

VERIFICATION REPORT FOR THE LOWER ZAMBEZI REDD+ PROJECT

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Summary:

This report describes the verification audit of the Lower Zambezi REDD+ Project ("the project"), a Reduced Emissions from Deforestation and Degradation (REDD+) project located in the Rufunsa district of Zambia, which was conducted by SCS. The purpose of the verification audit was to conduct an independent assessment of the project to determine whether the project complies with the VCS rules. The criteria for the verification audit was the VCS Version 3. The verification audit was performed through a combination of document review, interviews with relevant personnel and on-site inspections. A total of 14 findings were issued during the verification process. The project complies with all of the verification criteria, and the assessment team has no restrictions or uncertainties with respect to the compliance of the project with the verification criteria.

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1 INTRODUCTION

1.1 Objective

In accordance with Section 5.1.1, SCS carried out an ex-post independent assessment of the GHG Emission Reductions or Removals that have occurred as a result of the project during the monitoring period, conducted in accordance with the VCS rules. In accordance with Section 2.1.2 of the VCS Validation & Verification Manual, V3.1, the objectives of the verification engagement were to evaluate the monitoring report and assess the following:

- The extent to which methods and procedures, including monitoring procedures, have been implemented in accordance with the validated project description. This includes ensuring conformance with the monitoring plan.
- The extent to which GHG Emission Reductions or Removals reported in the monitoring report are materially accurate.

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

1.2 Scope and Criteria

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

- The project;
- The physical infrastructure, activities, technologies and processes of the project;
- The GHG sources, sinks and/or reservoirs that are applicable to the project;
- The types of GHGs that are applicable to the project; and
- The monitoring period, as discussed in Section 5 of this report.

In accordance with Section 5.3.1 of the VCS Standard, the criteria for verification was the VCS Version 3, including the following documents:

- VCS Program Guide
- VCS Standard
- VCS AFOLU Requirements
- VCS Non-Permanence Risk Tool

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

In addition, the assessment was performed against the requirements of the validated project description.

1.3 Level of Assurance

In accordance with Section 5.3.1 of the VCS Standard, the level of assurance of this report is reasonable.

1.4 Summary Description of the Project

The project is located in the Rufunsa District of Zambia and is aimed at reducing emissions from unplanned deforestation.

2 VERIFICATION PROCESS

2.1 Method and Criteria

The verification was performed through a combination of document review, interviews with relevant personnel and on-site inspections, as discussed in Sections 2.2 through 2.4 of this report. At all times, the monitoring report and non-permanence risk analysis were assessed for conformance to the criteria described in Section 1.2 of this report. As discussed in Section 2.5, findings were issued to ensure conformance to all requirements.

The audit team created a sampling plan following a proprietary sampling plan workbook developed by SCS. Per Section 4.4.3 of ISO 14064-3:2006, the audit team identified possible risks of errors, omissions and misrepresentations with respect to the verification criteria. For each identified risk, the audit team assessed the likelihood of the material discrepancy occurring, the likelihood of the material discrepancy not being prevented or detected by the controls of the project the material discrepancy and the likelihood of the material discrepancy not being detected by the audit team. Sampling and data testing activities were planned to address any risk where the likelihood of a material discrepancy not being detected by the audit team was judged to be unacceptably high. The audit team then created a verification plan that took the sampling plan into account.

2.2 Document Review

The monitoring report titled “20150629_LZRP_VCS_MR2” was carefully reviewed for conformance to the verification criteria. The following additional documentation, provided by Project personnel in support of the aforementioned documents, was also reviewed by the audit team:

Document	File Name	Document ID /#
Environmental Management Plan	20150529_LZRP_EnvironManPlan_V4	/1/
Adaptive Management Evidence	2015.01.22_Workshop_LessonsLearned Report _ Formal	/2/
Social Monitoring I	CES_Handbook_2015_d4	/3/
Social Monitoring II	Social Monitoring SOP V4_Community Engagement Strategy_2013.03.compressed	/4/
Illegal Logging Shape Files	Various Shape files	/5/
Leakage emissions	(various workbooks)	/6/
Leakage Plot Imagery	(various images)	/7/
Leakage Workbook	01092014_LZRP_Leakage_Mon2	/8/

DE Minimis Calculation Workbook	20150610_LZRP_II_Log_Insig	/9/
Illegal Logging Stump Survey	LZRP_IllegalTimb_StumpSurvey_19May_2014	/10/
Corrected Inventory Workbook	20150605_BCP_LZRP_Carblnv_CBH_Corrected	/11/
ER Calculations M2 Only	20150605_LZRP_ER_Calc_M2	/12/
ER calculations M1 and M2	20150629_LZRP_ER_Calc_M2	/13/
Field Sampling Protocol	05052015_BCP_Biomass_Sampling_SOP_V1.7	/14/
Protocol for CBH Adjustments	22032015_BCP_ForMon_CBH_Correction_SOP	/15/
QA/QC Protocol	BCP_Biomass_SpotError_Protocol_Jan_2014	/16/
Leakage Field Protocol	LZRP_Annex_M_BCP_Biomass_Sampling_LeakageMon_8June_2013	/17/
Project Risk Report	20150807_LZRP_VCS Non-Permanence Risk_MR2	/18/
Financial Viability I	20150601_LZRP_VCS 30yr_Viability	/19/
Financial Viability II	AMOCPA Letter	/20/
Financial Viability II	LOWER ZAMBEZI REDD+ PROJECT	/21/
Appendix H	(various raster, vector, and KML files)	/22/
VCS Guidance	RE Verification Issue Help Request	/23/
Conservation easement	LZRP_Annex_B-Signed_CRC_Rufunsa_FINAL	/24/
Financial Statements	Grant funding and bank statements reviewed on site	/25/

2.3 Interviews

The process used in interviewing Project Personnel was a process wherein the audit team elicited information from Project Personnel regarding the project and its compliance with the verification criteria. Some meetings were held concurrently with site inspections (see Section 2.4 below). Other meetings were held remotely via telephone or Skype connection.

The following personnel associated with the project proponent and/or other entities involved in the project were interviewed.

Individual	Affiliation	Role	Date(s) Interviewed
Hassan Salmedina	Bio Carbon Partners (BCP)	Managing Director	Throughout Audit
Leon-Jacques Theron	BCP	Carbon Accounting Manager	Throughout Audit
Wesley Roberts	BCP	GIS Specialist	8-14 March 2015
Molly Crystal	BCP	Community Specialist	11-14 March 2015
Liason Clingakamba	BCP	Biomass Team	8-14 March 2015
Lawrence Musani	BCP	Biomass Team	8-14 March 2015
Nichimunya Simweendenswe	BCP	Biomass Team	8-14 March 2015
Elvin Muchimba	BCP	Biomass Team	8-14 March 2015
Mathews Phiri	BCP	Charpenuer	13 March 2015
Darlington Chipita	BCP	Project Participant	21-31 October 2014
Absalom Mwale	BCP	Project Participant	12 March 2015
Agness Kanunguna	BCP	Project Participant	12 March 2015
Kondwani Mabcito	BCP	Project Participant	12 March 2015
Linda Bowa	BCP	Teacher	12 March 2015
Hidlah Mbalzi	BCP	Consultant	12 March 2015
Grace Daka	Zambia Forestry Department	Director of Forest Operations	13 march 2015
Simon Bweupe	Zambia Forestry Department	Extension Officer	13 march 2015
Iqbal Y Alloo	Sable Transport Limited	Land Owner	13 March 2015
Seamus MacIennan	BCP	Field manager	8-13 March 2015

2.4 Site Inspections

The objectives of the on-site inspections performed were to:

- Select samples of data from on-the-ground measurements for verification in order to meet a reasonable level of assurance and to meet the materiality requirements of the project, as required by Section 5.1.3 of the VCS Standard;
- Perform a risk-based review of the project area and project activities to ensure that the project conformed to the requirements of the VCS rules and the methodology throughout the monitoring period; and
- Ensure that monitoring was conducted in accordance with the requirements of the validated monitoring plan, the methodology employed and the VCS rules

In fulfilment of the above objectives, the audit team performed an on-site inspection of the project area on the dates 8-14 March 2015. The main activities undertaken by the audit team were as follows:

- Interviewed Project Personnel (see Section 2.3 of this report) to gather information regarding the monitoring of the project;
- Interviewed Project Personnel (see Section 2.3 of this report) for the purpose of seeking evidence of conformance with respect to the specific requirements of the methodology and the VCS rules;
- Interviewed residents of communities near the project boundary to confirm the claims of the project proponents with respect to the extent of community engagement with the project implementation.
- Viewed Project Personnel conducting re-measurements on inventory plots. The representatives were asked to replicate the measurement protocol that was applied, for the purpose of providing the audit team with reasonable assurance that the measurements were collected to appropriate quality standards.

2.5 Resolution of Findings

Any potential or actual material discrepancies identified during the assessment process were resolved through the issuance of findings. The types of findings issued by SCS were characterized as follows:

Non-Conformity Report (NCR): An NCR signified a material discrepancy with respect to a specific requirement. This type of finding could only be closed upon receipt by SCS of evidence indicating that the identified discrepancy had been corrected. Resolution of all open NCRs was a prerequisite for issuance of a verification statement. A total of 11NCRs were issued during the verification engagement.

New Information Request (NIR): An NIR signified a need for supplementary information in order to determine whether a material discrepancy existed with respect to a specific requirement. Receipt of an NIR did not necessarily indicate that the project was not in compliance with a specific requirement. However, resolution of all open NIRs was a prerequisite for issuance of a validation statement. A total of 3NIRs were issued during the validation engagement.

Opportunity for Improvement (OFI): An OFI indicated an area that should be monitored or ideally, improved upon. OFI's were considered to be an indication of something that could become a non-conformity if not given proper attention, and were sometimes issued in the case that a non-material discrepancy was identified. OFIs were considered to be closed upon issuance. 0OFIs were issued during the validation engagement.

All findings issued by the audit team during the verification process have been closed. In accordance with Section 5.3.6 of the VCS Standard, all findings issued during the verification process, and the impetus for their closure, are described in Appendix A of this report.

2.5.1 Forward Action Requests

This section is not applicable, as no forward action requests were issued prior to this verification.

2.6 Eligibility for Validation Activities

SCS Global Services is an accredited validation body for Sectoral Scope 14 Agriculture, Forestry, and Land Use.

3 VALIDATION FINDINGS

During the verification three methodology deviations and one project description deviation were noted by the audit team. The first methodology deviation consisted of an improvement to the monitoring of leakage plots, by geo-referencing each felled tree in the leakage plots. The second methodology deviation consisted of an update to the cumulative baseline emissions due to an error in the collection of field data. The third methodology deviation consisted of a correction to the carbon not decayed in belowground biomass equation, as the equation in the methodology resulted in unrealistic decay rates and has since been corrected in later versions of the methodology. The project description deviation, is in reference to the location at which tree circumference data were being collected. Both deviations have been appropriately described in the current project monitoring report. In addition, the audit team assessed the effects of both of the deviations and have provided a description of each in sections 3.2 and 3.3 below.

3.1 Participation under Other GHG Programs

This section is not applicable as the project is not seeking registration under and approved GHG program other than the VCS.

3.2 Methodology Deviations

Subsequent to the initial validation and verification of the Lower Zambezi REDD+ Project (LZRP) personnel made the decision to add a geo-reference step to the data collection protocol for the leakage plots. The audit team reviewed this deviation in the project monitoring report and assessed the deviation against the requirements of section 3.5.1 of the VCS Standard.. It is the opinion of the audit team that this deviation is appropriate given the following:

- The additional data collection method represents a deviation from the criteria and procedures relating to monitoring or measurement set out in the methodology (i.e., deviations are permitted where they relate to data and parameters available at validation, data and parameters monitored, or the monitoring plan).

- The additional data collection method does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals and is likely to result in increased accuracy.

In response to the second deviation regarding a change in the cumulative baseline emissions, the audit team assessed the deviation against the requirements of section 3.5.1 of the VCS Standard and recalculated the updated reported values. It is the opinion of the audit team that this deviation is appropriate given the following:

- The additional data collection method represents a deviation from the criteria and procedures relating to monitoring or measurement set out in the methodology (i.e., deviations are permitted where they relate to data and parameters available at validation, data and parameters monitored, or the monitoring plan).
- The additional data collection method does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals and is likely to result in increased accuracy.

Finally, the audit team reviewed the methodology deviation approved during the initial verification regarding the decay of belowground biomass. The audit team reviewed the VBA code and the associated calculations and were able to confirm that no changes have occurred since the initial approval of this deviation and provide a correct application of the revised equation. Moreover, the resulting decay rates now reported by the project present a more conservative estimate of GHG emission reductions. It should be noted however, that while this deviation was accepted during the previous verification, it has not been listed as a methodology deviation in previous monitoring or verification reports. For purposes of memorialization, the audit team is including this methodology deviation based on the following:

- The additional data collection method represents a deviation from the criteria and procedures relating to monitoring or measurement set out in the methodology (i.e., deviations are permitted where they relate to data and parameters available at validation, data and parameters monitored, or the monitoring plan).
- The additional data collection method does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals and is likely to result in increased accuracy.

In summary, the audit team agrees that the deviations to the methodology are appropriate and are conformance with Section 3.5.1 of the VCS Standard. A complete description of the methodology deviations are located in Section 2.2.1 of the second project monitoring report and Section 4.1 of the initial monitoring report respectively.

3.3 Project Description Deviations

During the field portion of the site verification, the audit team noted that project personnel were inappropriately collecting biomass data in the field. Specifically, forked trees were often being measured at a height lower than that prescribed by the allometric equations employed by the project calculations. Based on this observation the audit team issued a finding with respect to this issue.

In response to the issuance of the verification finding, project personnel embarked on a field effort to collect data on a representative number of forked trees, collecting both the height measurements required by the initial requirements of the project field biomass protocol and the height measurements prescribed by the allometric equations approved at validation. Project personnel then used the additional data to assess the potential materiality of the measurement errors. Upon realizing the results showed that the erroneous measurements did indeed result in a quantitative material misstatement, project personnel then utilized the new data to develop a regression equation that would allow for the original inventory to be updated to more accurately estimate the project carbon stocks prior to deforestation.

Upon completion of the project work to address this issue, the audit team first recalculated the regression equation based on the new data provided by project personnel and compared that equation against the regression equation developed by the audit team using the field data collected by the audit team while in the field. Whereas, the data collected by the audit team is nowhere near a representative sample, the audit team is confident that it allows for a coarse level comparison.

The audit team then assessed whether or not the deviation impacts the applicability of the methodology, additionality, and the appropriateness of the baseline scenario. It was the opinion of the audit team the deviation did not affect the applicability of the methodology, as no applicability condition exists with the methodology that regard individual tree metrics.

In addition, the audit team confirmed that the deviation did affect the appropriateness of the baseline scenario, as the baseline scenario remains unchanged, nor did the deviation impact the additionality of the project, as the project still produces additional GHG emission reductions when compared to the baseline scenario.

Finally, the audit team was provided with an email from John Holler of the VCSA (dated 26 June 2015) in which the VCSA provided a suggested course action, as to how to allocate the changes in carbon stocks with respect previous monitoring periods. The audit team assessed the updated monitoring report against the guidance provided by the VCSA and confirmed that the allocation of changes in carbon stock was performed in accordance with the guidance. In summary, based on the corrective action plan submitted by project personnel and the guidance provided by the VCSA, it is the opinion of the audit team that the deviation is appropriately described and justified, the project remains in compliance with the VCS rules, and is ultimately still valid.

3.4 Grouped Project

This section is not applicable as the project is not a grouped project.

4 VERIFICATION FINDINGS

4.1 Project Implementation Status

The audit team assessed the implementation of the project activities against section 4.3 of the Project Description. The audit team confirmed that section 2.1 of the monitoring report provided an accurate description of the implementation of the project. For a complete description of the steps taken to assess the project implementation see below:

Item	Verification Findings
Material discrepancies between project implementation and the project description	The audit team performed a series of visits to the communities included in the project and observed the project activities taking place. The audit team held interviews with members of three communities involved in the project and were informed that the project had thus far met all commitments with regard to the project activities. No material discrepancies were found One material discrepancy was noted during the verification of the current carbon stocks (see Section 3.3 of this report)
Implementation status of monitoring plan and completeness of monitoring	The audit team confirmed that all monitoring activities documented in Section 3.3 of monitoring report were correctly carried out accordingly with the requirements and frequency of the monitoring plan described in section 4.2 and 4.3 of the PD, through the following: - Reviewed stratification process for the creation of figure 2 of the project monitoring report and confirmed that the stratification remained constant with the initially validated strata boundaries - Observed the set up and re-measurement of four plots across the project area and confirmed to the sampling design was implemented as described in section 3.3.2 of the monitoring report, as well as using best practices in forest mensuration. In addition, the audit team performed spot measurements during the field verification and consistently produced the same results as the project team. Finally, the audit team independently re-measured

Item	Verification Findings
	one of the field verification plots which produced consistent results with those of the project (see Section 3.3 of this report) • Spent one week in the field with the project team, both re-measuring plots and confirming the implementation of project activities within communities and confirmed that the organizational structure and operation is as described in section 3.3.5 of the monitoring report • Reviewed the process for data management and storage and confirmed that the description provided in section 3.3.6 of the monitoring report was followed completely and is sufficient for providing quality data management and storage • Interviewed biomass team while on site and confirmed that the personnel were highly skilled and educated as to the processes described in section 3.3.2 of the monitoring report. In addition, the audit team spent over a week in both the office and the field with the team and confirmed that the description provided in the monitoring report was be followed completely • Reviewed the allometric equations provided by project personnel and confirmed that the equations were correctly calculated in the project's workbooks. Finally, the audit team re-calculated the plot level biomass for a random plot selected for the field verification and produced consistent results with those reported in the project calculations and re-calculated the plot level carbon for all plots after the implementation of the project description

Item	Verification Findings
	deviation and produced values consistent with those of the project • The audit team reviewed the calculation of baseline emissions as prescribed by the methodology. The audit team confirmed the simple addition of the value from the previously validated baseline emissions model was calculated correctly • Traced the uncertainty deduction calculations, as prescribed by the methodology and confirmed that the value provided in the Project calculations resulted in an accurate estimate of uncertainty • Reviewed the process for the detection of forest fires across the project area. The audit team confirmed that no fires other than what has been accounted for in the deforestation class occurred during the monitoring period • Observed the re-measurement of one leakage plots in the Project Area. In this case the audit team produced a qualitative assessment of degradation lower than that of the project. In addition, the audit agrees that the leakage monitoring employed by the Project is very likely to result in a conservative estimate of GHG Emission Reductions or Removals, as often it is likely that degradation will be the result of drivers other than the project • Re-calculated the GHG Emission Reductions or Removals using the required methodological functions for the biomass emissions model. As soil is using the required decay factor, no additional checks were performed for the soil emissions model other than ensuring the

Item	Verification Findings
	calculations had not changed since the initial validation
Existence of material discrepancies between monitoring system and monitoring plan (as described in 4.3 of project description) and applied methodology	All tasks described in section 3.3 of the monitoring report were in agreement with the monitoring plan as described above. No material discrepancies were found other than those described in Section 3.3 of this report
Whether GHG Emission Reductions or Removals generated by the project have become included in emissions trading program or other mechanism that includes GHG allowance trading	- Audit team confirmed that REDD+ projects are not within scope of Clean Development Mechanism - Audit team confirmed, through personal knowledge of all projects currently approved under California's Air Resources Board Cap-and-Trade Program, that GHG Emission Reductions or Removals generated by project have not become included in that program - Audit team applied professional judgment to determine there is very low risk of GHG emission reductions or removals having been included in any other program
Whether project has received or sought any other form of environmental credit, or has become eligible to do so since validation or previous verification	Audit team is unaware of any other environmental crediting program that project would be eligible to participate in
Whether project has participated or been rejected under any other GHG programs since validation or previous verification	The audit team confirmed that the project has not previously been rejected by the VCSA and that a compliance program does not exist in Zambia at this time. Therefore the risk of the project not being in conformance with this requirement is non-existent at this time

The only previously verified methodological deviation was also included in the current monitoring report. The deviation relating to the geo-referencing of felled trees in the leakage area has been described in Section 3.2 of this report. In summary, it is the opinion of the audit team that aside from the project description deviation described in Section 3.3 of this report, that the project has been implemented as described in the project description.

4.2 Accuracy of GHG Emission Reduction and Removal Calculations

The GHG Emission Reductions or Removals have been quantified correctly in accordance with the project description and the applied methodology.

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

An identification of the data and parameters used to calculate the GHG Emission Reductions or Removals and a description of the steps taken to assess each of them, follows:

	Steps taken by audit team to assess...		
Data/Parameter	accuracy of GHG Emission Reductions or Removals	whether methods/formulae set out in project description have been followed	appropriateness of default values
$C_B^{[m]}$ $C_{B\ BGB}^{[m]}$ $C_P^{[m]}$ $C_P^{[m-1]}$ $C_P^{[m=0]}$ $C_{P\ 1\ BM}^{[m]}$ $C_{P\ b}^{[m]}$	As described in the implementation section of this report, the audit team both observed a random selection of carbon and leakage plots and performed an independent re-measurement of one randomly selected plot. In addition, the audit team recalculated the plot level carbon for each aboveground biomass plot in the project area. Moreover, the audit team re-calculated the biomass emissions for both the current and previous monitoring period	The audit team reviewed and re-calculated these parameters using the methods and formulae set out in the project description and the methodology and confirmed that they were being followed	The default value for the below ground biomass was applied appropriately as defined by the methodology
$C_{B\ BM}^{[m]}$	Given the issue with the overestimation of aboveground biomass using the original sampling protocol, the audit team used the methods described above to ensure that the carbon stocks at the end of the monitoring period were calculated correctly	The audit team reviewed and re-calculated this parameter using the methods and formulae set out in the project description and the methodology and confirmed that they were being followed	The default value for the below ground biomass was applied appropriately as defined by the methodology

	Steps taken by audit team to assess...		
Data/Parameter	accuracy of GHG Emission Reductions or Removals	whether methods/formulae set out in project description have been followed	appropriateness of default values
$E_{\Delta GER}^{[i]}$	The audit team re-calculated the GER values based on the updated carbon stock values in order to assess the accuracy of the project calculations	The audit team reviewed and re-calculated this parameter using the methods and formulae set out in the project description and the methodology and confirmed that they were being followed	N/A
$E_{\Delta NER}^{[i]}$	The audit team re-calculated the NER values based on the updated carbon stock values in order to assess the accuracy of the project calculations	The audit team reviewed and re-calculated this parameter using the methods and formulae set out in the project description and the methodology and confirmed that they were being followed	N/A
$E_B^{[m]}$ $E_B^{[m-1]}$ $E_{B \Delta}^{[m]}$	The audit team re-calculated the cumulative baseline emission values based on the updated carbon stock values in order to assess the accuracy of the project calculations	The audit team reviewed and re-calculated this parameter using the methods and formulae set out in the project description and the methodology and confirmed that they were being followed	N/A
$E_{B \Delta BGB}^{[i]}$	The audit team reviewed the calculations for the change in below ground biomass and found that the original methods had not changed since the initial validation and subsequent verification	The audit team reviewed the implementation of the project calculations and cross-checked them against the project description and previous monitoring report and confirmed that the parameters were calculated using the methods and formulae set out in the project description and the methodology	N/A
$E_{B \Delta BGB}^{[m-1]}$	The audit team recalculated the cumulative baseline emissions from below-ground biomass at the beginning of the current monitoring period	The audit team reviewed and re-calculated this parameter using the methods and formulae set out in the project description and the methodology and	N/A

	Steps taken by audit team to assess...		
Data/Parameter	accuracy of GHG Emission Reductions or Removals	whether methods/formulae set out in project description have been followed	appropriateness of default values
		confirmed that they were being followed	
$E_{B\ BM}^{[m]}$	The audit team recalculated the cumulative baseline emissions from biomass at the end of the current monitoring period	The audit team reviewed and re-calculated this parameter using the methods and formulae set out in the project description and the methodology and confirmed that they were being followed	N/A
$E_{BA}^{[m]}$	The audit team reviewed the cumulative emissions allocated to the buffer account at the end of the current monitoring period	The audit team reviewed and traced the calculation of this parameter and determined that the methods and formulae set out in the project description and the methodology and confirmed that they were being followed	N/A
$E_L^{[m]}$ $E_L^{[m-1]}$ $E_{L\ \Delta}^{[m]}$ $E_{L\ AS}^{[m]}$ $p_{L\ DEG}^{[m]}$	The audit team observed the re-measurement of one leakage plot and then traced the flow of data throughout the process in order to assess the accuracy regarding this parameter	The audit team reviewed and traced the calculation of this parameter and determined that the methods and formulae set out in the project description and the methodology and confirmed that they were being followed	N/A
$U_B^{[m]}$ $U_P^{[m]}$ $E_U^{[m]}$	The audit team traced the flow of data throughout the process in order to assess the accuracy regarding this parameter	The audit team reviewed and traced the calculation of this parameter and determined that the methods and formulae set out in the project description and the methodology and	N/A

	Steps taken by audit team to assess...		
Data/Parameter	accuracy of GHG Emission Reductions or Removals	whether methods/formulae set out in project description have been followed	appropriateness of default values
		confirmed that they were being followed	
All other parameters	All other parameters were appropriately validated and verified prior to this verification event. In all cases the audit team cross checked the parameters against the validated and verified in order to discern any changes. The only other changes applicable to this verification are listed above	The audit team reviewed the implementation of the project calculations and cross checked them against the previous validation and verification and confirmed that the parameters were calculated using the methods and formulae set out in the project description and the methodology	N/A

In summary, the audit team reviewed the QA/QC procedures for data management and determined that they were being followed. Overall, the workbooks have been designed in a way that limits user error, as the majority of the calculations are hard wired into VBA code. In addition, data is cell referenced as it is moved from tab to tab of the workbook, further limiting errors. The audit team has a reasonable level of assurance that the GHG emission reductions and removals have been quantified correctly in accordance with the project description and applied methodology.

4.3 Quality of Evidence to Determine GHG Emission Reductions and Removals

The evidence used to determine the GHG reductions and removals was of sufficient quantity and appropriate quality. An identification of the categories of evidence used to determine the GHG Emission Reductions or Removals, and a description of the steps taken to assess the sufficiency of quantity, and appropriateness of quality, of each category of evidence, follows:

	Steps taken by audit team to assess...		
Category	reliability, source, nature of evidence	information flow from data generation and aggregation, to recording, calculation and final transposition into the monitoring report	appropriateness of implemented calibration frequency of monitoring equipment

Reporting workbooks	Workbooks originated from Project Personnel and were determined, after thorough testing, to be of high quality and highly reliable; quantity of workbooks provided to audit team was sufficient	In all cases, audit team traced data contained in the monitoring report from the emission reduction workbooks back to their respective sources, which were: /6/ and /8/-/15/	N/A
Field Protocols	The field protocols were reviewed by the audit team, who confirmed that they were designed using best practices and are capable of capturing changes in carbon stock in conformance with the methodology	The audit team reviewed the field protocols and confirmed that the QA/QC procedures provide checks and balances to ensure high quality data collection (/14/, /16/, /17/)	N/A
GIS Data	All stratification and other demographic data was provided to the audit team, who confirmed that the data contained all the necessary information to recreate the processes employed by the project and found the calculations consistent with values stated in the project description, monitoring report and applied calculations.	The audit team re-calculated the total project area, as well as the area of each land class in the project area. In addition, the audit team collected GPS data at each plot point visited in order to ensure consistency with strata level reporting in the monitoring report. .	N/A

In summary, it is the opinion of the audit team that sufficient and appropriate quality exist to determine the GHG emission reductions or removals.

4.4 Non-Permanence Risk Analysis

The determined value of the overall risk rating has not changed since the prior verification audit. The audit team did not perform a re-assessment of the non-permanence risk analysis from first principles, but did assess the following:

- Whether any circumstances or conditions may have transpired since the prior verification audit such that the determination made by the previous verification body is no longer valid; and
- Whether items meant to address certain risks are in place and functioning as intended.

The determined value of the overall risk rating of 12% is appropriate and in conformance to the AFOLU Non-Permanence Risk Tool, to the extent that said determined value was appropriate and in conformance to the AFOLU Non-Permanence Risk Tool at the time of the prior verification audit. Finally, for instances in which there were no changes from the previous risk assessment, the audit team confirmed that the risk rating remains valid to the extent that it was valid in the first place.

4.4.1 Internal Risk – Project Management

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	The project is a REDD/AUD AFOLU project and therefore does not rely on tree planting to generate GHG credits.	N/A	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(b)	The Project has previously undergone validation and verification, however, in an attempt to dissuade deforestation in the project area, prior to determining the final project boundaries, an inhabited area along the border was removed in order to develop a use area and deter deforestation in the project area. Prior to the site visit, the audit team reviewed the project area imagery and noted the current deforestation and agree that at this verification event protection is not required to protect more than 50% of carbon stocks that have previously been issued. In addition, the audit team visited many of the project area boundaries with the knowledge of the fact that the methodology assumes that the lowest stocked strata are deforested first. Observations on site showed that the highest risk areas (proximity to human settlement) for deforestation were located such that the need for enforcement for 50% of the stocks for which credits had previously issued is highly unlikely at the time of this verification event	• The audit team used high quality Google Earth imagery • The audit team performed on site observations near most major human settlements near the project area	Risk rating is appropriate
(c)	The audit team reviewed the work history and training of the Project Personnel and implementing partners. The audit team confirmed that the management team includes individuals with significant experience necessary undertake all project activities (i.e., any area of required experience is not covered by at least one individual with at least 5 years' experience in the area).	N/A	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(d)	Audit team worked and assessed the project in the country and in the project area and confirmed that the project management team meets this criterion.	N/A	Risk rating is appropriate
(e)	The project is undergoing verification for the 3 rd time under the same project management and thus meets the criteria of this risk item	The audit team reviewed the information available on the VCS website in order to confirm the current status of the management team	Risk rating is appropriate
(f)	The audit team assessed the adaptive management plan described in documents /1/ - /4/ and interviewed local community members who corroborated the language in such documents showing that an adaptive management plan is in place	The documents referenced in section 2.2 of this report have been reviewed by the audit team and are of high quality	Risk rating is appropriate

4.4.2 Internal Risk – Financial Viability

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	-	-	N/A
(b)	-	-	N/A
(c)	-	-	N/A
(d)	The audit team reviewed the financial budget of the project including grant funding documentation. The audit team also sampled inputs driving the model and confirmed that the future sale of credits is based on conservative estimates.	The audit team found the project cash flow budget /9/ and associated documentation neat, organized and user friendly. The project team were able to provide a clear description of the inner workings of the budget as well as record keeping	Risk rating is appropriate
(e)	-	-	N/A

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(f)	-	-	N/A
(g)	-	-	N/A
(h)	See above for assessment of rationale The audit team confirmed that with the concurrent grant funding available the project has secured 80% or more of funding needed to cover the total cash out before the project reaches breakeven	The audit team found the project cash flow budget /9/ and associated documentation /25/ neat, organized and user friendly. The project team were able to provide a clear description of the inner workings of the budget as well as record keeping	Risk rating is appropriate
(i)	See above for assessment rationale The audit team was provided with an official letter from Thomas Hancock of Rockwood Leisure Group, titled "LOWER ZAMBEZI REDD+ PROJECT" who has confirmed that the callable resources necessary to cover at least 50% of the cost of cash out before the project reaches breakeven. Using a web based review, the audit team was able to confirm with a reasonable level of assurance that Thomas Hancock and Rockwood Leisure are legitimate entities	The audit team considers the letter /21/ provided to the audit team, along with the available web information to be of high quality	Risk rating is appropriate

4.4.3 Opportunity Cost

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

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(d)	The audit team reviewed evidence supporting the table provided in the Project risk report and confirmed that the baseline scenario is subsistence driven. In addition while on site, the audit team visited communities in the district in the project area further confirming this claim and that the project is resulting in positive community benefits	The audit team reviewed the CCBA website and confirmed that the project has been certified at the gold level and is considered high quality http://www.climate-standards.org/category/projects/ (accessed 17 April 2015)	Risk rating is appropriate
(e)	-	-	N/A
(f)	-	-	N/A
(g)	-	-	N/A
(h)	The audit team reviewed the conservation easement requiring the project activities stating that the easement is in place for 30 years, thus covering the crediting period	The audit team was provided with the Rufunsa conservation easement /24/ and confirmed that it has been executed on behalf of the President of Zambia and is thus considered high quality	Risk rating is appropriate
(i)	NA	NA	Risk rating is appropriate

4.4.4 Internal risk – Project Longevity

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
	The audit team reviewed the calculation of project longevity score provided in the risk report and confirmed that it was calculated correctly. In addition, as stated above, the audit team confirmed that the project is covered by a conservation easement held by the Zambian government which requires the project activities legally be continued over the project crediting period. Also, the audit team reviewed the project management plan and confirmed that it had been submitted to the Zambian Wildlife Authority (ZAWA), as required for such projects. Moreover, the audit team received evidence that the financial plan for the project, covering the crediting period, had been submitted to AMOCPA (AMO Certified Public Accountants) a registered entity in Lusaka, Zambia	The management plan, conservation easement, and certified audit letter are all considered of high quality by the audit team (/1/, /20/, /24/)	Risk rating is appropriate

4.4.5 External Risk – Land Tenure and Resources Access/Impacts

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

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(b)	While on site, the audit team visited local districts and reviewed the rights of use agreement for the project confirming that the ownership and rights of use are held by different entities	The rights of use contract /24/ was clearly defined and confirmed by the leaseholder, Iqbal Y Alloo of Sable Transport Limited, who provided the audit team with his stamp, verifying that the right of use agreement is still in place, which is customary in the country. The audit team considers these documents of high quality	Risk rating is appropriate
(c)	N/A	N/A	N/A
(d)	N/A – While on site, the audit team held interviews with community members near the project area boundaries, as well as the fee owners of the land and were unable to uncover any disputes in the project area	N/A	N/A
(e)	N/A – the project is not a WRC project	N/A	N/A
(f)	As the rights of use contracts have not changed, the legally binding commitment to continue the management practices confirmed at validation are still in place	See item (b) above	Risk rating is appropriate
(g)	N/A	N/A	N/A

4.4.6 Community Engagement

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	A few individuals have settled within the project boundaries. Whereas, these individuals were not selected as part of the verification sample, the audit team consulted the certified CCB documentation in order to confirm that they had been consulted about the project	The audit team considers certified CCB documentation to be of high quality	Risk rating is appropriate
(b)	The audit team reviewed the certified CCB documentation and confirmed that a majority of individuals within 20 km of the project boundaries had been consulted. In addition, the audit team visited a number of communities outside of the project boundaries, all of which were taking part in project activities	The audit team considers certified CCB documentation to be of high quality	Risk rating is appropriate
(c)	The project has been successfully certified under the CCB Standards and generates net positive impacts on the social and economic well-being of the local communities who derive livelihoods from the project area.	The audit team considers certified CCB documentation to be of high quality	Risk rating is appropriate

4.4.7 Political Risk

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	-	-	N/A
(b)	-	-	N/A
(c)	The audit team downloaded dataset from World Bank Institute's Worldwide Governance Indicators (for the most recent five years, 2009-2014, as of March 2015) and confirmed the WGI score of -2.0432	The dataset used is required by the AFOLU Non-Permanence Risk Tool, and can be considered high quality	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(d)	-	-	N/A
(e)	-	-	N/A
(f)	The audit team was able to determine that Zambia is taking part in REDD Readiness (http://www.unredd.net/index.php?option=com_national_programme&view=countries&id=49&Itemid=689). In addition, the audit team was provided with evidence /25/ that the project is receiving multi-lateral funding from USAID for implementing REDD readiness	The audit team considers the USAID grant funding and the UN-REDD Programme website to be of high quality	N/A

4.4.8 External Risk – Natural Risk

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
Fire	Given the expertise of the audit team with the forest types comprising the project area, the audit team can confirm that miombo woodlands are highly fire adapted and are susceptible to loss of carbon stocks from natural fire due to human created conditions. The success of the project in reducing slash and burn agricultural activities that result in fire vectors near and within the project boundaries is sufficient for keeping the likelihood and significance of natural fire static. The audit team was provided with a suite of peer reviewed literature confirming that natural fire does not present a risk to the project carbon stocks	As is allowed by the non-permanence risk tool, the audit team considers peer reviewed literature to be high quality	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
Pest and Disease Outbreaks	Given the expertise of the audit team with the forest types comprising the project area, the audit team can confirm that miombo woodlands are highly resistant to pest and disease outbreaks. The audit team visited inventory plots across each district in the project area and confirmed that the species composition is consistent with the forest type listed above and therefore the risk of any changes to the ability of the forest areas to resist pest and disease outbreaks is insignificant	N/A	Risk rating is appropriate
Extreme Weather	No changes have occurred to the likelihood and significance of extreme weather since validation and the previous verification. The audit team is experienced working in the region and agrees that extreme weather does not pose a risk to the carbon stocks in the project area	N/A	Risk rating is appropriate
Geological Risk	No changes have occurred to the likelihood and significance of geological events since validation and the previous verification. The audit team is experienced working in the region and agrees that geological events do not pose a risk to the carbon stocks in the project area	N/A.	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
Elephants	The audit team reviewed the rationale provided by project personnel and confirmed that it is supported by the peer reviewed literature provided in the project risk report. In addition, whereas the audit team agrees with the rationale of the risks that elephants have on the carbon stocks, conversation with wildlife experts both near the project area and along the opposite banks of the Zambezi River allowed the audit team to confirm that the lack of significant elephant populations in or around the project area at this time supports the risk score	As is allowed by the non-permanence risk tool, the audit team considers peer reviewed literature to be high quality	Risk rating is appropriate

5 VERIFICATION CONCLUSION

The audit team asserts, with no qualifications or limitations, that the project complies with the verification criteria for projects and their GHG emission reductions or removals set out in VCS Version 3.

in addition, the audit team asserts that the project complies with the validation criteria for projects set out in VCS Version 3 (but this statement is qualified and limited in scope to the specific project and methodology deviations assessed by the audit team, as discussed in Sections 3.2 and 3.3 above).

The audit team has been able to confirm that the project has been implemented in accordance with the project description and subsequently validated variations.

The audit team has been able to confirm, with a reasonable level of assurance, that the quantity of GHG emission reductions or removals set out below has been quantified in accordance with the VCS rules. As documented in Section 4.4 above, the audit team can also confirm that the non-permanence risk score of 12% has been quantified in accordance with the VCS rules. Total VCU's to be issued are as follows:

2013 – 33,581

2014 – 99,284

Monitoring Period: From 1 October 2013 – 30 September 2014

Verified GHG Emission Reductions or Removals in the above verification period:

Year	Baseline emissions or removals (tCO ₂ e)	Project emissions or removals (tCO ₂ e)	Leakage emissions (tCO ₂ e)	Net GHG emission reductions or removals (tCO ₂ e)
2013	38,161	0	0	38,161
2014	112,822	0	0	112,822
Total	150,982	0	0	150,982

APPENDIX A: VERIFICATION ISSUES

The findings below are a record of issues raised throughout the verification process. All responses from Project Personnel are titled "Client Response" and are a verbatim transcription of their responses.

NCR 2014.1 dated 04/23/2015

Standard Reference: VCS Standard v3.4 Section 3.16.6; VCS Monitoring Report Template Cover Page

Document Reference: LZRP MR2 cover page

Finding: The VCS Standard states that "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template and adhere to all instructional text within the template."

Additionally, the cover page of the monitoring report template requires that the date of issue be provided in the format DD-Month-YYY.

The LZRP monitoring report does not use this dating convention and therefore is not in conformance with the Standard.

Client Response: The Monitoring report has been corrected with the right date format

Auditor Response: As stated in the client response, the monitoring report has been updated to include the date format required by the monitoring report template

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2014.2 dated 04/23/2015

Standard Reference: VCS Standard v3.4 Section 3.16.6; VCS Monitoring Report Template Cover Page

Document Reference: LZRP MR2 cover page

Finding: The VCS Standard states that "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template and adhere to all instructional text within the template."

Additionally, the monitoring report template requires the project contact provided the physical address, telephone, email, and website.

The LZRP Monitoring report does not include a telephone number for the project contact and therefore is not in conformance with the Standard.

Client Response: The monitoring report has been corrected with the correct contact details

Auditor Response: As stated in the client response, the monitoring report has been updated to include the contact details required by the monitoring report template

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2014.3 dated 04/23/2015

Standard Reference: VCS Standard v3.4 Section 3.16.6; VCS Monitoring Report Template section 1.1

Document Reference: LZRP MR2 Section 1.1

Finding: The VCS Standard states that "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template and adhere to all instructional text within the template."

Additionally, the monitoring report template requires that the total GHG emission reductions or removals be included in the section 1.1.

Whereas, the monitoring report includes the total GHG emission reductions for the crediting period and the average annual reductions, the report does not include the emission reductions for this monitoring period and is not in conformance with the Standard.

Client Response: The monitoring report has been updated to include this monitoring period's emissions reductions.

Auditor Response: As stated in the client response, the monitoring report has been updated to include the current emissions as required by the monitoring report template

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2014.4 dated 04/23/2015

Standard Reference: VCS Standard v3.4 Section 3.16.6; VCS Monitoring Report Template section 1.4

Document Reference: LZRP MR2 Section 1.4

Finding: The VCS Standard states that "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template and adhere to all instructional text within the template."

Additionally, the monitoring report template requires that the report "provide contact information and roles/responsibilities for any other project participant(s). Copy and paste the table as needed."

The monitoring report does not use the tables provided in the monitoring report template as required and therefore is not in conformance with the Standard.

Client Response: The monitoring report has been corrected using the VCS table and all project participant data has been updated

Auditor Response: As stated in the client response, the monitoring report has been updated to include the table format required by the monitoring report template

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2014.5 dated 04/23/2015

Standard Reference: VCS Standard v3.4 Section 3.16.6; VCS Monitoring Report Template section 3.1

Document Reference: LZRP MR2 Section 3.1

Finding: The VCS Standard states that "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template and adhere to all instructional text within the template."

Additionally, the monitoring report template requires that the project "Complete the table below for all data and parameters that are determined or available at validation, and remain fixed throughout the project crediting period (copy the table as necessary for each data unit/parameter). "

The monitoring report does not include all data and parameters that are determined available at validation and therefore is not in conformance with the Standard.

Client Response: The monitoring report has been updated and all parameters validated have been included

Auditor Response: As stated in the client response, the monitoring report has been updated to include all parameters as required by the monitoring report template

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2014.6 dated 04/23/2015

Standard Reference: VCS Standard v3.4 Section 3.16.6; VCS Monitoring Report Template section 3.2

Document Reference: LZRP MR2 Section 3.2

Finding: The VCS Standard states that "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template and adhere to all instructional text within the template."

Additionally, the monitoring report template requires that the project "Complete the table below for all data and parameters monitored during the project crediting period (copy the table as necessary for each data unit/parameter). "

The monitoring report does not include the data and parameters monitored during the crediting period and therefore is not in conformance with the Standard.

Client Response: The monitoring report has been updated and all parameters monitored have been included using the correct table.

Auditor Response: As stated in the client response, the monitoring report has been updated to include all parameters as required by the monitoring report template

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2014.7 dated 04/23/2015

Standard Reference: VCS Standard v3.4 Section 3.16.6; VCS Monitoring Report Template section 4.4

Document Reference: LZRP MR2 Section 4.4

Finding: The VCS Standard states that "The monitoring report describes all the data and information related to the monitoring of GHG emission reductions or removals. The project proponent shall use the VCS Monitoring Report Template and adhere to all instructional text within the template."

Additionally, the monitoring report template states that "For AFOLU projects, include quantification of the net change in carbon stocks..."

The table provided in the monitoring report does not include the net change in carbon stocks and therefore is not in conformance with the Standard.

Client Response: The monitoring report has been updated to include the net change in carbon stocks

Auditor Response: As stated in the client response, the monitoring report has been updated to include the net change in carbon stocks as required by the monitoring report template

Closing Remarks: The Client's response adequately addresses the finding.

NIR 2014.8 dated 04/23/2015

Standard Reference: AFOLU Non-Permanence Risk Tool section 2.2.1 (5)

Document Reference: LZRP Non-Permanence Risk Report

Finding: In order to claim a risk mitigation score of -2 for this item, an adaptive management place must be in place. Furthermore, the risk tool states:

"Adaptive management plans are those that identify, assess and create a mitigation plan for potential risks to the project, including those identified in this document, and any other obstacles to project implementation. They include a process for monitoring progress and documenting lessons learned or corrections that may be needed, and incorporating them into project decision-making in future monitoring periods. The onus is on the project proponent to demonstrate that such plans are in place, that such plans have considered the realm of potential risks and obstacles to the project, and that a system is in place for adapting to changing circumstances."

The information provided in the LZRP non-permanence risk report does not provide evidence that such a plan is in place. Moreover, no evidence has been provided to the verifier that such a plan includes a process for monitoring progress and documenting lessons learned or corrections that may be needed, and incorporating them into project decision-making in future monitoring periods. And that such a plan has considered the realm of potential risks and obstacles to the project, and that a system is in place for adapting to changing circumstances.

The absence of such evidence does not allow for assessment by the audit team.

Client Response: The non-permanence risk report has been completely updated and a narrative with new annexes has been added. This includes the adaptive management plan, breakeven analysis, financial plan and evidence that all have been submitted to the relevant authorities as required by the VCS.

Auditor Response: The audit team reviewed the information provided by project personnel and agree that the information provided is sufficient for addressing this issue

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2014.9 dated 04/23/2015

Standard Reference: AFOLU Non-Permanence Risk Tool section 2.3.1 (g)

Document Reference: LZRP Non-Permanence Risk Report

Finding: In order to claim a risk score of -2 for item (g) the risk tool states "Where disputes over land tenure, ownership or access/use rights exist, documented evidence is provided that projects have implemented activities to resolve the disputes or clarify overlapping claims."

The LZRP risk report claims a risk score of -2 for this item, however, in item (d) the project claims that no disputes exist in the project area. This was also evident to the verifier during the site visit. Given that the mitigation score is only applicable if disputes exist, claiming a mitigation score for this item is not congruent with the language of the tool and therefore not in conformance.

Client Response: The non-permanence risk report has been corrected and the category score removed.

Auditor Response: The risk score for this item has been appropriately amended and is no longer an issue

Closing Remarks: The Client's response adequately addresses the finding.

NIR 2014.10 dated 04/23/2015

Standard Reference: AFOLU Non-Permanence Risk Tool section 2.4.1

Document Reference: LZRP Non-Permanence Risk Report

Finding: The natural risk section of the non-permanence risk tool states that "Natural risk is based on likelihood (i.e., the historical average number of times the event has occurred in the project area over the last 100 years) and significance (i.e., the average significance of each event). Any significant natural risk (i.e., a risk affecting more than 5% of the project area) that has occurred over the past 100 years in the project area shall be considered applicable to the project. The frequency and significance of events shall be estimated based on historical records, probabilities, remote sensing data, peer-reviewed scientific literature, and/or documented local knowledge, such as survey data in project areas, and may include projected climate change impacts. Where data are available for at least 20 years, but less than 100 years, projects shall conservatively extrapolate using available data. Where such data are not available for the project area, likelihood and significance shall be determined based on conservative estimates (i.e., not underestimating the possible frequency or severity) of historical events in the region in which the project is located."

Additionally, the risk tool states "The significance of natural risks shall be determined by the damage that the project would sustain if the event occurred, expressed as an estimated percentage of average carbon stocks in the project area that would be lost in a single event."

The LZRP risk report does not provide any of the evidence listed above to support the claims for the resulting risk scores. Furthermore, during interviews during the site visit it was clear to the verifier that the score being claimed may not be based on the actual loss of carbon stocks (carbon pools selected by the project). Given this lack of clarity and evidence the verifier is unable to assess the natural risk score section of the LZRP risk score at this time.

Client Response: The non-permanence risk report has been updated and a narrative included how the natural risk scores were arrived at.

Auditor Response: The audit team reviewed the rationale, assumptions, and associated literature and concur that the information provided is sufficient for meeting the requirements of the risk tool

Closing Remarks: The Client's response adequately addresses the finding.

NIR 2014.11 dated 04/23/2015

Standard Reference: VCS Standard section 3.9.1

Document Reference: BCP Biomass Field SOP

Finding: During re-measurement of field plots during the site visit the verifier observed trees being measured at varying distance from the ground based on the point in which a tree forks from the ground. In all cases the tree were measured at the point directly below the fork or at ground level.

The allometric equation for miombo woodlands provided in the validated monitoring report (MR1) clearly states that the equation requires the input of diameter at breast height (DBH). Furthermore, the BCP biomass sampling SOP's provide guidance for measuring trees that fork below 1.3 meters, that they should be measured at 1.3 meters.

While re-measuring these plots the verifier collected measurements using the method describe in the BCP biomass field SOP's and collected measurement directly below the fork or at ground level. It was apparent to the verifier that the protocol being employed in the field was resulting in larger diameter measurements. Therefore, the potential for overestimation of biomass appears to exist in this case.

Section 5.3.1(4) of the VCS Standard states that "The threshold for materiality with respect to the aggregate of errors, omissions and misrepresentations relative to the total reported GHG emission reductions and/or removals shall be five percent for projects and one percent for large projects." As the project is considered "project" in accordance with Section 3.9.1 of the VCS Standard, please provide evidence that the misrepresentation of the reported GHG emission reductions, as caused by the issue described above, is likely to be less than five percent of the total reported GHG emission reductions. Alternatively, please take steps to correct the issue and ensure that GHG emission reductions and removals are reported in accordance with the principle of conservativeness, as defined in Section 2.4.1 of the VCS Standard.

Client Response: The error has been corrected by measuring 3001 stems from multi-stemmed trees in the project accounting area. A regression function was fitted to all multi-stemmed trees to correct the error. The error has resulted in an over-estimate of emissions reductions beyond the materiality threshold beyond the 5% level. The emissions reductions verified for M1 have not been revised as per the VCS VM0009, however, the corrdction has been applied for M2, the current monitoring period. The cumulative nature of emissions reductions calculations for VM0009, however, results in a dramatic reduction for the current monitoring period similar to if the correction was applied to M1 as well. The emissions reductions, if M1 is kept fixed as per VM0009, for M2 are now nearly 100 000tCO₂e less than the ex ante predictions. The biomass monitoring protocol has been updated and we will consider redoing the entire biomass inventory for M3. The data of the taper correction including the regression function has been included in Annex C, the forest carbon inventory. BCP requested a deviation from the VCSA to retrospectively correct this error which will result in the correction being spread over M1 and M2 and the VCS has agreed to this. The correspondence from the VCSA is included in the submission as "RE Verification Issue Help Request.msg.

Auditor Response: The audit team reviewed and recalculated the regression analysis provided by the client. Whereas, slight differences exist between the two analyses, the audit team submits that this is solely due to the fact that the project analysis omitted trees in which no differences existed between the CBH at fork and CBH at 1.3 meters and there has resulted in a conservative estimate of mean carbon stocks across the project. The information provided is sufficient for resolving this issue

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2014.12 dated 08/08/2015

Standard Reference: The VCS Non-Permanence Risk Report Template v3.1

Document Reference: LZRP Non-Permanence Risk Report

Finding: The VCS risk report template requires that "All sections must be completed using Arial 10pt, black, regular (non-italic) font. Sections which are not applicable may be left blank but should NOT be deleted from the final document." In Addition, the report template requires that users of the template "Document and substantiate the risk and/or mitigation for each risk factor applicable to the project. Include any relevant documentary evidence. Where a risk or mitigation is not relevant to the project, please write "Not applicable".

Throughout the LZRP risk report there is font that does not comply with the requirements of the template, specifically font other than Arial 10pt black and items that are not applicable have do not include the phrase "Not applicable" and therefore is not in conformance with the template.

Client Response: The client has provided evidence correcting this issue outside of the cover of this workbook.

Auditor Response: The audit team reviewed the amended non-permanence risk report for the project and confirmed that the report now conforms to all of the requirements of the template

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2014.13 dated 08/08/2015

Standard Reference: The VCS Standard v3.5, The VM0009 methodology v2.1 section 8.1, The VCS monitoring report template v3.3

Document Reference: LZRP Monitoring Report v MR2

Finding: The VCS standards states that "Deviations from the applied methodology are permitted where they represent a deviation from the criteria and procedures relating to monitoring or measurement set out in the methodology (i.e., deviations are permitted where they relate to data and parameters available at validation, data and parameters monitored, or the monitoring plan). Methodology deviations shall not negatively impact the conservativeness of the quantification of GHG emission reductions or removals, except where they result in increased accuracy of such quantification. Deviations relating to any other part of the methodology shall not be permitted."

In addition the VCS monitoring report template requires "Describe and justify any methodology deviations applied during this monitoring period. Include evidence to demonstrate the following..."

Finally, Section 8.1 of the VM0009 methodology states that "The baseline emissions for the current monitoring period are given by [F.15]. This is a function of the cumulative baseline emissions at the beginning and end of the current monitoring period as given by [F.16]. After this quantity is verified, it becomes fixed when determining emissions at subsequent monitoring events.

As a result of the project description deviation described in section 2.2.2 of the LZRP monitoring report, the cumulative baseline emissions at the beginning and end of this monitoring period have changed and therefore result in a deviation to the methodology. As this deviation has not been described, the monitoring report is not in conformance with the rules of the VCS standard, the VCS monitoring report template.

Client Response: The client has provided evidence correcting this issue outside of the cover of this workbook.

Auditor Response: The audit team reviewed the amended monitoring report and confirmed that the information regarding the methodology deviation is now described and is therefore in conformance with the requirements of the template

Closing Remarks: The Client's response adequately addresses the finding.

NCR 2014.14 dated 08/08/2015

Standard Reference: The VCS Monitoring Report Template

Document Reference: LZRP Monitoring Report v MR2

Finding: Table 12 of the VCS Monitoring report template requires that the user provide the estimated net GHG emission reductions or removals be provided.

Given that the LZRP monitoring report has included the net GHG emission reductions or removals minus the buffer allocation the report is not in conformance with the requirements of the template.

Client Response: The client has provided evidence correcting this issue outside of the cover of this workbook.

Auditor Response: The audit team reviewed the amended monitoring report and confirmed that the information regarding net GHG emission reductions has been corrected and is therefore in conformance with the requirements of the template

Closing Remarks: The Client's response adequately addresses the finding.