



VERIFICATION REPORT OF THE PROJECT: AVOIDING PLANNED DEFORESTATION AND DEGRADATION IN THE VALDIVIAN COASTAL RESERVE, CHILE



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VCS Standard Version	4.7
Client	The Nature Conservancy
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Summary:

AENOR CONFIA S.A.U. (AENOR) has performed the verification of the project “Avoiding Planned Deforestation and Degradation in the Valdivia Coastal Reserve, Chile (VCS ID 1175) on the basis of Voluntary Carbon Standard (VCS) and Climate as well as the host country criteria. The purpose of verification is to have an independent, third party assess the project design. In particular, the project design document, the project's baseline, the monitoring plan (MP), and the project’s compliance with relevant VCS requirements.

The Valdivian Coastal Reserve (VCR) is located approximately 40 km southwest of Valdivia in Region XIV (formerly Region X), Chile. The VCR is situated in the Coastal Range of south-central Chile, in a section known as the Cordillera Pelada. It is located at the northern extension of the temperate rainforest ecoregion and represents one of the last large fragments of Valdivian Temperate Forest. The area is of significant ecological value, home to numerous endemic species, significant ecosystems and vegetation, such as *Aextoxicon punctatum* and *Alerce* (*Fitzroya cupressoides*),

The Nature Conservancy monitored the Valdivian Coastal Reserve from November 2014 to November 2023, focusing on forest protection, community outreach, and education. They updated the management plan for 2021-2026, confirming no new deforestation or disturbances. No emission reduction was achieved during this monitoring period, due to leakage effect from averted *Eucalyptus* production the reserve experienced total negative GHG emission reductions of -18,962 t CO₂e.

The scope of the audit is to validate and verify the emissions reductions of the proposed project activity against the Verified Carbon Standard, the identified methodology and associated tools. The objectives of this audit included a verification of the projects calculated emission reductions with the Verified Carbon Standard requirements and any additional requirements of VCS AFOLU projects, besides the assessment of the additionality and the risk assessment report.

In order to confirm that the project design as documented is sound and reasonable and meets the stated requirements and identified criteria, the verification consisted of the following three phases: i) a desk review of the project design and the baseline and monitoring plan; ii) follow-up observation and interviews with project stakeholders; iii) the resolution of outstanding issues and internal technical review followed by the issuance of the final verification report and opinion.

The purpose of the visit assessment was to determine the conformance of the project with respect to the VCS Standard Version 4.7 and information provided in the monitoring description. The field visit took place from 6 to

10 May 2024, in which a members of the audit team visited the project area, interviewed key stakeholders, staff and other related experts, and also reviewed the MR and supporting documents.

In the course of the verification process 2 corrective actions and 4 clarifications were raised, all have been successfully closed (see findings in appendix 3). All these issues raised during the verification process where appropriately closed by means of corrections, more clear explanations and other supported documents.

Hence, once all issued detected were appropriately solved, AENOR carried out a final verification report and deems with reasonable level of assurance that the project complies with all of the audit criteria for VCS. The assessment team has no restrictions or uncertainties with respect to the compliance of the project with the verification and verification criteria, hence, the audit team concludes that the net GHG emissions reductions, for the lands included in the project boundary at verification stage has been quantified in accordance with VCS rules.

AENOR assessed the calculations and confirm estimated GHG emission reductions are correct. During this monitoring period (04 November-2014 to 03 November 2023) the net GHG emissions reductions equals -18,962 t CO₂e. During this monitoring period leakage emission due to domestic market were higher than baseline emission. Then, project activity has negative emission reductions.

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1 INTRODUCTION

1.1 Objective

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

1.2 Scope and Criteria

Verification Scope: The scope of the verification audit is to verify the emissions reductions the project, against the Verified Carbon Standard, the identified methodology and the validated PD throughout the monitoring period from 04-November-2014 to 03-November-2023. The scope was defined as follows:

- The project monitoring period,
- Emission reduction calculation,
- Non-performance risk report verification
- Assessment of monitored and processed data
- Verification requirements stated in the VCS standard

The objectives of this audit included a verification of the projects calculated emission reductions with the Verified Carbon Standard requirements and any additional requirements of VCS AFOLU projects. In addition, the audit assessed the project with respect to the validated baseline scenarios presented in the PD and MR.

Standard Criteria: The verification assessment was performed in accordance the reequipments of VCS standard, including the following documents:

- VCS Program Guide v4.4 /1/
- VCS Standard v4.7 /2/
- VCS Methodology requirements v4.4 /3/
- VCS Programme definition v4.5 /4/
- VCS Validation and verification manual v3.2 /5/
- VCS AFOLU Non-Permanence Risk Tool, v4.2 /6/
- VM0007 REDD+ Methodology Framework (REDD+MF), version 1.5 /23/.

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

Finally, according to instructions from IAF (International Accreditation Forum), based on ISO 14065, the VVB is attaching the following accreditation information: AENOR CONFÍA, S.A. (Unipersonal) verification/validation entity accredited by ANAB with AEN accreditation number 8993.

1.3 Level of Assurance

The assessment was conducted to provide a reasonable level of assurance of conformance against the defined audit criteria and materiality thresholds within the audit scope without any limitation. Based on the audit findings, a positive evaluation statement reasonably assures that the project GHG assertion is materially correct and is a fair representation of the GHG data and information.

The verification assessment was conducted in accordance with ISO 14064-3 (ISO 14064-3: 2019) with **reasonable level of assurance**. The assessment has been performed through a deep desk review, site visit to the project, interviews with local stakeholders, and interviews with relevant personnel from PP. AENOR reproduced and verified the spreadsheet of GHG emissions reduction calculation /24/; also, it was carried out a deep and meticulous review to verify the correct application of the methodology, formulae, equations and checked that data required to calculate the GHG emission reductions are appropriately provided.

AENOR confirms that sufficient evidence was presented for the reported net anthropogenic GHG emission reductions and that there is a clear audit trail that contains the evidence and records that validate the stated figure in this verification report since:

- Sufficient evidence available: The project participant has provided the 100% of data used in the calculations to achieve the final amount of GHG emission reductions reported.
- Nature of evidence: The raw data were collected from reliable sources. They are detailed in the project documents and have been provided to the verification team and the most relevant are appropriately detailed in the appendix 3.
- Cross-checked evidence: AENOR cross-checked the collected information through an on-site inspection to the project area and reproducing calculations.
- GHG assertion is materially correct and is a fair representation of the GHG data and information.

All the revisions of the verification report before being submitted to the client were subjected to an independent internal technical review to confirm that all verification activities had been completed according to the pertinent AENOR instructions required. The technical review was performed by a technical reviewer(s) qualified in accordance with AENOR's qualification scheme for CDM/VCS validation and verification.

1.4 Summary Description of the Project

The Valdivian Coastal Reserve (VCR) is located approximately 40 km southwest of Valdivia in Region XIV (formerly Region X), Chile. The VCR is situated in the Coastal Range of south-central Chile, in a section known as the Cordillera *Pelada*. It is located at the northern extension of the temperate rainforest ecoregion and represents one of the last large fragments of Valdivian Temperate Forest. The area is of significant ecological value, home to numerous endemic species, significant ecosystems and vegetation, such as *Aextoxicon punctatum* and *Alerce* (*Fitzroya cupressoides*),

The Nature Conservancy monitored the Valdivian Coastal Reserve from November 2014 to November 2023, focusing on forest protection, community outreach, and education. They updated the management plan for 2021-2026, confirming no new deforestation or disturbances. No emission reduction was achieved during this monitoring period, due to leakage effect from averted Eucalyptus production the reserve experienced total negative GHG emission reductions of -18,962 t CO₂e.

2 VERIFICATION PROCESS

2.1 Method and Criteria

The verification has been performed through a deep desk review, site visit to the project, interviews with local stakeholders, interviews with local authorities, and interviews with relevant personnel from PP. The assessment was performed by reviewing evidence listed in the appendix 2; interviews as discussed in section 2.3 of this report. The project was assessed for conformance to the criteria described in Section 1.2 of this report. Findings were issued to ensure that the project was in full conformance to all requirements.

The project verification process was carried out in accordance with the requirements established in the ISO 14064-3:2019 "Greenhouse Gases. Part 3: Specification with guidance for the verification and validation of greenhouse gas statements". Sampling was carried out taking into account the tools, guides, etc. that are considered by the programs. In the case of VERRA programs, the provisions of the "Standard for Sampling and Surveys for CDM Project Activities and Program of Activities" as well as the "Guidelines for sampling and surveys for CDM project activities and programs of activities" was taken into account.

Audit team reviewed 100 % of GIS data and Landsat images to confirm monitoring results. As per methodology baseline is fixed, then audit team focused on project and leakages emissions verification.

The objectives of this audit included a the carefully review of the projects calculated emission reductions with the Verified Carbon Standard requirements and any additional requirements of VCS AFOLU projects, besides the assessment of the risk report.

In order to confirm that the project design as documented is sound and reasonable and meets the stated requirements and identified criteria, the validation consisted of the following three phases: i) a desk review of the project design and the baseline and monitoring plan; ii) follow-up interviews with project stakeholders; iii) the resolution of outstanding issues and internal technical review followed by the issuance of the final verification report and opinion. In the course of the verification process 2 corrective actions and 4 clarifications were raised, all have been successfully closed.

The kick off meeting was carried out on 25 March 2024; where the audit team was presented, and the field visit was defined. Site visits were conducted from 6 to 10 May 2024, it included: the site visit to the project; confirming project location verification of species used; confirmation project start date; status of the project activity; property and land use rights; and interviewed with stakeholders. On May 10 was carried out a meeting with technical team in order to review Application of Methodology (Applicability, Project boundary, Baseline scenario;); GIS data; satellite images processing; and Emission reduction calculation (GHG emission reductions calculation).

AENOR carried out this verification report and deems with reasonable level of assurance that the project reported information are based on reliable evidence.

2.2 Document Review

The monitoring report submitted by the PP was reviewed against the approved methodology and against VCS requirements. Additional background documents related to the project design, baseline, additionality, were made available before and during the on-site visit in Chile (project site). Also, Non-Permanence Risk Reports were verified against VCS AFOLU Non-Permanence Risk Tool, v4.2.

To address the corrective actions and clarification requests that arose from the desk review and on-site visit, the project developer the initial version of the monitoring report /7/, dated on 19 January 2024 and developed a final version (3.0) /8/ dated on 27 November 2024. Appendix 2 to this report details the list of documents provided by PP and reviewed by AENOR during the process.

2.3 Interviews

The AENOR's lead auditor (Richard Gonzales) conducted interviews with project developers; local stakeholders; and key personnel involved in the project activity, in order to confirm selected information and to resolve issues identified in the document review.

The kick-off meeting was carried out on 25 March 2024; where the audit team was presented, and the field visit was defined. Site visits were conducted from 6 to 10 May 2024, it included: the site visit to the project; confirming project location verification of project activities; confirmation; status of the project activity; property and land use rights; and interviewed with stakeholders. On May 10 was carried out a meeting with technical team in order to review Application of Methodology (Applicability, Project boundary, Baseline scenario;); GIS data; satellite images processing; and Emission reduction calculation (GHG emission reductions calculation). }

The people interviewed were those directly affected or involved in the project activity and in some cases were just indirectly affected are summarized following:

Audit Date	Name	Organization/Title	Subject
06/05/2024	Liliana Pezoa	Administrator of the Valdivian Coastal Reserve / The Nature Conservancy	Initial meeting (Presentation of verification team) Confirmation of activities during site visit. Characteristics of the project (Ownership, Project status, condition prior to project initiation, Safeguard and stakeholder engagement
	Devon Eriksen	Consultant / TerraCarbon LLC	Stakeholder identification process The processes used by the project proponent to communicate and consult with local stakeholders during the monitoring period
	Arnoldo Shibar	Regional director / Chilean National Forestry Corporation - CONAF	Legal status Forest activities in the project area Project conflicts Project opinion Project Benefits
07/05/2024	Liliana Pezoa	Administrator of the Valdivian Coastal Reserve / The Nature Conservancy	
	Devon Eriksen	Consultant / TerraCarbon LLC	

Audit Date	Name	Organization/Title	Subject
	Marcelo Antillanca	The Nature Conservancy	Visit to project area Inspection of the project's activities Control and surveillance Checkpoints
	Danilo Gonzáles	The Nature Conservancy	Project site inspection Reforestation activities Stratus confirmation Monitoring activities and procedures QA/QC procedures Fire Management Species used Field data verification
08/05/2024	Jose Carreño	Park Guard/ The Nature Conservancy	Patrolling activities Conservation activities Health and safety procedures Working conditions Training activities
	Erwin Ovando	Park Guard/ The Nature Conservancy	
	Guido Aguayo	Park Guard/ The Nature Conservancy	
	Patricía Barria	Park Guard/ The Nature Conservancy	
	Marcelo Vera	Park Guard/ The Nature Conservancy	
	Jemima Sanchez	Park Guard/ The Nature Conservancy	
	Jimena Antillanca	Local stakeholders	Consultation process Opinion and perception of the project Well-being improvement Documentation access Antidiscrimination and grievance policies access Project Benefit customary access and rights
	Mariluz Otero		
	Juvenal Antillanca		
	Sonia Railaf		
	Mirta Railaf		
	Guillermo Gonzales		
	Eliana Huala		

Audit Date	Name	Organization/Title	Subject
	Yesenia Antillanca		Training activities
	Marcelo Antillanca		
	Adelaida Arriaza		
	David Faivovich	Community Coordinator/The Nature Conservancy	Antidiscrimination and grievance policies Project Benefit
09/05/2024	Devon Eriksen	Consultant / TerraCarbon LLC	Application of Methodology GIS DATA Analysis Baseline emission (fixed) Project emission Leakage QA/QC procedures Monitoring results
	Cristobal Zamorano	Safety and security specialist / The Nature Conservancy	Health and safety procedures and policies
10/05/2024	Walter Gebhard	Representative of El Corral Municipality	Project conflicts Project opinion Project area rights
	Liliana Pezoa	Administrator of the Valdivian Coastal Reserve / The Nature Conservancy	Field final meeting
	Devon Eriksen	Consultant / TerraCarbon LLC	

2.4 Site Visits

The objectives of the on-site inspections performed were mainly to cross check the description provided in the project description and monitoring report related to the VCS requirements implemented by the proponent, including:

- Ensure that the geographic area of the project, as reported in the PD and the accompanying KML file, is in conformance with Section 3.11.1 of the VCS Standard;
- Perform a risk-based review of the project area to ensure that the project conforms to all other requirements of the VCS rules and the methodology.
- Observe the Project Proponent's evidence and collect and record data in order to assess whether data collection techniques conform to the monitoring plan and related documentation and to evaluate data quality control systems.
- Select samples of data and information for verification in order to meet a reasonable level of assurance and to meet the materiality requirements of the project (5%), as required by Section 4 of the VCS Standard;
- Perform a risk-based review of the project area to ensure that the project is in conformance the eligibility requirements of the VCS rules and the applicability conditions of the methodology; and
- Interview local authorities to confirm that the project operates in accordance with current permits and authorizations and its relationship with local actors and communities.
- Interview local stakeholders to confirm that the project operates in accordance with current permits and authorizations and its relationship with local actors and communities.
- Interview the key personnel involved in the mentoring and observe monitoring practices.
- Verify Security access in the project zone
- Verify health and safe working condition of project personnel.

Site visits were conducted from 6 to 10 May 2024, in which the audit team visited the project area, interviewed key stakeholders, staff and other related experts, and reviewed the MR and supporting documents. Also, a meeting was carried with project representants and personnel in charge of carrying out the calculations, image processing, and monitoring results. Details of the interviews are summarized in section 2.3 of this report. Site visit included:

- Project area; confirming project location (Colún sector) and Check points
- Nursery (species used in project activity)
- Small water treatment plant
- The Nature Conservancy office (where most of the meetings took place)
- Chaihuin community
- El Corral municipality
- Chilean National Forestry Corporation – CONAF office.

2.5 Resolution of Findings

All documentation provided by the Project Proponent was assessed against the most recent version of the relevant VCS requirements. Some clarification requests (CL) and corrective action requests (CAR) were raised and submitted to the Project Proponent, which addressed them either by providing to the audit team the requested information or by making the appropriate corrections. Updated versions of the documentation were submitted by the Project Proponent and the audit team reassessed them against the guidance documentation. This process was repeated iteratively until all CLs and CARs were fully resolved. Specifically, 2 CARs and 4 CLs were reported.

All findings issued by the AENOR audit team during the verification process have been closed. All findings issued during the verification process, and the inputs for their closure, are described in Appendix 3 of this report.

2.5.1 Forward Action Requests

No FARs were raised during this verification.

2.6 Eligibility for Validation Activities

AENOR holds accreditation for validation and verification for the sectoral scope 14, Agriculture, Forestry and Other land Uses

3 VALIDATION FINDINGS

The verification process has been conducted by AENOR in accordance with ISO 14064-3:2019, on the basis of VCS standards. The conclusions of this report show that the project, as it was described in the project documentation, is in line with all criteria applicable for the verification. The review of the project design documentation and additional documents related to baseline and monitoring methodology; and the subsequent background investigation, follow-up interviews and review of comments by parties have provided AENOR with sufficient evidence to validate and verify the fulfilment of the stated criteria. Therefore, AENOR deems that the description in the project description is accurate, complete, and provides an understanding of the nature of the project.

3.1 Methodology Deviations

PP is applying the following deviation to methodology VM0007 /9/:

For monitoring potential for illegal degradation, module M-REDD is employed. Because it is extremely sensitive to ask of community members explicit questions regarding timber harvest activities, instead of the participatory rural appraisal approach specified in module M-REDD, involving direct interviews in communities surrounding the project area to evaluate potential for illegal degradation, an alternative approach was pursued involving consultation with local authorities responsible for tracking these activities (elaborated in Section 4 of the PD).

Audit team confirmed that PP has applied approved deviation during this monitoring, as per established in the previous verification when baseline was updated.

3.2 Project Description Deviations

No project description deviation was requested during this verification.

3.3 New Project Activity Instances in Grouped Projects

Not applicable. This is not a grouped project

3.4 Baseline Reassessment

Did the project undergo baseline reassessment during the monitoring period?

☐ Yes ☒ No

4 VERIFICATION FINDINGS

The verification process has been conducted by AENOR in accordance with ISO 14064-3:2019, on the basis of VCS standards. The conclusions of this report show that the project, as it was described in the project documentation, is in line with all criteria applicable for the verification. The review of the project design documentation and additional documents related to baseline and monitoring methodology; and the subsequent background investigation, follow-up interviews and review of comments by parties have provided AENOR with sufficient evidence to verify the fulfilment of the stated criteria. Therefore, AENOR deems that the monitoring report is accurate and complete.

4.1 Project Details

Item	Evidence gathering activities, evidence checked, and assessment conclusion:
Audit history	AENOR verified the project against VCS and Methodology requirements. Verification team review carefully all information included in the registered PD /9/, previous verification report /10/ PD

and MR first and last versions /7/ /08/. The audit process included desk review of the project design, the baseline and monitoring plan; site visit to the project area; follow-up interviews with project stakeholders and local authorities. During the audit process some findings were raised, which were solved by PP before drafting the verification report. The initial verification report, project design document and supporting evidence were submitted to technical review.

Audit team gathered information about

- Project proponent, developers/management team.
- Project status
- Methodology applicability
- Deforested areas during monitoring period
- Measurement records.
- Controls established to detect and correct any error or omission in monitoring parameters.
- Carbon calculations.
- Estimates and assumptions for determining GHG data.
- Remote sensing.
- Property and land use rights of the local stakeholders
- Activities implemented by the project proponent to mitigate risks local stakeholders
- The processes used by the project proponent to communicate and consult with local stakeholders during the monitoring period
- Project conflicts, barriers, or difficulties.
- Project Communication & Grievance Mechanism
- Monitoring results
- Non-performance risk report
- Project activity dissemination; among others

Complete list of assessed evidence are listed in appendix 2 of this report. Provided information allowed to the audit team:

	- Carefully review the monitoring report and supporting documentation. - Examine the baseline data gathered from the determined baseline for Project's region, spreadsheets used to enter, and compile information required by the methodology. - Reproduce the sheets for ex-ante calculation emission reductions for the project area crosschecking with used methodology requirements - Reproduce the GHG emissions reductions calculations presented in the spreadsheet and crosscheck with the VCS and MR. - Check the project boundary and land cover changes in the project area for the monitoring period using the GIS database. - Verify and crosschecked with validated values the carbon stock changes, and the land used classes in the project area. - Carefully review the NPRR and supporting documentation for conformance to the verification criteria and consistency with the Project Description. - Verify Non-Permanent Risk Report results using the NPRR tool and considering the standard requirements and validated Project Description. Auditing process included site visit and interviews, detailed in section 2.3 and 2.4 of this report The audit process has been conducted by AENOR in accordance with ISO 14064-3:2019, on the basis of all issues and criteria of VCS standards. The conclusions of this report show that the project, as it was described in the project documentation, is in line with all criteria applicable for the verification. The review of the monitoring report and additional documents related to baseline and methodology. The subsequent background investigation, follow-up interviews and review of comments by parties have provided AENOR with sufficient evidence to verify the fulfilment of the stated criteria.
Double counting and participation under other GHG programs	The project is not receiving nor seeking credit for reductions from a project activity under another GHG program. Audit team assessed other GHG programs platforms on web, confirming that the project is not participating nor rejected in other GHG programs.

No double claiming with emissions trading programs or binding emission limits	The project is not included in an emissions trading program.
No double claiming with other forms of environmental credit	The project has not participated in any other environmental accreditation program for the elimination of GHG emissions. Also, the project does not intend to generate any other type of environmental credit related to GHG emissions other than through the VCS Program.
Supply chain (scope 3) emissions double claiming	The project activities are not affected by the emissions footprint of any product(s) (goods or services) that are part of a supply chain.
Sustainable development contributions	The Nature conservancy continued ownership and protection of the Valdivian Coastal Reserve has protected carbon stocks, biodiversity, and water resources in the long term through avoided conversion of the coastal forest to Eucalyptus plantation and establishment of an easement on the property. By achieving long-term financing of the Reserve, the project has also contributed to sustainable development through promotion of ecotourism in the region. The project contributes to the country's sustainable development by achieving its adapted goals to reach the SDGs, thereby fostering sustainable growth in the region and the country. SDGs ✓ 5.0.- <i>Achieve gender equality and empower all women and girls.</i> Local women have been empowered through cultivation of traditional skills (handicrafts/cooking) and increased financial independence. Audit team interviewed local community members (women) to confirm activities developed in the project area, They confirmed activities the support women-owned microenterprises ✓ 6.1.- <i>Proportion of the population using safely managed drinking water services.</i> The Nature Conservancy supports the Chaihuin Rural Drinking Water Committee, implementing a drinking water system in Chaihuin and Huiro villages. The project involved donating water rights and land for execution, benefiting over 175 families. The system provided at least 10 liters of potable water per day to 1,200 people, a 40% increase in catchment area, through improved wells. Audit tam visited Water treatment plant, confirming the safety drinking water services.

	✓ 6.3.- By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing hazardous release of chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. The Valdivian Coast Reserve (VCR) is partnering with Corral Municipality and coastal towns Huape, Chaihuin, and Huiro in the Environmental Protection Fund project to manage domestic waste, establishing over 40 waste collection points to prevent contamination and attract tourists, enhancing waste management. ✓ 8.9.- Tourism direct GPD as a proportion of total GDP and in growth rate. The VCR has significantly impacted the local population, attracting 7,000 visitors annually and training community members to work as guides. From 2003 to 2023, the VCR attracted 50,000 visitors, contributing to the income of 30% of the local population and enhancing their livelihoods. Audit team, during the on-site visit confirmed the SDG contribution, by direct interviews with stakeholders, who confirmed well-being improvement, for example: support on tourist activities and implementation and operation of a small drinking water treatment plant. Also it was reviewed Valdivian Coastal Reserve Monitoring Plan 2015-2020 /11/ confirming the SDG contribution. Then AENOR is able to confirm that project implementation contributes to sustainable development and is aligned with national objectives and UN goals.
Additional information relevant to the project	No commercially sensitive information has been excluded from the public version of the monitoring report.

4.2 Safeguards and Stakeholder Engagement

4.2.1 Stakeholder Identification

Item	Evidence gathering activities, evidence checked, and assessment conclusion
Stakeholder identification	Identification of stakeholder are described in appendix 3 of the MR and section 6 of the registered PD /9/. PP identified five key communities that are closest to the project area and more marginalized to focus its outreach activities. These communities have members living near the VCR or have members who regularly travel to the area or are in some way dependent

	upon the VCR for income, livelihood, or cultural values. These five communities are Huape, Chaihuín, Huiro, Cadillal Bajo, and Cadillal Alto.
Legal or customary tenure/access rights	Customary Rights are detailed in in appendix 3 of the monitoring report. The project has enhanced community access to the Reserve, compared to the pre-project situation. Under The Nature Conservancy's management, community members were able move freely within the Reserve, even in physically difficult areas due to thick undergrowth. They are welcome to extract non-timber forest products (NTFPs) in all areas. The Figure A3.1. of the appendix shows the most commonly accessed areas, and community members have gained management rights to special areas for forestry collectives, controlled grazing, and fishing. Agreements signed with the communities indicate consent to manage these areas. Audit team confirms the access the reserve by direct interviews with local stakeholder (refer to section 2.3 of this report).
Stakeholder diversity and changes over time	The Nature Conservancy identified the needs for a social program to involve local stakeholders and aid in sustainable development around the VCR. The program aimed to coordinate with communities for successful conservation and sustainable rural development. The program aimed to reduce anthropogenic pressure on the environment and improve the quality of life for the people living within the area, ensuring a positive relationship with its neighbors. By comparing previous verification report /10/; appendix 3 of the monitoring report /8/; Valdivian Coastal Reserve Monitoring Plan 2015 - 2020 /10/; Community Engagement Plan for the Valdivian Coastal Reserve /12/ and contrasted during the site visit audit confirms that there are no mayor change in identified social groups.
Expected changes in well-being	For stakeholder well-being the project has monitored community indicators throughout its lifetime. The Community Monitoring Plan /12/ tracks community well-being, and the Monitoring & Implementation report /11/ found the project's net impacts to be mostly positive. Since then, TNC has conducted stakeholder surveys to assess community impacts and satisfaction. The results and plan for improving community engagement are described in the document "Community Engagement Plan for the Valdivian Coastal Reserve /12/. The VCR aims to contribute to sustainable community development through seven objectives, detailed in appendix 3 of the monitoring report: water and sanitation, health, education, resource tenure, sustainable livelihoods,

	women's empowerment, and public relations. To support the project's overall goal of sustainable development with positive impacts on local communities. By interviewin various stakeholders, during the on-site visit, the audit team confirmed the changes of well-being in local communities, for example the access to potable water (audit team visited the small drinking water plant); also confirmed women training and empowerment.
Location of stakeholders	Location of villages are close or adjacent to the reserve, the carbon Project Area is quite remote and the communities have no direct reliance on these particular areas. Identified communities' groups are located in: Chaihuín, Haupe, Huiro, Cadillal Alto and Cadillal, Bajo. Table A3.2 of the appendix 3 in the MR (Community Groups and Other Stakeholders), details al groups identified. Figure A3.1 of the MR appendix 3, denotes areas of customary use and inholdings in the Valdivian coat reserve (VCR). Location of the stakeholders and project influence were confirmed by interviewing the CONAF Regional director (Chilean National Forestry Corporation).
Location of resources	Project activity aims to promote stewardship of the area's natural resources. Activities include grazing lands, camping concessions, forest cooperatives, and guaranteed access to non-timber forest products. These activities support sustainable use of resources, establish codes of conduct, and provide incentives for long-term benefits. The expected outcome is empowerment of local communities, promoting sustainable use of land, fisheries, and forests. Allowed activities in the coastal reserve were observed during the on-site visit and was confirmed by interviewing local stakeholders and local authority (a representative of "El Corral" Municipality).

4.2.2 Stakeholder Consultation and Ongoing Communication

Item	Evidence gathering activities, evidence checked, and assessment conclusion
Ongoing consultation	The project staff regularly engages with local communities to inform about reserve and carbon project activities. A third-party consulting group surveyed communities, revealing areas for improvement. A new socio-

	community expert will join the team to implement a 2021-2026 Community Engagement Plan /13/, which involved 13 workshops with stakeholders.
Date(s) of stakeholder consultation	PP staff meets with local communities and stakeholder groups frequently, confirmed during the stakeholders' interviews. Dates of stakeholder consultation process are detailed in section 6 of the validated PD /9/
Communication of monitored results	Audit team confirmed, through interviews with the various local actors, that stakeholder has access to the project information, including monitoring results. Also, stakeholders has access to "Protocol that regulates the relations of the Valdivian Coastal Reserve with different stakeholders of the territory" /14/. Results and documents were explained PP during meetings held within the framework of the project
Consultation records	The Valdivian Coastal Reserve administration receives community inquiries and requests in written form, either handwritten or printed, with a signature. These requests are archived and kept in the VCR administration. Audit team was able to access the printed records in their local office (monitoring report, results, Community Engagement Plan, among others)
Stakeholder input	During this verification as a result of feedback received in a survey conducted by third-party consultants, the VCR is hiring a new socio-community expert to manage community relationships, who is implementing a new Community Engagement Plan for 2021-2026.

4.2.3 Free, Prior, and Informed Consent

Item	Evidence gathering activities, evidence checked, and assessment conclusion
Consent	The project, which involved private company acquisition of lands, did not include community lands. Event that, the project has received the Free Prior Informed Consent of the communities whose customary rights are affected by the project at the beginning of the project /15/. During the site visit, by interviewing local stakeholders (refer to section 2.3) confirms that project activity respect their customary rights, project activity guarantees the access to the project area. In this sense, TNC has improved access to reserve lands for local customary rights holders, including allowing harvesting, grazing, and forest management.

	As there were no ancestral territories in the area and only a handful of individuals living in the reserve at the time of purchase, customary rights corresponded with access and user rights, as discussed in previous section of this report.
Outcome of FPIC discussion	The project involved purchasing lands from a private company , excluding community lands. Project activity improved access to reserve lands for local customary rights holders, allowing harvesting of NTFPs, cattle grazing, forest management, and fishing licenses.

4.2.4 Grievance Redress Procedure

Item	Evidence gathering activities, evidence checked, and assessment conclusion
Grievance received and steps taken to resolve the grievance including the outcomes of the resolution	The VCR engages community members through focus groups and roundtables to raise concerns with Reserve leadership. They distribute contact information for grievances and use culturally-appropriate channels like traditional meetings and WhatsApp voice messages. VCR staff accept verbal and written complaints, initiating resolution processes promptly. Minor concerns or requests can be addressed in writing to the VCR administration, which responds within 10 days. TNC endeavors to maintain open communication with the community. Audit team held several interviews (local stakeholders and authorities), and all of the interviewees recognized not to be aware about any sign of complaint.
Grievance redress procedure	TNC follows three steps: 1. TNC will first attempt to address the concern internally, seeking a solution based on mutual consensus of both parties and providing a written response to ensure clarity between both parties. 2. If the grievance is not able to be addressed internally and greater mediation is needed, the TNC will call on a neutral third-party mediator, the Alcalde de la Comuna, to assist in the resolution. The VCR is committed to following this procedure and achieving consensus with the community in regard to its activities and in doing so optimize the benefits that can be produced for them. 3. In the unlikely event that the conflict is not resolved satisfactorily with the intervention of the neutral third-party

	mediator, the conflict will be referred to either a) arbitration in the relevant district, or b) court in the relevant district, without prejudice to the complainant's ability to submit the grievance to the relevant competent supranational adjudicatory body. TNC maintains a database to store documents and a tracking system for complaints and grievances in order to monitor and ensure that they are addressed within the given timeframe and resolved satisfactorily. The database contains basic information on the grievance including: • Date of submission • Individual or group submitting the grievance • Request, concern, or grievance (classification) • Date of reply by TNC • Status of resolution • Notes Lastly, TNC makes information on grievances and project responses available to the public through an update during the annual meeting. The audit team, after reviewed grievance procedure confirms that it complies with the three stages established in section 3.18.4 of the VCS standard. During the site visit were confirmed that no complains or claims of any kind through the communications channels of the company was received. Also, during the interviews (refer to section 2.3) stakeholders confirms the awareness of the procedure and do not know of any complaints about the project.
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4.2.5 Public Comments

Comments received	Actions taken by the project proponent	Evidence gathering activities, evidence checked, and assessment conclusion
No comment was received	N/A	Verification team reviewed VCS Verra Registry platform and confirm that no comment was received.

4.2.6 Risks to Local Stakeholders and the Environment

4.2.6.1 Management Experience

Section 2.2.1 of the MR includes information documenting the expertise and experience of individuals involved in project management partnerships. Liliana Pezoa, Administrator of the Valdivian Coastal Reserve, TNC has 20 years of conservation and community engagement experience with TNC, acting as Conservation Coordinator and later Administrator of the VCR. She directs the team of Park Guards that manages the Reserve and conducts community outreach meetings and activities; Julio Giraldo Bermudez, Carbon Markets Lead, TNC, has over 10 years of experience in quantification and verification of organizational carbon footprints, products, and processes. Julio represents the TNC-Global team that administers the carbon project; and TerraCarbon LLC, who was contracted to quantify carbon offsets and develop project documentation. TerraCarbon has 18 years of experience in carbon project development.

AENOR's verification team reviewed the resumes of project proponent /16/ and consultant /17/ and conclude that the organization has the expertise and prior experience implementing land management and carbon projects at the scale of this project. Notice that this is the last verification of the project activity.

4.2.6.2 Risk Assessment

Item	Evidence gathering activities, evidence checked, and assessment conclusion
Natural and human induced risks to stakeholders' wellbeing	The project activities have not identified any natural risks to stakeholder wellbeing.
Risks to stakeholder participation	A risk to stakeholder participation was identified at validation. TNC mitigated this risk by improving training and capacity building for local institutions, as described in Section 5.1 of the Community Engagement Plan /12/, During the site visit the interviewees confirmed that they were trained in natural resource management skills, business and entrepreneurship, sustainable livelihoods support, establishment and strengthening of governance. Also, confirmed that the capacity building helps to improve their well-being conditions. As a result, this risk has been reduced. It is therefore concluded that the mitigation measures have been effective.
Working conditions	Work within the coast reserve includes low-level risks, typically associated with activities conducted in sites with little infrastructure and irregular conditions. The level of risk varies depending on the type of employment in the VCR and the associated activities, although none of the work requires undue exposure to risks.

	Project activity conducts annual reviews of workplace order, hygiene, and safety to minimize risks and ensure compliance. The park guards are trained /18/ in handling accidents and providing first aid. Safety programs are in place, with operating procedures designed with safety as a primary concern. Park Guards are trained in using motorcycles and small boats, providing security equipment, and identifying risks related to the road network. Transportation within the VCR is planned with precaution, such as crossing rivers only when safe conditions can be confirmed, especially regarding tides. Audit team reviewed training records /18/ and interviewed Park guards, who confirms the Health and Safety Policy /19/ that the procedures had been implemented adequacy.
Safety of women and girls	A risk towards the safety of women and girls was identified at validation. It is women's financial independence (through project activities focused on women's empowerment through owning small businesses) might create conflicts within families and may lead to women quitting. PP has ensured financial empowerment for women through gender-balanced development opportunities like owning small businesses and fair representation in VCR community outreach efforts. This allows women's voices to be heard, raising awareness of potential negative impacts of VCR's gender-balanced community development efforts. This fact was corroborated by interviewing women community members, who confirms activities developed by PP.
Safety of minority and marginalized groups, including children	Loss of traditional culture as a result of increased influx of tourism and business activities was identified at project validation. No risk to children was identified. PP mitigated risk by supporting local cultural activities and selling handicrafts and foods. It focused on the smallest and most marginalized communities, improving livelihoods like access to non-timber forest product collection and clean water. No adverse impacts were observed during the site inspection, on minority or marginalized groups, such as children, from project activities.
Pollutants (air, noise, discharges to water, generation and release of hazardous materials and chemical pesticides and fertilizers	Increased pollutants as a result of sustainable tourism activities was identified at project validation. PP mitigates this risk by monitoring tourism levels and by having regular discussions of cultural impacts at community meetings. It was confirmed by stakeholders, during the site visit.

4.2.7 Respect for Human Rights and Equity

4.2.7.1 Labor and Work

Item	Evidence gathering activities, evidence checked, and assessment conclusion
Discrimination	No risk identified
Sexual harassment	No risk identified
Gender equity in labor and work	TNC is committed to inclusive hiring practices, per page 5 of The Nature Conservancy Code of Conduct /20/ says that TNC is “inclusive of all people and look for a wide range of talent when recruiting and hiring.”, and “Our values and policies are designed to protect individuals from being treated unfairly based on unique personal characteristics such as: race, color, nationality or regional origin, ethnicity, tribe, religion, age, ability, sex or gender identity, sexual orientation or military or veteran status During the site visit, several questions were asked to the persons of the communities and stakeholders to corroborate that no rights were violated. The audit team did not detect incompliances checking the policy provided and interviewing the workers. Then, the audit team deems that the project fulfils with CCB requirements related to human rights.
Forced labor	Page 8 of The Nature Conservancy Code of Conduct /20/ defines human rights violations as the use of child labor, poor working conditions, involuntary servitude, human trafficking. The Code requires respect and support of the furtherance of human rights. No forced labor was observed during the on-site visit
Child labor	Page 8 of The Nature Conservancy Code of Conduct /20/ defines human rights violations as the use of child labor, poor working conditions, involuntary servitude, human trafficking. The Code requires respect and support of the furtherance of human rights. Furthermore, according to local regulation child labor are prohibited.
Human trafficking	Page 8 of The Nature Conservancy Code of Conduct /20/ defines human rights violations as the use of child labor, poor working conditions, involuntary servitude, human trafficking. The Code requires respect and support of the furtherance of human rights.

4.2.7.2 Human Rights

Risks identified	Evidence gathering activities, evidence checked, and assessment conclusion
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No Risk identified	Page 8 of The Nature Conservancy Code of Conduct /20/ defines human rights violations as the use of child labor, poor working conditions, involuntary servitude, human trafficking. The Code requires respect and support of the furtherance of human rights. Based on revised evidence and observation during the site visit; audit team confirms that the project continues to recognize, respect, and promote the rights of local communities and customary rights holders in line with international human rights laws through policy development and implementation as well as methods to ensure inclusive participation. During the visit to the project, several questions were asked to the persons of the communities and stakeholders to corroborate that no rights were violated. Based on responses, the audit team deems that the project fulfils with CCB requirements related to human rights.
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4.2.7.3 Indigenous Peoples and Cultural Heritage

Risks identified	Evidence gathering activities, evidence checked, and assessment conclusion
Loss of traditional culture as a result of increased influx of tourism and business activities was identified at project validation. No risk to children was identified.	PP mitigated risk by supporting local cultural activities and selling crafts and foods. It focused on the smallest and most marginalized communities, leading to improved livelihoods and access to clean water. No adverse impacts were observed on minority or marginalized groups, such as children, from project activities. During the visit, several questions were asked to the stakeholders. Everyone interviewed agreed that the project was good for the preservation of their culture. An example of this are the strategies aimed at supporting cattle ranching and artisanal fishing. The audit team deems that the project fulfils CCB requirements related cultural heritage due to project activity respect various local interests, the sustainable use of natural resources and the active participation of Indigenous Peoples and local communities, improving the quality of life of the inhabitants

4.2.7.4 Property Rights

Risks identified	Evidence gathering activities, evidence checked, and assessment conclusion
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Disputes with local community members over property rights and access to land within the VCR.	PP addresses concerns raised by local communities or Indigenous Peoples regarding land rights and access within the VCR. Fair legal recourse is followed, and claims within the monitoring period in lands outside the project area are returned to customary title holders. TNC also permits local community members access to land for non-timber forest products and firewood collection. During the site visit no conflict were identified, it was confirmed by local authorities and stakeholders.
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4.2.7.5 Benefit Sharing

Item	Evidence gathering activities, evidence checked, and assessment conclusion
Summary of the benefit sharing plan	Validated VCS-PD /9/ does not include any requirement of benefit sharing. Furthermore, no property rights are impacted by the project, therefore a formal Benefit Sharing plan is not needed. Despite that PP has been committed to support and outreach to surrounding communities since the beginning of the project through the social program, which includes the seven objectives: <i>1. All households in two villages (Chaihuín and Huiro) will have year-round access to safe drinking water.</i> <i>2. Waste is managed appropriately to avoid contamination (soil, water) and attract tourists</i> <i>3. The communities will have a better understanding of environmental and natural resource conservation</i> <i>4. Community members will have more control over their resources</i> <i>5. Community members will have increased supplementary incomes</i> <i>6. Women in the communities have more financial independence and contribute to family income</i>
Benefit sharing during the monitoring period	During the monitoring period PP followed their 7 objectives included in their social program /21/, ✓ Objective 1: TNC continues its support of the Chaihuin Rural Drinking Water Committee. During the monitoring period this included the inauguration of a drinking water system for the villages of Chaihuin and Huiro and the donation of both water rights and a portion of land from the reserve (outside of the project area) for executing the project. This support has benefitted over 175 families. ✓ Objective 2: The VCR collaborates with the Municipality of Corral and the coastal towns of Huape, Chaihuin, and Huiro in a project called the Environmental Protection Fund (Fondo del Proteccion Ambiental, FPA),

	focused on implementing a program to manage domestic waste. The program created over 40 waste collection points. ✓ Objective 3: Environmental education activities were carried out in schools during the monitoring period. ✓ Objective 4: During the monitoring period, a land-sharing cattle grazing agreement with the El Valle Small Ranchers Association, and fishing use agreements with multiple fishers' unions from local communities. ✓ Objective 5: The presence of the VCR attracted around 7,000 visitors annually during the monitoring period, resulting in increased incomes for around 30% of the local population. VCR has also trained local community members to work as guides within the reserve. ✓ Objective 6: The Vegetable Producers Womens Association and the Lafken Mapu Womens Association provided gastronomic services for TNC's activities in the VCR. ✓ Objective 7: A survey carried out by a third-party in 2019 found that 66% of respondents were satisfied with the VCR's support of local communities. The VCR is implementing an action plan to improve community engagement to address the concerns of the remaining community members, as described in "Community Engagement Plan for the Valdivian Coastal Reserve.pdf". Project activities were confirmed against Valdivian Coastal Reserve Monitoring Plan 2015-2020 /11/; Community Engagement Plan for the Valdivian Coastal Reserve and during the on-site visit, by interviewing local stakeholders and local authorities.
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4.2.8 Ecosystem Health

Item	Evidence gathering activities, evidence checked, and assessment conclusion
Impacts on biodiversity and ecosystems	Project activity of avoided conversion of native forest to Eucalyptus plantation has a positive impact on biodiversity and ecosystems compared to the baseline. As per Custody and conservation of the Valdivian coastal reserve report /22/, that report the Monitoring on evaluating the reserve's trend using photo points in four categories: negative, stable, positive, and natural change. Confirms that the dominant trend (88%) is positive. Also, during the interview with park guards, they confirmed that have observed an improvement in the ecosystem. They have been able to see fauna species more frequently. Therefore, audit team confirms that there is no negative impact on biodiversity.

Soil degradation and soil erosion	Project activity of avoided conversion of native forest to Eucalyptus plantation has a positive impact on water consumption and stress compared to the baseline. No soil erosion activity was observed during the visit. Access is controlled, then, there is no soil erosion.
Water consumption and stress	Project activity of avoided conversion of native forest to Eucalyptus plantation has a positive impact on water consumption and stress compared to the baseline. A positive impact on water consumption and stress compared to the baseline. As per Valdivian Coastal Reserve Monitoring Plan /11/, the condition of the freshwater ecosystems and estuaries in the Valdivian Coastal Reserve is considered very good. This is justified by the fact that a significant portion of the area's watersheds are located almost entirely within the Valdivian Coastal Reserve. An study conducted in the project area confirms that the area covered by native forest in the watersheds is an important indicator because the increase in native forest cover is associated with an increase in the flow of the associated watercourses. Audit team confirms that PP is developing activities /11/ for protecting watercourses, including the development of water indicator (quality and quantity) based on this, audit team confirms that the project has a positive impact on water consumption and stress compared to the baseline.

4.2.8.1 Rare, Threatened, and Endangered species

Item	Evidence gathering activities, evidence checked, and assessment conclusion
Species or habitat	The project activity, avoided deforestation of native forest habitat and conversion to Eucalyptus plantation, inherently protects habitats for rare, threatened, and endangered species. Custody and conservation of the Valdivian coastal reserve /22/ documented: ✓ Alerce (<i>Fitzroya cupressoides</i>) ✓ Darwin's fox (<i>Pseudalopex fulvipes</i>) ✓ Pudú (<i>Pudu puda</i>) ✓ Guiña cat (<i>Leopardus guigna</i>) ✓ Darwin's frog (<i>Rhinoderma darwini</i>) ✓ Valdivian toad (<i>Alsodes valdiviensis</i>)

	Audit team considers that project activity impacted positively on preserving rare, threatened, or endangered species. Camara traps photography /33/ confirms the presence of listed fauna species.
Areas needed for habitat connectivity	The project activity, avoided deforestation of native forest habitat and conversion to Eucalyptus plantation, inherently protects habitats for rare, threatened, and endangered species. No impacts are identified.

Evidence gathering activities, evidence checked, and assessment conclusion	
Habitats for rare, threatened, and endangered species	No risk has been identified. The project activity, avoided deforestation of native forest habitat and conversion to Eucalyptus plantation, inherently protects habitats for rare, threatened, and endangered species. Custody and conservation of the Valdivian coastal reserve /22/ confirms that the habitats in the project area has been improved due project activity
Areas for habitat connectivity	No risk has been identified, project activity The project activity, avoided deforestation of native forest habitat and conversion to Eucalyptus plantation, inherently protects habitats for rare, threatened, and endangered species. Custody and conservation of the Valdivian coastal reserve /22/ confirms that the habitats in the. project area has been improved due to project activity

4.2.8.2 Introduction of Species

Species introduced	Evidence gathering activities, evidence checked, and assessment conclusion
Not applicable	No planting or species introduction took place within the project area during the monitoring period.

Existing invasive species	Evidence gathering activities, evidence checked, and assessment conclusion
Feral dogs Non-native gorse American mink	TNC is addressing feral dog risk through education, outreach, and neutering campaigns. They are also considering retiring old logging roads to prevent dogs from accessing forest interiors and wildlife. Gorse occurrences will be monitored for ongoing threat assessment and

	intervention needs. Camera trap monitoring allows reserve staff to identify the need for direct intervention
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Evidence gathering activities, evidence checked, and assessment conclusion	
Invasive species	Not applicable.

4.2.8.3 Ecosystem conversion

Item	Evidence gathering activities and evidence checked
Ecosystem conversion	Not applicable. Project is an avoided planned deforestation REDD project. No ecosystem conversion took place in the project area.

4.3 Accuracy of Reduction and Removal Calculations

The monitoring has been carried out in accordance with the provision of monitoring plan; the verification team reviewed whether:

- ✓ The monitoring of reductions in GHG emissions resulting from the proposed VCS project activity were implemented in accordance with the monitoring plan contained in the validated VCS-PD.
- ✓ The monitoring plan and the applied methodologies had been properly implemented and followed by the project participants.
- ✓ All parameters stated in the monitoring plan, the applied methodologies and relevant VCS requirements had been sufficiently monitored and updated.
- ✓ The responsibilities and authorities for monitoring and reporting were in accordance with the responsibilities and authorities stated in the monitoring plan.

The monitoring system and all applied procedures are in compliance with the monitoring plan contained in the validated VCS-PD and the applied methodology VM0007 REDD+ Methodology Framework (REDD+MF), version 1.5 0, based on the information included in the final monitoring report, there are several procedures for data collecting depending on the methodology applicable for each step of the project.

The proponent has correctly used the required Data and Parameters tables in section 4.1 (Data and Parameters Available at Validation) and section 4.2 (Data and Parameters Monitored) of the monitoring report to transparently report data inputs for emissions reduction calculations. The requisite fields of the tables are completed.

Verification team has compared data and parameters to those in the validated PD and validated monitoring plan and confirmed consistency with no material errors.

Monitoring procedures have been provided in the monitoring report to ensure full transparency. The audit team has been able to confirm that these procedures were followed. audit team reviewed the excel files /24/ submitted by the proponent used for quantification of emissions reductions in the original validated baseline as well as the files used for quantification of emissions reductions in this monitoring period. Files were reviewed during the site visit with TerraCarbon the technical consultancy hired by TNC for this purpose. TerraCarbon staff provided clear comprehensive responses and clarifications to all questions raised by the audit team. Audit team independently reproduces the spreadsheets to detect transposition and formulae errors and found none. Data was able to be traced through the calculations to the final VCU generation.

Based on the information in the validated VCS-PD (appendix 1) /9/, the baseline emission are fixed:

Years	$\Delta C_{BSL,planned, Euc}$ (tCO ₂ e)	$\Delta C_{BSL,planned, road}$ (tCO ₂ e)	Total $\Delta C_{BSL,planned}$ (tCO ₂ e)
2015	5,165	1,899	7,065
2016	3,383	1,384	4,768
2017	803	1,368	2,171
2018	0	1,146	1,146
2019	0	1,062	1,062
2020	0	653	653
2021	0	190	190
2022	0	163	163
2023	0	97	97
Total	26,035	9,862	35,896

During the first monitoring period, no project emission were recorded, From analysis of forest cover change, from the satellite imagery /25/, no forest cover loss occurred in the project area from 2014 to 2023. Project emissions from deforestation are calculated as the total area deforested multiplied by the emission per unit area using Equation 3, from Module VMD0015. The lack of degradation during the monitoring period has also been justified, based on input from relevant government agencies, specifically CONAF (Chilean Forest Service), as well as the project area park guards. Then, as there is no forest cover loss, project emission are zero, as detailed:

Parameter	Description	Monitored Value
ΔC_P	Net greenhouse gas emissions within the project area under the project scenario; t CO ₂ e	$\Delta C_P = 0$
$\Delta C_{P,DefPA,i,t}$	Net carbon stock change as a result of deforestation in the project area in the project case in stratum i at time t; t CO ₂ e	$\Delta C_{P,DefPA,i,t} = 0$

$\Delta C_{P, Deg, i, t}$	Net carbon stock change as a result of degradation in the project area in the project case in stratum i at time t; t CO ₂ e	$\Delta C_{P, Deg, i, t} = 0$
$\Delta C_{P, DistPA, i, t}$	Net carbon stock change as a result of natural disturbance in the project area in the project case in stratum i at time t; t CO ₂ e	$\Delta C_{P, DistPA, i, t} = 0$
$GHG_{P-E, i, t}$	Greenhouse gas emissions as a result of deforestation and degradation activities within the project area in the project case in stratum i in year t; t CO ₂ e	$GHG_{P-E, i, t} = 0$
$\Delta C_{P, Enh, i, t}$	Net carbon stock change as a result of forest growth and sequestration during the project in areas projected to be deforested in the baseline in stratum i at time t; t CO ₂ e	$\Delta C_{P, Enh, i, t} = 0$

Then,

-	$\Delta C_{P, DefPA, i, t}$ (t CO ₂)			
	Native Forest	Euc plantation est 1990	Euc plantation est 1991	Total $\Delta C_{P, DefPA, i, t}$
2015	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.0	0.0
2022	0.0	0.0	0.0	0.0
2023	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0

Carbon emissions are also generated in the project scenario through potential biomass burning occurring within the project boundaries, were monitored. Based on CONAF fire database /26/, no forest fires (> 0.1 ha) were detected within the project area during the period 2014-2023. The reserve, including the project area, is a priority area for CONAF's fire prevention and control activities, and is routinely patrolled, in close coordination with reserve park ranges, and monitored from a fire observation tower near Chaihuin close to the project area. Furthermore, in the classification process of the 2023 imagery /26/, no evidence of fire scars was detected, nor were fires reported from the project area by park guard patrols over the 2014-2023 period. Therefore, for the current monitoring period, $A_{burn, i, t}$ was 0 and emissions from biomass burning are equal to zero.

Regarding illegal logging

Monitoring illegal logging, continuous monitoring activities in the field by park guards through the monitoring period identified no illegal logging activities in the project area since November 2014. Audit team reviewed Park guards attestation /27/ and patrol logs /28/. Infractions of illegal logging in the region are rare due to remote access and difficulty of transport and strong enforcement by CONAF.. The project area in particular is remote with no access by primary roads.

Net project emissions within are summarized following:

	$\Delta C_{P,DefPA,i,t}$	$\Delta C_{P,Deg,i,t}$	$\Delta C_{P,DistPA,i,t}$	ΔC_P
2015	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.0	0.0
2022	0.0	0.0	0.0	0.0
2023	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0

Leakage emission

Leakage emissions from displacement of planned deforestation are estimated in conformance with the VCS modular REDD methodology VM0007, specifically the LK-ME module (VMD0011 v1.1). This module estimates GHG emissions caused by the market-effects leakage related to extraction of wood for timber. No activity shifting leakage took place during the monitoring period, as described below.

Activity shifting leakage

Activity shifting leakage due to displaced road construction

No activity shifting leakage was detected from Nov 2014 to Nov 2023. The project proponent is not aware of new road construction meeting the criteria as defined in the monitoring plan occurring over the monitoring period, nor is any evident in satellite monitoring report, covering the leakage belt /29/.

Activity shifting leakage due to displaced forest conversion activities

No native forest conversion to plantations takes place in the baseline after 2008, thus activity shifting leakage from this source is equal to zero. Even any delayed displacement of these activities is precluded, due to the Native Forest Law in effect through the monitoring period; the Native Forest Law (Law 20.283/2008) prohibits conversion of native forests to non-native plantations.

Market leakage

Market leakage ($\Delta CLK-ME$) is equal to the sum of market effects leakage through decreased timber harvest ($LK_{MarketEffects,timber}$), decreased harvest for fuelwood / charcoal production ($LK_{MarketEffects,FW/C}$), and peatland drainage for fuelwood and charcoal harvest. As there is no fuelwood or charcoal collection by the baseline agent of deforestation, market leakage is limited to leakage through decreased timber harvest as calculated in Equation 2 of VMD0011:

$$\Delta C_{LK-ME} = LK_{MarketEffects,timber} = \sum_{i=1}^M (LF_{ME} \times LK_{MAF} \times AL_{T,i})$$

Table 5.8 Parameters and values used to estimate market leakage

Parameter	Description	Value	Justification
$LK_{MarketEffects,timber}$	Total GHG emissions due to market-effects leakage through decreased timber harvest (t CO ₂ e).	See Table 5.14	Calculated below.
LF_{ME}	Leakage factor for market-effects calculations (dimensionless)	0.4	Leakage factor was confirmed against validated PD /9/. It is a fixed parameter (section 4.1 - Data and Parameters Available at Validation). AENOR considers the application of the 0.4 LF-ME deduction factor, as specified in Module VMD0011 is consistent with validated PD
LK_{MAF}	Leakage management adjustment factor (dimensionless)	N/A	N/A
$AL_{T,i}$	Summed emissions from timber harvest in stratum i in the baseline case potentially displaced through implementation of the project (tCO ₂ e)	85,495.4 tCO ₂ e	Market leakage calculation was assessed against emission reduction spreadsheet /27/ (“market leakage Euc” sheet), based on eucalyptus production

			reported in Forest statistics published by the Forestry Institute (INFOR). Data available for 2019 to 2022 (INFOR 2020-2023) /30/
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Full equations and calculations for market leakage are documented in the emission reduction and removal calculation spreadsheet /24/

Market leakage due displaced timber production within the road clearance area

There is no displacement of timber production within the road clearance area during the current monitoring period 2015-2023, because the last Eucalyptus harvest in the road clearance area in the baseline took place in project year 2012, thus there is no market leakage from this source in project years 2013 on.

Market leakage due to displaced forest conversion activities

No market leakage occurs as a result of the stop conversion to plantations activity until 2019, the year of the first commercial wood harvest potentially displaced by the project. Volume production in the baseline for the monitoring dates from 2019 to 2023, was calculated at baseline renewal in 2013 (for accounting of market leakage in subsequent monitoring periods). Volume projections in the second baseline period are detailed in Appendix 1 to the Project Description (PD),

In Chile, not all of the extracted volumes are driven by domestic market demand and consumption. As market leakage references decreased timber harvest for sale to national markets, as defined in module VMD0011 LK-ME of methodology VM0007, we first sought to determine the amount of domestic production of *Eucalyptus globulus* managed on pulp rotations that would be destined for domestic (not export) markets by consulting national forest statistics published by the Forestry Institute (INFOR). Data were available for 2019 to 2022 (INFOR 2020-2023) /30/

Average percent of domestic Eucalyptus production (on a volume-weighted basis) sold to export markets from 2019-2022 was 80%, while (20%) sold to domestic markets. For calculations of market leakage, extracted volumes were multiplied by the annual average percent of production destined for domestic markets (the overall average for the 2019-2022 period was applied to 2023, for which INFOR data was not yet available. This treatment conforms with guidance set out in VCS Standard section 3.15.11 "Leakage occurring outside the host country (international leakage) does not need to be quantified", and reflected in module LK-ME "As per the VCS AFOLU requirements international market leakage is not considered.. Projected volumes of wood products extracted from Eucalyptus globulus plantations from the project area and entering domestic markets area summarized following

Year	Eucalyptus extracted m ³	% destined for national markets	Eucalyptus extracted that enters domestic markets
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			m ³
2015	0.0		0.0
2016	0.0		0.0
2017	0.0		0.0
2018	0.0		0.0
2019	115,523.9	17%	19217.9
2020	119,383.4	20%	23419.9
2021	18,470.3	21%	3847.4
2022	26,746.2	26%	7034.6
2023	8,322.2	20%	1697.9

All of the above estimated volumes of *Eucalyptus* extracted that enter domestic markets are potentially displaced, because no timber harvest takes place in the project area in the with-project scenario. Audit team assessed spreadsheet of emission reduction calculation /24/ confirming that PP has following provided formulae in the validated PD and is summarized following:

Year	$V_{BSL,EX,t}$ (m ³)	(tCO ₂)	$LK_{MarketEffects,timber,t}$ (tCO ₂)
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	19,217.9	29,755.7	11,902.3
2020	23,419.9	36,261.8	14,504.7
2021	3,847.4	5,957.0	2,382.8
2022	7,034.6	10,891.9	4,356.8
2023	1,697.9	2,629.0	1,051.6

Total leakage for the project, including both activities (stopping conversion of native forest to Eucalyptus plantations and stopping highway construction) is summarized following:

Year	$\Delta C_{LK-AS,planned,road}$	$\Delta C_{LK-AS,planned,Euc}$	$\Delta C_{LK-ME,road}$	$\Delta C_{LK-ME,Euc}$	ΔC_{LK}
2015	0.0	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.0	11,902.3	11,902.3
2020	0.0	0.0	0.0	14,504.7	14,504.7
2021	0.0	0.0	0.0	2,382.8	2,382.8
2022	0.0	0.0	0.0	4,356.8	4,356.8
2023	0.0	0.0	0.0	1,051.6	1,051.6
Total	0	0	0	34,198.2	34,198.2

Non. Performance risk /30/ is estimated as 12%. Then, Estimates of GHG credits eligible for issuance as VCU's for the project as a whole, including both activities (stopping conversion of native forest to Eucalyptus plantations and stopping highway construction), were calculated entering data into Table 5.17 below, where

Estimated GHG emission reduction credits =

Baseline emissions minus

Project emissions minus

Leakage minus

Non-permanence Risk Buffer withholding (calculated as a percent of net change in carbon stocks prior to deduction of leakage)

Therefore, the total emissions reductions calculated for the monitoring period are

Vintage period	Baseline emissions (tCO ₂ e)	Project emissions (tCO ₂ e)	Leakage emissions (tCO ₂ e)	Buffer pool allocation (tCO ₂ e)	Reductions VCU (tCO ₂ e)	Removals VCU (tCO ₂ e)	Total VCU issuance (tCO ₂ e)
2014	1,123	0	0	135	988	0	988
2015	6,700	0	0	804	5,896	0	5,896
2016	4,355	0	0	523	3,832	0	3,832
2017	2,008	0	0	241	1,767	0	1,767
2018	1,132	0	1,891	136	-895	0	-895
2019	997	0	12,316	120	-11,439	0	-11,439
2020	579	0	12,578	69	-12,069	0	-12,069
2021	186	0	2,696	22	-2,533	0	-2,533
2022	153	0	3,832	18	-3,697	0	-3,697
2023	81	0	884	10	-813	0	-813
Total	17,314	0	34,198	2,078	-18,962	0	-18,962

During this monitoring, project has higher emission due to leakage; no loss event were recorded, as verified in satellite imagery /25; then there is no emission reductions.

4.4 Quality of Evidence to Determine Reductions and Removals

AENOR was able to confirm that the calculations are based on monitored data recorded GIS remote sensing imagery./25/; CONAF fire database /26/; Park guards attestation /27/; Patrol logs /28/; Satellite monitoring report covering the leakage /29/; Forest statistics published by the Forestry Institute (INFOR). Data available for 2019 to 2022 (INFOR 2020-2023) /30/. Information is the same as used in the spread sheet of emission reduction calculation /24 and all figures were tracked, checked and found to be consistent. The monitoring information is stored as per the monitoring plan.

The quality of supporting evidence submitted to the VVB for verification is adequate and found to be verifiable. The ER calculation spreadsheet /24/ and other supporting documents related to quality and maintenance were checked by the verification team during the site visit to confirm the authenticity of the documents and to check the correctness of the calculation.

Verification team confirms that the quality of evidence to determine the GHG reductions produced was found satisfactory. The detailed information flow with the roles and responsibilities of the individuals and the monitoring system have been provided in section 4.2 of the VCS-MR.

The verification team is able to confirm that sufficient evidence is available for the whole monitoring period and the same is verifiable and that the data collection system meets the requirements of the monitoring plan and the applied methodology according to the assessment carried out on site and in the document review (list of reviewed evidence are detailed in appendix 3).

4.5 Non-Permanence Risk Analysis

PP has elaborated VCS Non-permanence Risk Report /31/ for the verification process according to the AFOLU Non-Permanence Risk Tool, v4.2 /6/. Below, it is explained the assessment of the non-permanence risk rating determined by the project participant in the last version.

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
Project Management	<i>Q1 Does the project have an adaptive management plan in place that includes a monitoring plan? If No, the project fails the risk assessment. If Yes, proceed to</i>	Yes	AENOR reviewed the Valdivian Coastal Reserve Management plans /34/ /35/ ✓ Management Plan (2015–2020) /34/ ✓ Management Plan (2021–2026) /35/ Audit team concludes that the plan adequately

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
			identifies and assesses potential project risks: ✓ Management plan 2015 - 2020: Risks are identified in table 7, and establishes appropriate mitigation measures, detailed in table 8. ✓ Management plan 2021 - 2026. It included a risk section (page 36) and mitigation measures; also are detailed in table 8.
	Q2 Do any of the following project management risks apply to the project ?	-	-
	a) Species planted (where applicable) associated with more than 25 percent of the stocks on which GHG credits have previously been issued are not native nor proven to be adapted to the same or similar agro-ecological zone(s) as the project area.	0	Not applicable. Project activity avoided conversion of native forest to Eucalyptus.
	b) Ongoing enforcement to prevent encroachment by outside actors is required to protect more than 50 percent of stocks on which GHG credits have previously been issued	0	Not applicable. This is the last verification period.
	c) Management team does not include individuals with significant experience in all skills necessary to successfully	0	Management team has significant experience in

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	undertake the project activities (i.e., any area of required experience is not covered by an individual with at least five years' experience in that area).		managing this project as confirmed in the Resumes expertise from The Nature Conservancy /16/; they have more than 5 years of experience.
	d) Management team does not maintain a presence in the country or is located more than one day of travel from the project site, considering all parcels or polygons in the project area.	0	There is a office in the project zone and permanent park guards.
	e) Management team has previously failed to submit a loss report within two years of detecting a loss event.	0	-
	f) ALM projects: Some or all of the farmers participating in the project have not received training on the improved ALM practices implemented as part of the project or the monitoring and reporting procedures implemented during the crediting period.	0	Not applicable. It is a REDD project.
	g) ALM projects: Some or all of the farmers participating in the project are unaware of the potential for yields to decrease temporarily due to the transition to improved agricultural practices	0	Not applicable. It is a REDD project.
	Q3 Do any of the following mitigations apply to the project?	-	-
	h) Mitigation: Management team includes individuals with significant (i.e., more than five years) experience in AFOLU project design and implementation, carbon accounting, and reporting (e.g., individuals who have successfully managed projects through validation, verification, and	-2	The project proponent has a multidisciplinary team with experience in managing the project activity. AENOR's validation team reviewed the resumes of project proponent /16/

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	issuance of GHG credits) under the VCS Program or other approved GHG programs.		for the project and key personnel/ and conclude that the organization has the expertise and prior experience implementing land management and carbon projects at the scale of this project..
	i) Mitigation (ALM projects): A comprehensive training plan for all farmers participating in the project is in place, covering implementation of planned ALM practices, monitoring and reporting obligations and their potential costs.	0	Not applicable. It correspond to REDD project
Total Project Management (PM): (a + b + c + d + e + f+h+i): 0 Total shall not be less than zero.			

AENOR's validation team reviewed the resumes of project proponent /16/, and hired expert /17/ for the project and key personnel and conclude that the organization has the expertise and experience implementing land management and carbon projects at the scale of this project..

Management team engaged carbon project developer team has extensive technical expertise in developing AFOLU projects, as well as in-depth knowledge of national and international carbon market.

In AENOR's opinion, total project management risk rating (0) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool: VCS V4.2.

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
Financial Viability	<i>Q1 How long is the project's payback period (i.e., how many years will it take to breakeven)?</i>	D	-
	a) The payback period is greater than 20 years from the current risk assessment.	0	No applicable.
	b) The payback period is greater than 10 years from the current risk	0	Not applicable.

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	assessment, but less than or equal to 20 years.		
	c) The payback period is greater than seven and up to and including 10 years from the current risk assessment.	0	Not applicable.
	d) The payback period is greater than four and up to and including seven years from the current risk assessment.	0	Not applicable.
	e) The payback period is four years or less from the current risk assessment.	0	Project cash flow breakeven point took place in 2014, documented in PD /9/.
	<i>Q2 What percentage of funding has the project secured to cover the total cash out required before the project reaches breakeven?</i>	1	-
	f) Project has secured less than 15 percent of funding needed to cover the total cash out required before the project reaches breakeven.	0	Not applicable.
	g) Project has secured 15 percent to less than 40 percent of the funding needed to cover the total cash out required before the project reaches breakeven.	0	Not applicable.
	h) Project has secured from 40 percent to less than 80 percent of the funding needed to cover the total cash out required before the project reaches breakeven.	0	Not applicable.
	i) Project has secured 80 percent or more of the funding needed to cover the total cash out before the project reaches breakeven.	0	Project secured grant from philanthropic donor in 2012 cancelling project debt and establishing an

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
			endowment fund, demonstrated in PD /9/
	<i>Q3 Does the following mitigation apply to the project?</i>	No	-
	j) Mitigation: Project has available, as callable and secured financial resources, at least 80 percent of total cash out before the project reaches breakeven.	0	Not applicable.
	Total Financial Viability (FV) = [as applicable, ((b, c, d or e) + (f, g, h or i + j))]: 0 Total shall not be less than zero and the sub-total for question two with the mitigation j shall not be less than zero (note: the mitigation only applies to Q2)Total shall not be less than zero		

In accordance with validated PD /9/, the project has secured the funding needed to cover the total cash out required before the project reaches breakeven. It was verified PD /9/ (annex 14 - cash flow). Then, in AENOR´s opinion, total financial viability risk rating (0) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool: VCS v4.2

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
.Opportunity Cost	<i>Q1 Are the baseline activities subsistence-driven? If No, proceed to Q2. If Yes, proceed to Q3.</i>	No	-
	<i>Q2 What is the NPV of the most profitable alternative land use activity compared to the NPV of the project activity? A response is only required if the answer to Q1 is No.</i>	F	-
	a) Net present value (NPV) of the most profitable alternative land use activity is expected to be at least 100 percent more than that of the project activities.	0	Not applicable

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	b) NPV of the most profitable alternative land use activity is expected to be greater than 50 percent and up to 100 percent more than that of project activities	0	No applicable.
	c) NPV of the most profitable alternative land use activity is expected to be greater than 20 percent and up to and including 50 percent more than that of project activities.	0	No applicable.
	d) NPV of the most profitable alternative land use activity is expected to be 20 percent or less than that of project activities.	0	NPV from the most profitable alternative land use activity is expected to be between 20% more than and up to 20% less than from project activities. It was confirmed against validated PD (annex 14, cash flow) /9/
	e) NPV of project activities is expected to be greater than 20 percent and up to 50 percent more profitable than that of the most profitable alternative land use activity.	0	Not applicable.
	f) NPV of project activities is expected to be over 50 percent more profitable than that of the most profitable alternative land use activity.	0	No applicable.
	Q3 Does the project have net positive community impacts? A response is only required if the answer to Q1 is Yes.	-	-
	g) Net positive community impacts of project activities are not demonstrated.	0	Not applicable

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	h) Net positive community impacts of project activities are demonstrated.	0	Not applicable
	<i>Q4 Do any of the following mitigations apply to the project?</i>	I	-
	i) Mitigation: Project is protected by a legally binding agreement to continue management practices that protect the credited carbon stocks over the duration of the project crediting period.	0	Not applicable
	j) Mitigation: Project is protected by legally binding agreement to continue management practices that protect the credited carbon stocks for at least 100 years.	0	Not applicable
	k) Mitigation: Where there is a potential for revenue loss compared to the most profitable alternative land use activity, project is a not for profit or has additional financial support (e.g., via grants, government funding, ecosystem services payments or SD VISta assets) to overcome expected revenue loss.	-2	The Nature Conservancy is a non-profit organization.
	Total Opportunity Cost (OC) = [as applicable, (a, b, c, d, e, f, g or h) + (i or j) + k]: 0 Total shall not be less than zero.		

In AENOR's opinion, total opportunity cost risk rating (0) is properly justified, documented in validated PD (annex 14) /9/ and in accordance with the AFOLU Non-Permanence Risk Tool, v4.2.

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
Project Longevity	Q1 Did the project request registration on or after 1 January 2024?	No	-
	Q2 Does the project have a legally binding agreement that covers at least a 100-year period from the project's start date? If Yes, the project is given a zero score for this risk category. If No, proceed to Q3.	Yes.	TNC has a contractual commitment to a philanthropic donor that requires that in the event that the ownership of the VCR and project area is transferred from TNC to another entity, that any proposed transferee will be obligated to hold the land for conservation purposes. This conservation easement serves as a long term protection mechanism, which protects the land and carbon stocks, no matter who owns it. The conservation easement will: (i) require all landowners to maintain the acquired land in accordance with specified conservation objectives; (ii) prohibit the sale or other transfer of the acquired land if any such transfer would adversely impact the conservation objectives underlying the initial purchase, including in liquidation scenarios. It is documented in in Appendix 1 of the PD /9/
	Q3 What is the project longevity in years? If you answered Yes to Q1 and the project longevity is less than 40 years, the project fails the risk assessment. If you answered No to Q1 and the project longevity is less than 30 years, the project fails	0	-

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	<i>the risk assessment. Please note that projects with project longevity of less than 40 years will be ineligible for the Core Carbon Principles label.</i>		
	<i>Q4 Does the project have a management, financial and monitoring plan for the entire project longevity? If No, the project fails the risk assessment. If Yes, proceed to Q5.</i>	0	-
	<i>Q5 Is the project an ARR or IFM project with harvesting? If No, proceed to Q7. If Yes, proceed to Q6.</i>	No	No harvesting activities are considered in the project.
	<i>Q6 Can the project demonstrate a commitment to continue the management practice, replant or allow re-growth? If No, the project fails the risk assessment. If Yes, proceed to Q7.</i>	0	Not applicable
	<i>Q7 Does the project have a legal Agreement or requirement to continue the management practice(s)? If No, proceed to a. If Yes, proceed to b.</i>	0	-
	<i>a) Without legal agreement or requirement to continue the management practice.</i>	0	No applicable.
	<i>b) With legal agreement or requirement to continue the management practice.</i>	0	Not applicable.
	<i>Q8 Is the project a grouped project where contract durations with</i>	0	Not applicable. It is not a grouped project

Internal Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	<i>individual project activity instances are less than the project longevity?</i>		
	Total Project Longevity (PL): 0 Total Project Longevity (PL) = [as applicable, (a or b)] Total shall not be less than zero. Any project with a legally binding agreement that covers at least 100 years from the project start date will be assigned a score of zero. Any project that requests registration on or after 1 January 2024 with a project longevity of less than 40 years fails the risk assessment. Any project that requests registration before 1 January 2024 with a project longevity of less than 30 years fails the risk assessment. The selected project longevity shall be supported by a management, financial and monitoring plan.		

TNC has a contractual commitment to a philanthropic donor that requires that in the event that the ownership of the VCR and project area is transferred from TNC to another entity, that any proposed transferee will be obligated to hold the land for conservation purposes. This conservation easement serves as a long term protection mechanism, which protects the land and carbon stocks, no matter who owns it. The conservation easement will require all landowners to maintain the acquired land in accordance with specified conservation objectives; and prohibit the sale or other transfer of the acquired land if any such transfer would adversely impact the conservation objectives underlying the initial purchase, including in liquidation scenarios. It is documented in in Appendix 1 of the PD /9/. Total Project Longevity (0) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.2.

Therefore, **total internal risk** is calculated as the sum of (PM + FV + OC + PL), totalling 0.

External Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
Land and Resource tenure	<i>Q1 Has due process been undertaken to discover any disputes over ownership and land, resource access, or use rights? If No, the project fails the risk assessment. If Yes, proceed to Q2.</i>	Yes	A title search was conducted prior to TNC's purchase of the VCR as part of the acquisition due diligence. No disputes over land tenure or use rights of the project area exist.
	<i>Q2 Has the project executed a binding legal agreement(s) (such as a contract) securing</i>	Yes	A conservation easement is in place on the property, stewarded by the FORECOS Foundation.

External Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	<i>the legal right to control and operate project activities over the entire project area with all entities that have verified ownership claims or verified land, resource access, or use rights (such as customary rights holders)? If No, the project fails the risk assessment. If Yes, proceed to Q3.</i>		
	Q3 Do the same or different entities hold land ownership and resource access or use rights?	a	-
	a) Ownership and resource access or use rights are held by the same entity(ies).	0	TNC owns both the land and the access/use rights to the project area.
	b) Ownership and resource access or use rights are held by different entity(ies) (e.g., the government own the land, and the project proponent holds a lease or concession).	0	Not applicable.
	Q4 Is the project in a country/jurisdiction with a history of national, sub-national, or local government ("Government") intervention in land or resource use?	e	-
	c) Government has previously expropriated significant areas of land (i.e., 10% or more) in the project area in the past 20 years.	0	Not applicable.
	d) Government has previously changed land rights in the project's jurisdiction (e.g.,	0	Not applicable.

External Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	cancelled, or blocked land titles, expropriated land or issued overlapping land titles) in the past 20 years.		
	e) No instances of Government intervention in the past 20 years or specific instances of expropriation and government intervention in land rights in the project area have been conclusively resolved against the government in a court of competent jurisdiction.	0	During this 20-year time period, there have been no instances of government intervention in the Reserve's land tenure. It was confirmed by CONAF representative, local authority and interviewed community remembers.
	Q5 What percent of the project area is affected by disputes over land tenure or ownership?	h	-
	f) Disputes exist in more than 5 percent of the project area.	0	Not applicable
	g) Disputes exist in up to and including 5 percent of the project area.	0	Not applicable
	h) No disputes exist.	0	There are no disputes over land tenure in the project area. This fact was confirmed, during the site visit by interviewing local authorities. TNC allows the local community full access to the Reserve for activities such as nontimber forest product collection, controlled grazing, fishing, forestry collectives, etc. These customary access take place out site of the project area
	Q6 What percent of the project area has disputes over access or use rights?	k	-
	i) Disputes exist in more than 5 percent of the project area.	0	Not applicable

External Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	j) Disputes exist in up to and including 5 percent of the project area.	0	Not applicable
	k) No disputes exist.	0	There are no disputes over land tenure in the project area. This fact was confirmed, during the site visit by interviewing local authorities.
	l) Potential upstream and sea impacts are not demonstrated to be insignificant or effectively mitigated.	0	Not applicable
	m) Potential upstream and sea impacts are demonstrated to be insignificant or effectively mitigated.	0	Not applicable
	Q8 Do any of the following mitigations apply to the project?	N	-
	n) Mitigation: Project area is protected by a legally binding commitment (e.g., a license, conservation easement, conservation servitude, or protected area) to continue management practices that protect carbon stocks for the duration of the project crediting period.	0	A conservation easement is in place on the property, stewarded by the FORECOS Foundation.
	o) Mitigation: Where disputes over land tenure, ownership or access or use rights exist, documented evidence is provided that demonstrates the project is taking action to try to resolve the disputes or clarify overlapping claims.	0	Not applicable.
Total Land Tenure (LT) = [as applicable, ((a or b) + (c, d, or e) + (f, g or h) + (i, j or k) + (l or m) + n + o)]: 0			

External Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	Total shall not be less than zero.		

Project activity is develop in a private area TNC has a contractual commitment to a philanthropic donor that requires that in the event that the ownership of the VCR and project area is transferred from TNC to another entity, that any proposed transferee will be obligated to hold the land for conservation purposes. This conservation easement serves as a long term protection mechanism, which protects the land and carbon stocks, no matter who owns it. The conservation easement will require all landowners to maintain the acquired land in accordance with specified conservation objectives; and prohibit the sale or other transfer of the acquired land if any such transfer would adversely impact the conservation objectives underlying the initial purchase, including in liquidation scenarios. It is documented in in Appendix 1 of the PD /9/.

There are no disputes over land tenure in the project area. This fact was confirmed, during the site visit by interviewing local authorities. Then, in AENOR´s opinion, total land tenure (0) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.2.

External Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
Stakeholder Engagement	<i>Q1 Are local populations, including those living in the project area or within 20 km of the boundary of the project area, reliant on the project area? If No, the risk rating for stakeholder engagement is zero and you can proceed to political risk. If Yes, proceed to Q2.</i>	No	Local communities are not reliant on the project area. The project areas are not located in zones where the communities enter the reserve to collect firewood and other non-timber forest products. CONAF representative confirms this issue.
	<i>Q2 Have more or less than 50 percent of stakeholders living within and reliant on the project area been consulted?</i>	-	Not applicable.
	a) Less than 50 percent of stakeholders living within the project area and who are reliant on the project area have been consulted.	0	Not applicable.
	b) More than 50 percent of stakeholders living within the	0	Not applicable

External Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	project area and who are reliant on the project have been consulted.		
	<i>Q3 Have more or less than 20 percent of stakeholders living outside the project area within 20 km of the project area, and who are reliant on the project area been consulted?</i>	-	Not applicable
	c) Less than 20 percent of stakeholders living outside the project area within 20 km of the project area, and who are reliant on the project area have been consulted.	0	Not applicable.
	d) More than 20 percent of stakeholders living outside the project area within 20 km of the project area, and who are reliant on the project area have been consulted.	0	Not applicable
	Total Stakeholder Engagement [as applicable, (a or b) + (c or d)]: 0 Total shall not be less than zero		

During the on-site visit, Verification team confirms that There is no presence of the local population on project area. Therefore this risk is not relevant to the project. Then, in AENOR's opinion, total community engagement (0) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.2.

External Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
Political Risk	<i>Q1 What is the governance score for the country?</i>	c	-
	a) Governance score of less than -0.79	0	Not applicable.
	b) Governance score of -0.79 to less than -0.32	0	Not applicable.

External Risk	Risk Factor and/or Mitigation Description	Risk Rating	DOE Assessment
	c) Governance score of -0.32 to less than 0.19.	0	Not applicable.
	d) Governance score of 0.19 to less than 0.82.	0	The score was obtained from the “Governance score”, calculated by “World Bank Institute’s Worldwide Governance Indicators (WGI). The average value is 0.8.
	e) Governance score of 0.82 or higher.	0	Not applicable.
	Q2 Does the following mitigation apply to the project?	f	-
	f) Mitigation: The project is in a country that: 1) is party to the Paris Agreement and has submitted an NDC to the UNFCCC Secretariat in the last five years, 2) includes AFOLU commitments (conditional or unconditional) in its NDC, and 3) has a documented and active climate change plan that includes the project activity.	0	Chile is a party of the Paris Agreement and submitted the NDC to the UNFCCC secretariat in last five years (https://unfccc.int/NDCREG)
	Total Political (PC) ((a, b, c, d or e) + f): 0 Total may not be less than zero.		

Verification team confirms the governance score against the world bank platform: <http://info.worldbank.org/governance/wgi/Home/Reports>; the average indicator was calculated for the last 5 year. Also Argentinian NDC is publicly available on <https://unfccc.int/NDCREG>. Then, in AENOR’s opinion, total political risk (0) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.2.

Therefore, **total external risk** is calculated as the sum of (LT + CE + PC), totalling 0.

Natural Risk	Score (LS)	Mitigation	DOE Assessment
Fire	1	0.5	Fire mitigation measures in operation in the VCR include 6 park guards on staff trained in fire prevention measures and

Natural Risk	Score (LS)	Mitigation	DOE Assessment
			a seasonal contract with a local fire brigade for Prevention and Combat of Forest Fires is established each summer season for a period of at least two months to supplement the Reserve's park guard staff in their fire prevention activities. This program is coordinated with the National Forest Corporation's (CONAF) Fire Control /32/
Pest and Disease Outbreaks	1	1	No pest are reported in project area.
Extreme weather	1	1	The National Meteorological Data (https://climatologia.meteochile.gob.cl/) does not display extreme weather information that may affect the project area. Moreover, during the monitoring period not loss event is reported.
Geological Risk	2	1	Although there are earthquakes in the project area, these events did not show loss of forest cover. Verification team reviewed the official reports (https://www.sismologia.cl/) to confirm this issue.
Total Natural Risk (as applicable, F + PD + W + G + ON): 4.5 Determined by $LS \times M$.			

In AENOR's opinion, **total natural risk** (4.5) is properly justified and in accordance with AFOLU Non-Permanence Risk Tool, v4.2.

Future Climate Impact on Natural Risk	Aggregated Subtotal Risk	Future Impact Factor	Total
Natural risk associated with climate change impact (NR-c)	2.5	1.3	3.25
Natural risk NOT associated with climate change impact (NR-nc)	0.00	1	0.00

Future Climate Impact on Natural Risk	Aggregated Subtotal Risk	Future Impact Factor	Total
Sea Level Rise(SLR)	N/A	N/A	0
Total Natural Risk	3.25		

Future Impact Factor were confirmed from NPR report /31/, total natural risk is 3.25

Risk Category	Rating
a) Internal Risk	0
b) External Risk	0
c) Natural Risk	3.25
Overall Risk Rating (a + b + c) The minimum risk rating shall be 12	12

AENOR has checked that information provided in the last version of the Non-Permanence Risk Report /31/, and supporting evidences (complete list are detailed in appendix 2), for the monitoring period. The assumptions and justifications provided to determine the risk rating of each risk factor are developed and they are based on provided documents using conservative assessments. AENOR deems that information provided is reliable and appropriate from official sources, thus, the overall risk rating is credible and realistic.

5 VERIFICATION OPINION

5.1 Verification Summary

After reviewing the monitoring report and all supporting evidence (all reviewed documents are detailed in appendix 2), verification team is able to state that the project activity was implemented as described in the validated VCS-PD; the components of the project implementation is in accordance with the project description contained in the validated VCS-PD. No material discrepancies were identified between project implementation and the project description. Verification teams confirm that that the GHG statement is the responsibility of the project proponent. Neither project deviation nor mythology deviation are requested for this monitoring period

AENOR confirms that verification of the GHG statement was conducted in accordance with ISO 14064-3 (ISO 14064-3: 2019) with reasonable level of assurance.

5.2 Verification Conclusion

AENOR has performed the verification of the emission reductions that have been reported for the “*Avoiding Planned Deforestation and Degradation in The Valdivian Coastal Reserve, Chile*” (VCS ID 1175) for the period from 04-November-2014 to 03-November-2023.

AENOR has verified that the project is in compliance with the verification criteria of Verified Carbon Standard version 4.7 without qualifications or limitations. The verification of ex-post emission reductions has been conducted by AENOR in accordance with ISO 14064-3:2019 with a reasonable level of assurance.

AENOR conducted the verification on the basis of the VCS methodology: VM0007 REDD+ Methodology Framework (REDD-MF) and AFOLU Non-Permanence Risk Tool, version 4.2.

Also, audit conducted an exhaustive review the monitoring plan contained in the last version of the monitoring report t

In AENOR’s opinion the GHG removal of the “*Avoiding Planned Deforestation and Degradation in The Valdivian Coastal Reserve, Chile*” for the period 04-November-2014 to 03-November-2023. Is fairly stated in the final monitoring MR; the GHG emission reductions were calculated correctly on the basis of the applied methodology.

The verification assessment covered the monitoring period from 04-November-2014 to 03-November-2023 and verified that calculated GHG emission reductions were achieved during the monitoring period with a reasonable level of assurance. The overall risk rating was 12%. Therefore, the total number of credits to be deposited in the buffer account is 2,078 VCUs and the total VCUs to be issued are 0 tCO₂e (-18,962).

Verification period: From 04-November-2014 to 03-November-2023

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

The non-permanence risk rating (%)	12%
If applicable, the Long-term Average (LTA), whether it has been properly updated, and if it has been reached.	Not Applicable
Whether a loss has been appropriately accounted for, in accordance with the VCS Program rules, if applicable.	No loss event occurred during this monitoring

Vintage period	Baseline emissions (tCO ₂ e)	Project emissions (tCO ₂ e)	Leakage emissions (tCO ₂ e)	Buffer pool allocation (tCO ₂ e)	Reductions VCUs (tCO ₂ e)	Removals VCUs (tCO ₂ e)	Total VCU issuance (tCO ₂ e)
01-Nov-2014 to 31-Dec-2014	1,123	0	0	134.7	135	0	988
01-Jan-2015 to 31-Dec-2015	6,700	0	0	804.0	804	0	5,896
01-Jan-2016 to 31-Dec-2016	4,355	0	0	522.6	523	0	3,832
01-Jan-2017 to 31-Dec-2017	2,008	0	0	241.0	241	0	1,767
01-Jan-2018 to	1,132	0	1,891	135.9	136	0	-895

Vintage period	Baseline emissions (tCO ₂ e)	Project emissions (tCO ₂ e)	Leakage emissions (tCO ₂ e)	Buffer pool allocation (tCO ₂ e)	Reductions VCU (tCO ₂ e)	Removals VCU (tCO ₂ e)	Total VCU issuance (tCO ₂ e)
31-Dec-2018							
01-Jan-2019 to 31-Dec-2019	997	0	12,316	119.6	120	0	-11,439
01-Jan-2020 to 31-Dec-2020	579	0	12,578	69.5	69	0	-12,069
01-Jan-2021 to 31-Dec-2021	186	0	2,696	22.3	22	0	-2,533
01-Jan-2022 to 31-Dec-2022	153	0	3,832	18.3	18	0	-3,697
01-Jan-2023 to 04-Nov-2023	81	0	884	9.7	10	0	-813
Total	17,314	0	34,198	2,078	-18,962	0	-18,962

5.3 Ex-ante vs Ex-post ERR Comparison

<i>Vintage period</i>	<i>Ex-ante estimated reductions/removals</i>	<i>Achieved reductions/removals</i>	<i>Percent difference</i>	<i>Explanation for the difference</i>
01-Nov-2014 to 31-Dec-2014	1,123	1,123	0%	
01-Jan-2015 to 31-Dec-2015	6,700	6,700	0%	
01-Jan-2016 to 31-Dec-2016	4,355	4,355	0%	
01-Jan-2017 to 31-Dec-2017	2,008	2,008	0%	
01-Jan-2018 to 31-Dec-2018	(334)	(759)	128%	increase in domestic market leakage. Audit team reviewed ex – ante and ex-post leakage due domestic market, included in the spreadsheet /24/ and Forest statistics published by the Forestry Institute (INFOR). /30/, confirming ex-post leakage estimation.
01-Jan-2019 to 31-Dec-2019	(8,277)	(11,319)	37%	
01-Jan-2020 to 31-Dec-2020	(7,673)	(11,999)	56%	
01-Jan-2021 to 31-Dec-2021	(1,394)	(2,511)	80%	
01-Jan-2022 to 31-Dec-2022	(1,659)	(3,679)	122%	
01-Jan-2023 to 04-Nov-2023	(568)	(803)	41%	
Total	(5,719)	(16,884)	195%	

APPENDIX 1: COMMERCIALLY SENSITIVE INFORMATION

Not applicable.

<i>Section</i>	<i>Information</i>	<i>Justification</i>	<i>Assessment method and conclusion</i>
N/A	N/A	N/A	N/A

APPENDIX 2: EVIDENCE LIST

N°	Documents reviewed or referenced
1	VCS Program Guide v4.3
2	VCS Standard v4.7
3	VCS Methodology requirements v4.4
4	VCS Programme definition v4.5
5	VCS Validation and verification manual v3.2
6	VCS AFOLU Non-Permanence Risk Tool, v4.2
7	Monitoring-Report, initial version, dated on 19 January 2024
8	Monitoring-Report, final version (3.0), dated on 27 November 2024
9	Validated PD, dated on 5 April 2014
10	Previous Verification Report, dated on 25 November 2015
11	Valdivian Coastal Reserve Monitoring Plan 2015-2020
12	Community Engagement Plan for the Valdivian Coastal Reserve.
13	2021-2026 Community Engagement Plan
14	Protocol that regulates the relations of the Valdivian Coastal Reserve with different stakeholders of the territory
15	Godoy's anthropological studies (2003)
16	Resumes expertise from The Nature Conservancy
17	Resume expertise from Terracarbon
18	Park Guard Training records
19	Health and Safety Policy
20	The Nature Conservancy Code of Conduct
21	Social program
22	Custody and conservation of the Valdivian coastal reserve
23	VM0007 REDD+ Methodology Framework (REDD+MF), version 1.5
24	Spreadsheet of emission reduction calculation
25	GIS remote sensing imagery.
26	CONAF fire database
27	Park guards attestation
28	Patrol logs
29	Satellite monitoring report covering the leakage
30	Forest statistics published by the Forestry Institute (INFOR). Data available for 2019 to 2022 (INFOR 2020-2023)
31	Non – Performance Risk Report

N°	Documents reviewed or referenced
32	National Forest Corporation's (CONAF) Fire Control Program
33	Camara traps photography
34	Valdivian Coastal Reserve Management plan 2015 - 2020
35	Valdivian Coastal Reserve Management plan 2021 - 2026

APPENDIX 3: VERIFICATION FINDINGS

Non Conformities (NCs)/Corrective Action Request (CARs)

NC/CAR id.	01	Date: 27/06/2024
NC/CAR description		
The following section has not been filled following the instructions of the MR template. i.e.: - Cover page has some missing information (date and monitoring period) - Section 1.1. has not included the implementation status and relevant implementation dates (e.g., dates of construction, commissioning, and continued operation periods). - Section 1.4. Table do not include all requested information. Contact person nor mail are included - Section 1.12 does not use the official list of SDG Targets and Indicators to identify the SDG Targets to which the project has contributed. Furthermore, activities implemented during previous monitoring periods shall not be described in this monitoring. - Section 4.1 Parameters available at validation do not included all values applied. i.e.: <i>Aplanned,i; D%planned,i,t; ΔCBSL,planned; COMFi; Ggi.</i> - Section 4.3 does not include the processes used for handling any internal auditing performed nor any non-conformities identified.		
Project proponent's response		Date: 14/11/2024
- Cover page has been revised to include the date and monitoring period. - Section 1.1 has been revised to include implementation status and relevant dates. - Section 1.4 has been revised to include requested information. - Section 1.12 has been revised to use official SDG Targets and Indicators, and data from previous monitoring period was excluded from the report. - Section 4.1 parameters listed above have been revised to show values applied. - Section 4.3 has been revised to show the internal auditing performed during the calculation of this monitoring report. No non-conformities were identified.		
Documentation provided by the project proponent		
Revised Monitoring Report		
VVB's evaluation		Date: 30/12/2024
PP has updated MR as per template. However, version 4.3 is no longer valid. PP is requested to update the MR to applicable version (V4.4). CAR 1 remains open		
Project proponent's response		Date: 03/02/2025
MR has been updated to version 4.4		

Documentation provided by the project proponent	
Revised Monitoring Report. (VCS MR 1175 04NOV2014-03NOV2023.docx)	
VVB's evaluation	Date: 03/03/2025
PP is applying in force template. Then, CAR 1 is closed	

NC/CAR id.	02	Date: 27/06/2024
NC/CAR description		
The quantification of GHG Emission Reductions (baseline, project, leakage emissions), described in section 5 has not detailed all steps included in all applied methodology and tools. .PP is requested to describe the procedure for quantification, including relevant equations, explaining and justifying all relevant methodological choices; and provide sufficient information to allow the reader to reproduce the calculation. In addition, minor error were identified in the spreadsheet regarding to vintages allocation.		
Project proponent's response		Date: 14/11/2024
Section 5.2 of the Monitoring Report has been updated to show the project's use of Equation 3.9 of module M-MON (VMD0015) of Methodology VM0007 to calculate project emissions. The minor errors regarding vintage allocation were corrected in the spreadsheet.		
Documentation provided by the project proponent		
Revised Monitoring Report Revised Monitoring Report calculations spreadsheet		
VVB's evaluation		Date: D30/12/2024
MR and spreadsheet were corrected accordingly. Then, CAR 2 is closed.		

Clarifications (CLs)

CL ID	01	Date: 27/06/2024
CL description		
PP is requested to provide the grievance mechanism procedure and detail how it meets with three stages stated in section 3.18.4 of the VCS Standard V4.5.		
Project proponent's response		Date: 14/11/2024
Section 2.1.4 of the Monitoring Report has been revised to describe the project's Feedback and Grievance Redress Procedure.		
Documentation provided by the project proponent		
Revised Monitoring Report		
VVB's evaluation		Date: DD/MM/YYYY
Updated MR, dos not clarify how the grievance mechanism meet the three stages requested by the standard. i.e.: 1) <i>The project proponent shall attempt to amicably resolve all grievances and provide a written response in a manner that is culturally appropriate.</i> 2) <i>Any grievances that are not resolved by amicable negotiations shall be referred to mediation by a neutral third party.</i> 3) <i>Any grievances that are not resolved through mediation shall be referred either to a) arbitration, to the extent allowed by the laws of the relevant jurisdiction or b) competent courts in the relevant jurisdiction, without prejudice to a party's ability to submit the grievance to a competent supranational adjudicatory body, if any.</i> CL 1 remains open		
Project proponent's response		Date: 03/02/2025
Section 2.1.4 of the MR has been revised to show how the grievance mechanism meets the Standard requirements.		
Documentation provided by the project proponent		
Revised Monitoring Report. (VCS MR 1175 04NOV2014-03NOV2023.docx)		
VVB's evaluation		Date:03/03/2025

Mentoring report was updated. Grievance procedure complies with VCS requirement

CL ID	02	Date: 27/06/2024
CL description		
PP is requested to provide exported PDF NPR report from Verra Project Hub and supporting evidence, including evidence of internal, external and natural risk.		
Project proponent's response		Date: 27/11/2024
An exported PDF NPR report from the Verra Project hub and supporting evidence has been provided.		
Documentation provided by the project proponent		
AFOLU_NPRT_Notes_1175_v1_20241127.pdf VCS_NPR_REP_1175_v1_20241127.pdf		
VVB's evaluation		Date: 30/12/2024
PP provided requested information. Then, CL 2 is closed.		

CL ID	03	Date: 27/06/2024
CL description		
PP is requested to clarify whether the PP have used any compensation mechanism, for example the cancelation of buffer credits, due to net emission reduction for this monitoring period are negative.		
Project proponent's response		Date: 14/11/2024
No compensation mechanism has yet been completed, however, TNC Chile has set aside a reserve of unsold credits in the anticipation of negative net emissions reductions for this monitoring period. The buffer pool is not relevant because the negative net emission reductions for this monitoring period do not represent a reversal.		
Documentation provided by the project proponent		
VVB's evaluation		Date: 30/12/2024
Audit team confirmed that unsold credits are greater than negative emission reduction. Then, CL 3 is closed.		

CL ID	04	Date: 27/06/*2024
CL description		
PP is requested to provide following evidence: 1. GIS data and satellite imagery of monitored areas ($A_{DefPA,u,i,t}$, $A_{DistPA,q,i,t}$) 2. Land tenure rights 3. Community Engagement Plan 4. Training and capacity building for local institutions 5. Gender awareness raising strategies 6. Benefit sharing plan 7. Families benefits ("Reporte de Actividades, Plan de Manejo – Programas, Reserva Costera Valdiviana, 2015-2016") 8. Occupational health and safety procedure (applicable to project activities)		
Project proponent's response		Date: DD/MM/YYYY

1. The requested data can be found in the folder 'GIS & Remote Sensing'. 2. The land tenure due diligence study by Carey y Cia Abogados is included in Supporting Documents and FORECOS conservation easement report, together which establish TNC's clear ownership of the land. 3. The Community Engagement Plan can be found in the folder 'Supporting Documents' with the title "VCR_CommunityEngPlan FPHP_0821_V5.pdf" 4. The MR has been revised to show how Capacity Building is built into the VCR's Community Engagement Plan. 5. Section 2.2 of the MR has been revised to show how TNC has mitigated the identified risk towards women and girls. 6. A formal Benefit Sharing plan is not needed, as the project does not impact property rights per Section 2.3.4. However, the MR has been amended to demonstrate 7. The report has been added to Supporting Documents, with the title "KPI_Report_Reserva_v2.pdf". 8. The document 'Reglamento Interno, Orden, Higiene y Seguridad' has been added to supporting documents as evidence of RCV occupational health and safety procedures.	
Documentation provided by the project proponent	
1. GIS & Remote Sensing folder > "Valdivian Coastal Reserve remote sensing imagery.tar" 2. DOCSCARE-#191539-v2-Final_Due_Diligence_Report_.doc; Informe Custodia de Conservacion 2022-23 Reserva Costera Valdiviana 3. Supporting Documents > "VCR_CommunityEngPlan FPHP_0821_V5.pdf" 4. Revised Monitoring Report 5. Revised Monitoring Report 6. Revised Monitoring Report 7. Supporting Documents > "KPI_Report_Reserva_v2.pdf". 8. Supporting Documents > "Reglamento Interno, Orden, Higiene y Seguridad.pdf"	
VVB's evaluation	Date: 30/12/2024
Pp has provided requested information. Then, CL 4 is closed.	