

VERIFICATION REPORT FOR THE KULERA LANDSCAPE REDD+ PROGRAM FOR CO-MANAGED PROTECTED AREAS, MALAWI PROJECT



Document Prepared By Alexa Dugan & Francis Eaton

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Prepared By	SCS Global Services (SCS)
Contact	2000 Powell Street, Suite 600, Emeryville, CA 94608, USA http://www.scsglobalservices.com Email: cpollet-young@scsglobalservices.com Telephone: +1 (510) 452-8000
Approved By	Christie Pollet-Young
Work Carried Out By	Lead Auditor: Francis Eaton Auditor: Alexa Dugan In-country technical expert: Ndalowa Chidani (Dan) Technical Reviewer: Zane Haxtema

Summary

This report describes the verification of the Kulera Landscape REDD+ Program for Co-Managed Protected Areas, Malawi project ("the project"), a Reduced Emissions from Deforestation and Degradation project located in Malawi, that was conducted by SCS. The purposes of the verification audit were (1) to conduct, in accordance with the VCS Program rules, an ex-post independent assessment of the GHG emission reductions and removals that have occurred as a result of the project during the monitoring period from 1 October 2013 to 30 September 2019 ("the verification period") and (2) to conduct, in accordance with the CCB rules, an ex-post independent assessment of the climate, community and biodiversity impacts that have occurred or are on track to occur as a result of the project during the same period. The verification engagement was carried out through a combination of document review, interviews with relevant personnel and on-site inspections. As part of the verification engagement 23 findings were raised: 12 Non-Conformity Reports, 11 New Information Requests and 0 Observations. These findings are described in Appendix A of this report. The project complies with the verification criteria, and SCS holds no restrictions or uncertainties with respect to the compliance of the project with the verification criteria.

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1 INTRODUCTION

1.1 Objective

The objectives of the verification engagement were set out as follows.

1.1.1 Verification Objectives Under the Verified Carbon Standard

In accordance with Section 4.1 of the VCS Standard (see the below Section 1.2.2 for full reference), SCS carried out an ex-post independent assessment of the GHG emission reductions and removals that have occurred as a result of the project during the verification period, conducted in accordance with the VCS Program rules. In accordance with Section 2.1.2 of the VCS Validation & Verification Manual, V3.2, the objectives of the verification engagement were to evaluate the monitoring report and assess

- The extent to which methods and procedures, including monitoring procedures, have been implemented in accordance with the validated project description (this included ensuring conformance with the monitoring plan).
- The extent to which GHG emission reductions and removals reported in the monitoring report are materially accurate.

The other objective of the verification engagement was to assess the non-permanence risk analysis.

1.1.2 Verification Objective Under the Climate, Community & Biodiversity Standards

In accordance with Section 4.1 of the CCB Program Rules (see the below Section 1.2.3 for full reference), SCS carried out an ex-post independent assessment of the climate, community and biodiversity impacts that have occurred or are on track to occur as a result of the project during the verification period, conducted in accordance with the CCB rules.

1.2 Scope and Criteria

1.2.1 Scope

In accordance with Section 4.3.4 of ISO 14064-3:2006, the scope was defined to include

- The project and its activities.
- The carbon pools and/or greenhouse gases included in the project boundary.
- The verification period.

1.2.2 Criteria Under the Verified Carbon Standard

In accordance Section 4.1.8(2) of the VCS Standard (see below for full reference), the criteria for verification was the VCS Version 4, including the following documents:

- VCS Program Guide, V4.0
- VCS Standard, V4.0
- VCS Non-Permanence Risk Tool, V4.0

1.2.3 Criteria Under the Climate, Community & Biodiversity Standards

In accordance with Section 1.1 of the CCB Program Rules (see below for full reference) the criteria for verification was established as follows:

- The most recent validated project description using the same edition of the Climate, Community & Biodiversity Standards (in this case, the third edition) that was used for that validation
- All CCB Version 3 program documents other than the third edition of the Climate, Community & Biodiversity Standards, including the following:
 - CCB Program Rules, V3.1
 - CCB Program Definitions, V3.0

1.3 Level of Assurance

1.3.1 Level of Assurance Under the Verified Carbon Standard

In accordance with Section 4.1.8(1) of the VCS Standard, the level of assurance of this report, insofar as it describes work performed under the Verified Carbon Standard, is reasonable.

1.3.2 Level of Assurance Under the Climate, Community & Biodiversity Standards

The concept of “level of assurance” was not relevant to work performed under the Climate, Community & Biodiversity Standards.

1.4 Summary Description of the Project

The project is located in Nyika National Park, Vwaza Marsh Wildlife Reserve, and Nkhotakota Wildlife Reserve, in the Northern and Central Regions of Malawi and is aimed at reducing deforestation and degradation through improving livelihoods by managing natural resources as an asset base, creating long-term sustainable alternative livelihoods, improving biodiversity and increasing food security.

2 VERIFICATION PROCESS

The verification engagement included certain validation activities, as discussed in Section 3 below. The term “verification”, as used in this Section 2, applies to such validation activities as well as the verification engagement as a whole.

2.1 Audit Team Composition (*Rules 4.3.1*)

A table indicating how the audit team meets each of the requirements of the CCB Program Rules is below.

Area of required expertise	Individual(s) on audit team containing required expertise	Summary of relevant qualifications
Proficiency in a relevant local or regional language for the project location	Ndalowa Chidani	Native Chichewa speaker
Relevant agriculture, forestry and/or other land use experience in the project country or region	Francis Eaton, Alexa Dugan, Ndalowa Chidani	Familiar with common forestry operations, agricultural practices, and deforestation pressures in the region and project country
Relevant social and cultural expertise	Ndalowa Chidani, Francis Eaton	Familiar with established social and cultural norms in the country.
Relevant ecological and biodiversity expertise	Francis Eaton, Ndalowa Chidani	Familiar with ecosystem and biodiversity conservation best practices and measurements

2.2 Method and Criteria

The verification engagement was conducted through a combination of document review, interviews with relevant personnel and on-site inspections, as discussed in Sections 2.3 through 2.5 of this report. At all times, an assessment was made for conformance to the criteria described in Sections 1.2.2 and 1.2.3 of this report. As discussed in Section 2.6 of this report, findings were issued to ensure conformance to all requirements.

The audit team created a sampling plan following a proprietary sampling plan template developed by SCS. The audit team identified areas of “residual risk”—those areas where there existed risk of a material discrepancy (either in terms of non-conformance to the verification criteria or in terms of errors, omissions and misrepresentations that, in aggregate, exceeded the materiality threshold established for the project as a percentage of the total reported GHG emission reductions and/or removals) that was not prevented or detected by the controls of the project. Sampling and data testing activities were planned to address areas of residual risk. The audit team then created a verification plan that took the sampling plan into account. This approach is justified as it has been designed in accordance with Section 4.4.3 of ISO 14064-3:2006 and the guidance provided in Annex A.2.4.6 of the same document.

2.3 Document Review

The monitoring report (version 2-0 dated 4 November 2020; “MR”) and non-permanence risk report (version 1-0 dated 25 October 2020; “NPRR”) were carefully reviewed for conformance to the verification criteria. The following additional documentation, provided by project personnel in support of the aforementioned documents, was also reviewed by the audit team:

Document	File Name	Ref.
Adaptive Management Plan	Kulera Adaptive Management Plan v1-0	/1/
CCB Monitoring Plan	CCB Kulera Monitoring Plan v3-0	/2/
Financial viability assessment	Kulera Financial Forecast as of August 31 2019 v1-0	/3/
Project cost and cashflow analysis	Kulera Mid-term Program Operation and Carbon Dev Budget August 2019 to 2023 v1-0.xlsx Kulera CashFlow Projections from Sep 2019 - 2023 v1-0.xlsx	/4/
Evidence of secured funds (bank statement)	TGIM - 2019-09 Kulera Bank Statement August 2019	/5/
Collaborative Workplan	Kulera REDD+ Program Collaborative Workplan August 2020 v1-6 MR2	/6/
Fire management plan	FIRE MANAGEMENT PLAN - NV 2016 v2	/7/
Letter From Verra Confirming Template and Standards Versions	Letter From Verra Confirming Template and Standards Versions	/8/
Kulera REDD+ Agreements	REDD+ Agreement TERRA-DNPW-NAWIRA v1-0 For Signature - Fully Executed.pdf; REDD+ Agreement TERRA-DNPW-NVA v1-0 For Signature - Fully Executed.pdf	/9/
Description of the community association zone chairs	Village Data - Community Associations v0-2.xlsx	/10/
Participatory Rural appraisal for 2019	Kulera PRA 2019 v0-1	/11/
Household survey data for 2019	Kulera HH Survey 2019 v0-1	/12/
Evidence of the sale of carbon credits	Terra Global - Kulera Purchase NCP 35400 tons Dec 20 2020 - Invoice to 2nd NCP sale; NCP ERPA Purchase Oct 2019 25525 tons	/13/
Biomass inventory standard operating procedures	Kulera SOP Biomass Inventory v9-0	/14/

Document	File Name	Ref.
Explanation of forward action requests from previously verification report.	FARs from MR1 v1-0	/15/
Calculations workbooks of emissions reductions	[Various files]	/16/
Biomass data	Kulera Biomass Data for MR2 v1-0	/17/
Deforestation spatial data products	nkhoti_2013_PAI_clip_v1.tif nkhoti_2019_PAI_clip_v1.tif nkhoti_20190422_L8_CLASSv14.tif	/18/
VCS project description	PROJ_DESC_1168_03JUL2014	/19/
CCB project description	Kulera CCB Project Description - Updated to add CCB 3.1 v1-0	/20/
VCS verification report for the first monitoring period from 2009-2013	VERIF_REP_1168_01OCT2009_30SEP2013	/21/
VCS monitoring report for the first monitoring period from 2009-2013	MONIT_REP_1168_01OCT2009_30SEP2013	/22/
CCB verification report for the first monitoring period from 2009-2013	CCB_VERIF_REP_1168_01OCT2009_30SEP2013	/23/
CCB project implementation report for 2009-2013	CCB_PROJ_IMPL_REP_1168_JUL2014	/24/
Community Records	Miscellaneous meeting minutes, sign in sheets, and signage	/25/
Risk calculation tool	Kulera - VCS-Risk-Report-Calculation-Tool-v4.0 - Kulera 1168 MR2 v2-0	/26/

2.4 Interviews

2.4.1 Interviews of Project Personnel

The process used in interviewing project personnel was a process wherein the audit team elicited information from project personnel regarding (1) the work products provided to the audit team in support of the MR and NPRR; (2) actions undertaken to ensure conformance with various requirements and (3) implementation status of the project activities.

The following personnel associated with the project proponent and/or implementing partner were interviewed.

Individual	Affiliation	Role	Date(s) Interviewed
Leslie Durschinger	Terra Global Capital	Founder, CEO	Throughout audit
Erica Meta Smith	Terra Global Capital	Director	Throughout audit
David Montoya	Terra Global Capital	Remote Sensing Expert	Throughout audit
Catherine Chunga	Department for National Parks and Wildlife	Senior Officer	Throughout audit

2.4.2 Interviews of Other Individuals

The process used in interviewing individuals other than project personnel was a process wherein the audit team made inquiries to confirm the validity of the information provided to the audit team. The following personnel not associated with the project proponent and/or implementing partner were interviewed.

The list below includes the natural resource councils (NRC), which allowed for more communities to be represented at each visit. So, the Zones for the NRCs selected are included below under "Individual."

Zone	NRC	Role	Date(s) Interviewed
Fulirwa Zone	Yamakwende	NRC Chair and local community members	16-20 November 2020
Emucwisweni Zone	Muhungulu	NRC Chair and local community members	16-20 November 2020
Thazima Zone 	Mphopwe	NRC Chair and local community members	16-20 November 2020
Thazima Zone	Mphofwa	NRC Chair and local community members	16-20 November 2020
Fulirwa Zone	Lusano	NRC Chair and local community members	16-20 November 2020
Kawala Zone	Phopho	NRC Chair and local community members	16-20 November 2020
Kamphenda	Magalasi	NRC Chair and local community members	16-20 November 2020
Mlare	Phuwu	NRC Chair and local community members	16-20 November 2020
Chakaka Zone	Chikali	NRC Chair and local community members	16-20 November 2020

2.5 Site Inspections

The objectives of the on-site inspections were to

- Select samples of data and information from field observations in order to meet a reasonable level of assurance and to meet the materiality requirements of the project, as required by Section 4.1.2 of the VCS Standard.
- Perform a risk-based review of the project area and project activities to ensure that the monitoring and quantification of GHG emission reductions and removals for the verification period conforms to the verification criteria.
- Perform a risk-based review of the project area and project activities to ensure that the project conformed to the requirements of the verification criteria throughout the verification period;
- Confirm the validity of information presented in the non-permanence risk report.

In fulfilment of the above objectives, the audit team performed an on-site inspection of the project area on the dates 16 November 2020 through 20 November 2020. The main activities undertaken by the audit team were as follows:

- Interviewed project personnel (see Section 2.4.1 of this report) to gather information regarding the monitoring procedures and project implementation

- Interviewed members of the sampled Traditional Authorities (communities) located in the immediate vicinity of the project area, including Natural Resource Committee members and implementing partners to confirm the claims of the project proponents with respect to the extent of community engagement
- Observe the implementation of project activities as described in the monitoring report
- Carried out on-site inspections of the project's measurement and/or monitoring methodologies through the following activities:
 - Reviewed the project documents at the Implementation offices and in communities /25/
 - Reviewed the biomass sampling plot protocols including tree measurements and plot establishment.
 - Observe the incidence of fire protection activities
 - Observe evidence of continued consultation
 - Observe evidence of ongoing monitoring

2.6 Resolution of Findings

Three forward action requests were outstanding from the previous verification:

Outstanding Forward Action Request	Assessment
FAR1: Lab methods for biomass sampling	During discussions with the project team which are further documented /15/ the audit team confirmed that all components of this FAR have been adequately addressed. The biomass measurement procedures have been updated to account for an estimation of the rock content. The biomass SOPs /14/ have also been updated to account for the collection, weighing, and drying of nonwoody biomass to address the FAR.
FAR2: Biomass inventories	The audit team confirmed during interviews with the project team /15/that additional sampling plots were added outside of the protected area to reduce the possibility of bias in the quantification of deforestation in the leakage belt. However this is not relevant as no leakage has occurred during this monitoring period.
FAR3: Emissions reductions from cookstove component	The audit team confirmed during interviews with project personnel that the procedures to monitor the efficiency of cookstoves have been updated and improved. However this FAR is not relevant to this monitoring period as cookstoves were not implemented.

Any potential or actual discrepancies identified during the audit process were resolved through the issuance of findings. The types of findings typically issued by SCS during this type of verification engagement are characterized as follows:

- Non-Conformity Report (NCR): An NCR signified a discrepancy with respect to a specific requirement. This type of finding could only be closed upon receipt by SCS of evidence indicating that the identified discrepancy had been corrected. Resolution of all open NCRs was a prerequisite for issuance of a verification statement.
- New Information Request (NIR): An NIR signified a need for supplementary information in order to determine whether a material discrepancy existed with respect to a specific requirement. Receipt of an NIR did not necessarily indicate that the project was not in compliance with a specific requirement. However, resolution of all open NIRs was a prerequisite for issuance of a verification statement.

- **Observation (OBS):** An OBS indicates an area where immaterial discrepancies exist between the observations, data testing results or professional judgment of the audit team and the information reported or utilized (or the methods used to acquire such information) within the GHG assertion. A root cause analysis and corrective action plan are not required, but highly recommended. Observations are considered by the audit team to be closed upon issuance, and a response to this type of finding is not necessary.

As part of the audit process, 12 NCRs, 11 NIRs, 0 OBS and 0 Forward Action Requests were issued. All findings issued by the audit team during the audit process have been closed. In accordance with Section 4.1.14 of the VCS Standard, all findings issued during the audit process, and the impetus for the closure of each such finding, are described in Appendix A of this report.

2.6.1 Forward Action Requests

This section is not applicable, as no forward action requests have been issued.

2.7 Eligibility for Validation Activities

This section is not applicable, as SCS holds accreditation for validation for the relevant sectoral scope (scope 14; AFOLU).

3 VALIDATION FINDINGS

3.1 Participation under Other GHG Programs

This section is not applicable, as the project is not, at this time, seeking registration under the VCS Program and an approved GHG program.

3.2 Methodology Deviations

The below table identifies each methodology deviation applied to the project that was validated as part of the verification engagement described in this report. The audit team concludes, in summary, that all such deviations are valid.

Identification of deviation	Assessment column 1*	Assessment column 2**
Emission factor (EVG to BAR)	The audit team reviewed the current MR, calculations workbooks /16/, and previous MR /22/ to confirm that the discounting factor for the emission factor has been applied and the emission factor for EVG to BAR was correctly calculated. However, as indicated in section 2.2.2 of the MR, we the previous emission factor was applied in carbon calculations as it is more conservative.	This deviation is related to a calculation error. However to ensure conservativeness we confirmed that previous emission factor is applied. Thus, the deviation does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals.

- *Assessment column 1 describes the steps taken to confirm that the deviation meets with the criteria and specifications for permitted methodology deviations.
- **Assessment column 2 describes the steps taken to confirm that the deviation does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals (except where it results in increased accuracy)

3.3 Project Description Deviations (Rules 3.5.7 – 3.5.10)

3.3.1 Project Description Deviations for Purposes of VCS Rules

This section is not applicable, as no project description deviations applied to the project were validated under the VCS rules as part of the verification engagement described in this report.

3.3.2 Project Description Deviations for Purposes of CCB Rules

During this assessment project personnel have elected to update the project to the latest version of the CCB Standards. The audit confirmed that the project meets the requirements for the deviation, as described in the CCB Program Rules v3.1 in that:

- The deviation is assessed at verification
- The deviation went through the required public comment period
- A new validation statement will be issued along with the verification statement
- The monitoring report contains all of the required information regarding the indicators of version 3.1 of the CCB Standards
- An updated PD /19/ has been provided with the pertinent indicators and in conformance to the CCB Rules v3.1 regarding project description deviations

3.4 Minor Changes to Project Description (*Rules 3.5.6*)

Two minor changes have been made since the PD was validated:

1. The government of Malawi contracted Africa Parks to manage the Nkhotakota Wildlife Reserve – The audit team confirmed that this deviation does not impact the baseline scenario or the applicability of the methodology, and the project remains in compliance with the applied methodology. This change does not impact any of the agreements in place with the project proponents and project stakeholders to implement the project.
2. The Program added the sales of small-scale household solar lights to its project activities – the audit team confirmed that this deviation does not impact the baseline scenario or the applicability of the methodology, and the project remains in compliance with the applied methodology. The deviation provides an additional income source to further support the community development projects and goals of reducing poverty and enhancing sustainability through the use of clean energy.

The verifier team agrees with the proponents in that the changes enacted are correctly and appropriately justified and that these changes can be considered “minor” per the CCB standard rules (V 3.1) as the enacted changes:

- Don't represent a change in the project area.
- Don't represent a significant change in the project activities, such as in the scope or scale of the project activities.
- Don't represent a substantial change in the expected climate, community, or biodiversity impacts of the project.
- Don't include a change of the project proponents responsible for implementation.
- Don't involve a project that only met the requirements of the climate section waiver and did not use the *Climate, Community & Biodiversity Standards* CL1 – CL4 for the previous validation
- Don't involve information to meet the requirements of a Gold Level that was not included in the project description for an earlier validation.

Each of the changes discussed above is appropriately described and justified and, in respect of each of the above deviations, the project remains in compliance with the project's validated design.

3.5 Grouped Project (*G1.13 – G1.15, G4.1*)

This section is not applicable, the inclusion of new project areas and communities was not validated as part of the verification engagement described in this report.

4 VERIFICATION FINDINGS

4.1 Public Comments (*Rules 4.6*)

Not applicable; no public comments were submitted during the public comment period (as confirmed on the Verra registry on 15 December 2020).

4.2 Summary of Project Benefits

The summary of project benefits has been correctly provided in Section 1 of the MR. The audit team has reasonable assurance that the all applicable and quantifiable information has been provided in an appropriate manner. The section is completed appropriately, according to the template requirements. The

audit team can verify that all achievements reported are substantiated with information provided in the body of the document.

4.3 General

4.3.1 Implementation Status (G1.9)

4.3.1.1 Implementation Status of the Project Activity(s)

The implementation status of the project activities can be identified as follows:

- Supporting several interventions designed to provide alternative income sources, improve food security, and reduce pressures on natural resources.
- Community capacity building, developing project management institutions, establishing project monitoring systems through participatory methods, strengthening land tenure status and forest governance structures, forest protection through increased patrolling and fencing, fire prevention, reducing fuelwood consumption, sustainable intensification of agriculture and development of local enterprises for diversification of income streams.
- Monitoring of deforestation, project activities, emission sources, and the impacts on communities through the evaluation of set out indicators.

The steps taken by the audit team to assess each of the following items is specified below.

Item	Verification findings
Existence of any material discrepancies between project implementation and the project description	• Through site visit observations, interviews conducted with project personnel and communities, and document assessment, the audit team confirmed there are no material discrepancies between project implementation and the project description. • The project added the implementation of solar energy and solar sales as a minor project description deviation which the audit team verified (see section 3.4 above). • Specifically, the assertions made about project activities implemented during the monitoring period were directly confirmed through interviews with community members and project proponents and on-site observations.

The implementation status of the monitoring plan and the completeness of monitoring, including the suitability of the implemented monitoring system (i.e., process and schedule for obtaining, recording, compiling and analyzing the monitored data and parameters)	The audit team reviewed the monitoring system's appropriateness for assessing deforestation, degradation, community impacts, and biodiversity. The supporting documentation of these monitoring activities is thorough and consistent throughout various reports. The parameters are suitable for the project activities and forest management generally. Interviews with project personnel determined that appropriate processes were in place for the recording, compiling, and analyzing of data. The audit team independently assessed the accuracy remotely sensed imagery. Audit team reviewed data processing procedures to determine that land use change monitoring systems are consistent with described practices and result in accurate mapping.
The existence of any material discrepancies between the actual monitoring system, and the monitoring plan set out in the project description and the applied methodology	The audit team reviewed the MR and supporting documentation to determine whether there were any inconsistencies with the monitoring plan and applied methodology. While two deviations were noted (see Section 3.3, above) they were justified and deemed not to negatively impact the conservativeness of the quantification of GHG emission reductions or removals. Calculation worksheets required by the methodological elements were reviewed and where there were non-conformances, they were addressed by project personnel.
Whether the GHG emission reductions or removals generated by the project have become included in an emissions trading program or any other mechanism that includes GHG allowance trading	Through the application of professional judgment, the audit team is reasonably assured that the GHG emission reductions reported in the MR have not been included in an emissions trading program or any other mechanism that includes GHG allowance trading

Whether the project has received or sought any other form of environmental credit, or has become eligible to do so since validation or previous verification	Through the application of professional judgment, the audit team is reasonably assured that project has not received or sought any other form of environmental credit, not has it become eligible to do so since the previous verification
Whether the project has participated or been rejected under any other GHG programs since validation or previous verification	Through the application of professional judgment, the audit team is reasonably assured that the project has not participated or been rejected under any other GHG programs since the previous verification
Sustainable development contributions	The audit team confirmed through interviews with project personnel and review of the MR and documents that a variety of sustainable development contributions have been implemented during the monitoring period including reducing poverty and hunger, gender equality, affordable and clean energy, decent work and economic growth, climate action, life on land, and partnership for goals.

4.3.1.2 Previously Validated Methodology Deviations

Three methodology deviations are described in the MR (section 2.2.2). Section 3.2 of this report described the two new methodology deviations and how they were verified. The deviations that were previously verified are described below.

Number of Deviation	Methodology Deviation
1	This deviation pertained to the unavailability of satellite imagery for two of the three project areas for the period 10-15 years prior to the project start date. As a result the deviation entails the use of Landsat imagery from the year 2000 instead of the year 1999 (10 years prior to the project start date). This imagery was utilized to determine the baseline rates of deforestation and therefore will remain relevant until the baseline update.
2	The methodology requires that the minimum size of the reference region be 250,000 ha. This deviation is that the reference region is 232,782 ha and include 5 km within the Project Area so that it conservatively reflects the historic deforestation rate. This deviation impacted the determination of the baseline rates of deforestation and therefore will remain relevant until the baseline update.

Number of Deviation	Methodology Deviation
3	Given that the reference region contains a portion of the project area, to avoid an underestimation of deforestation rates in the leakage belt, a spatial model of deforestation was applied to the continuum of project area and leakage area instead of both areas separated and two new spatial factors (distance to protected areas and location within protected areas) were included in the delineation of the leakage belt. This deviation was approved as it is a deviation from the criteria and procedures relating to monitoring set out in the methodology and they result in more accurate emission reductions.

4.3.1.3 Previously Validated Project Design Deviations

As there exist no previously validated project design deviations, this section is not applicable.

4.3.1.4 Previously Validated Minor Changes to the Project Description

Two minor changes to the project description were validated as part of this verification engagement and as described in section 3.4 of this report.

4.3.1.5 Overall Conclusion

In summary, with the exception of the minor deviations to the project description as discussed above, the audit team can confirm that the project has been implemented as described in the validated project description.

4.3.2 Risks to the Community and Biodiversity Benefits (G1.10)

The audit team took the following steps to verify the natural and human-induced risks to the expected project benefits identified by the project proponent.

- Through site visit observations, interviews conducted with project personnel and project community members, and through document assessment, the audit team confirmed the natural and human-induced risks to the expected project benefits are as stated in the MR.
- The audit team confirmed through discussions with the project personnel that the community adoption of project activities to reduce deforestation is a risk, but that this risk has been mitigated through an effective community engagement process, as confirmed during the site-visit interviews and observations.
- Enforcement capacity to protect the natural resources within the project area is another identified risk as there are limited enforcement resources and infrastructure for the park rangers and patrol camps. The audit team confirmed through the review of project documentation including the PRA /11/ that the community members have been further mobilized to increase the protection and enforcement of the park boundaries.
- The ability of local communities to share in the benefits due to the proliferation of local committees, the overall organization of the community associations, and the differences in forest management among different groups has also been raised as a risk to the project. The audit team confirmed that co-management agreements have been put in place to clarify the roles and responsibilities and better share in the benefits of natural resource management.

In summary, given the analysis above, the audit team concludes that reasonable steps have been taken to mitigate the natural and human-induced risks to the expected project benefits identified by the project proponent.

4.3.3 Community and Biodiversity Benefit Permanence (G1.11)

The audit team took the following steps to verify the actions needed or implemented to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime, as identified by the project proponent.

- Review section 2.2.7 of the monitoring report and cross checking with the monitoring plan
- On site interviews with project personnel and local community members
- Review of training records for project activities
- Review of project financing

In summary, the verification team agrees that the activities taking place in the project zone, including training of community members, the implementation of an adaptive management plan /1/, and the inclusion of multiple partners familiar with the risks to the project, the audit team concludes that reasonable measures have been taken to enhance project benefits beyond the project lifetime in accordance with the validated project description document.

4.3.4 Stakeholder Access to Information (G3.1- G3.3)

The audit team took the following steps to verify that the project proponent provided stakeholders with access to project information in accordance with G3.1 – G3.3.

Steps taken to verify that...	
Full project documentation has been made accessible to communities and other stakeholders.	• Prior to going on site, the verification team was made aware that dissemination of the project monitoring results was still ongoing, given the time of the verification assessment and the size of the project area. While on site, this was apparent to the verification team, as some areas had up-to-date monitoring results and others had yet to receive such documentation. In all cases documentation from the previous monitoring period were present. Also, communities were well aware that documentation can always be requested and therefore made accessible. Community members also were aware of project meetings and monitoring, such as the household surveys and PRA.
Relevant and adequate information about potential costs, risks and benefits to communities has been provided prior to any decisions.	• The verification team interviewed both project personnel and local community members regarding their understanding of potential costs, risks and benefits to communities. Stakeholders were generally knowledgeable at the individual level, however members of the NRC's were more knowledgeable, as one would expect given the community governance structure. The verification team agrees that in all cases stakeholders were aware of the projects effect on the communities

	and all decisions are made after consultation with stakeholders.
Appropriate actions were taken to explain the verification process to communities and other stakeholders.	The verification team held meetings throughout the project zone and in all cases, stakeholders were prepared for our visits and generally aware of the process.

In summary, since communities throughout the project zone were aware of the assessment and were able to provide evidence supporting the claims in the monitoring report, the audit team concludes that the project provided appropriate access to information to communities and other stakeholders.

4.3.5 Stakeholder Consultation (G3.4 – G3.5)

The audit team took the following steps to verify that verify the project proponent consulted stakeholders on project implementation in accordance with G3.4 – G3.5.

Steps taken to verify that...	
Community groups and other stakeholders have influenced project implementation through effective consultation.	The verification team held interviews with project personnel and communities in the project zone. The audit team agrees that Community groups and other stakeholders have influenced project implementation through effective consultation. All decisions regarding the project activities are made through the zonal NRC's. As representatives of the potentially affected communities all decisions are made through consultations with their input (as local customs require)
Stakeholder input on project implementation has been documented.	The verification team was able to observe record books from NRC's /25/ where discussions regarding the project activities. In addition, the verification team was provided a PRA /11/, completed in 2019 in which project risks, costs and benefits were discussed. In addition the PRA documents strategies for continuing project activities
The project's plan for continued communication is being carried out.	Through review of the project design and the monitoring report the verification team was made aware of the project continued communication. Based on interviews with local stakeholders and the documentation described above, the verification team agrees that the plan for continued communication is being carried out

All consultation and participatory processes have been undertaken directly with communities and other stakeholders or through their legitimate representatives.	• See above
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In summary, since the audit team was able to perform on site assessments of the items discussed above and confirm that all are occurring, the audit team concludes that whether the project carried out effective community consultation.

4.3.6 Stakeholder Participation in Decision-making and Implementation (G3.6)

The audit team took the following steps verify that the project proponent has enabled effective participation of all communities that want and need to be involved in project implementation, monitoring, and evaluation.

- Performed on site interviews with communities in the project zone (see section 2.4 of this report)
- Performed on site interviews with community decision making authorities and confirmed that the language provided in the monitoring report is accurate
- Interviewed local park outreach authorities, who confirmed that stakeholder participation occurred as described in the monitoring report
- Observed evidence of project implementation, such as PRA's /11/, monitoring reports, household surveys, meeting records /25/ with zonal NRC's

In summary, since communities were able to confirm the claims in the monitoring report and project partners are regularly interacting with the communities in the project, the audit team concludes that the project enabled community participation in project implementation.

4.3.7 Anti-discrimination (G3.7)

The audit team has the following conclusions regarding the actions taken by the project proponent to ensure that the project proponent and all other entities involved in project design and implementation are not involved in or complicit in any form of discrimination or sexual harassment with respect to the project:

- Interview local communities regarding discrimination or sexual harassment with respect to the project
- Interviewed park employees regarding Malawi laws on discrimination or sexual harassment with respect to the project activities
- Interviewed project personnel regarding discrimination or sexual harassment with respect to the project activities

It should be noted that communities often confuse project activities with any activities implemented in their villages (i.e. park rules vs project agreements), however in no cases were the audit team able to uncover any instances of discrimination or sexual harassment. The audit team can also confirm that, in our opinion there have been no instances of stakeholders withholding such information. Based on the observations on site, the audit team has a reasonable level of assurance that the project activities are not resulting in discrimination or sexual harassment.

4.3.8 Stakeholder Feedback and Grievance Redress Procedure (G3.8)

The audit team took the following steps verify that the project proponent has implemented the project's feedback and grievance redress procedure.

- Interviewed project personnel regarding their knowledge of the grievance plan and confirmed that this process is being implemented as described in the monitoring report

- Interviewed community members regarding their knowledge of the grievance plan confirmed that this process is being implemented as described in the monitoring report

The audit team reviewed the grievance plan as described and discussed the process with individuals on site. In few instances were individuals able to describe a “project grievance plan,” however the project uses the existing grievance procedures already set up in the villages, as this has shown to be most effective. The audit team agrees that this type of mechanism is often used in these types of projects, as this is the culture and norm of the villages. Based on the information gleaned by the audit team, the grievance mechanism is working as designed.

In summary, since community members understand the grievance procedure, the audit team concludes that the grievance redress procedure has been implemented according to the project’s validated design.

4.3.9 Worker Relations (G3.9 – G3.12)

The audit team took the following steps to verify that the project proponent has taken actions and implemented measures to ensure that the relationship between the project and workers meet the requirements of G3.9 – G3.12.

Steps taken to verify that actions were taken or measures implemented that...	
Build the capacity of the communities through job training and employment.	• The audit team held meetings with community members on site and confirmed that multiple trainings have occurred with respect to the project activities. Activities such as improved agriculture was noted with individuals not officially trained through project trainings. This shows that the training has been successful in passing this knowledge on to additional communities. Interviews with members from the biomass team and fire prevention teams resulted in evidence that individuals were quite expert in the work being carried out and able to provide adequate explanations of the process to the verifier on site.
Ensure people from the communities are given an equal opportunity to fill work positions	• As far as community members are qualified and the limited employment opportunities available, the audit team were able to confirm that positions held in the project zone are predominately held by community members
Ensure the project is in compliance with all relevant laws and regulations regarding worker’s rights and workers are informed of their rights.	• As project implementation and trainings are implemented with governmental project partners all Malawi laws relevant to the project are considered. Park representatives attested that all local, regional, and national laws are complied with during these employments

Inform workers of risks and how to minimize risk.	The audit team interviewed community members providing biomass work and fire protection and were informed that the individuals were aware of their rights, as well as the risks associated with the job. Members were provided proper clothing, tools, and an overall high level of risk mitigation, as observed by the verifier on site. 
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In summary, the audit team concludes that the relationship between workers and the project upholds the intent and design presented in the validated project description.

4.3.10 Management Capacity (G4.2 – G4.3)

The audit team took the following steps to verify that the project proponent has taken actions and implemented measures to ensure the capacity exists to implement the project over the project lifetime.

Delete the final row in the table if it is not applicable.

Steps taken to verify information provided or measures implemented that...	
Demonstrate(s) the project possesses or is acquiring the key technical and management skills required to implement the project successfully.	Through review of project documentation, interviews on site, and expert opinion, the audit team was able to confirm that project management including members of Terra Global Capital have successfully designed and implemented multiple large-scale REDD+ Projects. In addition, project partners include a suite of long-standing governmental organizations which includes experts in social science, biodiversity, and forest management
Demonstrate(s) the financial health of the implementing organization is adequate to support project implementation.	Through review of project documentation and a thorough review of the project budget /3-5/, the audit team was able to confirm that the financial health of the implementing organization is adequate to support project implementation has been demonstrated

In summary, the project is being implemented with organizations with a long history of implementing project activities, as well as adequate funding, the audit team concludes that the project has the capacity to implement the project in accordance with the validated project description.

4.3.11 Commercially Sensitive Information (Rules 3.5.13 – 3.5.14)

The audit team has the following conclusions regarding the exclusion of any commercially sensitive information:

- Through review of information excluded from the monitoring report and the VCS program definitions, the audit team was able to confirm that only information described in the program definitions has been excluded from the monitoring report.

4.3.12 Rights Protection and Free, Prior and Informed Consent (G5.1-G5.5).

The audit team took the following steps to verify actions taken and measures implemented by the project proponent to protect the rights of Indigenous Peoples, communities and other stakeholders.

Steps taken to verify actions taken or measures implemented that demonstrate...	
Existing property rights are recognized, respected and supported.	During the document review and interviews with stakeholders on site, the audit team was able to confirm that the project seeks to strengthen and improve property rights and tenure. The audit team agrees that existing property rights are recognized, respected and supported by design
The project does not encroach uninvited on private, community or government property.	Through review of project documentation and interviews with community members and other stakeholders on site, the audit team confirmed that the project does not encroach uninvited on private, community or government property. The audit team reviewed a number of agreements /9/ with a number of entities comprising the project areas and zone, which allow for the project activities to take place, further supporting conformance to this indicator
The free, prior and informed consent has been obtained of those whose property rights are affected by the project.	The audit team held interviews with community members and other stakeholders on site who confirmed that there have no changes to the property rights or FPIC since the initial implementation of the project. The verifier on site interviewed a sample of community members (see section 2.4) who confirmed the FPIC process has been and continues to be considered with respect to project implementation
Appropriate restitution or compensation has been allocated to any parties whose lands have been or will be affected by the project.	Given that project activities are beneficial to parties comprising the project area and project zone, further compensation is not required.
Project activities do not lead to the involuntary removal or relocation of property rights holders from their lands or territories, and does not force	The audit team held interviews with communities and other stakeholders on

them to relocate activities important to their culture or livelihood.	site, all of who confirmed that no relocation has occurred as a result of the project
Actions have been taken, if necessary, to reduce illegal activities that could affect the project's impacts.	The project is designed to include forest management by the communities and other stakeholders potentially affect by the project, which by design are expected to stop illegal activities. The audit team met with community members who patrol the project area to assess, identify and stop illegal activities
No activities are undertaken by the project that could prejudice the outcome of an unresolved dispute relevant to the project over lands, territories and resources in the project zone.	Through interviews on site and a review of project documentation, the audit team was able to confirm that activities exist at this time that could prejudice the outcome of an unresolved dispute relevant to the project over lands, territories and resources in the project zone

In summary, since the information above provides strong evidence of adherence to the CCB rules, the audit team concludes that the project has protected the rights of Indigenous Peoples, communities and other stakeholders in accordance to the third edition of the Climate, Community & Biodiversity Standards and the validated project description.

4.3.13 Legal Status (G5.6)

The audit team has the following conclusions regarding (1) the assurances provided by the project that it is complying with all national and local laws and regulations relevant to project activities and (2) where relevant, how compliance is achieved:

- The audit team conducted interviews with government representatives from the national park and national reserves that constitute the project area to confirm that the project complies with national and local laws and regulations.
- The audit team independently reviewed relevant national and local laws to confirm that they are still in effect and that the project has maintained compliance with these laws.

4.4 Climate

4.4.1 Accuracy of GHG Emission Reduction and Removal Calculations

With the exception of any project description deviations and/or methodology deviations described in the above Sections 3.2-3.4 and/or 4.3.1, the GHG emission reductions and/or removals have been quantified correctly in accordance with the project description and the applied methodology.

For all instances in which values were transcribed between datasets (e.g., transcription from the project description to reporting workbooks, or between reporting workbooks), the audit team carefully traced values to ensure the absence of manual transposition errors.

An identification of the data and parameters used to calculate the GHG emission reductions and/or removals, and a description of the steps taken to assess each of them, follows.

4.4.1.1 Data and Parameters Available at Validation

	Steps taken by audit team to assess...		
Data/Parameter	Accuracy of GHG emission reductions and removals	Whether methods/formulae set out in project description have been followed	Appropriateness of default values
CF	N/A (assessed at validation)	Confirmed that a value of 0.50, as specified in the PD /19/ was used in the calculations workbooks /16/ and indicated in the monitoring report.	N/A (assessed at validation)
E	N/A (assessed at validation)	Confirmed that a value of 0.50, as specified in the PD /19/ was used in the calculations workbooks /16/ and indicated in the monitoring report.	N/A (assessed at validation)
P	N/A (assessed at validation)	N/A (not used for monitoring)	N/A (not used for monitoring)
GWP_{CH_4}	N/A (assessed at validation)	N/A (not used for monitoring)	N/A (not used for monitoring)
ER_{CH_4}	N/A (assessed at validation)	N/A (not used for monitoring)	N/A (not used for monitoring)
$SC1$	N/A (assessed at validation)	N/A (not used for monitoring)	N/A (not used for monitoring)
$SC2$	N/A (assessed at validation)	N/A (not used for monitoring)	N/A (not used for monitoring)
$P_{wood,j}$	N/A (assessed at validation)	Confirmed that a value of 0.60, as specified in the PD /19/ was used in the calculations workbooks /16/ and indicated in the monitoring report.	N/A (assessed at validation)
BEF_2	N/A (assessed at validation)	N/A (not used for monitoring)	N/A (not used for monitoring)
$NCV_{biomass}$	N/A (assessed at validation)	N/A (not used for monitoring)	N/A (not used for monitoring)

4.4.1.2 Data and Parameters Monitored

	Steps taken by audit team to assess...		
Data/Parameter	Accuracy of GHG emission reductions and removals	Whether methods/formulae set out in project description have been followed	Appropriateness of default values
$\Delta area_{projectAreaEAH,projectScenario}(t,i)$	Review of relevant remote sensing documentation to ensure adherence to criteria	N/A (no specific methods set out in PD)	N/A

Data/Parameter	Steps taken by audit team to assess...		
	Accuracy of GHG emission reductions and removals	Whether methods/formulae set out in project description have been followed	Appropriateness of default values
$\Delta area_{leakageArea,projectScenario}(t,i)$	Review of relevant remote sensing documentation to ensure adherence to methodologies in PD, SOPs, and VCS tool VT0006 Tool for Calculating LULC Transitions and Deforestation Rates Using Incomplete Remote Sensing Images	N/A (no specific methods set out in PD)	N/A
$u_{classification}$	Through the independent recalculation of the discount factor and the independent confirmation of the map accuracy assessment.	Confirmed that the methods set out for conducting the map accuracy assessment in the SOPs and PD, using randomly selected verification points and confusion matrices for each image have been applied.	N/A
$area_{biomassLoss}(i)$	N/A (occurred from burning to clear fire breaks)	N/A	N/A
$area_{fireBiomassLoss}(i)$	N/A (occurred from burning to clear fire breaks)	N/A	N/A



Data/Parameter	Steps taken by audit team to assess...		
	Accuracy of GHG emission reductions and removals	Whether methods/formulae set out in project description have been followed	Appropriateness of default values
$OM_o(i)$	Through the independent review of field measurement procedures for biomass inventory, and through site-visit observations, the audit team confirmed that measurements procedures are appropriate and carried out in conformance with the specified procedures. In addition, the audit team recalculated biomass for a sample of carbon sources and confirmed them to be accurate.	Audit team confirmed that the SOPs were developed with the PD. The SOPs have since been updated and refined to account for FAR1 (see section 2.6)	N/A
$C(t,i)$	Audit team independently quantified the carbon stock density using the specified carbon fraction and the organic matter of LULC classes and confirmed that the calculations were conducted correctly in the workbooks provided.	N/A (no specific methods set out in PD, but confirmed that equation 24 of methodology was followed.)	N/A
$f_{allometric}(y)$	Audit team reviewed the calculations workbooks and confirmed that the allometric equations were correctly applied. We also independently replicated a sample of the calculations to further confirm.	Confirmed that the allometric equations as set out at validation have been applied during this monitoring period.	Equations derived from appropriate peer-reviewed sources.

Data/Parameter	Steps taken by audit team to assess...		
	Accuracy of GHG emission reductions and removals	Whether methods/formulae set out in project description have been followed	Appropriateness of default values
$f_{belowground}(y)$	Audit team reviewed the calculations workbooks and confirmed that the root to shoot ratio has not changed since the baseline and that they were correctly applied. We also independently replicated a sample of the calculations to further confirm.	Confirmed that the root to shoot ratios as set out at validation have been applied during this monitoring period.	Ratios derived from appropriate peer-reviewed sources.
$u_{transition}(i)$	Audit team reviewed calculations workbooks to confirm that the discounting factor for the emissions factors for transitions was free of material error	Confirmed that the procedures set out at validation and methodology has been applied.	N/A
$size_{projectArea}$, $size_{leakageArea}$, $size_{referenceregion}$, $size_{referenceForest}$	N/A (not monitored, no new instances added)	N/A (not monitored)	N/A (not monitored)
$\Delta area_{projectAreaEAH,baselineScenario}(t,i)$	N/A (not monitored)	N/A (not monitored)	N/A (not monitored)
$\Delta area_{leakageArea,baselineScenario}(t,i)$	N/A (not monitored)	N/A (not monitored)	N/A (not monitored)
$\Delta area_{historical}(CS_1 \rightarrow CS_2, t_1 \rightarrow t_2)$	N/A (not monitored)	N/A (not monitored)	N/A (not monitored)
$RFRGrate(CS_1 \rightarrow CS_2)$	N/A (not monitored)	N/A (not monitored)	N/A (not monitored)
$area_{historical}(CS_1, t_1)$	N/A (not monitored)	N/A (not monitored)	N/A (not monitored)
$BetaReg_{DF}(t)$ and $BetaReg_{DG}(t)$	N/A (not monitored)	N/A (not monitored)	N/A (not monitored)
$proportion_{DF}(d)$ and $proportion_{DG}(d)$	N/A (not monitored)	N/A (not monitored)	N/A (not monitored)
Area under agricultural intensification	N/A (No new areas under agricultural intensification during this monitoring period)	N/A (not monitored)	N/A (not monitored)

	Steps taken by audit team to assess...		
Data/Parameter	Accuracy of GHG emission reductions and removals	Whether methods/formulae set out in project description have been followed	Appropriateness of default values
Yields under agricultural intensification	N/A (No new areas under agricultural intensification during this monitoring period)		

4.4.2 Quality of Evidence to Determine GHG Emission Reductions and Removals

4.4.2.1 Nature of Data and Information Supporting GHG Quantification

Certain data and information supporting the quantification of GHG emission reductions and/or removals were hypothetical, projected and/or historical in nature, as described in more detail below.

- The baseline scenario, which is used for the quantification of emission reductions and VCUs, was derived from both historical and projected rates of deforestation.

4.4.2.2 Quality and Quantity of Evidence Used to Determine GHG Quantification

The evidence used to determine the GHG reductions and removals for the verification period was of sufficient quantity and appropriate quality. An identification of the categories of evidence used to determine the GHG emission reductions and removals, and a description of the steps taken to assess the sufficiency of quantity, and appropriateness of quality, of each category of evidence, follows.

	Steps taken by audit team to assess...		
Category	Reliability of the evidence, and source and nature of evidence (external or internal, oral or documented) for determination of GHG emission reductions or removals	Information flow from data generation and aggregation, to recording, calculation and final transposition into the MR	Appropriateness of implemented calibration frequency of monitoring equipment
Calculations workbooks	Replication of calculations to verify that workbooks are free of material error and, thus, reasonably reliable	Tracing of information through workbooks to source data; replication of a sample of calculations	N/A

Category	Steps taken by audit team to assess...		
	Reliability of the evidence, and source and nature of evidence (external or internal, oral or documented) for determination of GHG emission reductions or removals	Information flow from data generation and aggregation, to recording, calculation and final transposition into the MR	Appropriateness of implemented calibration frequency of monitoring equipment
Analysis of remotely sensed imagery	Through review of procedures and independent review of satellite imagery /11/, audit team can confirm this evidence is highly reliable	Through review of spatial analysis processes, audit team confirmed that data were appropriately transcribed into the calculation workbooks (see above)	Audit team confirmed that source data for this analysis is the Landsat program, an official program of the United States government that can be assumed to have industry-standard calibration procedures in place to ensure high-quality data

Overall, the evidence used to determine the GHG reductions and removals for the verification period is of sufficient quantity (i.e., all necessary information has been provided to allow the audit team to trace and, as necessary, recalculate the quantification of GHG reductions and removals), and of appropriate quality (i.e., information presented is free of misstatements, whether material or immaterial) to allow the audit team to render a verification opinion.

4.4.3 Non-Permanence Risk Analysis

The reported value of the overall risk rating, as determined based on the risk analysis documented in the NPRR, was 10%.

The audit team did not perform a re-assessment of the risk analysis from first principles, but did assess

- Whether any circumstances or conditions may have transpired since the previous risk analysis such that a previous determination having bearing on the risk rating is no longer valid.
- Whether items meant to address certain risks are in place and functioning as intended.

The audit team's conclusions regarding the risk analysis are two-fold. The audit team concludes that

- The assignment of risk scores to risk factors that did not change from the previous risk analysis remains appropriate and in conformance to the AFOLU Non-Permanence Risk Tool, to the extent that such assignment was appropriate and in conformance to the AFOLU Non-Permanence Risk Tool at the time of the prior risk analysis.
- The assignment of risk scores to risk factors that did change from the previous risk analysis is appropriate and in conformance to the AFOLU Non-Permanence Risk Tool.

A detailed review of the audit team's conclusions may be found below.

4.4.3.1 Internal Risk - Project Management

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(a)	The audit team confirmed that the project has been implemented in a natural forest and no non-native species are planted within the project area. This risk is not relevant.	N/A	Risk rating is appropriate
(b)	The audit team confirmed via site visit and discussions with project personnel that enforcement continues to be required to protect the carbon stocks.	N/A	Risk rating is appropriate
(c)	The audit team reviewed the monitoring report (section 2.4.2) and interviewed project personnel to confirm that the project management team continues to consist of skilled individuals capable of implementing and monitoring the project.	N/A	Risk rating is appropriate
(d)	The audit team confirmed on-site that the project team maintains a presence in Malawi and has offices in Lilongwe.	N/A	Risk rating is appropriate
(e)	Confirmed by reviewing materials and project documentation on the Verra and American Carbon Registry webpages that Terra Global Capital has extensive experience in development of carbon offset methodologies and projects.	N/A	Risk rating is appropriate
(f)	The audit team reviewed the CCB monitoring plan /2/ and the Kulera Adaptive Management Plan/3/ and confirmed that an adaptive management plan meeting the requirements of the tool is in place and has been utilized.	Both are detailed documents provided /2/ /3/ that contain the relevant information and are considered to be of high quality.	Risk rating is appropriate

4.4.3.2 Internal Risk – Financial Viability

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(a)	N/A	N/A	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(b)	N/A	N/A	Risk rating is appropriate
(c)	N/A	N/A	Risk rating is appropriate
(d)	Audit team reviewed the financial viability documentation /3/ /4/ and confirmed that the project has already reached the breakeven point.	Financial review /3/ /4/ contains all relevant information and is high quality.	Risk rating is appropriate
(e)	N/A	N/A	Risk rating is appropriate
(f)	N/A	N/A	Risk rating is appropriate
(g)	N/A	N/A	Risk rating is appropriate
(h)	Audit team reviewed the financial documentation /3/ /4/, bank statement /5/, and incomes generated from carbon credit sales /13/ and confirmed that the project has reached the breakeven point and has secured funding to cover cash out for the next 3 years.	Cash flow documentation /3/ /4/, bank statement /5/, and evidence of carbon credit sales /13/ contains all relevant information and are of high quality	Risk rating is appropriate
(i)	N/A	N/A	Risk rating is appropriate

4.4.3.3 Internal Risk – Opportunity Cost

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(a)	N/A	N/A	Risk rating is appropriate
(b)	N/A	N/A	Risk rating is appropriate
(c)	N/A	N/A	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(d)	- The audit team confirmed through review of the monitoring report and interviews with project personnel and community members on-site that the baseline activities are subsistence-drive and the positive net community impacts have been demonstrated. - The audit team also confirmed that an assessment of the net impacts of the project on the social and economic well-being of the communities deriving livelihoods from the project area was also conducted in the form of a household survey in which over 1,900 households were interviewed. The audit team reviewed the results of the household survey /12/ - This is further confirmed through successful validation and verification under the CCB standards	Monitoring report is high quality as reviewed by the audit team during this verification engagement.	Risk rating is appropriate
(e)	N/A	N/A	Risk rating is appropriate
(f)	N/A	N/A	Risk rating is appropriate
(g)	N/A	N/A	Risk rating is appropriate
(h)	Confirmed that the legally binding agreement to continue management practice that protect credited carbon stocks for a period of 30 years beyond the Crediting Period is in place /9/.	The tri-party REDD+ agreement /9/ has been signed by all project proponents, is thorough, and remains in effect.	Risk rating is appropriate
(i)	N/A	N/A	Risk rating is appropriate

4.4.3.4 Internal Risk – Project Longevity

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(a)	N/A	N/A	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(b)	- The audit team reviewed the REDD+ Agreements /9/ and interviewed project personnel to confirm that the agreement /9/ is a legal agreement that requires the continuation of management practices and protection of carbon stocks for a period of 30 years beyond the Crediting Period is in place (60 years) /9/. We confirmed that the REDD+ agreements state the intention and plan to continue management practices. They are signed by and submitted to the local government. - The audit team also confirmed that project areas are national parks and wildlife reserves that are legally governed areas under the National Parks and Wildlife Act which require the preservation of vegetation. - Confirmed the project longevity score was calculated correctly.	- The tri-party REDD+ agreement /9/ has been signed by all project proponents, is thorough, and remains in effect. - NRC Management Plans are a required governmental document used required to implement forest management activities	Risk rating is appropriate

4.4.3.5 External Risk – Land Tenure and Resource Access/Impacts

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(a)	The audit team confirmed during site-visit and through discussions with project personnel that the project areas are owned by the Malawi government who encompasses full control of the land in perpetuity as well as resource access and use rights.	N/A	Risk rating is appropriate
(b)	N/A	N/A	Risk rating is appropriate
(c)	Through site visit observations and interviews with project stakeholders, and review of the PRA /11/ audit team confirmed that no disputes over land tenure and ownership exist.	PRA /11/ is thorough and conducted using appropriate methodologies.	Risk rating is appropriate
(d)	N/A	N/A	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(e)	N/A	N/A	Risk rating is appropriate
(f)	Confirmed that the legally binding agreement to continue management practice that protect credited carbon stocks for a period of 30 years beyond the Crediting Period is in place /9/.	The tri-party REDD+ agreement /9/ has been signed by all project proponents, is thorough, and remains in effect.	Risk rating is appropriate
(g)	N/A	N/A	Risk rating is appropriate

4.4.3.6 External Risk – Community Engagement

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(a)	- Through observations on site and a cursory review of aerial imagery, no households live within the project area. The audit team panned aerial imagery dating to 2017 in Google Earth did see any visual evidence of structures resembling human settlements or houses exist within the project area. - The audit team confirmed that the PRA, household surveys and cost-distance analysis were previously conducted and verified, indicating that the communities reliant on the project areas live within 5km of the project area. Through review of project documentation including the 2019 PRA /11/ and household surveys /12/, on-site interviews and discussions with project personnel, we confirmed all communities and community groups within the project zone have been consulted, therefore greater than 20% of the households living within the project zone and reliant on the project area have been consulted.	The PRA /10/ and household surveys /11/ have been conducted according the set out standard operating procedures and are in conformance with the methodology.	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(b)	The audit team confirmed that the PRA, household surveys and cost-distance analysis were previously conducted and verified, indicating that the communities reliant on the project areas live within 5km of the project area. Through review of project documentation including the 2019 PRA /11/ and household surveys /12/, on-site interviews and discussions with project personnel, we confirmed all communities and community groups within the project zone have been consulting, representing greater than 20% of the households living within the project zone and reliant on the project area have been consulted.	The PRA /10/ and household surveys /11/ have been conducted according the set out standard operating procedures and are in conformance with the methodology.	Risk rating is appropriate
(c)	The project has been validated and verified under the CCB standard and has continued to generate positive social benefits and result in a positive CCB verification during this monitoring period.	CCB validation and verification reports have been approved by Verra.	Risk rating is appropriate

4.4.3.7 External Risk – Political Risk

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(a)	N/A	N/A	Risk rating is appropriate
(b)	- The audit team independently calculated the World Bank Institute's Worldwide Governance Indicators governance score from 2015 through 2019. - We confirmed that the governance score of -0.468 is accurate.	Confirmed that the project used the official World Bank Institute's Worldwide Governance Indicators.	Risk rating is appropriate
(c)	N/A	N/A	Risk rating is appropriate
(d)	N/A	N/A	Risk rating is appropriate
(e)	N/A	N/A	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(f)	- Audit team independently confirmed that Malawi has entered into agreements to receive direct funding support from the UN-REDD programme for their National REDD Strategy. - Confirmed that the country established their REDD+ Program in 2012 and submitted their FREL to the UNFCCC in 2019.	N/A	Risk rating is appropriate

4.4.3.8 Natural Risk

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
Fire			
L	Confirmed via the independent review of MODIS data and FAO global forest resource assessments that fire occurrence is fairly frequent as fires occur annually in the project area.	Maps created using MODIS satellite imagery are detailed and high quality.	Risk rating is appropriate
S	Confirmed FAO global forest resource assessments indicates that fires can occur and are a risk, but that the risk of fire spread and consequent impacts of fires on forests is rare as miombo forests are a fire adapted ecosystem.	N/A	
M	- Confirmed through on-site observations and interviews that firebreaks have been established. - The audit team also reviewed the Fire Management Plan developed in 2016 /7/ that has been established for fire mitigation.	Fire management plan /7/ is thorough, organized, and contains sufficient information regarding the monitoring and prevention of fires in the project area.	
Pest and Disease Outbreaks			
L	- The audit team independently reviewed FAO global forest resource assessments and confirmed that the risk of insects and disease in the Malawi have not been reported. - Verifier team reviewed past verification reports to confirm that this risk was and continues to not be applicable to the project area.	FAO reports are cited and considered of high quality.	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
S	N/A	N/A	
M	N/A	N/A	
Extreme Weather			
L	The audit team reviewed the World Food Programme data provided and confirmed that extreme weather events, particularly droughts and flooding are a likely risk to the country but that the project area is located in relatively low risk areas of the country.	UN World Food Programme data and maps are of high quality.	Risk rating is appropriate
S	- Audit team independently confirmed that the project areas were not impacted by extreme weather, though if drought or flood damage impacts access to cash crops it could put pressure on forest resources in the project area. - The audit team confirms that a conservative value was applied.	N/A	
M	- During interviews with project personnel, the audit team confirmed that the project has implemented crop diversification and adaptation strategies to plant crops suited to the changing climate through the partnership with Total Land Care and implementation of Climate Smart Agriculture. - The audit team also confirmed through interviews with the project team that erosion control and mudslide prevention strategies have been implemented to mitigation the effects of extreme weather events. - The project also entails tree planting activities to reduce the impacts of climate change.	N/A	
Geological Risk			

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
L	• Verifier team reviewed past verification reports to confirm that this risk was and continues to not be applicable to the project area. • Audit team reviewed evidence provided which indicates that the country last experienced an earthquake over 30 years ago and it resulted in no damage to the project area.	• USGS publication cited is a peer-reviewed governmental document and considered of high quality.	Risk rating is appropriate
S	• N/A	• N/A	
M	• N/A	• N/A	
Other natural risk			
L	• N/A	• N/A	Risk rating is appropriate
S	• N/A	• N/A	
M	• N/A	• N/A	

4.4.4 Dissemination of Monitoring Plan and Results (CL4.2)

The audit team took the following steps to verify the actions taken to disseminate the results of climate monitoring in accordance with the monitoring plan.

- The audit team verified via on-site observations that the monitoring plan has been shared with partners and is available in Partner Offices.
- We confirmed with the project proponent that monitoring plan and the results of the monitoring were provided during NRC meetings who in turn conduct meetings with the community groups to disseminate the information.
- Confirm via interview with the project proponent that the monitoring results are provided on the Verra registry and that the link to this information is provided to the communities.

In summary, given the steps taken above, the audit team concludes that the results of climate monitoring were disseminated in accordance with the validated project description.

4.4.5 Optional Gold Level: Climate Change Adaptation Measures (GL1.3)

The steps taken to verify the actions taken to assist communities and/or biodiversity to adapt to the probable impacts of climate change are described below.

- The audit team confirmed via discussions with project personnel and review of the adaptive management plan that measures are in place for utilizing climate smart agriculture, integrating climate adapted crop varieties, and crop diversification as a means of helping communities to maintain food production.
- The audit team confirmed that improving sustainable energy access is a measure that has been implemented through the expansion of use and sale of solar lights in the project zone.
- Confirmed through review of remote sensing information and project maps that forest cover has increased in the project zone.

The audit team concludes the following regarding how the activities implemented achieve the results indicated in the project's causal model:

- The audit team confirmed during interviews with project personnel and on-site observations that by increasing food security through climate adaption, the pressures on forest lands within the project areas are reduced. Without the enhanced food security, any increase in pressure on natural resources would further reduce wildlife habitat and consequently harm biodiversity.
- The audit team confirmed through a review of the mapping and remote sensing that deforestation levels have been reduced below the baseline level.

In summary, as a result of the above review, the audit team concludes that the activities implemented deliver the intended impacts.

4.4.6 Optional Gold Level: Climate Change Adaptation Benefits (GL1.4)

During the review of the monitoring report and CCB monitoring plan /2/ and interviews with community members and other stakeholders on site, the audit team was able to confirm the project includes indicators for adaptation benefits. The evaluation of impacts on community members is also included in the CCB Monitoring plan.

4.5 Community

4.5.1 Community Impacts (CM2.1)

The steps taken to verify the reported impacts of project activities on each identified community group are described below.

The audit team held interviews and observed project implementation throughout the project zone. In general areas visited during the site visit, the audit team was able to confirm that assessment of project impacts through surveys and PRA's.

During the site visit the verifier interviewed local community members who confirmed that, to date, the impacts of the project are positive.

In summary, since the results gleaned from the site visit show continued consultation with members of the project zone, the audit team concludes that the assessment of impacts, as reported in Section 4.1 of the MR, is accurate.

4.5.2 Negative Community Impact Mitigation (CM2.2).

The steps taken verify the actions taken to mitigate any negative well-being impacts on communities and for maintenance or enhancement of the high conservation values attributes are described below.

- Review of project description and monitoring report
- The audit team confirmed that meetings regarding impact mitigation occurred during the monitoring period and the results are included in the PRA
- Interviews with project personnel and community members who confirmed the claims of the monitoring report
- Interviews with park personnel and community patrols who confirmed that impact mitigation is a requirement of their work
- Review of community monitoring and confirmation with communities

In summary, since the project design includes actions to mitigate potential negative impacts and the design is currently being implemented as claimed in the monitoring report, the audit team concludes that the mitigation actions were implemented in accordance with the validated project description.

4.5.3 Net Positive Community Well-being (CM2.3)

The steps taken to verify that the net impacts of project activities on all identified community groups are positive are described below.

- Review of project description and monitoring report
- Interviews with project personnel and community members who confirmed that to-date, the impact of the project activities are positive
- Discussions of PRA and household survey results with communities and other stakeholders

In summary, since the project is designed and being implemented to provide positive outcomes for potentially affected individuals and groups in the project zone, the audit team concludes that the net impact of project activities on community groups is positive.

4.5.4 Protection of High Conservation Values (CM2.4)

The steps taken to verify that that no high conservation values have been negatively affected by the project are described below.

- Review of project documentation including the PRA and household surveys
- Interviews with community members and other stakeholders on site who confirmed that the HCV's listed in the project description and monitoring report are accurately defined
- Assessment of forest protection for the monitoring period through the use of remotely sensed imagery

In summary, since community members and other stakeholders, the audit team concludes that the high conservation values have not been negatively affected by the project.

4.5.5 Other Stakeholder Impacts (CM3.2-CM3.3)

The steps taken to verify the measures implemented to mitigate the negative well-being impacts on other stakeholders are described below.

- Review of project documentation including the PRA and household surveys
- Interviews with community members and other stakeholders on site who confirmed that the claims in the monitoring report are accurate
- Assessment of forest protection for the monitoring period

In summary, since community members and other stakeholders, the audit team concludes that the net impacts of project activities on the well-being of other stakeholders are positive

4.5.6 Community Monitoring Plan (CM4.1, CM4.2, GL2.2, GL2.3, GL2.5)

The steps taken to verify that the community impact monitoring has been carried out in accordance with the project's validated design are described below.

Steps taken to verify...	
That the dates, frequency and sampling methods used are in accordance with the validated project description.	• The audit team reviewed the monitoring plan referenced in the PD and monitoring

	report and discussed the plan and results with community members and other stakeholders on site, who confirmed that the information provided is accurate. Individuals from DNPW also confirmed that the monitoring is taking place as designed and stated in the monitoring plan
The results of monitoring.	Through interviews and a review of the project PRA, the audit team was able to confirm that the results stated in the monitoring report are consistent with what is actually occurring on the ground
The evaluation of monitoring, including evaluations by the affected communities.	Through a review of project documentation and interviews with potentially affected community members and other stakeholders on site that monitoring results were discussed and evaluated by affected communities as described in the monitoring report
The effectiveness of measures taken to maintain or enhance all identified high conservation values related to community well-being.	Through interviews with community members on site, the audit team was able to confirm that the measures taken to maintain or enhance all identified high conservation values related to community well-being are effective to date

The steps taken to verify that the community monitoring plan also includes the areas particularly relevant to GL2 are described below.

Categories of required indicators	Steps taken to verify inclusion in monitoring results
Indicators of well-being impacts and risks for smallholder/community members	Review of project documentation, including the monitoring plan and monitoring report, the audit team was able to confirm that the plan and implementation include indicators of well-being impacts and risks for smallholder/community members
Indicators of impacts on women	Review of project documentation, including the monitoring plan and monitoring report, the audit team was able to confirm that the plan and

	implementation include indicators of impacts on women
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In summary, since the project monitoring plan is designed to ensure exceptional community benefits, the audit team concludes that the community monitoring plan was carried out in accordance to the validated project description.

4.5.7 Community Monitoring Plan Dissemination (CM4.3)

The steps taken to verify the actions taken to disseminate the results of community monitoring in accordance with the monitoring plan are described below.

- Review of project documentation including the monitoring plan
- Interviews with project personnel who confirmed that the plan was provided during the project onset
- Interviews with community members and other stakeholders who were aware of the information provided in the monitoring plan

In summary, since information gleaned during the site visit overwhelmingly confirmed dissemination of the monitoring plan, the audit team concludes that the results of community monitoring were disseminated in accordance with the validated project description.

4.5.8 Optional Gold Level: Short-term and Long-term Community Benefits (GL2.2)

The steps taken to verify that the project generates short term and long-term net positive well-being benefits for smallholders/community members are described below.

- Review of project documentation including PRA's and household surveys
- Interviews with community members and other stakeholders on site who confirmed the claims in the monitoring report
- Evidence of short- and long-term benefits in the form of individual attestations

In summary, since community members stated that the project has provided short- and long-term benefits, the audit team concludes that the project generates or is on track to generate short term and long term net positive well-being benefits for smallholders/community members.

4.5.9 Optional Gold Level: Smallholder/community member Risks (GL2.3)

The steps taken to verify the activities implemented to manage the identified risks to smallholder/community members are described below.

- Review of project documentation including PRA's and household surveys
- Interviews with community members and other stakeholders on site who confirmed that risks are accurately described in the monitoring report
- Evidence of community member risks in the form of individual attestations

In summary, since community members stated that the project has identified and discussed the risks to community members, the audit team concludes that the activities implemented adequately manage the identified risks.

4.5.10 Optional Gold Level: Marginalized and/or Vulnerable Community Groups (GL2.4).

The steps taken to verify that the project fulfilled the requirements of GL2.4 of the Climate, Community & Biodiversity Standards are described below.

Steps taken to verify that the project...	
Generates net positive impacts on the well-being of all identified marginalized and/or vulnerable community groups.	Review of project monitoring results and interviews with potentially affected marginalized and/or vulnerable community groups
Identifies and addresses any barriers or risks that might prevent benefits going to marginalized and/or vulnerable smallholders/community members.	Review of the monitoring results including PRA's and household surveys and confirmation through community interviews
Takes appropriate measures to avoid, or when unavoidable to mitigate negative impacts to any marginalized and/or vulnerable smallholders/community members.	Review of the PRA's show that project impacts are regularly discussed and strategies developed to avoid potentially negative impacts. Confirmation through community interviews

In summary, since evidence gleaned through project documentation and confirmation of the results through community interviews, the audit team concludes that the project fulfilled the requirements of GL2.4 of the Climate, Community & Biodiversity Standards.

4.5.11 Optional Gold Level: Net Impacts on Women (GL2.5)

The steps taken to verify that the project generates net positive impacts on the well-being of women and that women participate in or influence decision making are described below.

- As the PD and monitoring report show that women are the main traditionally marginalized group in the project zone, see section 4.5.10 above

4.5.12 Optional Gold Level: Benefit Sharing Mechanisms (GL2.6)

The steps taken to verify that the benefit distribution of the benefit sharing mechanism has been implemented according to the project's validated design are described below.

- Review of project documentation including benefit sharing agreements and contracts for credit purchasing
- Interviews with community members and other stakeholders on site who confirmed that to-date that the benefit sharing mechanisms are implemented as described in the monitoring report

4.5.13 Optional Gold Level: Governance and Implementation Structures (GL2.8)

The steps taken to verify that the project's governance and implementation structures enable full and effective participation of smallholders/community members in project decision-making and implementation are described below.

- Through review of project documentation and interviews on site, the audit team was able to confirm that no changes have occurred since the PD was validated and the initial monitoring period.

4.5.14 Optional Gold Level: Smallholders/Community Members Capacity Development (GL2.9)

The steps taken to verify how the project is developing the capacity of smallholders/community members, and relevant local organizations or institutions are described below.

- The audit team reviewed the monitoring results and the household surveys and used interviews on site to confirm that the capacity building as described in the project documentation is indeed increasing throughout the current life of the project

In summary, since evidence from the site visit and review of project documentation shows an increase in capacity building activities, the audit team concludes that the project is developing the capacity of smallholders/community members, and relevant local organizations or institutions, to participate effectively and actively in project design, implementation and management.

4.6 Biodiversity

4.6.1 Biodiversity Changes (B2.1)

The steps taken to verify the reported changes in biodiversity in the project zone due to project activities are described below.

Steps taken to verify...	
The accuracy and appropriateness of monitored data.	• Assessment of remote sensing analysis shows that avoided deforestation has been highly successful since the project implementation
The justification used to attribute biodiversity changes to the project's activities.	• Review of project documentation, as well as the professional judgement of the audit team shows the attributes measured for biodiversity are justifiable to assess changes in biodiversity
The overall accuracy of the reported impacts.	• The audit team performed data checks on the assessment of deforestation which show the reported impacts of the project on biodiversity to be accurate

In summary, since effects on biodiversity are not often seen in the near term, effects on biodiversity are mainly measured through successful avoidance of deforestation (see climate section), the audit team concludes that the project's assessment of changes in biodiversity resulting from project activities in the project zone during the verification period are accurate.

4.6.2 Mitigation Actions (B2.3)

The steps taken to verify the actions taken by the project to mitigate negative impacts on biodiversity and measures attributes are described below.

- Review of project documentation
- Interviews with project partners who are responsible for protecting wildlife in the region

- Interviews with community members on site who perform patrols who confirmed that the mitigation actions are implemented as described in the monitoring report

The steps taken to verify the actions taken for maintenance or enhancement of the high conservation value attributes are described below.

- Review of project documentation including the PRA and monitoring report
- Interviews with project NRC's who confirmed the description provided in the monitoring report
- Interviews with community members on site who confirmed that the HCV's are maintained as described in the monitoring report

In summary, since the activities meant to mitigate negative impacts are part of the project design and implementation, the audit team concludes that the mitigation actions taken are appropriate and in accordance with the project's validated project description.

4.6.3 Net Positive Biodiversity Impacts (B2.2)

The steps taken to verify that the project's net impacts on biodiversity in the project zone are positive are described below.

- Review of project PRA
- Assessment of remote sensing analysis confirming successful protection of wildlife habitat
- Review of monitoring plan
- Interviews with park personnel and community members on site who perform patrols in the project area who corroborated claims in the monitoring report

In summary, since effects on biodiversity are not often seen in the near term, and therefore effects on biodiversity are mainly measured through successful avoidance of deforestation (see climate section), the audit team concludes that the net impact of the project's activities on biodiversity are positive.

4.6.4 High Conservation Values Protected (B2.4)

Not applicable; no HCV's for biodiversity were identified in the project design

4.6.5 Invasive Species (B2.5)

Not applicable; the project does not use invasive species, as confirmed through review of the validated project description as well as project activities during the verification period.

4.6.6 Impacts of Non-native Species (B2.6)

Not applicable; the project does not use non-native species, as confirmed through review of the validated project description as well as project activities during the verification period.

4.6.7 GMO Exclusion (B2.7)

Not applicable; the project does not use GMO's, as confirmed through review of the validated project description as well as project activities during the verification period.

4.6.8 Inputs Justification (B2.8)

Not applicable; the project does not use fertilizers, chemical pesticides, biological control agents or any other inputs, as confirmed through review of the validated project description as well as project activities during the verification period.

4.6.9 Negative Offsite Biodiversity Impacts (B3.1) and Mitigation Actions (B3.2)

The steps taken to verify any negative impacts on biodiversity outside the project zone due to the project are described below.

- Review of project documentation including the PRA and monitoring report
- Interviews with project partners (DNPW, who are responsible for managing wildlife in the region) who confirmed the claims in the monitoring report
- Interviews with community members performing patrols who corroborated claims from DNPW
- Use of professional judgment of the audit team

The steps taken to verify the actions taken by the project to mitigate any negative impacts are described below.

- Review of project documentation including the PRA and monitoring report
- Interviews with project partners (DNPW, who are responsible for managing wildlife in the region) who confirmed the claims in the monitoring report
- Interviews with community members performing patrols who corroborated claims from DNPW
- Use of professional judgment of the audit team

In summary, since the audit team has expertise in biodiversity issues in the region, the audit team concludes that the project has adequately identified all negative offsite biodiversity impacts and has taken actions to mitigate the impacts.

4.6.10 Net Offsite Biodiversity Benefits (B3.3)

The steps taken to verify that the project's net biodiversity impacts are positive when taking into account unmitigated negative impacts on biodiversity outside the project zone are described below.

- Review of project documentation including the PRA and monitoring report
- Interviews with project partners (DNPW, who are responsible for managing wildlife in the region) who confirmed the claims in the monitoring report
- Interviews with community members performing patrols who corroborated claims from DNPW
- Use of professional judgment of the audit team

In summary, since information gleaned from the assessment shows continued success in avoided deforestation, the audit team concludes that the net biodiversity impacts of the project are positive.

4.6.11 Biodiversity Monitoring Plan (B4.1, B4.2, GL3.4)

The steps taken to verify that the biodiversity impact monitoring has been carried out in accordance with the project's validated design are described below.

Steps taken to verify...	
That the dates, frequency and sampling methods used are in accordance with the validated project description.	• The audit team reviewed the monitoring plan referenced in the PD and monitoring report and discussed the plan and results with community members and other stakeholders on site, who confirmed that the information provided is accurate.

	Individuals from DNPW also confirmed that the monitoring is taking place as designed and stated in the monitoring plan
The results of monitoring.	Through interviews and a review of the project remote sensing analysis, the audit team was able to confirm that the results stated in the monitoring report are consistent with what is actually occurring on the ground
The evaluation of monitoring.	Through a review of project documentation and interviews with park personnel on site that monitoring results are discussed and evaluated as described in the monitoring report
The effectiveness of measures taken to maintain or enhance all identified high conservation values related to biodiversity	Not Applicable

The steps taken to verify that the Biodiversity monitoring plan also includes the areas particularly relevant to GL3 are described below.

Verification conclusions regarding whether the monitoring results include the identified indicators of...	
Population trends of each trigger species.	Review of monitoring results as well as interviews with members of DNPW allowed the audit team to confirm that population trends of the trigger species identified in the PD are considered
Threats to trigger species.	Review of monitoring results as well as interviews with members of DNPW allowed the audit team to confirm that potential threats the trigger species identified in the PD are considered

In summary, since the project has provided ample evidence of trigger species trends and threats to those species, the audit team concludes that the biodiversity monitoring plan was carried out in accordance to the validated project description.

4.6.12 Biodiversity Monitoring Plan Dissemination (B4.3)

The steps taken to verify the actions taken to disseminate the results of the biodiversity monitoring in accordance with the monitoring plan are described below.

- Review of project documentation
- Interviews with project personnel

- Interviews with community members and other stakeholders

In summary, since information gleaned during the site visit overwhelmingly confirmed dissemination of the monitoring plan, the audit team concludes that the results of biodiversity monitoring were disseminated in accordance with the validated project description.

4.6.13 Optional Gold Level: Trigger Species Population Trends (GL3.3)

The steps taken to verify the actions taken by the project to maintain or enhance the population status of each trigger species in the project zone, and reduce threats to them, are described below.

- Review of project documentation including the monitoring plan
- Interviews with project personnel who confirmed that the plan was provided during the project onset
- Interviews with community members and other stakeholders who were aware of the information provided in the monitoring plan

In summary, since the project has identified trigger species and associated risks, as well as are actively monitoring deforestation, the audit team concludes that the actions taken by the project maintain or enhance the population status of each trigger species in the project zone, and reduce threats to them.

4.6.14 Optional Gold Level: Effectiveness of Threat Reduction Actions (GL3.4)

The steps taken to verify the measures taken to maintain or enhance the population status of trigger species are described below.

- Interviews with project personnel and confirmed that they are well versed with the past and current project implementation and that the information provided in the monitoring report is accurate
- Interviews with community members and other stakeholders who confirmed that they took part in meetings where the results of the project monitoring regarding this indicator were discussed
- Assessment of remote sensing analysis which confirmed the effectiveness of the protection of wildlife habitat

In summary, since project personnel have identified and are actively monitoring the population status of trigger species, the audit team concludes that the measures taken are effective at maintaining or enhancing the population status of trigger species.

4.7 Additional Project Implementation Information

The steps taken to verify any additional information that explains how the project has been implemented in accordance with the validated project description for all CCB indicators that require implementation of an activity or process are described below.

- Review of project documentation including the monitoring plan and the PRA
- Interviews with project personnel who were educated as to the claims in the monitoring report regarding this indicator
- Interviews with community members and other stakeholders
- Through observations on site, the audit team was able to confirm that updates to the project over the monitoring period were discussed during community meetings

In summary, since the additional activities described in the monitoring report and the PD are taking place in areas of the project zone visited by the verifier, the audit team concludes that the additional project implementation information provided is suitable for the verification of the project's adherence to its validated project description.

4.8 Additional Project Impact Information

Not applicable; no additional monitoring results were provided in Section 7 of the MR that demonstrate how the project meets all CCB indicators that require demonstration of impacts.

5 VERIFICATION CONCLUSION

The audit team asserts, with no qualifications or limitations, that

- The project complies with the verification criteria for projects set out in CCB Version 3.
- The project complies with the verification criteria for projects set out in VCS Version 4.
- The project has been implemented in accordance with the validated project description and any subsequently validated variations.

Furthermore, the audit team asserts, specifically in respect of those aspects of the project assessed as part of the validation activities described in Section 3 above, that the project complies with the validation criteria for projects set out in CCB Version 3 and VCS Version 4.

Verification/monitoring period: From 1 October 2013 to 30 September 2019

In summary, the audit team concludes the following regarding the validity of the net positive climate change adaptive capacity and resilience (if any), community and biodiversity benefits achieved by the project during the project implementation period.

Summary comments regarding validity of the following achieved by the project during the project implementation period	
Net positive climate benefits	• Achieved through successful avoidance of deforestation in the project scenario when compared with baseline deforestation
Net positive community benefits	• On track to achieve, as interviews with community members provided evidence that the project activities are resulting in positive community benefits
Net positive biodiversity benefits	• Achieved through successful avoidance of deforestation in the project scenario when compared with baseline deforestation

In summary, the audit team concludes the following regarding whether the project has achieved, or is on track to achieve, its stated climate, community and biodiversity objectives.

Objectives	Achieved or on track to achieve?	
Climate objectives	☒ Yes	☐ No
Community objectives	☒ Yes	☐ No
Biodiversity objectives	☒ Yes	☐ No

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

Year	Baseline emissions or removals (tCO ₂ e)	Project emissions or removals (tCO ₂ e)	Leakage emissions (tCO ₂ e)	Net GHG emission reductions or removals (tCO ₂ e)	Buffer pool allocation	VCUs eligible for issuance
2013	451,949	65,592	0	386,357	38,636	347,722
2014	470,044	67,651	0	402,394	40,239	362,155
2015	482,514	69,709	0	412,804	41,280	371,524
2016	496,197	71,768	0	424,429	42,443	381,986
2017	518,748	73,827	0	444,920	44,492	400,428
2018	531,187	75,886	0	455,300	45,530	409,770
Total	2,950,639	424,433	0	2,526,204	252,620	2,273,585

- Net change in carbon stocks: 2,526,204 tCO₂e
- Non-permanence risk rating (see Section 4.6 above): 10%
- Total number of buffer credits to be deposited into AFOLU pooled buffer account: 2,273,585 credits

APPENDIX A: LIST OF FINDINGS

Please see Section 2.6 above for a description of the finding issuance process and the categories of findings issued. It should be noted that all language under "Project Personnel Response" is a verbatim transcription of responses provided to the findings by project personnel.

NIR 1 Dated 25 Nov 2020

Standard Reference: VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4

Document Reference: Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v1-0 to v2-0 Compare.docx

Finding: Section 3.4 of the VCS Standard requires the following: "The project proponent shall use the VCS Monitoring Report Template or an approved combined monitoring report template available on the Verra website, as appropriate, and adhere to all instructional text within the template."

Section 1.2 of the CCB/VCS monitoring report template requires "For each metric, quantify the net benefit the project has achieved during the monitoring period covered by this report and since the project start date (if this is the project's first verification report, the two columns will be the same). Insert "not applicable" where the metric does not apply and "data not available" where the metric does apply but there are no means of quantification. Data included in the monitoring period column shall be substantiated in this document as denoted by the corresponding section reference." The third column of the table is titled "Achievements during Monitoring Period" while the fifth column is "Achievements during the Project Lifetime." Thus the achievements listed in the "project lifetime" column would include all those achievements from this monitoring period and the previous monitoring periods since the project start date.

The audit team requests additional information regarding the following:

(1) In section 1.2 of the monitoring report provided, for several sections and metrics (e.g. forest management, training, employment), in the column "Achievements during the Project Lifetime" indicates "N/A for this monitoring period." It appears that the achievements during this monitoring period are listed in the project lifetime column and vice versa. The audit team requests clarification.

(2) Furthermore, for several sections and metrics (e.g. livelihoods, forest cover, well-being) the value listed in the "Achievements during the Project Lifetime" column is lower than the value listed in "Achievements during the Monitoring Period" again suggesting that achievements during this monitoring period are listed in the project lifetime column and vice versa. The audit team requests clarification regarding how the project lifetime achievements are lower than the monitoring period achievements.

Project Personnel Response: The Standardized Benefit Metrics Table in Section 1.2 has been edited to represent the most up to date data available for both the monitoring period and the project lifetime.

Auditor Response: The audit team reviewed the updated monitoring report (version 3) submitted on 1 December 2020 and confirmed that the standardized benefit metrics now accurately reflect the achievements during the monitoring period and the achievements during the project life (since the start of the project). This finding has been closed.

NIR 2 Dated 25 Nov 2020

Standard Reference: VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4

Document Reference: Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v1-0 to v2-0 Compare.docx

Finding: Section 2.2.1 of the VCS standard establishes that the principle of consistency is to "Enable meaningful comparisons in GHG-related information."

Table 1 located in section 2.1.1, and Table 23 located in section 3.2.4 of the monitoring report both indicate that the total NERs achieved during the first reporting period was 1,154,957 (2009-2012) and a total of 2,140,793 from 2013-2019 (for a total of 3,682,275 tCO₂e). However the table in section 1.2 of the monitoring report, it indicates that for the "Net estimated emission reductions in the project area, measured against the without-project scenario" NERs during this monitoring period are "2,527,317 " and during the Project lifetime "3,682,273." The audit team requests clarification as to why the NER values differ in table 1 and section 2.1.1.

Project Personnel Response: Table 1 and Table 23 reports that the total NERs for the second monitoring period from 2013-2019 is in fact 2,527,317, the same value reported in table in section 1.2. The value 2,140,793 corresponds to the total from 2014-2019.

After reviewing the tables, the total for the project lifetime in table in section 1.2 has been updated from 3,682,273 to 3,682,275, which is the same value reported in table 1 and table 23.

Auditor Response: The audit team reviewed the updated monitoring report (version 3.0) submitted on 1 December 2020 and confirmed that the NERs in the table in section 1.2 have been updated to reflect the actual NERs achieved over the lifetime of the project. We also confirmed that the NERs values in table 1.2 in fact do match those in Table 26 (which was previously table 1). This finding has been closed.

NCR 3 Dated 25 Nov 2020

Standard Reference: VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4

Document Reference: Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v1-0 to v2-0 Compare.docx

Finding: Section 3.4 of the VCS Standard requires the following: "The project proponent shall use the VCS Monitoring Report Template or an approved combined monitoring report template available on the Verra website, as appropriate, and adhere to all instructional text within the template."

Section 2.1.1 of the CCB/VCS monitoring report template requires "Provide a description of the implementation status of the project, including the following (no more than one page)."

The implementation status description in Section 2.1.1 of the monitoring report is greater than one page (it is approximately 2.5 pages), and therefore is not in conformance with the template requirements.

Project Personnel Response: Section 2.1.1 of the CCB/VCS monitoring report has been redrafted to fit the one-page limit for this section and therefore should now be in conformance with the template requirements.

Auditor Response: The audit team reviewed the updated monitoring report (version 3.0) submitted on 1 December 2020 and confirmed that section 2.1.1 has been shortened to fit the one-page limit for the section. It continues to include the required information. This finding is closed.

NIR 4 Dated 25 Nov 2020

Standard Reference: VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4

Document Reference: Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v1-0 to v2-0
Compare.docx

Finding: Section 3.4 of the VCS Standard requires the following: "The project proponent shall use the VCS Monitoring Report Template or an approved combined monitoring report template available on the Verra website, as appropriate, and adhere to all instructional text within the template."

Section 1.1. of the CCB/VCS template requires the following: "Insert the brief summaries of two to five benefits of the project not captured by the standardized benefit metrics in Section 1.2 (these may be the same as those listed in Section 1.1 of the project description). For each outcome or impact, assess the net benefit the project has achieved during the monitoring period covered by this report and in the time since the beginning of the project lifetime (if this is the project's first verification report, the two columns will be the same). Achievements included in the monitoring period column shall be substantiated in this document as denoted by the corresponding section reference. Additional project benefits not anticipated in the project description or captured in Section 1.2 (Standardized Benefit Metrics), below, may be added, keeping in mind that these benefits may be reported on in subsequent monitoring reports. "

The for each outcome presented in table in section 1.1 of the monitoring report, the column "Achievements during the project Lifetime" column indicates "First monitoring period was also the baseline; thus achievement was same as this 2nd monitoring period." As indicated in the previous monitoring reports for CCB and VCS, the project activities were compared to the baseline to determine project impacts, therefore it is unclear why "Achievements during the project lifetime" do not reflect the achievements in the first and second monitoring report. More information and clarification as the meaning of the statement "First monitoring period was also the baseline."

Project Personnel Response: Since the Validation and first Verification were conducted concurrently, these metrics for MR1 established the baseline, therefore all performance is measured between MR1 and MR2. The text in table 1.1 has been updated to clearly describe the statement "First monitoring period was also the baseline."

Auditor Response: The audit team reviewed the updated monitoring report (version 3) submitted on 1 December 2020 and confirmed that additional text was added to the table in section 1.1 to clarify the that "Since the Validation and first Verification were conducted concurrently, these metrics for MR1 established the baseline, therefore all performance is measured between MR1 and MR2." However, it remains unclear why the project did not result in achievements that were monitored during the first monitoring period. The first monitoring period does not establish the baseline, rather the project description and validation establish the baseline. The audit team requests further clarification.

Project Personnel Response 2: [Response given outside of cover of the workbook]

Auditor Response 2: During a meeting with the project team on 2 December 2020, it was confirmed that the unique benefits were only experienced during the second monitoring period. After this meeting, the client submitted an updated monitoring report (version 3.1, submitted on 2 December 2020). The audit team confirmed that the table in section 1.1 of the monitoring report was updated such that the columns "Achievements during the project lifetime" and "achievements during the monitoring period" are the identical. This finding has been closed.



NIR 5 Dated 25 Nov 2020

Standard Reference: VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4

Document Reference: Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v1-0 to v2-0 Compare.docx

Finding: Section 2.2.1 of the CCB/VCS monitoring report template requires the following: "Indicate the key dates and milestones in the project's development and implementation (e.g., dates of construction, commissioning, start of project activities, legal/community agreements and continued operation periods), making note of where these dates have changed since the last validation or verification. Add rows to the table below as necessary."

Section 2.2.1 of the monitoring report states "Please refer to the Program Implementation Workplan (Annex C) and implementation indicators in Section 6." The audit team reviewed Annex C which provides a detailed overview of the various objectives and outcomes achieved through project activities during this monitoring period. However, the section in the report does not include the required table that is indicated in the template and is therefore not in conformance. Note this table is to include key dates (months/years) and milestones occurring over the projects entire development and implementation, thus is not limited to only this monitoring period.

Project Personnel Response: The Implementation Schedule has been added in Table form in Section 2.2.2

Auditor Response: The audit team reviewed the updated monitoring report (version 3.0) submitted on 1 December 2020 and confirmed that the required Implementation Schedule table has been added to section 2.2.1 of the MR. This finding has been closed.

NCR 6 Dated 25 Nov 2020

Standard Reference: VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4

Document Reference: Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v1-0 to v2-0 Compare.docx

Finding: The CCB/VCS monitoring report template contains the following subsections:

- 2.2.4 Project Description Deviations
- 2.2.5 Grouped Projects
- 2.2.6 Risks to the Project
- 2.2.7 Benefit Permanence

However, in the monitoring report, it appears that section header "2.2.4 Project Description Deviations" is missing or was reduced to normal body text. Therefore, the numbering of the subsequent subsections are mis-matched and thus not in conformance with the template.

Project Personnel Response: The header 2.2.4 Project Description Deviations was added to the MR2 via the template. This section has been completed as there were no project description deviations for the period.

Auditor Response: The audit team reviewed the updated monitoring report (version 3.0) submitted on 1 December 2020 and confirmed that section 2.2.4 Project Description Deviations has been added as a section heading. This finding is closed.

NIR 7 Dated 25 Nov 2020

Standard Reference: VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4

Document Reference: Kulera 1168 - VCS-Non-Permanence-Risk-Report-4.0 MR 2 v2-0.docx; Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v1-0 to v2-0 Compare.docx

Finding: Section 4.1.8 of the VCS standard states that "The criteria for verification shall be the VCS Version 4 (regardless of the VCS version or GHG program under which the project was validated). This means the validation or verification shall ensure conformance of the project with the VCS Program rules, or rules and requirements of the approved GHG program, as applicable."

The latest version of the AFOLU Non-permanence Risk Tool is 4.0. The audit team noted that the Non-permanence Risk Report provided used version 4.0. However section 2.2.5 of the monitoring report states "The following outline, while not exhaustive, represents the most likely anticipated risks. The Project team has prepared an overall risk rating for the Project, using the VCS AFOLU Non-Permanence Risk Tool (VCS Version 3) for this monitoring period."

The audit team requests additional information regarding why VCS AFOLU Non-Permanence Risk Tool (VCS Version 3) is indicated as being used for this monitoring period.

Project Personnel Response: The Non-permanence Risk Report used was version 4.0, however, section 2.2.5 (now 2.2.6) of the monitoring report stated that "The Project team has prepared an overall risk rating for the Project, using the VCS AFOLU Non- Permanence Risk Tool (VCS Version 3) for this monitoring period." This was a mistake and has now been changed to "The Project team has prepared an overall risk rating for the Project, using the VCS AFOLU Non- Permanence Risk Tool (VCS Version 4) for this monitoring period."

Auditor Response: The audit team reviewed the updated monitoring report (version 3.0) submitted on 1 December 2020 and confirmed that section 2.2.6 now references version 4 of the Non-Permanence Risk Tool. This finding has been closed.

NCR 8 Dated 25 Nov 2020

Standard Reference: VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4

Document Reference: Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v1-0 to v2-0 Compare.docx

Finding: Section 3.3.1 of the monitoring report template states "Complete the table below for all data and parameters that are determined or are available at validation, and remain fixed throughout the project crediting period (copy the table as necessary for each data unit/parameter). Data and parameters monitored during the operation of the project are included in Section 3.1.2 (Data and Parameters Monitored) below." The table lists the following fields: Data / Parameter, Data unit, Description, Source of data, Value applied, Justification of data or description of measurement methods and procedures applied, Purpose of the data, and comments.

In section 3.1.1 of the monitoring report, tables are provided for all data and parameters available at validation. However, the tables include the field "Measurement Procedures", but exclude the field "Purpose of the data" and therefore is not in conformance with the template requirements. As indicated in the template requirements, the field Purpose of the data must "Indicate one of the following:

- Determination of baseline scenario (AFOLU projects only)
- Calculation of baseline emissions
- Calculation of project emissions
- Calculation of leakage."

Project Personnel Response: The "Purpose of Data" to each Table in Section 3.1.1 has been added. In many cases there were multiple purposes for the data.

Auditor Response: The audit team reviewed the updated monitoring report (version 3.0) submitted on 1 December 2020 and confirmed that the "Purpose of Data" field was added to each table in Section 3.1.1. The field "Measurement procedures" was removed. The tables are now in conformance with the template. This finding has been closed.

NCR 9 Dated 25 Nov 2020**Standard Reference:** VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4**Document Reference:** Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v1-0 to v2-0 Compare.docx**Finding:** Section 3.4.3 of the VCS Standard states that "The project proponent shall use the VCS Monitoring Report Template or an approved combined monitoring report template available on the Verra website, as appropriate, and adhere to all instructional text within the template."

The latest version of the combined CCB and VCS monitoring report template that is available is CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4. Within that template, the header indicates "CCB Version 3, VCS Version 3." However in the monitoring report provided by the client, pages 1-162 contain the header "CCB Version 3.1, VCS Version 4" which does not correspond with the latest template and is therefore not in conformance.

Project Personnel Response: Section 3.4.3 of the VCS Standard states that "The project proponent shall use the VCS Monitoring Report Template or an approved combined monitoring report template available on the Verra website, as appropriate, and adhere to all instructional text within the template." The latest version of the combined CCB and VCS monitoring report template being available is CCB/VCS Monitoring Report Template CCBv3.0_VCSv3.4. Within this template, the header indicates "CCB Version 3, VCS Version 3." The header in our template has been corrected to indicate the version used, and most current available version

CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4 including the header of "CCB Version 3, VCS Version 3." Since this is the most current version available and no template currently exists for CCB 3.1 and VCS 4.0, we request to be verified under for CCB v3.1 and VCS 4.0.

Auditor Response: The audit team reviewed the updated monitoring report (version 3.0) submitted on 1 December 2020 and confirmed that the monitoring report version indicated in the header has been updated to CCB Version 3, VCS Version 3, which matches the latest version of the monitoring report template available. This finding has been closed.

NIR 10 Dated 25 Nov 2020**Standard Reference:** VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4**Document Reference:** Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v1-0 to v2-0 Compare.docx**Finding:** Section 3.1.2 of the monitoring report template indicates that for each parameter "Where relevant, provide the calculation method, including any equations, used to establish the data/parameter."

Data/Parameter MN5 (Hectares undergoing transition i within the leakage area under the project scenario for year t) in section 3.1.2 of the monitoring report lists as the calculation method "Follow the procedures described in Section 16.3."

It is unclear what section 16.3 refers to. The audit team requests additional information.

Project Personnel Response: The cross-reference in Data/Parameter MN5 was not updated and was referring to a wrong section. The Monitoring Report now reads "Follow the procedures described in Section 3.2.1."

Auditor Response: The audit team reviewed the updated monitoring report (version 3.0) submitted on 1 December 2020 and confirmed that the referenced section was updated from 16.3 to 3.2.1. This finding is closed.

NIR 11 Dated 25 Nov 2020

Standard Reference: VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4

Document Reference: Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v1-0 to v2-0 Compare.docx

Finding: Section 3.1.3 of the monitoring template requires "Describe the process and schedule followed for monitoring the data and parameters set out in Section 3.1.2 (Data and Parameters Monitored) above during this monitoring period..".

Section 3.1.3 states "This project monitors all required data and components according to the methodology and the VCS Standard. The following describes the monitoring plan elements related to GHG emission reductions (not the social and biodiversity components:), which are included in the Kulera CCB Monitoring Plan (Annex : "

However, the Annex number or name is not listed. The audit team requests that the corresponding annex number or document name be included.

Project Personnel Response: Based on the Annex table at the end of the appendices, Annex D and E should correspond to the GHG emission reductions. The sentence has been changed in Section 3.1.3 to include (Annex D and E) as requested.

Auditor Response: The audit team reviewed the updated monitoring report (version 3.0) submitted on 1 December 2020 and confirmed that the referenced Annex was updated to Annex D and E. This finding has been closed.

NIR 12 Dated 25 Nov 2020

Standard Reference: VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4

Document Reference: Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v1-0 to v2-0 Compare.docx

Finding: Section 3.1.2 of the monitoring report shows that Table 11 is "Ex-Post Monitored Transitions in the Project Area Nkhotakota (in hectares)"

However, Section 3.2.3 of the monitoring report also states "Table 11 shows the leakage deductions as monitoring in the Leakage Areas for geographically constrained leakage." Later in this section, it is stated "Table 11. Ex-Post Leakage during the Monitoring Period from 1 October 2013 to 30 September 2019." Thus table 11 is referenced for three different tables.

The audit team found similar table numbering and ordering inconsistencies for Tables 9, 10 and 23.

The audit team requests clarification

Project Personnel Response: We found that caption numbers in the tables 9, 10, 11 and 23 were not properly updated, the same happened with the cross-reference to those table in the text. The number caption and cross-references have been updated in the whole document. Now, all tables numbers and cross-reference are consistent throughout the document.

Auditor Response: The audit team reviewed the updated monitoring report (version 3.0) submitted on 1 December 2020 and confirmed that the table references and table numbers have been updated as indicated. This finding has been closed.

NCR 13 Dated 4 Dec 2020

Standard Reference: AFOLU Non-Permanence Risk-Tool version 4.0

Document Reference: Kulera 1168 - VCS-Non-Permanence-Risk-Report-4.0 MR 2 v2-0.docx

Finding: Table 2e of the Non-permanence Risk Tool (financial viability) states "Project has secured less than 15% of funding needed to cover the total cash out before the project reaches breakeven" and has an associated risk rating of 3.

Table 2h of the Non-permanence Risk Tool (financial viability) states "Project has secured 80% or more of funding needed to cover the total cash out before the project reaches breakeven" and has an associated risk rating of zero.

In the non-permanence risk report submitted for the project, row E of the financial viability table in section 1.2 is completed and states "The project has secured funding for operations with carbon revenue for at least the next 3 years and shows all signed for being able to monetize credits to finance on-going operations. See Project Financial Review (listed in the Annex of the Monitoring Report 2) for details" and applies a risk value of zero.

It is not in conformance with the tool to claim a risk value of zero for Table 2 row e.

Project Personnel Response: The table in question was copied from the MS Excel tool v1-0. The MS Word NPRR Template requires the explanation in a different row. The Risk Report has now been updated to include the explanation entered in the correct row.

Auditor Response: The audit team reviewed version 3-0 of the Risk Report and confirmed that the Risk Factors in the table are now correctly represented in the Risk Report. This finding has been closed.

NIR 14 Dated 4 Dec 2020

Standard Reference: AFOLU Non-Permanence Risk-Tool version 4.0

Document Reference: Kulera 1168 - VCS-Non-Permanence-Risk-Report-4.0 MR 2 v2-0.docx

Finding: Section 2.4.1(3) of the Non-permanence Risk Tool "Mitigation of natural risk factors may be applied where evidence is provided that prevention measures are in place and/or the project has a proven history of effectively containing natural risk. Examples of mitigation/prevention measures include, inter alia, the following: a) Fire risk: Fuel removal, establishment of fire breaks and fire towers, and ready access to adequate fire-fighting equipment.
b) Risk of pest/disease outbreaks: Planting of biodiverse species, selection of pest/disease resistant species, and co-planting of vegetation that inhibits pest infestation during the early growing period.
c) Extreme weather risk: Planting of frost tolerant species in areas where winter frost is a risk, use of riparian zones or other buffers for flood or storm control and use of species tolerant for wet soil conditions where flooding risks exist.
d) Other natural risks: Use of plant species tolerant of salinity fluctuations in estuarine wetlands."

Table 10 of the Risk Tool then indicates two applications of mitigation: (1) "Prevention measures applicable to the risk factor are implemented" and (2) "Project proponent has proven history of effectively containing natural risk"

Section 3.3.3 of the risk report states "While the occurrence of extreme weather events itself cannot be mitigated, the program implements several activities that support the communities in adapting to climate change and provide better defenses to droughts. These include crop diversification, which in Malawi is moving away from rainfed corn, adoption of soil conservation practices making crops more resilience to reduced water, and promotion of agroforestry systems that enhance soil and reduce impacts of floods. Each of these activities strengthens the communities' ability to adapt (reduce the risk) of droughts and floods. Since the Program both implements and has data demonstrating the adoption of these mitigation measures by communities (see Monitoring Report section on Community Impacts 4.1.1.), the mitigation score of 0.25 was taken."

With regard to the extreme weather risk mitigation, the audit team has confirmed that "Prevention measures applicable to the risk factor are implemented." However, it remains unclear how "Project proponent has proven history of effectively containing natural risk."

The audit team requests additional evidence that the project proponent has effectively contained the risk of extreme weather.

It is unclear how

Project Personnel Response: The following has been added to the NPRR:

The Project proponent has proven history of effectively mitigating the natural risk of extreme weather, as there is no way to contain the risk of Extreme Weather. Mitigation of extreme weather includes:

1. Conserving Natural forests - The conservation of natural forests avoids carbon emissions, reducing the global risk of extreme weather through climate change. The loss of these forests would cause significant soil loss through erosion.
2. Tree planting - The promotion of tree planting helps remove carbon dioxide from the air, reducing the global risk of extreme weather through climate change.
3. Erosion control – promotion of planting of woodlots in degraded agriculture areas. Woodlots are promoted in non-forest areas that have been degraded these are usually found in poor soils, and steep slopes that have already seen top soil erosion, or these areas will erode if not mitigated.
4. Soil Conservation / Mudslide Avoidance. In Malawi the most extreme weather events include drought and floods. Community Associations discuss not cutting trees upslope of villages to avoid mudslides. Open discussions about mudslides and soil conservation became a common topic at NRC meetings after the floods in April 2019.
5. Climate Smart Agriculture and Continual Crop Improvements – The Project Proponents work with a local NGO Total LandCare who helps source the materials and seeds/cutting for drought tolerance and mitigation. Materials for drought mitigation include treadle pumps for irrigation during the dry season. TLC also sources drought resistant crops varieties and seeds, over the monitoring period TLC has sourced improved varieties of cassava and procured treadle pumps.

Auditor Response: The audit team confirmed that additional justification has been added under the Extreme Weather Risk section of the risk report (version 3-0) demonstrating that both prevention measures such as erosion control and mudslide avoidance through soil conservation, and containment measurements to reduce the impact from extreme weather, such as climate smart agriculture and crop improvement, have been applied as mitigation measures. This finding has been closed.

NCR 15 Dated 4 Dec 2020

Standard Reference: AFOLU Non-Permanence Risk-Tool version 4.0

Document Reference: Kulera 1168 - VCS-Non-Permanence-Risk-Report-4.0 MR 2 v2-0.docx

Finding: Table 3f of the Non-permanence Risk Tool (opportunity costs) states "NPV from project activities is expected to be at least 50% more profitable than the most profitable alternative land use activity" and has an associated risk rating of -4.

Table 3h of the Non-permanence Risk Tool (opportunity costs) states "Mitigation: Project is protected by legally binding commitment (see Section 0) to continue management practices that protect the credited carbon stocks over the length of the project crediting period" and has an associated risk rating of -2.

In the non-permanence risk report submitted for the project, row F of the Opportunity Costs table in section 1.3 is completed and states "Mitigation: This project has a legally binding agreement in place that protects credited carbon stocks during the crediting period (see REDD+ Agreement)" and applies a risk score of -2. Therefore, the risk rating of -2 applied in row F, as well as the explanation of this risk factor is not in conformance with the Risk Tool as it does not correspond to a NPV analysis, but rather corresponds to mitigation.

Project Personnel Response: The table in question was copied from the MS Excel tool v1-0. The MS Word NPRR Template requires the explanation in a different row. The Risk Report has now been updated to include the explanation entered in the correct row.

Auditor Response: The audit team reviewed version 3-0 of the Risk Report and confirmed that the opportunity costs table in section 1.3 has been corrected. This finding has been closed.

NCR 16 Dated 4 Dec 2020

Standard Reference: VCS version 4.0; AFOLU Non-Permanence Risk-Tool version 4.0; Non-Permanence Risk Report Template version 4.0

Document Reference: Kulera 1168 - VCS-Non-Permanence-Risk-Report-4.0 MR 2 v2-0.docx

Finding: Section 3.2.9 of the Standard states "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."

Version 4.0 of the VCS Non-Permanence Risk Report Template contains 3 sections without subsections: 1 - Internal Risk, 2 - External Risks, and 3 - Natural Risks. Under each of these 3 sections there are tables with headings for each category or risk (e.g., Opportunity Costs, Project Management, etc). Section 4 of the Risk Report Template contains 2 subsections: 4.1 - Overall Risk Rating and 4.2 - Calculation of Total VCUs.

The header of each page of the Risk Report Template contains the VCS logo and "Non-Permanence Risk Report: VCS Version 4.0." The Template does not contain a footer.

The following non-conformities related to the template design exist:

- (1) Sections 1-3 of the risk report contain subsections for each category of risk factor, while the template does not.
- (2) For each category of risk factor (e.g. Opportunity Cost, Project Management), the table does not contain this header.
- (3) The header of each page of the Risk Report contains the Terra Global Capital and Kulera REDD+ logos, but not the VCS logo or "Non-Permanence Risk Report: VCS Version 4.0."
- (4) Each page contains a footer, but the template does not.
- (5) there is no section 4.1 header

Project Personnel Response: There was an error in the template used for the non-permanence risk report. The Headers are now corrected to reflect the correct template headers.

Auditor Response: The audit team reviewed the updated Risk Report (Version 3-0). The only nonconformity that was addressed was the addition of the section 4.1. The other nonconformities listed in the original finding have not been addressed. This finding remains open.

Project Personnel Response 2: [This finding was addressed outside the cover of this workbook]

Auditor Response 2: The audit team reviewed the updated Risk Report (version 4-2) and confirmed that the headers, footers, table labels, and section labels have all been updated and are in conformance with the template. This finding has been closed.

NCR 17 Dated 4 Dec 2020

Standard Reference: VCS version 4.0; AFOLU Non-Permanence Risk-Tool version 4.0; Non-Permanence Risk Report Template version 4.0

Document Reference: Kulera 1168 - VCS-Non-Permanence-Risk-Report-4.0 MR 2 v2-0.docx

Finding: Section 4.2 of the Risk Report Template states "Include in this calculation the number of buffer credits to be deposited in the AFOLU pooled buffer account based on the change in carbon stock only. Include any deductions for the AFOLU pooled buffer account, if applicable, to determine the number of GHG credits eligible to be issued as VCUs."

The Risk Report submitted does not contain a section 4.2 with this calculation the number of buffer credits to be deposited in the AFOLU pooled buffer.

Project Personnel Response: The missing table has been added to the Section 4.2 of the NPRR, note all reductions and removals are related to carbon stocks in MR2.

Auditor Response: The audit team reviewed version 3-0 of the Risk Report and confirmed that the table showing the calculation of total VCUs has been added. This finding has been closed.

NIR 18 Dated 14 Dec 2020

Standard Reference: VCS version 4.0

Document Reference: 01_KuleraREDD_Gross Emission Reductions Nkhotakota MN2 - c-v14 v2-0; 01_KuleraREDD_Gross Emission Reductions Nyika MN2 - c-v8 v1-0; 01_KuleraREDD_Gross Emission Reductions Vwaza MN2 - c-v4 v1-0; Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v3-1; Kulera 1168 - VCS-Non-Permanence-Risk-Report-4.0 MR 2 Compare 3-0

Finding: Section 2.2.1 of the VCS standard establishes that the principle of consistency is to "Enable meaningful comparisons in GHG-related information."

The audit team found that there are inconsistencies between the emissions factors shown in the workbook Kulera Biomass Data for MR2 v1-0.xlsx, and those that were actually utilized for the carbon calculations (e.g. workbook 01_KuleraREDD_Gross Emission Reductions Nkhotakota MN2 - c-v14 v2-0.xlsx, 01_KuleraREDD_Gross Emission Reductions Vwaza MN2 - c-v4 v1-1). There appears to be differences in the aboveground and belowground EFs for MI1-BAR transitions.

The audit team requests additional information regarding the correct EF.

Project Personnel Response: [This finding was addressed outside the cover of this workbook]

Auditor Response: The audit team confirmed that the calculations workbooks, the monitoring report, and NPRR were updated with the corrected emission factors. All calculations and tables were corrected as well. This finding has been closed.

NCR 19 Dated 18 Dec 2020

Standard Reference: VCS version 4.0; CCB-Program-Rules-v3.1

Document Reference: Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v3-2; CCB_PROJ_DESC_1168_JUL2014; CCB_PROJ_DESC_1168_JUL2014

Finding: Section 3.5.8 of the CCB Program Rules states "A project description deviation may be used to update the project to go from the first or second editions to the third edition of the Climate, Community & Biodiversity Standards."

The CCB Verification Report indicates that the project was verified under the second edition of the CCBS.

Section 2.1.1 of the monitoring report (v3-2) states "This Monitoring Report is to be verified under CCB Version 3.1 and VCS Version 4.0" indicating that the project has gone from the second edition to the third edition of the CCBS.

Section 2.2.4 of the monitoring report template states "Describe any project description deviations applied during this monitoring period, identify which section(s) of the project description have been updated and explain the reasons for the deviation. Identify whether the deviation impacts the applicability of the methodology, additionality or the appropriateness of the baseline scenario and provide an explanation of the outcome. Describe and report on any project description deviations applied in previous monitoring reports."

Section 2.2.4 of the monitoring report does not contain a reference to this PD deviation pertaining to the update to the edition of the CCBS and is therefore not in conformance with the standard.

Project Personnel Response: [This finding was addressed outside the cover of this workbook]

Auditor Response: The audit team confirmed that a new version of the monitoring report (v3-3) now contains a description of the PD deviation (section 2.2.4.1) pertaining to the change from the second to the third edition of the CCBS and from the third edition to edition 3.1 (section 2.2.4.2). This section outlines how the project complies with each of the changes to the standard. This finding has been closed.

NCR 20 Dated 18 Dec 2020

Standard Reference: VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4

Document Reference: Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v3-2;

Finding: The MR template states the following in the introductory guidance: "Where a section is not applicable, same must be stated under the section (the section must not be deleted from the final document unless instructions specifically state so)." It appears that Section 7 of the MR (Additional Project Impact Information) has been deleted and the Appendices has been put in its place. This is not in conformance with the template.

Project Personnel Response: [This finding was addressed outside the cover of this workbook]

Auditor Response: The audit team confirmed that a new version of the monitoring report (v3-3) now contains a section 7 titled "Additional Project Impact Information" and it states "Not applicable" under this section. The subsequent Appendices have been moved to section 8. This finding has been closed.

NCR 21 Dated 18 Dec 2020

Standard Reference: VCS version 4.0; CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4

Document Reference: Kulera CCB VCS Monitoring Report CCBv3.0-VCSv3.4 v3-3;

Finding: In Sections 3.2.1-3.2.4 of the MR template, the following is required: "[provide] sufficient information to allow the reader to reproduce the calculation". I don't believe the required information standard has been met.

Project Personnel Response: [This finding was addressed outside the cover of this workbook]

Auditor Response: The audit team confirmed that section 3.2.1-3.2.4 of a new version of the monitoring report (v3-3) now contain sufficient information describing the calculations conducted. This finding has been closed.

NCR 22 Dated 19 Dec 2020

Standard Reference: VCS Non-Permanence Risk Report (Short Form)

Document Reference: Kulera - VCS-Risk-Report-Calculation-Tool-v4.0 -Kulera 1168 MR2 v1-0

Finding: The risk report template states that "This Document is intended to be used in combination with the risk report calculation tool. The risk report calculation tool is a spreadsheet provided to facilitate the calculation of the overall risk rating based on the rating of each risk factor and deductions from mitigations, and it calculates the final buffer withholding amount."

In review of the risk calculation tool it was discovered that project personnel inadvertently stated that ownership and resource access/use rights were held by different entities, when in fact these are all held by DNPW and therefore is not in conformance with the VCS Rules

Project Personnel Response: [This finding was addressed outside the cover of this workbook]

Auditor Response: The audit team was provided with an updated version of the calculation tool (version 2-0) and confirmed that the error has been corrected and the risk score is now appropriate.

NIR 23 Dated 19 Dec 2020

Standard Reference: CCB Program Rules Version 3.1 Section 3.5.7 (5)

Document Reference: PROJ_DESC_1168_03JUL2014

Finding: The CCB rules require that for a project description deviation that:

"Either a new validation or the validation of a project description deviation is required at the time of verification if any of the following situations occur:

1) There has been a change in the project area as defined in the Climate, Community & Biodiversity Standards, except in grouped projects which meet validation and verification requirements defined in Climate, Community & Biodiversity Standards G1.13-15.

CCB Program Rules: Version 3.1

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2) There has been a significant change in the project activities, such as significant changes in the scope (e.g., inclusion or exclusion of reforestation or reducing emissions from deforestation) or scale of the activities.

3) There has been a substantial change in the expected climate, community, or biodiversity impacts of the project, for example, a substantial change in the type of positive or negative impacts, or the affected communities or community group(s).

4) There has been a change of the project proponent(s) responsible for implementation.

5) For projects that met the requirements of the Climate Section waiver and did not use Climate, Community & Biodiversity Standards CL1 – CL4 for the previous validation, there has been a revision of project description and a new validation undertaken to demonstrate conformance with a recognized GHG program, for example resulting in changes to the project's without project scenario.

6) Information is provided to demonstrate that the project meets the requirements of a Gold Level that was not included in the project description for an earlier validation.

The validation/verification body will decide if the project's situation requires a full new validation or the validation of a project description deviation based on the significance of the deviation from the existing project design..."

Given that no updated project description has been provided, the audit team cannot perform the assessment at this time.

Project Personnel Response: [This finding was addressed outside the cover of this workbook]

Auditor Response: The audit team was provided with an updated version of the project description and confirmed that it meets the requirement of the CCB rules. This issue is resolved.