Nov11	Suruí REDD Finance Model 231111 – PDD additionality final.xls
33	Ethno-Environmental Management Plan for the Sete de Setembro Indigenous Reserve	Ethno-Environmental.pdf
34	Non-permanence risk report - Suruí Forest Carbon Project, ver 1.1, 22Nov11	Suruí REDD VCS Non-Permanence Risk Report v1.1.pdf
35	Plano de Gestão Etnoambiental da Terra Indígena Sete de Setembro	plano de gestão.pdf
36	Plano de Proteção da Terra Indígena Sete de Setembro	20111101_1045 Plano de Proteção da Terra Indígena Sete de Setembro.pdf
37	Inventário Florestal de Biomassa na Terra Indígena Sete de Setembro: abordagem participativa de coleta de dados adaptada ao Open Data Kit	MatComplementares_Inventario_Biomassa_Modelo_SimSuruí.pdf
38	PAMINE: o renascer da floresta – Reflorestamento da Terra Indígena Paiter Karah (TI Sete de Setembro) pelo povo Paiter Suruí	Printed Material
39	LEVANTAMENTO DA MASTOFAUNA DE MÉDIO E GRANDE PORTE DA TERRA INDÍGENA SETE DE SETEMBRO – ETNIA SURUÍ - RO	Printed Material
40	LEVANTAMENTO FLORÍSTICO E CARACTERIZAÇÃO ARBÓREA NA TERRA INDÍGENA SETE DE SETEMBRO POVO SURUÍ/RO	Printed Material
41	REVISÃO DO COMPONENTE BIÓTICO DO DIAGNÓSTICO AGROAMBIENTAL PARTICIPATIVO DA TERRA INDÍGENA SETE DE SETEMBRO, CACOAL/RO	Printed Material
42	REVISÃO DO DIAGNÓSTICO AGROAMBIENTAL DA TERRA INDÍGENA SETE DE SETEMBRO, CACOAL, RONDÔNIA, BRASIL – COMPONENTE HERPETOFauna	Printed Material
43	REVISÃO DO COMPONENTE BIÓTICO DO DIAGNÓSTICO AGROAMBIENTAL PARTICIPATIVO DA TERRA INDÍGENA SETE DE SETEMBRO – RO – Levantamento Etnomicológico da Terra Indígena Sete de Setembro (MT e RO)	Printed Material
44	REVISÃO DO COMPONENTE BIÓTICO DO DIAGNÓSTICO AGROAMBIENTAL PARTICIPATIVO DA TERRA INDÍGENA SETE DE SETEMBRO Levantamento da Avifauna da Terra Indígena Sete de Setembro (MT e RO)	Printed Material
45	Cronograma de atividades dos três primeiros anos do Projeto Carbono Florestal Suruí	PCFS_Materiais Complementares_14_10.pdf
46	Carta de apoio ao Projeto do Governador do Estado de Rondônia	PCFS_Materiais Complementares_14_10.pdf
47	Advocacia Geral da União – Ofício 38/PGF/PFE/FUNAI/2011	PCFS_Materiais Complementares_14_10.pdf
48	Nota 329/ PGF/PFE/FUNAI/2011	PCFS_Materiais Complementares_14_10.pdf
49	Parecer Técnico n. 22/CGMT/DPT/FUNAI/2011	PCFS_Materiais Complementares_14_10.pdf
50	Decreto/FUNAI n. 88.867 de 17 de outubro de 1983	PCFS_Materiais Complementares_14_10.pdf
51	Ofício 122/2011/GAB/SMCQ/MMA	PCFS_Materiais Complementares_14_10.pdf
52	Acordo de cooperação que entre si celebram as Associações do Povo Indígena Paiter Suruí. 2009, June 09th.	PCFS_Materiais Complementares_14_10.pdf
53	Ata da Assembleia Geral da Associação Metareilá do Povo Indígena Suruí, eleição e posse da Diretoria	PCFS_Materiais Complementares_14_10.pdf

54	Estatuto da Associação Metareilá do Povo Suruí	PCFS_Materiais Complementares_14_10.pdf
55	Plano de Gestão Etnoambiental da Terra Indígena Sete de Setembro (Associação Metareilá do Povo Indígena Suruí / ACT Brasil, 2008)	Plano de gestao.pdf
56	Consentimento Livre, Prévio e Informado – Projeto Carbono Suruí (Associação Metareilá do Povo Indígena Suruí / ACT Brasil, 2010)	Projeto Carbono - Consentimento pr_vio informado.pdf
57	NR 31 - Norma Regulamentadora de segurança e saúde no trabalho na Agricultura, Silvicultura, Exploração florestal e Aquicultura.	NR31.docx
58	OIT – Convenção n. 169 de 9/7/1989 – Sobre Povos Indígenas e Tribais.	Printed Material
59	Curso Lideranças Comunitárias – Pagamento de Serviços Ambientais – Projeto Carbono Suruí (Associação Metareilá do Povo Indígena Suruí -2009)	Printed Material
60	Etnozoneamento Paiterey Garah - Terra Indígena Sete de Setembro (Kanindé –Associação de Defesa Etnoambiental)	Printed Material
61	Materiais Complementares v.2.0 (Supplementary Material v. 2.0)	PCFS_Materiais Complementares_14_10.pdf
62	Memorando entre Metareilá e Organizações Parceiras	Printed Material
63	REDD- Reduced Emissions from Deforestation and Degradation – Suruí Carbon Project. São Paulo. Baker& McKenzie. December 03, 2009.	PCFS_Materiais Complementares_14_10.pdf
64	Brasil: titularidade indígena sobre Créditos de Carbono Gerados por Atividades Florestais Indígenas. Parecer Jurídico sobre Titularidade de Créditos de Carbono gerados por atividades florestais em Terras Indígenas no Brasil. Raul Silva Telles do Valle & Erika Magami Yamada.	Printed Material
65	Análise Conglomerados	Analise_Conglomerados_Validacao_PDD_Vs_Finalissima.xlsx
66	News regarding the public meeting hold on Cacoal.	Printed Material
67	Attendance List – Cacoal Public Meeting	Printed Material

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
Nov.07 - 10 th , 2011	Almir Narayamoga Suruí	General Coordinator - Metareilá Association of the Suruí Indigenous People
Nov.07 - 10 th , 2011	Marcus Vasco van Roosmalen	President - Amazon Conservation Team - ACT-Brazil
Nov.07 - 10 th , 2011	Luiza Viana	Lawyer - Amazon Conservation Team - ACT-Brazil
Nov.07 - 10 th , 2011	Ivaneide Bandeira Cardozo	Project Coordinator - Kanindé Association for Ethno-Environmental Defense
Nov.07 - 10 th , 2011	Gabriel Cardoso Carrero	Researcher – Climate Change and Environmental Services Program, IDESAM
Nov.07 - 10 th , 2011	Pedro Gandolfo Soares	Climate Change and Environmental Services Program, IDESAM
Nov.07 th , 2011	Renildo Carneiro Santos	Chief of Territorial Environmental Monitoring- FUNAI/ Cacoal
Nov.07 th , 2011	Francisco José Gonçalves Gomes	Substitute Chief of Technical Division - FUNAI/ Cacoal
Nov.08 th , 2011	~50 Paiter Suruí Community Members from Nabekodalaquibá Village and around Villages	Paiter Suruí Community Members
Nov.08 th , 2011	Tomé Hoê Iwais Suruí	Inventory crew – Suruí Community

Nov.08 th , 2011	Rafael Gameb Suruí	Inventory crew – Suruí Community
Nov.09 th , 2011	Leandro Suruí	Suruí community member and inventory crew member
Nov.09 th , 2011	Gatoten Suruí	Suruí community member and inventory crew member
Nov.09 th , 2011	Herberton Barros	Researcher – Geomatic Lab, IDESAM
Nov.09 th , 2011	Joaquim Santana Braga	FUNAI/ Cacao employee – Vigilance
Nov.09 th , 2011	Samuel Suruí	FUNAI/ Cacao employee -Vigilance
Nov.09 th , 2011	Sergio dos Santos	Environmental Military Police – Candeias do Juary
Nov.09 th , 2011	~120 Paiter Suruí Community Members from Joaquim Village and around Villages	Paiter Suruí Community Members
Nov.10 th , 2011	~180 Paiter Suruí Community Members from Lapetanha Village and around Villages	Paiter Suruí Community Members

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

Two members of the audit team were involved in validation process composed the verification team (Ref. 14).

The SFCP baseline deforestation projection was recalculated due to a catastrophic event that has occurred in 2010. The new established baseline was re-assessed by the audit team, based on the VCUs Spreadsheet Calculation (Ref. 2), the “Technical Note on the Forest Fire in the TISS in September and October 2010” (Ref. 15), and the satellite imagery assessment conducted by the project proponent.

About the catastrophic event, in September 2010, a large forest fire was recorded in TISS, with subsequently fire outbreaks in 2011. The fire was accidental and reached uncontrollable proportions. The Metareilá Association tried to control the fire in every way possible, including a call to IBAMA to help contain the fire (Ref. 15, annex 1), but the request was not met in time to avoid spread damage. The impact was quite extensive due to the intense drought of 2010, one of the most serious and severe registered to date in the Amazon region in the last hundred years. In 2010, 57% of the Amazon region had levels of annual rainfall below average, coinciding with an increase in the quantities of hotspots, where the period of drought and the fires were intense (Ref. 15 *apud* Lewis et al. 2011).

Through analysis and interpretation of satellite imagery (Ref 15 annex 2), it was possible to confirm the intensity of such fire, totally atypical of the region of the project. Ref. 15, annex 3, presents the complete table (metadata) with the fire outbreak registry in the TISS between 2009 and 2012. It is worth mentioning that the outbreak of fire identified in 2010 was on 10/15/2010 and the first of 2011 was identified only on 7/4/2011. In this way, it is confirmed that the catastrophic event was concentrated during September and October of the year of 2010.

The baseline recalculation had been made following these steps: 1) measuring of the burnt area classed as forest fires - with a tendency for natural regeneration; 2) estimation of the total amount of emissions generated by the fire within the SFCP; 3) insertion of this value in the project baseline scenario, as verified emissions in the project scenario; 4) estimation of the total amount of emissions generated in the leakage belt and; 5) insertion of this value in the baseline scenario of the project, as verified emissions in the project scenario. A full report of this process may be seen on Ref. 15. The fire had affected 4,224.86 ha of forest within the TISS, including the project area and the leakage belt.

The project is validated at CCB Standards and is not part of any additional accountable GHG programs other than the VCS (Ref. 4, section 1.12.3).

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

In conformance with the validation report (Ref. 14), the verification audit team have not identified any deviations from the methodology.

Additionally, Section 2.6 of the PD (Ref. 4) states that no methodology deviations were made. During the field audit, the validation audit team reviewed the implementation of the methodology with project technical advisors from IDESAM. The project was found to be in conformance with the requirements of the methodology, and no deviations were identified.

Still, we highlight that, for mapping the location of future deforestation (VM0012, section 4.2.4), the standard model validation procedure (i.e., Figure of Merits) was replaced by the minimum fuzzy similarity index, available on DINAMICA-EGO software (Ref. 4). The new approach was found to be in conformance with good GIS practices and no NCR/OBS were raised. Further, since only one forest strata and only one post-deforestation strata was considered under the project area, the deforestation location does not affect the amount of VCUs to be generated by the project.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

2.2.3 Project Description Deviations

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

Findings from Verification Field Audit			
Due to lack of funds, the audit team identified that the project proponent was not able to fully implement all of the project activities (see section 4 of this report). Since this is the first project verification, and no VCUs have been issued by the project, the auditors acknowledged that this fact does not represent a project description deviation. Further, through interviews carried out with the indigenous community members and project's technical staff, it was found that the project proponent is compromised to implement all designed activities.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/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			
Not applicable. As may be seen in the validated PD v.1.2, Section 1.1 and 1.2 (Ref. 4), the project activity is not a Grouped Project as defined in Section 3.4 of the VCS Standard v.3.3.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	No NCR/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 audit team found the project validation to be in conformance with VCS criteria for AFOLU projects and with VM0015 methodology.			
Due to a catastrophic event (i.e., fire; see VCS Program Definitions document, v.3.4) that took place in the project area and the leakage belt in 2010 (Ref. 15), the deforestation baseline was re-established in accordance with VCS AFOLU Requirements, v.3.3 (Section 3.7.9; see Section 4.2.1 of this report). Although the expected amount of VCUs to be generated was substantially reduced, as this is the first project verification, the catastrophic event had no effect on previously issued VCUs nor on the buffer account credits.			
The new deforestation baseline replaces the previous one and shall be used as the reference for future verifications until its re-assessment, in conformance with VCS AFOLU Requirements, v.3.3 (Section 3.1.10).			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

3. VERIFICATION PROCESS

3.1 Method and Criteria

The field work was carried out in May, between 14th and 17th, 2013. The auditing team has started the audit with an open meeting at the Associação Metareilá office. In this meeting the auditing team was presented to all stakeholders present, including representatives of the four Suruí Clans, and main Chief Almir Narayamoga Suruí, the contact and project coordinator, among other partners. The objectives, scope and the criteria used in a verification audit, as well as all standards, methodologies and documents applicable for the particular scope of SFCP were presented. The lead auditor also presented the auditing tools for conformance assessment, the programmatic schedule for the next days and the working plan. Finally, it was presented the Imaflora's grievance channel for its audit processes.

In the TISS, the audit team split into two groups to increase the sampled area. While one group conducted interviews with the community and the other focused on sampling different land-use used for the classification of the satellite imagery. The approach method adopted to conduct the interviews took into account the community's tradition. No individual interviews were conducted. Additionally, for all meeting, a clan or village chief was always present. During the interviews, each interviewed group chose a member of the indigenous community to be the translator for the ones who had difficulties with the Portuguese language. Villages Pinpaiter (Line 9), Amaral and Lapetanha that were not visited during the validation were selected for the verification process, and Village Nabekodalaquiba was revisited to assess what has changes since the project validation.

Given the large area of the project, ground-thruting points taken by the project proponent to be revisited by the auditor were selected based on the distance, accessibility, and land-use classes representativeness. Additional points were taken along the way to be matched with land-use classification from the satellite images. No field inventory or measurement of permanent sample plots made because there was no biomass re-measurement data conducted by the project proponent for the given verification period. As pointed out by the project developers in the validated PD, the re-measurement of the permanent sample plots will occur from five to five years.

Additionally, the auditing process included a document review held in the Associação Metareilá office. A list of these documents can be checked in the box bellow.

The fieldwork has ended with a meeting at *Centro de Formação Paiter Suruí* located on the city of Cacoal. In this meeting, the audit team presented once again the objectives, scope, and the criteria used for the verification process, as well as all the documents reviewed, the auditors findings, the verification results, including all observations stated in this report (noting that no NCR was raised), and the total amount of VCUs that shall be issued by the end of the process.

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
David Escaquete	☒	☒	☒	☐	☒	☒	☒	☐
Bruno Brazil	☐	☒	☒	☐	☒	☐	☒	☐
Edson Santos	☐	☒	☒	☐	☐	☒	☒	☐
Leonardo Sobral	☐	☐	☐	☐	☐	☐	☐	☒
Thales West	☐	☒	☒	☒	☐	☐	☒	☐

Auditor qualifications:

Auditor(s)	Qualifications
David Escaquete (DE)	Forest Engineer, Coordinator of Natural Forest Certification Program at Imaflora. Has 6 years of experience in FCS certification and developed and coordinated several trainees about FSC certification in Brazil. Lead Assessor ISO 14001:2004; Empowered by the Instituto Floresta Tropical (IFT) and Imaflora through the Intensive Evaluation in FSC Forest Certification and Reduced Impact Exploration.
Bruno Brazil (BB)	Forest Engineer graduated by Escola Superior de Agricultura "Luiz de Queiroz" (ESALQ). Biologist graduated by Universidade de São Paulo (USP). Bruno has 3 years of experience in FSC certification and was empowered by the Instituto Floresta Tropical (IFT) and Imaflora through intensive evaluations in FSC Forest Certification and Reduced Impact Exploration. Bruno works

	with climate and environmental services at Imaflora and has technical expertise on VCS and CCB systems and audits. Lead Assessor ISO 14001:2004.
Edson Santos (ES)	Sociologist with a Masters in Development, Agriculture and Society, Lead Auditor in Quality Management in Health and Safety at Work - OHSAS18.001 BS: 2007. He is currently a researcher at the Technology Foundation of Acre (Fundação de Tecnologia do Estado do Acre) with twelve years of experience in the social-environmental area, mostly working with extractive communities in the Brazilian Amazon. Since 2011, Edson works as a social auditor for the IMAFLORA (sub-contractor of the Rainforest Alliance in Brazil), in FSC certification processes and validation/verification of carbon projects.
Leonardo Sobral (LS)	Forest Engineer, MBA in Project Management. Forest Certification Manager, 11 year of experience in forest management and FSC forest certification. Worked for NGOs and FSC certified companies in Brazilian Amazon. Lead auditor (ISO 14.001:2004), reviewer and approver FSC, VLO and Carbon (VCS and CCB) reports, trainer to FSC forest management.
Thales West (TW)	Thales has a BA in forest engineering and a MSc in forest resources, both from the University of Sao Paulo. Thales started working with forest carbon projects in 2008, and since 2011 he works as a climate specialist auditor for the Rainforest Alliance. He is currently a PhD student at the University of Florida, focused on land-use change decisions, remote sensing, and deforestation modelling under REDD+ initiatives.

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	Suruí Forest Carbon Project Monitoring Report, IDESAM, 05/19/2013	Suruí Forest carbon project monitoring report_19_05_2013.pdf
2	GHG calculation spreadsheet, IDESAM, 05/19/2013	Calculos_LULC_AP_LK_final_verificacao_19_05_2013.xls
3	Suruí REDD VCS Non-Permanence Risk Report, IDESAM, 05/19/2013	Suruí REDD VCS Non-Permanence Risk Report_19_05_2013.pdf
4	Suruí Forest Carbon Project, IDESAM, v 1.1, 02/02/2012	PCFS_PDD_English_V1.2.pdf
5	Inventário Florestal de Biomassa na Terra Indígena Sete de Setembro: abordagem participativa de coleta de dados adaptada ao Open Data Kit, Jun 2011	Relatorio_Biomassa_Final_Vs_PDD_Carbono.doc
6	Modelagem de desmatamento e emissões de gases de efeito estufa na região sob influência da rodovia Manaus-Porto Velho (BR-319), Fearnside et al. 2009	Biomassa_Euler_INPA.pdf
7	Etnozoneamento Paiterey Garah – Terra Indígena Sete de Setembro (Kanindé –Associação de Defesa Etnoambiental)	Ethno-Environmental.pdf
8	Non-permanence risk report - Suruí Forest Carbon Project, ver 1.1, 22Nov11	Suruí REDD VCS Non-Permanence Risk Report v1.1.pdf
9	Plano de Gestão Etnoambiental da Terra Indígena Sete de Setembro	plano de gestão.pdf
10	Plano de Proteção da Terra Indígena Sete de Setembro	20111101 1045 Plano de Proteção da Terra Indígena Sete de Setembro.pdf
11	Materiais Complementares (Supplementary Material), v.2.0, 10/14/2011	PCFS_Materiais Complementares_14_10.pdf
12	Ground-thruthing points revisited	"QM 09" point (20L 0678728 877053 UTM) "QM 02" (20L 0678515 8773076 UTM) "SOLO EXPOSTO" (20L 0678406 8772507 UTM) "CERCA QML" (20L 06783902 877234 UTM) "MILHO" (20L 0678550 8772103 UTM) "Queimada 2"(20L 0678836 8772399 UTM) "Solo Exposto" (20L 0678736 8771722 UTM) "Roca L9" (20L 0679160 87712114 UTM) "Floresta 2 (20L 0679497 8771332 UTM) "BORDA QUEI" (20L 0679666 8771467 UTM) "SOLO EXPOS3" "AG-01-LPT-2012" (20L 06856455 8758986 UTM)

		"Queimada 01" (20L 0686410 8758953 UTM) "QM-01-LPT-2012" (20L 068610 8758905 UTM) "F L01 L10 2012" (20L 0682544 8771619 UTM) "L11 DF 01 LPT" (20L 0686265 8759241 UTM) "CP-01-JQM-11"(20L 0685429 8759854 UTM) "Agricultura banana" (20L 0686255 8760992 UTM) "DF-01-JQM" (20L 0687182 8760855 UTM) "DF-01-AMA-10" (20L 0685692 8761745 UTM) "Ag-01-AMA"(20L 0686884 87620142 UTM) "PASTO" (20L 0690273 8756466 UTM) "DF 01 6AM 11"(20L 0690415 8757813 UTM)
13	Additional ground-thruthing points taken by the audit team	001 (exposed soil) 002 (river) 003 (burned area) 004 (burned area) 005 (burned area) 006 (secondary forest) 007 (exposed soil) 008 (agriculture field) 009 (village/exposed soil) 010 (road outside of the indigenous land) 011 (road outside of the indigenous land) 012 (pasture) 013 (village boarder/exposed soil) 014 (pasture) 016 (reforestation) 017 (reforestation) 018 (coffee plantation) 019 (village/exposed soil) 020 (secondary forest) 021 (secondary forest) 022 (secondary forest) 023 (secondary forest) 024 (burned area)
14	Suruí Forest Carbon Project validation report, v.1.0, 02/19/2012	Associação Metareila do Povo Indigena Suruí VCS valid 12.pdf
15	Fire technical note, 03/2013	Nota Técnica Incendio PCFS_MAR_2013 (3)_EN.pdf
16	DOCUMENTO TÉCNICO – Metodologia para análise de mudança de classes – Uso da Terra / Cobertura Vegetal 2009 - 2012	Analise_mudancas_uso_terra_PCFS_2009_2012_Final.pdf
17	Free, prior and informed consent Suruí Carbon Project/ACT Brasil.2010	PDD_Suruí_consent.pdf
18	Memorando de entendimento entre os clãs	Printed material
19	Sistematização de informações sobre atividades produtivas e alternativas econômicas na TI Sete de Setembro. Conservação da Amazônia.2011	Printed material
20	Subsídios para construção do plano de promoção às alternativas econômicas da TI Sete de Setembro.Conservação da Amazônia.2011	Printed material
21	Relatório de oficina para seleção da cadeia produtiva de interesse dos Paiter Suruí.	Printed material
22	Aditivo ao Acordo de Cooperação entre as Associações do Povo Indigena Paiter Suruí. Associação Metareilá do Povo Indigena Suruí. 2011.	Printed material
23	Ata da Assembleia dos Paiter para a criação de uma nova politica interna. Associação Metareilá do Povo Indigena Suruí. 2011.	Printed material
24	Documento de reunião com lideranças para avaliação	Printed material

	dos impactos sociais do Projeto Carbono Suruí. Associação Metareilá do Povo Indígena Suruí. 2011	
25	Plano de monitoramento de impactos sociais derivados do Projeto Carbono Suruí	Plano_Monitoramento_Impactos_Sociais_ProjetoREDDSuruí.pdf
26	Satellite imagery from 2009-2012	Imagens 2009 (Folder) Imagens 2010 (Folder) Imagens 2011 (Folder) Imagens 2012 (Folder)
27	Land-use classes GIS shapes from 2009-2012	Análise_de_Transições (Folder) Benchmark_Map_PDD_2009 (Folder) Classificacao (Folder)
28	Analise_Conglomerados_C_abaiodosolo_Silva	Analise_Conglomerados_C_abaiodosolo_Silva.xls
29	Carbon fraction used was from a Amazon study, developed by Silva (2007), of 0.485	Tese_Rose.rar
30	Decreto/FUNAI n. 88.867 de 17 de outubro de 1983	PCFS_Materiais Complementares_14_10.pdf
31	Ofício 122/2011/GAB/SMCQ/MMA	PCFS_Materiais Complementares_14_10.pdf
32	Folder “Plano de desenvolvimento Suruí 50 anos”	Printed material
33	Climate Impact Monitoring Plan	Climate Impact Monitoring Plan.pdf
34	Social Impacts Monitorin Plan	Plano_Monitoramento_Impactos_Sociais_ProjetoREDDSuruí.pdf
35	Biodiversity Monitoring Plan	Plano de Monitoramento da Biodiversidade.pdf
36	Imaflora/Rainforest Alliance CCBS Validation Report of this project	Associação Metareilá do Povo Indígena Suruí CCB valid 12 POR.pdf

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
14.May.2012	Almir Narayamoga Suruí	Suruí chief – Associação Metareilá do Povo Indígena Suruí e Labiway Maior do Povo Paiter Suruí.
14.May.2012	Ivaneide Bandeira Cardozo	Advisor and Project Coordinator - Associação de DefesaEtnoambiental - Kanindé.
15.May.2012	Entrevista com 20 membros Paiter-Suruí da Aldeia Pinpaiter (linha 9), sendo 3 idosos 5 adultos, 6 jovens e 6 mulheres, entre eles 3 professores indígenas.	Suruí community members from Pinpaeter (Linha 9) village.
15.May.2012	- André Suruí - Tiago Suruí - Juarez Suruí - Ferraz Suruí - Tabila Suruí - Yabibi Suruí - Ycanei Suruí	Suruí community members from Amaral village.
15.May.2012	- Anine Suruí - Fernando suruí - Narayamo Suruí - Mapini Suruí - Pamerewein suruí - Naraykosar Julio Suruí	Suruí community members from Nabekodalaquiba village.
16.May.2012	- Mapidikim Suruí - Sergio Suruí - Elizete Cinta-larga	Suruí community members from Lapetanha village.

	- Mopiri Suruí - Celso Suruí - Raimundo Suruí - Roni Suruí - Jhonatan Suruí - Kabena Cinta-larga - Elza Gopodjod Suruí - Simão Suruí - Jéssica Suruí - Kainale Suruí - Stefani Suruí - Napo Suruí	
--	--	--

3.5 Description of the Audit Process and Site Inspections

Location/Facility	Date(s)	Length of Audit	Auditor(s)
Gamebey – Associação Metareilá do povo Indígena Suruí, Cidade de Cacoal-RO	14.May.2012	3 hours	DE, BB, ES TW
	16.May.2012	1 hours	DE, ES
Pinpaeter village, Sete de Setembro indigenous land, Cacoal-RO	15.May.2012	1,3 hours	DE, ES
Amaral village, Sete de Setembro indigenous land, Cacoal-RO	15.May.2012	1 hours	DE, ES
Nabekodalaquiba village, Sete de Setembro indigenous land, Cacoal-RO	15.May.2012	1,2 hours	DE, ES
Lapetanha village, Sete de Setembro indigenous land, Cacoal-RO	16.May.2012	2 hours	ES
Pinpaeter village, Sete de Setembro indigenous land, Cacoal-RO	15.May.2012	1,3 hours	DE ES
Ground-thruthing points revisited	15.May.2012	5 hours	BB, TW
	16.May.2012	5 hours	

3.6 Resolution of Material Discrepancy

During the field work, after the audit team have identified a few non-substantial inconsistencies related to some of the presented calculation values, the proponent himself decided to revise and correct them. Thus, the Non-Permanence Risk Report (Ref. 3) was recalculated and had its overall risk rating increased due the fire events that taken place on the TISS. As a result, the GHG calculation spread sheet (Ref. 2) was also revised. Additionally, the proponent have decided not to account for carbon stock increases at this verification period because no forestry inventories were conducted since the project validation. Before this decision, the project proponent had proposed to use conservative default values for the forest regrowth to account for carbon stock increases.

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			
Based on the Monitoring Report review, the audit team found that the project title and objective have not changed.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised.		

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			
Despite of the project proponent have used a stratified systematic sampling method to estimate the forest biomass based on three vegetation types (each corresponding to a unique strata), due to the low variation of carbon stocks identified among the vegetation types identified, the proponent had decided to consider only one strata for the entire project area, based on the weighted average of the estimated biomass stocks (128.72 t C per hectare; Ref. 4). No ex post stratification was implemented.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised.		

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			
There were no ownership and use rights changes between the validation and the verification audit. The right of use of the Suruí territory was established according to the Decree Nº 88.867 of 18th October, 1983 (Ref. 30). The legal status of Indigenous People under the Brazilian Federal Legislation is granted by the Federal Constitution. FUNAI (Indigenous National Foundation) recognises the Suruí rights over the land use and future issued VCUs (Ref. 31). The land title will be maintained for the entire project lifetime and beyond, once the Suruí's exclusive usufruct rights are guaranteed by the Brazilian Constitution in perpetuity. According to Brazilian constitution, these lands are "inalienable, are not disposable, and the rights under them are not prescriptive."			
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			
In section 1.12.3 of the PD v.1.2 (Ref. 4) it is stated that "There is no national or international REDD+ regulatory regime applicable to the PCFS. The PCFS analyzed all possible scenarios that would result in future REDD+ regulations and the project is being developed in order to integrate and comply with possible future regulatory regimes." The audit team confirmed the information that the project will not apply to any other standard for accounting GHG emissions reductions beyond the VCS and CCBS during the audit through interviews with the project proponent and partner organizations. The emission reduction credits generated by the project will be exclusively accounted under the VCS registry system.			
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			
--	--	--	--

PDD Required Monitoring Procedures	Findings
Deforestation: Monitoring of land-use and land-cover change;	The assessment of land-use and land-cover change was done using LANDSAT 5 TM and RESOURCESAT-1 images to generate the annual deforestation data throughout the Reference Region of the project. The deforestation was identified using a supervised classification with the maximum likelihood method and update the Forest Cover Benchmark Map of 2009 to obtain annual increments in classes of non-forest land in the period 2009-2012. The annual deforestation average rate was found to be 157.4 ha between 2009 to 2012 (Ref. 1). During the verification audit, interviews with the IDESAM staff confirmed a potential illegal logging activity coming through the river from the north side of the TISS to the middle of the Suruís territory, inside the leakage belt area. The monitoring activities carried out by Idesam (through satellite images analysis) identified in 2010, small deforested areas in the leakage belt (2.79 ha), additional to the deforestation area predicted under baseline scenario for the leakage belt. Even that the monitoring procedures have been effectively done to account for project leakage, the audit team raised an observation indicating that the surveillance activities within the TISS boundaries may have not being enough to mitigate displacement of illegal logging to the leakage belt area (OBS#04/13).
Carbon stock change/increase in the Project Area: - Forested areas where the carbon stock is increasing - Monitoring of the impacts of natural disturbances and other catastrophic events Carbon stock in aboveground biomass - Monitoring of carbon stocks and non-CO₂ emissions Monitoring leakage: - Reduction of carbon stocks and GHG emissions due to activity shifting leakage - Total estimates ex-post leakage	The re-measurements the carbon aboveground pool due to the forest growth observed within the permanent plots are schedule to be done every five years (Ref. 4). Hence, this parameter was not monitored by the proponent for the given verification period. Once no forest inventory happened in this period, OBS#01/12 and OBS#02/12, first raised on the validation audit regarding inventory SOPs and QA/QC procedures, were maintained as OBS#01/13 and OBS#02/13 in this verification report. The baseline was reassessed during this first monitoring period due the catastrophic event that taken place on TISS in 2010. Regarding the non-CO₂ emissions, the SFCP decide not to account for these emissions in the baseline scenario, as a conservative strategy of the project. A small deforested area at the leakage belt (2.79 ha) was identified through the satellite imagery analysis carried out by IDESAM staff. This deforestation has been deducted from the total amount of credits generated by the project during the verification period. Considering forest fire outbreaks that also happened in the leakage belt (6.86 ha) in 2012, the total ex post leakage was calculated in 5,665.85 Mg CO₂e.
Monitoring project activities implementation: - Forest Protection and Environment - Food Security and Sustainable Production - Institutional Strengthening - Development and implementation of the Financial Mechanism (Suruí Fund)	The proponent pointed out the lack of fund as the factor limiting the project activities implementation in the TISS. During this first monitoring period of the SFCP – from June, 2009 to July, 2012 – the project was not able to reach any agreement for <i>ex ante</i> VCU transactions. To date, no carbon market revenue have reached the ground allowing the development of the project activities. This task (to monitor the project implementation) remains as a responsibility of ACT Brazil, Kanindé, Metareilá and the other indigenous associations for further the verifications (Ref. 1). Although, despite of the lack of investments, some of the activities described on the validated PD have been made, such as:

				- Mapping risks, threats and vulnerability of Indigenous Lands through assemblies of the Suruí's Parliament; - Re-establishment and rehabilitation of boundaries lines – with FUNAI's support; - Training of environmental agents - 3 trainings financed by USAID; - Enforcement with FUNAI and the Environmental Police - 3 participations of FUNAI in surveillance expeditions; - Routine surveillance expeditions implementation (partially implemented with adjustments due to social aspects and available budget); - Productive potential and the need for technical assistance diagnosis (partially implemented on some production fronts); - Discussions about the network of farmers (a discussion have started in 3 fronts: Brazilian nut, tourism, and handcraft); - Sustainable alternative income generation identification - accomplished. See document "Subsídios para construção do Plano de Promoção às Alternativas Econômicas da TISS" (Milanez 2011; Ref. 20); - Structure and supply chains improvement through the development of business plans of the supply chains of Brazilian nut, tourism and handcraft ; (10) communication materials development - see "Suruí's 50 years development plan" folder (Ref. 32); - Reforestation, implementation of agroforestry systems and planting density – actions have started in 12 villages; - Technical assistance for local production supports - initial discussions with the Secretary of Agriculture of the municipality; - Structuring of Supporting Centers – rehabilitation of the Paiter Suruí training center; - Plan for approval of the Paiter presentation - preliminary talks about the "Plano de Política Pedagógica" for the Suruí; - Supporting Centers' equipments (computers, printers, telephones, vehicles, etc.) - partially equipped with computers and printers; - Funding alternatives diversification – new partnerships had been created through granted future implementation of project activities (i.e, ECAM and FT projects, financed by Fundo Vale; Project of Idesam, ECAM, Kanindé and Metareilá, financed by Skoll).
Conformance	Yes ☒	No ☐	N/A ☐	
NCR/OBS	OBS#01/13 OBS#02/13 OBS#04/13			

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			
The legal framework was explained to the auditors, considering the political context in which the project is immersed (Ref. 4). Laws and regulations relevant to the labour laws of the country and the project has been discussed with the Federal Government, FUNAI, and the State Environment Agency of Rondonia (Ref. 11). Besides this, traditional authorities (Ref. 18) and the majority of the Suruí Indigenous community approved the project through a process of free, prior and informed consent (Ref. 17). During the field audit, the audit team conducted interviews with the Suruí community to confirm the project consent.			
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. VCUs 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			
No negative impacts from project implementation on the environment or on the communities were identified, even though the proponent have identified factors that could potentially and negatively impacts the goals of the SFCP considering the climate, biodiversity, economy and the communities within the TISS (see Ref. 4).			
According to the project proponent analyses, the risks regarding climate issues were: (1) deforestation rate within the TISS become greater than expected, making the project generates fewer emissions reductions than expected; (2) natural and man-made events like droughts, forest fires, etc, causing unforeseen increase in CO ₂ emissions, and (3) long term climate change, such as <i>El Niño</i> events, causing microclimate alteration, increases in temperature and decreases in humidity (Ref. 4). The actions implemented by the project proponent to mitigate the raised concerns were: (1) PCFS discounting 10% of expected emissions reductions as outlined in the baseline scenario, creating an operating range that allows for expansion of community use areas without compromising the project's expected environmental benefits; (2) implementation of participatory monitoring, reducing the chance of deforestation rates to increase; (3) development of a monitoring plan to assess climate change impacts on the forest (Ref. 1, 4, and 33).			
The identified risks regarding biodiversity were: (1) habitat loss and degradation as a consequence of deforestation causing decrease in forest species biodiversity, possibly resulting in carbon stock loss; and (2) population decline of flora and fauna species used by the Suruí people as a result of excessive hunting and non-timber resource collection causing decrease in dietary diversity (Ref. 4). The actions implemented by the project proponent to mitigate these factors were (1) development of a monitoring plan using methodologies to assess biodiversity impacts (Ref. 1, 4, and 35).			
The risk regarding the economy was the potential for the project not attain sufficient financial resources, compromising the project activities implementation as planned (Ref. 4); the action took by the proponent to mitigate this scenario was the development of a financial strategy based on multiple sources, not just revenues from the carbon market; and the creation of a permanent fund to support implementation of activities, both during the lifetime of the project and beyond (Ref. 1 and 4).			
The identified risks related to communities were: (1) that deforestation rates increase, compromising the amount of VCUs to be generated, and hence, the project activities; (2) natural and man-made events (ex: droughts, forest fires, etc.), decreasing the community's food production (Ref. 4). The actions implemented by the proponent to mitigate the raised concerns were also based on the financial mechanisms mentioned before and training of indigenous environmental agents to help preventing deforestation rate to increase (Ref. 1, 4, and 34).			
Based on the documentation and the interviews with the stakeholders, the audit team has found that the project proponents have properly addressed the negative environmental and socio-economic impacts of the project. Furthermore, the proposed project is also validated on CCB Standard. For additional findings in relation to the CCBS social criteria assessment, see the Rainforest Alliance CCBS Validation Report of this project (Ref. 36)			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR or OBS raised.		

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 PD

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
Baseline emissions were predicted using a site/community specific deforestation model (dynamic model) named the SimSuruí model (Refs. 11 and 14). There is no ex-post estimate once the baseline scenario represents the alternative scenario for the project area in the absence of the REDD intervention, which would only happen in the case of project failure.
As mention above, a catastrophic fire event (see VCS Program Definitions document, v.3.4) took place in indigenous land in 2010/2011, burning 3,157.61 ha in the project area and 1,045.92 ha in leakage belt (Refs. 2, 15, 16, 26, and 27). The fire event resulted in a reversal effect (see VCS Program Definitions document, v.3.4), and the baseline scenario was re-assessed by the project proponent in accordance

with VCS AFOLU Requirements, v.3.3 (section 3.7.9). Although the expected amount of VCUs to be generated was substantially reduced, as this is the first project verification, the reversal event had no effect on previous issued VCUs nor on VCUs held on the buffer account.

The baseline scenario was re-established by adding the emissions from the 2010/2011 burned areas to the expected emissions from deforestation caused by the Suruí community (SimSuruí model output). The burned areas were identified and quantified through remote sensing analysis using Claslite 2.3, ENVI 4.8, and ArcGIS 9.3 softwares (Ref. 16). The results were reviewed and collected by the auditor (Refs 26 and 27) and checked with members from the indigenous community. The audit team matched the 2010/2011 burned areas identified using remote sensing and GIS to the area used for the baseline emission calculation (Ref. 2) and no inconsistencies were found.

Additionally, project proponent chose for discount 10% of the new baseline scenario emissions, conservatively assuming that the project activity would not be 100% effective. This procedure was also present under the previous baseline scenario validated (Refs. 2, worksheet "LB - PDD", 1 and 14).

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

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

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 PD for project specific requirements in relation to project activity emissions.

Findings from Verification Field Audit			
In accordance with VM0015, leakage management areas were selected for implementation of sustainable agricultural practices. Since part of such areas would need to be deforested, they were excluded from the project area as if their carbon stocks were already committed as GHG emissions, therefore no emissions from this project activity was accounted for.			
Emissions from deforestation that took place within the project area and leakage belt were quantified through remote sensing and properly discounted by the project proponent. The auditors reviewed the satellite images used (Ref. 26) and the imagery classification (Ref. 27) and checked the amount of opened areas annually from 2009 to 2012 to the values used for GHG emission calculation (Ref. 2). No inconsistencies were identified.			
The amount of GHG emitted per deforested hectare followed the assumptions from the validated PD (Ref. 14). It was based on the difference from the forest carbon stock (estimated from the biomass inventory conducted in 2010 and reviewed during the project validation; Ref. 5) and the expected baseline carbon stock. Baseline carbon stock per hectare was a estimation based on a matrix of different land uses obtained from the peer-reviewed literature for the Brazilian Amazon (Ref. 6).			
In conformance with the validated PD (Ref. 14. section 3.4), emissions from illegal logging were estimated to be insignificant for the given monitoring period (Ref. 1, section 4.2). Illegal logging significance level was assessed by the auditors based on the calculated significance level value for the wood products carbon pool per hectare, assuming:			
- Net emission factor per hectare = 586.8 tCO₂ - Logging intensity = 30 m³ ha⁻¹ - Efficiency factor = 45% - Wood density = 0.59 Mg m⁻³ - Carbon density = 0.485 Mg C Mg dry matter⁻¹ - C to CO₂ molecular ratio = 44/12			
As result, the carbon stocked in the wood product carbon pool (14.16 tCO ₂ e ha ⁻¹) was considered insignificant (2.4%). As the wood product carbon pool is dependent of the emitted GHG emissions from logging (timber production efficiency), assuming that the logging efficiency in terms of timber production (wood products) to be reduced to 10% under illegal logging, emissions from illegal logging would still be estimated as insignificant (4.8%). Therefore the neglected GHG emissions from illegal logging were considered in conformance with VCS AFOLU requirements v.3.3 (section 4.3.4) and VM0015 v.1.1 (section 1.3). Additionally, the auditors state that, due to consecutive years of intensive illegal logging taking place in the indigenous land in past, a logging intensity of 30 m ³ ha ⁻¹ is considered a reasonable assumption for the calculation.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

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

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			
Emission reduction calculation followed the monitoring plan established by the project proponent (Ref. 14, section 4.3) and it was in accordance with the VM0015 methodology.			
As stated above (section 4.2.1), due to a reversal effect caused by a catastrophic fire event (Ref. 15), the project proponent have properly re-designed the baseline scenario, in accordance with VCS rules. The project proponent have monitored through satellite imagery (Ref. 26) land use-change within the project area and leakage belt (Ref. 27), and have properly discounted emissions from the observed deforestation from 2009 to 2012 (Ref. 2).			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

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

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 PD for project specific requirements in relation to project activity emissions.

Findings from Verification Field Audit			
Leakage was calculated from the observed deforestation within the leakage belt area, through remote sensing analysis (see Section 4.2.1 of this report). Leakage was assessed annually in conformance with the validated monitoring plan (Ref. 14, section 4.3) and VM0015 methodology (Part 3 - section 1.2). Satellite imagery classification (Ref. 27) was reviewed by the auditors and the identified opened areas within the leakage belt from 2009 to 2012 were matched to the values used for the GHG emission calculation spreadsheet (Ref. 2).			
Emission from the leakage belt associated with catastrophic fire event that took place in 2010/2011 (Refs. 1 and 15) were discounted from the baseline scenario during its re-assessment (Ref. 2) and, hence, did not affected the VCUs amount calculated.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

4.2.5 Assessment of uncertainty following identified methodology and validated PD

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			
Uncertainty related to carbon stocks was calculated from the biomass inventory established in 2010 (Ref. 5) and reviewed by the auditors. Carbon stock estimate uncertainty was found to be within the acceptable range set by VM0015 methodology (Part 2 - section 6 and Appendix 3).			
Uncertainty associated with satellite imagery (VM0015 methodology, Part 2 - section 2.5) was reviewed during the project validation. The minimum accuracy for the satellite imagery classification between forest and non-forest classes was met and, therefore, no NCR/OBS was raised.			
Uncertainty associated with satellite imagery classification of land use-classes (i.e., forest, secondary forest, burned area, and exposed soil), used for the verification process, was reviewed by the auditors. A accuracy report were presented to the audit team, with an overall accuracy of 85 % (Ref. 16). This value is higher than the threshold established by VM0015 (Part 2 - section 2.5). Ground-thruthing points taken by the project proponent to calibrate the 2009 - 2010 imagery classification were revisited by the auditors (Ref. 12), and new ground-thruthing points were taken by the auditor (Ref. 13) to be matched with the output shapes of the land-use classification. No major inconsistencies were found, hence, the satellite imagery classification of land use-classes was found to be in conformance with the VM0015.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

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

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

Findings from Verification Field Audit			
Three main default values were used by the project proponent and reviewed by the audit team. They were all found to be in conformance with the project characteristics and VM0015. The first is related to the root to shoot ratio for the estimation of belowground biomass and the biomass carbon fraction. The below-ground biomass was estimated using a standard value from <i>Instituto Nacional de Pesquisas da Amazônia</i> (INPA; Ref. 28) studies, developed by Silva (op. cit.), representing 34,4% of the above-ground biomass. Carbon fraction used was from a Amazon study, developed by Silva (2007), of 0.485 (Ref. 29). The values was reviewed by the auditors and accepted as a reliable reference for the project area. The second with the post-deforestation land use class. The default value used for the post-deforestation land use class was 47 Mg C per hectare. This value was obtained from Fearnside et al. (Ref. 6) and represents an average of carbon stocks from a matrix of different post-deforestation land uses in the Brazilian Amazon. This value was reviewed by the auditor and found to be representative and conservative of the baseline scenario.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/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 PD. Assumptions should be clearly and transparently described within the monitoring report, and supported with verifiable evidence.

Findings from Verification Field Audit			
As stated above, one of the assumptions is that the carbon stock for the baseline post-deforestation class can be represented by the default value obtained from Fearnside et al. (Ref. 6). The rate of deforestation, modelled with SimSuruí, assumes no drastic changes on the net of incomes associated with different land uses and subsistence activities, nor drastic changes in the Suruí community birth rate (Refs. 11 and 14). Still, we highlight, that, based on historical observations and trends, drastic changes on such variables are not likely to occur. In summary: - SimSuruí model uses constants commodity prices to infer about the expected dynamics of other land use activities under the baseline scenario, and their impacts over the expected deforestation rates in TISS; - The lifetime of the expected land use activities systems under the baseline scenario, coffee plantation and grazing, considered by the model, were 15 and 11 years, respectively; - SimSuri model also consider the economically active Suruí population as the one within the age range of 15 to 65 years; The values used for the significance assessment of illegal logging were assessed in section 4.2.2 above.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

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

Findings from Verification Field Audit			
The auditors have reviewed the VCUs calculation with IDESAM staff. GHG calculation spreadsheet (Ref. 2) was found to be in conformance with VM0015 v.1.1. Buffer discount set through the validated Risk Assessment report (Ref. 8) was properly applied. Hence, the calculated amount of VCUs generated for the 2009 - 2012 verification period (251.529,6 VCUs) was found to be correct. We highlight that, even though the project proponent have decided to use a estimated growth rate for the forest areas within the project boundaries (Ref. 2, "Table 10" worksheet), since no plot re-measurement was conducted, no VCUs were claimed for the potential enhancement of carbon stocks during this verification period.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

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 PD. Note that most PD's include Standard Operating Procedures (SOPs) for forest inventory that detail the inventory design and process.

Findings from Verification Field Audit			
No biomass inventory was conducted for this verification period. Since two observation were raised concerned the SOPs used for the biomass inventory, the auditors have decided to maintain it reported here to guide future verifications that will address SOPs when re-measurements of biomass plots will be conducted.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	OBS 01/13 OBS 02/13		

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

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 PD.

Findings from Verification Field Audit			
As stated in sections 4.2.1 and 4.2.5 of this report, a accuracy report were presented to the audit team, with an overall land use-classes classification accuracy of 85% (Ref. 16). This value is higher than the threshold established by VM0015 (Part 2 - section 2.5). Ground-thruthing points taken by the project proponent to calibrate the 2009 - 2010 imagery classification were revisited by the auditors (Ref. 26) and compared to the output of the classification. No major inconsistencies were found, hence, the remote sensing and GIS analysis were found to be in conformance with VM0015 and the validated monitoring plan (Ref. 14, section 4.3).			
The shapes created in ArcGIS 9.3 (Ref. 27) were reviewed by the auditors and checked against the satellite imagery (atmospheric corrected; Ref. 26). The areas quantified in the shapes were then matched with the values used for the GHG calculation (Ref. 2) and no inconsistencies were identified.			
Further, during the field audit, the technical staff responsible for the remote sensing analysis have proven have the required know-how to successfully conduct their task, through interviews and demonstration inquired by the audit team.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

4.3.3 Implementation of sampling plan described in the PD

Identify any requirements within the validated PD 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			
Although the biomass inventory procedures are described in the validated PD (Ref. 14, section 3.1), no re-measurement of biomass plots was conducted during this verification period. Since an observation was raised			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	No NCR/OBS raised.		

4.4 Management and Operational System

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

Findings from Verification Field Audit	
Management and operational system is described on the validated PD (Ref. 14, section 1.4). Ten organizations are involved in the project. Five of them were established by the ingenuous community:	
Kanindé Association for Ethno-environmental Defense: responsible for the ethno-zoning of indigenous land, coordination and	

organization of activities for food security and income generation, monitoring of biodiversity and socio-economic benefits, and communications office. Kanindé staff was present in the field audit and was found to be highly engaged with project goals and achievements. Additionally, Kanindé staff was found to be highly respected among the community members.

- Amazon Conservation Team (ACT Brazil): support to activities for food security and income generation, monitoring of biodiversity and socio-economic benefits, legal advice and communication to the project. Development of the Land Protection Plan, environmental monitoring and carbon stocks (remote sensing). ACT was not presented in the field audit. ACT shall be evaluated when the biodiversity and social-economic monitoring reports are made available for the CCBS monitoring process. Despite ACT being co-responsible for remote sensing analysis, all analysis reviewed by the audit team were conducted by IDESAM.
- Forest Trends: provides support in the formulation and implementation of the project and strategy for raising funds and selling carbon credits generated by the project. Forest Trends was not presented in the field audit. During the interviews conducted by the auditors, it was noticed that arrangements for VCUs commercialization were already under negotiation. Additionally, it was found that the project proponent was pleased with Forest Trends performance in the project.
- Institute for Conservation and Sustainable Development of Amazonas (IDESAM): technical coordination in the elaboration of the baseline scenario and preparation of Project Description, as well as the VCS and CCB standards validation and verification. IDESAM was responsible for the biomass inventory and forest monitoring (remote sensing). IDESAM staff was presented in the field audit. They have successfully guided the auditors through technical issues during the verification processes. Additionally, IDESAM staff was found to be highly respected among the community members.
- Brazilian Biodiversity Fund (FUNBIO): responsible for the financial resources management mechanism generated by the Suruí forest carbon projects (Suruí Fund) and other income activities from the Suruí development plan (Ref. 14). The Suruí Fund (see Ref. 11) was evaluated during the validation and verification processes. They audit team found that community is aware of the fund and the indigenous governance structure (Refs. 11, figure 1, and 14) was properly designed to represent the community and guarantee shared benefits. Additionally, we highlight that the Suruí Fund is expected to go through an external audit in the future, and this process shall be evaluated during following verifications.
- Gãbgir Association of the Paiter Suruí Indigenous People: provide support to improve the quality and performance of schools in the indigenous land.
- Kabaney Association of the Forest People: supports the implementation of economic systems for the sustainable use of the indigenous land natural resources that meet the Paiter Suruí people's needs.
- Garah Pameh Association of the Kabaney Paiter Suruí People: supports the implementation of economic systems for the sustainable use of indigenous land natural resources that meet the Paiter Suruí people's needs.
- Pamaur Association for the Protection of the Paiter Suruí People's Makor Clan: supporting the identification of more effective alternatives to address the health problems faced by the Paiter people.
- Yabner Gãbgir Forestry Institute of the Paiter Suruí People: encouraging the revitalization, strengthening and enhancement of traditional cultural property.

The indigenous organizations were interviewed by the auditors and presented during the field audit. All the interviewed community members seem to be aware of project and its status. We highlight that the organization goals are in conformance with the Suruí 50-year development plan (Ref. 9) and the community was found to be engaged with their implementation.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

4.4.1 Monitoring roles and responsibilities identified

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

Findings from Verification Field Audit
No change in the monitoring roles and responsibilities have occurred since validation. Given the interview conducted with the community and the technical staff in charge of the project, and the material revised during the field audit, the auditors have confirmed the organizations involved with the project competency to conduct their tasks as designated. We highlight that due to their specific responsibilities and tasks, some organizations regarding monitoring process will have to be evaluated after the first VCUs are issued and after the first CCBS monitoring process. Specifically for the this first verification process, two involved organizations were mainly involved: IDESAM and Kanindé Association for Ethno-environmental Defense. As stated in section 4.3.2 above, during the field audit, the technical staff from IDESAM, responsible for the remote sensing analysis, have proven to demonstrate the know-how to successfully conduct their task. This was assessed through interviews and demonstration inquired by the audit team. Additionally, the monitoring requirements from VM0015 were properly followed by the IDESAM staff, and as result, the GHG calculation was found to be correct (Ref. 2).

Kanindé Association for Ethno-environmental Defense was present during the entire verification processes. Interview with community members have proven its engagement with the project and its responsibilities. The results from the the ethno-zoning of indigenous land was reviewed by the auditors and checked with the community members, highly involved with the process (Ref. 7). Biodiversity and socio-economic benefits monitoring were not fully completed by the organization and other partners. This scenario was partly explained due to lack of fund to implement all the activities (see section 2.2 of the Monitoring Report). We highlight that the project proponent will have to address the effects of the project on biodiversity and socio-economic benefits in deep as part of the *Climate, Community, and Biodiversity Standard* (CCBS) process.

No issues were raised by the audit team regarding monitoring roles and responsibilities of the organization involved with the project, nor regarding their competency.

Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

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 PD. Confirm project has implemented QMS effectively, and inventory accuracy thresholds if applicable are met.

Findings from Verification Field Audit			
The procedures and methods applied to the remote sensing analysis were explained in the Monitoring Report (Refs. 1 and 16) and were in conformance with the monitoring plan stated in the validated PD (Ref. 14) and with VM0015. They were also reviewed by the auditors along with the IDESAM staff.			
As stated in section 4.3.2 of this report, the accuracy thresholds required (VM0015, Part 2 - section 2.5) for the satellite analysis were met (Ref. 16). The applied methods were explained to the auditors and no inconsistencies were found.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/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 PD. 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			
Data transcription and quality management systems from biomass inventory was assessed during the project validation and found to be appropriated (Ref. 5). Since no re-measurements of the biomass plots have occurred for the given verification period, its quality was not assessed by the auditors.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	No NCR/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 PD. Confirm project has implemented data archival systems and can demonstrate effective retrieval of archived data for the period of time defined within the validated PD (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			
All the required data for verification processes was collected by the audit team. It was noticed that the project proponent had a specific archival location to store all the physic and electronic documentation related to the project at its association office in Cacoal municipality. Additionally, IDESAM staff have also confirmed that they have a backup with the technical documentation from the project at their office in Manaus.			
Conformance	Yes ☒	No ☐	N/A ☐
NCR/OBS	No NCR/OBS raised.		

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."

4.3.1 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			
The project is not a ARR nor IFM project.			
Conformance	Yes ☐	No ☐	N/A ☒
NCR/OBS	No NCR/OBS raised.		

4.3.2 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 -2 -2 = -2	No change have occurred in since project validation (Refs. 3 and 8). Ongoing enforcement to prevent encroachment by outside actors is required to protect more than 50% of stocks on which GHG credits have previously been issued. Individuals from Forest Trends and IDESAM have significant experience in AFOLU project design and implementation, carbon accounting and reporting under the VCS Program or other approved GHG programs. Adaptive management plan in place and documented (Ref. 9). During the field audit the audit team reviewed the plan and also	No NCR/OBS raised.

		interviewed Suruí Chiefs involved in the development of the plan. Field audit findings confirmed that the documented plan is understood by community members and is currently in place.	
Financial viability: Shall be assessed using Table 2 of VCS AFOLU Risk Tool.	0	No change have occurred in since project validation (Refs. 3 and 8). Project is expected to generate verified emission reductions in 2012 in sufficient quantity to cover operating costs in 2011 and 2012, cash flow breakeven is expected to occur within one year of the risk assessment. Funding required to implement the project in 2011 comes from a combination of forward carbon sales and counterpart contributions from the project partners. Some counterpart contributions have been made in cash through the Fundo Suruí, and some are expended on behalf of the project directly by partners. All counterpart funding for 2011 has been secured. Because the Suruí will only expend cash that is made available from carbon sales or from NGO partners, it is expected that the project has secured all of the funding needed to cover the total cash out required before the project reaches break even.	No NCR/OBS raised.
Opportunity cost: Shall be assessed using Table 3 of the VCS AFOLU Risk Tool.	8 - 2 - 2 = 4	No change have occurred in since project validation (Refs. 3 and 8). An opportunity cost analysis was undertaken based on the expected land use in the project areas in the absence of the project. The expected revenues per family were taken for each year from the baseline analysis, together with the growing number of families over that period. For the value of land conversion, the profitability of Suruí-managed coffee production (R\$ 294 or US\$ 173 ha yr⁻¹) was taken as the opportunity cost because coffee production under Suruí management (as opposed to share cropping) is the most profitable alternative land use. This value was multiplied by the cumulative area of clearing assumed in the baseline to determine the foregone revenues from land conversion. The sum of foregone profits from timber and agriculture were discounted over a wide range of discount rates, ranging from 6% to 25%. In each case, the opportunity cost is expected to be at least 100% more than that associated with project activities. At a 10% discount rate, the project with carbon and brazil nut sales generates a NPV of US\$2.0 million, whereas the alternative land use (without project) generates US\$6.9 million. At a 15% discount rate, reflecting poorer access to credit for the	No NCR/OBS raised.

		Suruí, the project generates a NPV of US\$1.2 million, and the foregone revenues amount to US\$4.5 million. At a 6% discount rate, which might reflect a higher valuation of future revenues for future Suruí generations, the project generates a NPV of \$3.3 million and the alternative land use generates \$10.9 million. Carbon prices in the project scenario were assumed conservatively to be \$7/ton. While higher than average prices for contracts on REDD projects is below the median price of \$8.50. At the median price of \$8.50, the NPV of the project would be \$2.1 million, which is still less than half of the highest opportunity cost at a 15% discount rate. More conservative carbon prices would lower the value of the project, but would not change the risk rating, which goes no higher than 8. The project proponent is a non-profit organization. The project has the 50-year action plan, where majority Suruí people are committed to maintain the forest in this period and hence protect the carbon stocks (Ref. 9). During the field audit, the audit team discussed with project proponents how this plan represents a binding contract within the Suruí law between the chiefs of clans within the Suruí territory. As such, it was determined that this binding agreement between clan chiefs qualifies as a legally traditional binding contract. As such the project has demonstrated conformance with this criteria.	
Project longevity: Shall be assessed using Table 4 of the VCS AFOLU Risk Tool.	30 - (50/2) = 5	No change have occurred in since project validation (Refs. 3 and 8). Project longevity is guaranteed by the Suruí 50-year development plan (Ref. 9). This long-term development plan lays out the overall conservation and development of the Suruí people and, along with the Ethnozoning Plan, has been publicly shared with relevant governmental authorities. Additionally, see findings above related to the opportunity cost analysis regarding the binding agreement between Clan chiefs. Proof of title can be maintained for the entire project longevity and beyond since the Suruí's exclusive usufruct rights are guaranteed by the Brazilian Constitution in perpetuity. These lands are "inalienable, are not disposable and the rights under them are not prescriptive." (see Ref. 14, section 1.12.1). We highlight, though, that primarily, the project longevity calculation should be based	OBS#03/13

		on the project lifetime (30 years). Since the carbon project is a component of the Suruí 50-year development plan (Ref. 9), which aims to maintain sustainable practices within the indigenous land in perpetually, the auditors have accepted the use of 50 years instead 30 years. For future verifications, the audit team shall assess if the carbon project achievements and performance are aligned with Suruí 50-year development plan (Ref. 9), and if not, the 50 years used for the calculation shall be replaced by the 30 years of the carbon project. OBS 03/13	
Total Internal Risk: Shall be calculated using Table 5 of the VCS Risk Tool.	7	Total External Risk (LT + CE + PC) properly scored.	No NCR/OBS raised.
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.	5 -2 -2 = 1	No change have occurred in since project validation (Refs. 3 and 8) There have historically been disputes amongst Suruí families and villages driven by the illegal timber trade as the most significant source of income for the Suruí. Brazilian Forest Code and the Brazilian Constitution establish a legally binding commitment to continue a sustainable forest management regime, which would protect carbon stocks over the length of the project crediting period. The project activities are designed to ensure compliance and enforcement of this legal requirement and are in compliance with Suruí 50-year development plan (Ref. 9). The project and the Suruí clans have taken steps to resolve the disputes over illegal logging, concretely in the form of the July 2009 agreement between clans to participate in the REDD project and halt illegal logging.	No NCR/OBS raised.
Community engagement: Shall be assessed using Table 7 of the VCS Risk Tool.	-5	Interviews with community members (Pinpaiter, Amaral, Nabekodalaquiba, and Lapetanha villages) have shown social engagement with the project activities. Although no VCUs have been issued to the moment, community confidence in the project goals was manifested throughout the verification meetings. Suruís engagement is reinforced by the signature of the cooperation agreement (Ref. 18). It was observed that such agreements are recognized and legitimated by the community (e.g., crop areas established within 8 km from the villages). It was reported that	No NCR/OBS raised.

		the new land-use management initiatives are not compromising the community livelihood. Access to social, cultural and economic resources are not been compromised. Awareness about the project minutiae proven that communication channel are working properly. Effective community participation on decision making occurs in two ways: (1) villages feedbacks from parliament discussion and decisions through their chiefs, and (2) demands from community that are brought to the parliament for discussion.	
Political risk: Shall be assessed using Table 8 of the VCS Risk Tool.	2 -2 = 0	No change have occurred in since project validation (Refs. 3 and 8). The governance score was calculated from the mean of Governance Scores across the six indicators of the World Bank Institute's Worldwide Governance Indicators (WGI), averaged over the most recent five years of available data (2005-2009). The non-permanence risk report highlight REDD+ Readiness activities undertaken in the host country.	No NCR/OBS raised.
Total external risks: Shall be calculated using Table 9 of the VCS Risk Tool.	0	Total External Risk (LT + CE + PC) properly scored.	No NCR/OBS raised.
Natural Risks (VCS AFOLU Non-Permanence Risk Tool Section 2.4):			
Natural risks: Shall be assessed using Table 10 of the VCS Risk Tool.	F = 5 PD = 0 W = 2 G = 0 ON = 0 Total = 7	From the validation findings, it was indicated that there is a likelihood of a fire event affecting the project area at least once every 10 years, mainly the forest edges. However, fires tend to burn at low intensity and tend not to affect large trees Due to the occurrence of a catastrophic fire in 2010/2011 (Refs. 1 and 15), which have burned 3.157,61 ha in the project area, the final scored given to the fire risk have changed. As the fire was considered of minor impact according to the AFOLU Non-Permanence Risk Tool (5% to less than 25% loss of carbon stocks), the new fire score was set to 5. Additionally, as part of the fire mitigation plan was not implemented due to lack o funding, the fire mitigation multiplier, that was not long considered for the following verification period. There is no evidence of large-scale pest and disease outbreaks significantly affecting forest biomass for these highly diverse natural forests.	No NCR/OBS raised.

		Blowdown events are reported by Suruí informants to occur in their territory. Conservatively wind damage events to occur were assumed to occur in a frequency of less than 10 years, with insignificant damage (affecting less than 5% of the project area carbon stocks). Suruí forests are not subject to extreme drought events, as indicated by neutral values on the Palmer Drought Severity Index. The Suruí project is located in a geologically stable area, with no risk of volcanic activity.	
--	--	--	--

4.3.3 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.	10	Overall Risk Rating (Internal Risk + External Risk + Natural Risk) properly scored.	No NCR/OBS raised.

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: No NCRs issued	
☐	Verification not approved: Conformance with NCR(s) required	
Draft Final Report Conclusions		
☒	Verification approved: No NCRs issued	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: <i>No NCRs issued</i>	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: <i>Conformance with NCR(s) required</i>	

5.1 Audit Conclusions

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

The audit team has reviewed all the exhibits submitted by the Project Proponent and considered that the proposed project is in conformance with VCS 3.3 standard.

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 June 9, 2009 to July 12, 2012

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	2,391,903.90
Project Emissions	2,086,342.20
Leakage	5,665.85
Uncertainty Deduction (if applicable)	--
Net GHG emission reductions or removals	299,895.80
Total calculated buffer contribution	48,366.30
Total VCUs to be issued	251,530

5.2 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.

OBS	01/13	Reference Standard & Requirement:	VCS Standard Section 3.16.2 VCS AFOLU Requirements Section 4.8.1
Description of findings leading to observation:	During the field audit, the audit team witnessed the project proponent re-measure several sub-plots. Simultaneously to the re-measurement of the sub-plot 47 trees were also measured by the audit team. Measured diameters from the audit team and the inventory crew were compared using a paired t-test (noting the data was tested for normality and found to not be normally distributed resulting from the low population size, as such this comparison is provided for reference only), and the diameter measurements between the inventory team and the verification team were not found to be statistically different. However, it should be noted that the diameter measurements of the inventory crew were found to be consistently lower than 1.3 m high (as this is the specified height within the inventory SOPs). Furthermore, in trees with large buttress swells or abnormally shaped stems, standardized procedures for measuring above the buttress swell were not able to be implemented as a ladder was not taken to the field in order to measure high enough on the stem to not be impacted by the buttress swell. As such, on average the inventory team diameter estimates were larger than the audit teams, however this difference was not found to be significant.		
Observation:	The Project Proponent should be sure to follow defined SOPs when measuring tree CAP/DAP to avoid potential significant overestimation of carbon stocks.		

OBS	02/13	Reference Standard & Requirement:	VCS Standard Section 3.16.2 VCS AFOLU Requirements Section 4.8.1
Description of findings leading to observation:	The project includes a comprehensive monitoring plan within Section 6 of the supporting document titled: "PCFS_Materials Complementares_14_10". This plan is adapted from SOPs for carbon project monitoring developed by Winrock International. The monitoring plan includes a detailed description of both field inventory monitoring and QA/QC procedures for monitoring quality of both field and also data management. This plan supplements the information included in section 4 of the PDD regarding monitoring. Section 4 of the PDD defines the roles and responsibilities for the implementation of monitoring requirements defined within the PDD. During the field audit the implementation of the inventory SOPs was assessed by the audit team during the demonstration of the inventory of the sub-plot by the inventory team. The following inconsistencies with the defined monitoring plan were identified: • The monitoring plan states that species of each tree within the inventory plots shall be recorded, however review of field data sheets and inventory with monitoring crew confirmed that species were not recorded during the inventory; • The monitoring plan states that an ANOVA analysis for comparison of sampling units shall be conducted, however evidence of such an analysis was not included in the data submitted to the audit team; • The QA/QC of the monitoring plan requires "blind checks" and "hot checks" of the field inventory plots, however interviews with monitoring crew confirmed that no internal auditing of inventory plots had been conducted. For the purposes of validation, the re-measurements of the audit team are found to be sufficient for validating the inventory measurements. Appendix one of the monitoring plan references dead wood transects, however this was not a pool included within the inventory or the GHG calculations; • SOP 1 – within the monitoring plan for plot establishment specifies that flagging shall be used to identify plots and rebar shall be used to mark plot centers, however plot demarcation in the field used PVC piping and no flagging, representing a deviation from the monitoring plan requirements; • QA/QC includes the completion of Form C for the re-measurement of plots, however no evidence of the completion of this work was available at the time of the validation audit. As noted in the 3rd bullet point above, the validation audit included an audit of the inventory design and re-measurement of plots specific to the requirements for the validation of the baseline carbon stock values. Further, the PDD supporting materials include a monitoring plan in conformance with the requirements of the methodology (although note a nonconformance with the VCS standard identified in section 8.3 below). As such, these findings do not represent a material nonconformance for the validation audit, however these issues should be addressed prior to the project verification when implementation of the monitoring plan will be evaluated and any deviations from the monitoring plan must be clearly described within the monitoring report.		
Observation:	The Project Proponent should ensure that all project inventories are conducted in conformance with the validated monitoring plan.		

OBS	03/13	Reference Standard & Requirement:	VCS AFOLU Non-Permanence Risk Tool v.3.2 Section 2.2.4
Description of findings leading to observation:	Project longevity is guaranteed by the Suruí 50-year development plan (Ref. 9). This long-term development plan lays out the overall conservation and development of the Suruí people and, along with the Ethnozoning Plan, has been publicly shared with relevant governmental authorities. We highlight, though, that primarily, the project longevity calculation should be based on the project lifetime (30 years). Since the carbon project is a component of the Suruí 50-year development plan (Ref. 9), which aims to maintain sustainable practices within the indigenous land in perpetually, the auditors have accepted the use of 50 years instead 30 years. For future verifications, the audit team shall assess if the carbon project achievements and performance are aligned with Suruí 50-year development plan (Ref. 9), and if not, the 50 years used for the calculation shall be replaced by the 30 years of the carbon project.		
Observation:	The Project Proponent should ensure that Suruí 50-year development plan (Ref. 9) goals will be achieved throughout the project lifetime.		

OBS	04/13	Reference Standard & Requirement:	VCS AFOLU Requirements v3.3 Section 3.6.2 e 4.8.2
Description of findings leading to observation:	During the verification audit, interviews with the IDESAM staff confirmed a potential illegal logging activity coming through the river from the north side of the TISS to the middle of the Suruí's territory, inside the leakage belt area. The monitoring activities carried out by Idesam (through satellite images analysis) identified in 2010, small deforested areas in the leakage belt (2.79 ha), additional to the deforestation area predicted under baseline scenario for the leakage belt.		
Observation:	Even though the monitoring procedures have been effectively done to account leakage, the auditing team decided to raise an observation indicating that there is a risk of the surveillance activities within the TISS boundaries may have not been sufficient enough to contain illegal logging inside the leakage belt.		

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.

No NCRs were raised in this report.

5.3 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		--
Additional stakeholder consultation conducted (evidence described below)	☐ Yes ☐ No ☒ N/A		--
Additional clarification provided	☐ Yes ☐ No ☒ N/A		--
Documents revised (document revision description noted below)	☐ Yes ☐ No ☐ N/A		--

GHG calculation revised (evidence described below)	☐ Yes ☒ No ☐ N/A	--
--	--	----

No NCRs were raised in this report.

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.	--	--
2a.	--	--
3a.	--	--