



**Verified Carbon
Standard**

THE REDD+ MAÍSA PROJECT VCS VERIFICATION

SECOND MONITORING PERIOD



Document Prepared By S&A Carbon LLC

Project Title	Maísa REDD+ Project (ID1329)
Version	1.4
Report ID	Biofilica Maisa REDD MP2 VCS verification_v1.4_EN_20201104

Report Title	The REDD+ Maísa Project VCS Verification
--------------	--

Client	Biofílica Investimentos Ambientais S.A.
Pages	43
Date of Issue	4 November 2020
Prepared By	S&A Carbon
Contact	Kyle Silon; Phone: 971-235-7835 Email: kyle.silon@saacarbon.com Website: www.saacarbon.com
Approved By	Alexa Kandarís
Work Carried Out By	Alexa Kandarís (Approver) Bruno B. Souza (Lead Verifier) Bruno Matta (Verifier) Kyle Silon (Project Manager) Lawson Henderson Reviewer (Internal Reviewer) Yohana Mello (Observer)

Summary:

This report shows the conclusions from the Maísa REDD Project verification process against the VCS version 4 standard. The Project is an AFOLU (REDD+) project which is being established with the objective to reduce unplanned deforestation within the limits of private property in the state of Pará, Brazil. Biofílica Investimentos Ambientais S.A., Maísa-Moju Agroindustrial Ltda and Sipasa-Seringa Industrial do Pará S/A are the project proponent organizations (PP). The project proponent applies the VCS approved VM0015 v1.1 methodology. It has estimated that 702,217 tCO₂e of greenhouse gas (GHG) emissions was avoided by implementation of the project activities over the time period between May 22, 2013 to May 21, 2020, corresponding to the monitoring period covered by this verification.

The desk-based verification was performed through a combination of remote sensing analysis, document review and interviews with relevant personnel, that took place from September 14th to 25th. This verification took place without a site visit due to the COVID- 19 pandemic. The verification team determined the desk-based approach for this audit as acceptable because is the second verification of the project within its first 10-year previously validated baseline period. In this sense, as baseline emissions and carbon stocks are fixed, remote sensing techniques could be adequately used to assess the project proponent ex-post estimates with a reasonable level of assurance. The verification process included several official and documented exchanges between the audit team and the project proponents to gather additional information for review and for examination of conformance with all applicable criteria. These exchanges included one round of an Issues Log produced by S&A to which the project proponents were required to respond. During the verification process, S&A Carbon raised 11 findings (08 non-conformities, 01 forward action request, 01 clarification request and 01 observation).

All non-conformities were resolved, and the necessary clarifications and supporting evidence were provided by the project proponent. The audit team confirmed in an email to the project proponents dated October 24th, 2020 that all remaining issues were satisfied in the responses provided in the Issues Log.

Once all identified issues were adequately resolved, S&A Carbon drafted this verification report and deems, with a reasonable level of assurance, that the project design is in compliance with all of the requirements in the Verified Carbon Standard version 4.0, without qualifications or limitations. The project activities implementation status is clearly reported in the monitoring report, and all its components have been established in conformance with the applied VCS methodology and validated project design document.

S&A Carbon is thus able to issue a positive verification opinion for the reported 702,217 tCO₂e of ex-post avoided emissions, as reported in the Monitoring Report Document, version 4.0, dated 29 October 2020. The audit team verified that calculated ex-post avoided emission reductions and/or removals was achieved during the project crediting period with a reasonable level of assurance. The overall risk rating was 17%. Therefore, the total number of credits to be deposited in the buffer account is 119,377 VCUs and the total VCUs to be issued are 582,840 tCO₂e.

CONTENTS

1	Introduction	5
1.1	Objective	5
1.2	Scope and Criteria	5
1.3	Level of Assurance	6
	Communication methodology	6
1.4	Summary Description of the Project	8
2	Verification Process	8
2.1	Method and Criteria	8
2.2	Document Review	10
2.3	Interviews	11
2.4	Site Inspections	11
2.5	Resolution of Findings	12
2.5.1	Forward Action Requests	12
2.6	Eligibility for Validation Activities	12
3	Validation Findings	13
3.1	Participation under Other GHG Programs	13
3.2	Methodology Deviations	13
3.3	Project Description Deviations	14
3.4	Grouped Project	14
4	Verification Findings	14
4.1	Project Implementation Status	14
4.2	Safeguards	17
4.2.1	No Net Harm	17
4.2.2	Local Stakeholder Consultation	17
4.3	AFOLU-Specific Safeguards	17
4.4	Accuracy of GHG Emission Reduction and Removal Calculations	17
4.5	Quality of Evidence to Determine GHG Emission Reductions and Removals	21
4.6	Non-Permanence Risk Analysis	21
5	Verification conclusion	25
2.	APPENDIX 1: Issues log	28

1 INTRODUCTION

S&A Carbon (VVB), developed this audit report to verify the project against the VCS standard (4th edition, Verra). The audit process was managed by Kyle Silon. Bruno played the role of lead auditor.

1.1 Objective

The objective of this verification audit is to provide offset verification services as defined in the standard documents listed below and to issue an offset verification statement on the ex-post GHG emission reductions and/or removals achieved by implementation of the project activities from May 22, 2013 to May 21, 2020 (second monitoring period).

1.2 Scope and Criteria

This report represents the results of the project's second verification to the VCS Standards. The scope of work includes a desk-based assessment of the Project's conformance with the VCS criteria described below for the from May 22, 2013 to May 21, 2020 (monitoring period). This verification took place without a site visit due to the COVID- 19 pandemic.

Specific verification audit tasks include:

- Assess the conformity of the monitoring report (MR) with the VCS standards, approved VCS methodology and applicable tools, considering its applicability conditions in face of the reality found in the field.
- Verify that the project activities were implemented as described in the validated PD and the implementation status of the project activities over the monitoring period, taking into account the monitoring plan, all relevant sinks, sources and reservoirs, GHG emission factors, deforestation rates and deforestation modelling, ex-post estimates and risk analysis, as well as other aspects relevant for the conformance with the standard;
- Evaluate the projected ex-post GHG emission reduction data and express a conclusion with a reasonable level of assurance as to whether the reported GHG emission reduction data is free from material misstatement.
- Assess whether the reported GHG emissions data is sufficiently supported by evidence.
- Analyse the project according to the guidelines described in the criteria below.

The criteria for the offset validation services are:

- Verified Carbon Standard Program Guide 2019 v.4.
- Verified Carbon Standard 2019 v.4.
- VCS Validation and Verification Manual v.3.2.
- VM0015, 03 December 2012 v.1.1.
- VCS AFOLU Non-Permanence Risk Tool 2019 v.4.

- ISO Standards 14064-2 and 14064-3, 2006.

Audit Team:

- Bruno B. Souza - Lead Verifier.
- Bruno M. Matta – Verifier.
- Yohana Melo – Observer.
- Lawson Henderson - Internal Reviewer.
- Kyle Silon – Project Manager.
- Alexa Kandarís – Approver.

1.3 Level of Assurance

The assessment was conducted to provide a reasonable level of assurance of conformance against the defined audit criteria and materiality thresholds within the audit scope. Based on the audit findings, a positive evaluation statement reasonably assures that the project GHG assertion is materially correct and is a fair representation of the GHG data and information. S&A Carbon used Information and Communication Technology (ICT) to ensure a reasonable level of assurance on carbon assertion. These key points were considered by the project proponent during the verification process:

- The GHG emission reduction assertion in VCS verifications of REDD+ projects can normally be carried out using satellite images, considering that carbon stocks and GHG emission factors were determined during the project validation and will be fixed until the baseline reassessment.
- The VVB team and the Project Proponents had an adequate setting for the conduct of an ICT audit (e.g., quiet environment with minimal interruptions, only approved participants are part of the audit activity, proper tools and resources to conduct the audit). The VVB team and the Project Proponents continually confirmed connection and communication was effectively achieved.
- All video conferences were recorded and made available to ANSI and Verra so that the verification process can be audited by a fourth party if necessary. Confidentiality and security throughout verification by all participants and for all information is secured by contract.
- The verification team determined specific days for the video conferences to be held with the project proponent and other relevant actors in line with the schedule presented in this sampling plan.
- The VVB has established a communication methodology.

Communication methodology

The communication methodology followed the following steps

- The audit team identified groups of stakeholders for conducting interviews based on the project documentation, and independently, based on information available on the internet about the region and the project scope.
- The project proponent has provided a list of possible contacts among each of the groups mapped by the audit team.
- The audit team has randomly selected some contacts from the lists presented by the project proponent to conduct the interviews. The audit team also independently selected specific contact persons from the mapped groups through information available on the internet or social media.
- The audit team informed the project proponent of the people chosen for interviews so that the project proponent could confirm their availability for a conversation or, alternatively, the audit team could simply inform the project proponent that the interview has already happened and on what day it took place. The project proponent has not participated in interviews with specific actors mapped by the audit team at this stage.
- The audit team listed all identified and interviewed stakeholders in this verification report. The contents of the specific results of the interviews were kept confidential to preserve the identity of the interviewees. Information obtained was used to make decisions about the verification of the project in an impersonal way, that is, without relating names to evidence found.
- As with on-site activity, debrief or summaries were regular, daily and in line with the schedule presented in this sampling plan to ensure all relevant participants are clear on the completed activities, any findings, and the plan moving forward.

1.4 Summary Description of the Project

The Maísa REDD+ Project is an AFOLU REDD+ AUD project type located in the municipality of Moju, state of Pará, Brazil. The project area covers 28,752 ha of forestland on privately-owned lands. The project was validated against VCS version 3 and CCB 2nd edition on 29 December 2014 and previously verified against VCS version 3 on 13 February 2015. The project applies the VM0015 v1.1 VCS approved methodology and intends to avoid the emission of 2,023,743 tCO₂e (ex-ante) due the project activity implementation over the course of the project lifetime (30 years). In this second monitoring period (22-May-2013 to 21-May-2020) the project proponent reports the avoided emission of 702.217 tCO₂e (ex-post net GHG emission reduction) within which 119,377 tCO₂e will be allocated to the VCS AFOLU pooled buffer and 582,840 tCO₂e will be considered as tradable VCUs. The project activities related to the VCS component are focused on different strategies related to 1) valuation of the standing forest through payment for ecosystem services, 2) property security and monitoring of forest cover and 3) leakage management through crop-livestock-forest integration.

Deforestation agents are referred to as small to large ranchers. Drivers of deforestation are related to economic activities such as soy and cattle production. Underlying causes of deforestation and forest degradation can be understood as land grabbing, illegal logging, and low governance.

The basic characteristics of the project are:

- Offset Project Commencement Date: 21 May 2012
- Crediting Period Start Date: 21 May 2012
- Crediting Period End Date: 20 May 2042
- Verification Start Date: 08 September 2020
- Monitoring Period Covered by this Verification: 22 May 2013 to 21 May 2020
- Net GHG emission reductions (ex-post): 702,217 tCO₂e
- VCS AFOLU pooled buffer contribution: 119,377 tCO₂e
- Estimated VCU tradable generation: 582,840 tCO₂e

2 VERIFICATION PROCESS

2.1 Method and Criteria

S&A submitted a proposal to Biofilica for the verification of the Project on April 03rd, 2020. Upon contract execution, S&A was selected as the VVB. A Kick Off call was held on September 08th, 2020. The project team and auditors discussed initial findings from a desk review of submitted documents, targeting aspects of the documentation that might affect the verification. Topics related to the desk-based approach of the verification were also discussed. The project proponents provided additional supporting project documents on several occasions throughout the verification.

A sampling plan was prepared based on information available from the project proponents. The sampling plan considers the requirements of all the standard documents listed in section 1.2 of this report and evaluates the credibility and rigor of all methodology and standard items in question. A risk evaluation was conducted assessing the size (both in area and carbon storage) and accessibility of all the GHG reservoirs involved in the project. The revised final Sampling Plan summarizes the results of the sampling and the data checks performed on the project data assessed. The Sampling Plan will be retained by S&A for a period of not less than 15 years following submission to Verra. All materials received, reviewed, and generated by the provision of Offset Verification Services will be retained by S&A for the same period.

The verification was performed through a combination of document review, interviews and communications with relevant personnel and stakeholders. The project was assessed for conformance to all standard criteria described in Section 1.2 of this report. As discussed in this report, findings were issued to ensure that the project was in full conformance to all requirements.

The majority of the interviews were conducted from September 14th to 25th 2020. The verification team conducted an opening meeting on September 08th and discussed a variety of verification issues and desk-based auditing approach topics. The meeting was attended by the main project proponent staff. During the opening meeting, such matters as the scope, criteria, methodology, level of assurance, materiality thresholds, and activity plan for the desk-based audit and verification services were reviewed. A review of the relevant sampling approaches and schedule of activities for the desk-based audit and verification were also confirmed.

The verification checks and activities were centred on the implementation status of the project activities, plausibility of the baseline scenario, plausibility of the baseline deforestation projections, leakage, evaluation of project benefits, and socio-environmental safeguards established over the course of the monitoring period.

These activities used interviews and consultations with relevant stakeholders, project beneficiaries, and project personnel to confirm the accuracy of the information presented and data collected.

The verification process included several other exchanges between the audit team and the project proponents to gather additional information for review and for examination. These exchanges included one round of an Issues Log produced by S&A to which the project proponents were required to respond. The project proponents were able to bring all outstanding issues to a close on October 24th, 2020. Verifiers confirmed this in an email dated October 24th, 2020 that all remaining issues were satisfied in the responses to the final Issues Log. S&A auditors drafted the Verification Statement and Verification Report and presented it for Independent Review, which determined the Verification Statement to be justified based on the project documentation and verification assessment. The Verification Report and Verification Statement were provided to the project proponents for review and comment on November 04th, 2020. Upon approval from the project proponents, the final verification documents were submitted to the registry.

2.2 Document Review

Ref.	Title, Author(s), Version, Date	Electronic Filename
1	PD v2.1, MAISA REDD+ PROJECT,	- PROJ_DESC_1329_12DEC2014.pdf
2	Monitoring-Report v2.4 ;	- REDD-Maísa_VCS-Monitoring-Report_VSCv.2.4_en.pdf
3	Carbon calculation spreadsheet	- VCS Monitoring Report Maísa Project 2013_2019_v2.2
4	Non-Permanence-Risk-Report_v3.1	- REDD-Maísa_VCS-Non-Permanence-Risk-Report_v3.1.pdf
5	REDD-Maísa_VCS-Risk-Report-Calculation-Tool_v3.0	- REDD-Maísa_VCS-Risk-Report-Calculation-Tool_v3.1.xls
6	Financial spreadsheet	- analisefinanceiraMaísa_2020. xls
7	Financial report	- Relatório financeiro – Maísa. pdf
8	Land Title	- Certidão de inteiro teor Maísa 2020.pdf
9	Social reports	- “Produto 1 – Componente Social”; - “Produto 2 – Componente Social”; - “Produto 3 – Componente Social”; - “Produto 4 – Componente Social”; - “Produto 5 – Relatório Final_Componente Social”; - “Produto 5 - Apêndices”; - “Produto3 – Anexo 01_Frequencia Funcionários”; - “Produto 3 – Anexo 02_Frequencia Ituquara”; - “Produto3 – Anexo 03_Frequencia Perpetuo Socorro”
10	GIS package	- Geo.database.rar
11	Additional evidences to close NCRs	- Fazenda_Santa_Cecília - GEO LMA_MAPBIOMAS - AnaliseFzdStaCecilia.pdf - Avalicao_LMA.xlsx - AnalisefinanceiraMaísa_2020_rev2.0.xlsx - INF SOBRE MANEJO E AUTEFI!.pdf - Produção de açaí.pdf - Produção de castanha.pdf - Analise_DETER.rar - AnaliseCampinarana_v2.pdf - Checagem_Campinarana.rar - AnaliseCampinarana_v2 – RASTER - Boletim de Monitoramento - Maísa 2019.pdf

2.3 Interviews

The table below shows all the people interviewed as part of this verification audit:

#	Name	Institution	Date
1	Ana Carolina Casemiro Vieira	PDS Consultoria Socioambiental (external consultancy)	09/22/2020
2	Altamiro	Farm Longarina (neighbour)	10/05/2020
3	Edilson	Farm employee	10/07/2020
4	Antonio José	Financial accountant	10/08/2020
5	José Eli	Farm manager	10/08/2020
6	Salomão	SEMA Moju (PA)	09/22/2020
7	David	SEMA- Belém (PA)	10/08/2020
8	Edevardo	Ituquara resident (community representative)	10/23/2020
9	Gilvani	External consultant	09/22/2020
10	Renan Kamimura	External consultant	10/23/2020

2.4 Site Inspections

This verification took place without a site visit due to the COVID- 19 pandemic. The verification was performed through a combination of remote sensing analysis, document review and interviews with relevant personnel and stakeholders, that took place from September 14th to 25th. The verification team determined the desk-based approach for this audit as acceptable because it is the second verification of the project within its first 10-year previously validated baseline period. In this sense, as baseline emissions and carbon stocks are fixed, remote sense techniques applied over the monitoring period could be fairly used to assess the project proponent ex-post estimates with a reasonable level of assurance.

2.5 Resolution of Findings

The verification process included several official and documented exchanges between the audit team and the project proponents in order to gather additional information for review and for examination of conformance with all applicable standard criteria. These exchanges included one round of an Issues Log produced by S&A to which the project proponents were required to respond. During the verification process, S&A Carbon raised 11 findings (08 non-conformities, 01 forward action requests, 01 clarification request and 01 observations). The diagnosed non-conformities were related to the monitoring of non-CO2 emissions in the leakage management areas, the monitoring of burned areas, the monitoring of forest degradation, the monitoring of unavowed unplanned deforestation and the implementation of the forest management operations as a REDD+ project activity, among other minor issues. All non-conformities were resolved, and the necessary clarifications and supporting evidence were provided by the project proponent. The audit team confirmed in an email to the project proponents dated October 24th 2020 that all remaining issues were satisfied in the responses provided in the Issues Log. This final issues log, which contains details on all the findings issued during the audit process, as well as the responses and evidence provided by the project proponents for their closure, is provided as a separate Appendix (A) to this report.

2.5.1 Forward Action Requests

The verification team raised one Forward Action Request (FAR) as a result of the verification assessment:

1. **FAR#07/2020:** The monitoring report provides a succinct description of the communication mechanisms established for community consultation. The complementary documentation presented by the project proponent shows the execution of workshops with the communities to deal with various issues related to the project, including communication mechanisms. Interviews with the project proponent staff and other relevant stakeholders characterize a discontinuity in the engagement process with the communities. The audit team understands that the VCS standard requires continuous engagement with communities. In this way, the project proponent will need time to reestablish a process of continuous communication with the surrounding communities. Because of this, and also because of the COVID pandemic¹⁹, which makes direct and immediate interventions with communities unadvisable, the verification team raises this finding as a FAR so that it can be addressed by the project proponent prior to the next verification.

2.6 Eligibility for Validation Activities

The VVB has not undertaken validation activities as part of the verification.

3 VALIDATION FINDINGS

3.1 Participation under Other GHG Programs

The project is not seeking registration under any other GHG program (e.g., CDM). The project was validated against CCB standard on 29 December 2014 (CCB validation statement issuance) but its CCB validation status expired on 20 May 2017 (five years after the project start date).

3.2 Methodology Deviations

The project proponent has not reported methodology deviations in the present monitoring report. The verification team found no deviations in methodology otherwise not reported by the project proponent during the verification process.

3.3 Project Description Deviations

The project proponent describes PD deviations related to the implementation of the project activities as listed in the validated PD. According to validated PD, the project proponent would execute a sustainable forest management plan on the farm and implement measures to mitigate the GHG emission in the leakage management areas during the present monitoring period. According to the project proponent, such measures were not implemented in the monitoring period due to a financial crisis experienced by the project proponent. The proponent further justifies the non-implementation of the activities described in the validated PD, arguing that the lack of its implementation has not compromised the project additionality, the methodology applicability conditions or changed the baseline scenario. The verification team agrees with the argument proposed by the project proponent, given that in the absence of resources from logging, financial flows from the carbon market would be more necessary for the protection of the forest. The verification team also understands that the non-implementation of the mitigation measures in the leakage management areas has not significantly affected the project's GHG emissions, since the GHG emissions due to non-CO2 gases from mitigation measures can be considered zero for not be attributable to the project. The verification team understands that the non-implementation of the activities in question does not affect the methodology applicability conditions or the project baseline scenario. Finally, the verification team checked the project's financial spreadsheet and interviewed farm officials in order to check the veracity of the financial crisis reported by the project proponent. The cash flow presented in the spreadsheet and the result of the interviews support the claims made by the project proponent.

3.4 Grouped Project

Maisa REDD+ Project is not a grouped project. This section, and the VCS requirements for Grouped Projects are therefore not applicable.

4 VERIFICATION FINDINGS

4.1 Project Implementation Status

The project proponent describes the implementation status of the project activities in their monitoring report, according to the activities described in the validated PD. The table below shows specific activities as described in the validated PD (and the Non-Permanence Risk Report) and the verification team considerations in regards to each one, that were made having in perspective the implementation of the project activities as described in the MR, complementary documentation presented by the project proponent, and the results of interviews performed during the verification process.

Project Activity	VVB Considerations
------------------	--------------------

Valuation of the standing forest	The project proponent points to sustainable forest management (logging) and non-timber forest products management on the farm as examples of the project activity implementation in the current monitoring period, listing annual exploration plans and production reports as evidence. The audit team evaluated the listed documentation, the project's financial spreadsheet and interviewed the farm staff. The verification team understands that the project proponent has implemented the activities described in conformity with the validated PD throughout the monitored period. The project proponent suspended activities related to logging after 2014 and justified the suspension of activities in the PD deviations section in the monitoring report. The forest management operations were suspended due to financial reasons (lack of capital to invest in other management cycles). The exploitation of non-timber forest products took place from 2012 (Brazil nuts) and 2015 (açai).
Property Security and Monitoring of Forest Cover	The project proponent systematically monitored the forest cover in accordance with the monitoring plan present in the validated PD, generating monitoring reports that were used by farm employees to investigate the sites. The verification team evaluated the reports generated, carried out an independent check on monitored deforestation in the project area, analyzed georeferenced photos registered by the farm employees and interviewed project consultants, in order to assess the monitored deforestation in the project area and, the degree of implementation of this project activity. The verification team found that this activity has been implemented in accordance with the monitoring plan described in the validated PD.
Leakage Management	The mitigation actions for the emission of non-CO2 gases in the leakage belt were not implemented as described in the validated PD in the present monitoring period. The project proponent has not implemented crop-livestock-forest integration and rural extension activities in the leakage management area. The project proponent treated the issue as a PD deviation, reporting it correctly in a specific section in his monitoring report. The verification team found that the non-implementation of the mitigation measures in the leakage management areas has not significantly affected the project's GHG emissions, since the GHG emissions due to non-CO2 gases from mitigation measures can be considered zero for not be attributable to the project.

No material discrepancies between the actual monitoring system, and the monitoring plan set out in the project description were made. The project proponent adequately follows the steps described in the VM00015 v1.1, part 3. The monitoring of carbon stock changes and GHG emissions for periodical verifications within the fixed baseline period was carried out using Landsat 8 satellite images, made available by INPE through PRODES and through field checks. INPE is the Brazilian space agency. PRODES is Brazil's official deforestation monitoring program. The project's on-site carbon stocks are fixed within the first 10 years of the baseline period. A specific discussion over the key monitored parameters during the present monitoring period can be found in the section 4.5 of this report. The monitoring of forest cover areas in the area of sustainable forest management was carried by verifying information contained in the annual exploitation plans (POA) referring to the construction of roads, trails and log decks. The Forest Cover Benchmark Map was updated by the map algebra, once the planned deforestation occurred. The verification processes reported a reduction in the carbon stock in the Project Area in the year 2013.

For the other monitored years the project proponent did not consider any GHG emissions due the forest management because this project activity was temporarily abandoned by the proponent as it was described in the PD deviation section of the Monitoring report. Monitoring of non-CO2 emissions through forest fires within the project area were made and considered to be insignificant by the project proponent. The project proponent detected an 875 ha burnt forest area in the project area during the monitoring period. The project proponent presented the calculations of significance related to the emission of non-CO2e gases due to forest fires, concluding that the event was not significant. According to the project proponent this wildfire was responsible for the emission of 3,683 tCO2e in the year of 2015, which represents 3.67% of the total GHG emission reduction in the same year (100,249 tCO2e), and therefore according to the methodology can be deemed insignificant. The audit team verified this information using the MODIS fire scars dataset and the BD Queimadas from INPE and in both monitoring systems didn't identify the reported fire by the project proponent. The audit team evaluated the calculations presented and agrees with the proposed approach. According to the project proponent, there were no natural disturbances in the project area in the current monitoring period. The audit team carried out an independent check of the land use and land cover change in the project area and leakage belt using PRODES data and high spatial resolution images from the Sentinel 2 satellite and agrees with the monitoring results presented by the project proponent.

The project has not applied for registration into any other GHG programs since its previous verification. No GHG emission reductions generated by the project have become included in an emissions trading program or any other mechanism that includes GHG allowance trading. The project was validated against CCB standard on 29 December 2014 (CCB validation statement issuance) but its CCB validation status expired on 20 May 2017 (five years before the project start date).

The project proponent's objectives and the project actions are oriented towards sustainable development goals. The audit team understands that the Maísa REDD + project clearly contributes to the UN's sustainable development goals, directly contributing to climate change mitigation (SDG 13) and life on land preservation (SDG 15).

4.2 Safeguards

4.2.1 No Net Harm

The project proponent does not identify any negative socio-environmental impacts due to implementation of the project activities. The audit team agrees with this determination, considering it is a project aimed at reducing deforestation, promoting social benefits, and conserving biodiversity. It should be noted that the project was designed and validated according to the CCB standard on 29 December 2014 (CCB validation statement issuance) and had its CCB validation expired in 20 May 2017 (five years after the project start date). The project proponent reports the interruption of the project's social activities after the year 2015 due to a financial crisis. The audit team agrees with the project proponent that, even though the project did not cause verifiable positive net social impacts during the current monitored period, it did not cause negative impacts directly attributable to its activities. This claim was verified through interviews with farm workers who live in surrounding communities.

4.2.2 Local Stakeholder Consultation

The monitoring report provides a succinct description of the communication mechanisms established for community consultation. The complementary documentation presented by the project proponent shows the execution of workshops with the communities to deal with various issues related to the project, including communication mechanisms. Interviews with the project proponent staff and other relevant stakeholders characterize a discontinuity in the engagement process with the communities. The audit team understands that the VCS standard requires continuous engagement with communities. In this way, the project proponent will need time to re-establish a process of continuous communication with the surrounding communities. Because of this, and also because of the COVID pandemic¹⁹, which makes direct and immediate interventions with communities unadvisable, the verification team raises this finding as a FAR (**FAR#07/2020**) so that it can be taken care of by the project proponent until the next verification.

4.3 AFOLU-Specific Safeguards

The project proponent does not identify risks to local stakeholders due to project implementation. In the validated PD, the project proponent identifies risks to the project objectives related to its social sphere, about proof of compliance with the requirements of the CCB standard. Considering the scope of this audit, which is limited to the applicable VCS standard criteria, the verification team considers that such mitigation measures are not applicable. The audit team interviewed farm officials who live in nearby communities and other relevant stakeholders. In these interviews, direct impacts on communities that may have been directly caused by the implementation of project activities were not characterized.

4.4 Accuracy of GHG Emission Reduction and Removal Calculations

The verification team evaluated all the parameters monitored and reported by the project proponent in its monitoring report, cross-checking the information with the data reported in the calculation spreadsheets and found no discrepancies. The verification team evaluated all input data presented in the calculation spreadsheets. All activity data (parameters related to areas monitored) in the current monitoring period were cross-checked with spatial information presented by the project proponent. All default values used in the calculations and previously validated data (i.e.: carbon stocks per land use class and GHG emission factors by land use change category) were cross-checked with data presented in the validated PD, and were considered to be appropriate.

The audit team verified all equation formulas, conversions, and data aggregations in the carbon calculation spreadsheets to confirm that no manual transposition errors between datasets have occurred. The VVB determined that the methods and formula set out in the project description for calculating baseline emissions, project emissions and leakage have been correctly followed in the second monitoring report. Therefore, the VVB can verify that the GHG emission reductions have been quantified correctly in accordance with the project description and applied methodology.

The table below provides a description of the analysis carried out by the verification team on each parameter monitored by the project proponent.

Parameters	VVB analysis
AUDPat (ha) Forest cover areas converted into non-forest areas inside the Maísa REDD+ Project Area.	This parameter is in accordance with the applied methodology VM00015, however some issues were raised during verification. The project proponent used field assessments to prove one of the PRODES deforestation alerts in 2015 was a false alert, so this polygon was not considered in the monitored deforestation. The proponent was able to demonstrate to the verifiers that the area was another physiognomy different from the forest, known as “campinarana” a kind of arbustive savannah.
ABSLKt (ha) Forest cover areas converted into non-forest areas inside the Maísa REDD+ Leakage Belt.	The VVB cross checked all the values, rationales and equations related to this parameter, no significant inconsistencies were found. The project proponent monitored and reported the deforestation that occurred in the region of the leakage belt between 2013-2019 in a total of 322.09 hectares. The audit team verified, based on the same information from the PRODES Program in a GIS environment, a value lower than 310 hectares. The difference, and the PP’s estimate of greater levels of deforestation in the leakage belt during this time period is considered to have be a conservative estimate and actually has no impact on the emission reductions generated by the project, since ex-post deforestation is lower than ex-ante deforestation which leads to GHG emissions due to leakage being considered equal to zero. The audit team raises this finding as an observation considering the risk of future non-conformance (OBS#11/2020). The VVB deems the applied values are correct and in conformance ³ with the VM00015.

ACPAicl,t (ha) Annual area within the Project Area affected by catastrophic events in the icl class in year t	According to the project proponent there were not any catastrophic events in the project area in the monitoring period. The VVB verified this information using three different forest cover monitoring sources (DETER, PRODEs e Mapbiomas) and did not identify any kind of polygon that could be characterized as a catastrophic event. Also the surveillance reports delivered by the farm employees and the monitoring bulletins produced by the project proponent did not identify any kind of catastrophic event. The VVB deems the applied values are correct and in accordance with the VM00015.
AUFPAicl,t (ha) Annual area within the Project Area affected by forest fires in class icl in year t	According to the section 3.1.2 of the monitoring report the project proponent identified a forest fire inside of the project area, approximately 875 hectares in area. In the document the project proponent shows through a remote sensing analysis that besides the large area affecting the biomass recovery was fast and didn't impact some vegetation indexes in the short term. According to the project proponent this wildfire was responsible for the emission of 3,683 tCO₂e in the year of 2015, which represents 3.67% of the total GHG emission reduction in the same year (100,249 tCO₂e), and therefore according to the methodology can be deemed insignificant. The audit team verified this information using the MODIS fire scars dataset and the BD Queimadas from INPE and in both monitoring systems didn't identify the reported fire by the project proponent. This parameter is in conformance with the methodology requirements.
Ctot (t CO₂e ha⁻¹) Average carbon stock per hectare in all reservoirs in the forest class used in the baseline scenario.	This parameter is in conformance with the methodology requirements, according to the VM0015 the project proponent must only revisit this value after a period of 10 years, so the value remains in conformance because the start date of the project was less than 10 years ago.
DHB (cm) Diameter at Breast Height (tree diameter 130cm from the ground). Measured in all trees with DBH above 15cm, in all parcels of forest inventory	This parameter is in conformance with the methodology requirements, according to the VM0015 the project proponent must only revisit this value after a period of 10 years, so the value remains in conformance because the start date of the project was less than 10 years ago. The project's forest inventory data was collected less than 10 years ago through multiple plots and in an appropriate spatial distribution.
APDPAicl,t (ha)	The monitoring of areas of forest cover under sustainable forest management was carried out by verifying information contained in the annual exploitation plans (POA) referring to the construction of roads, trails and patios. The Forest Cover Benchmark Map was updated by the map algebra, once the planned deforestation occurred. The

Planned deforestation for Forest Management infrastructure	verification processes reported a reduction in the carbon stock in the Project Area in the year 2013 due to forest management activities. For the other monitored years the project proponent did not consider any GHG emissions due the forest management because this project activity was temporarily abandoned by the proponent as it was described in the PD deviation section of the Monitoring report. This parameter is in conformance with the methodology requirements.
$\Delta CabBSLLKt$ (t CO₂e ha-1) Total carbon stock changes in the leakage belt area	The VVB cross checked all the values, rational applied and equations used related to this parameter, no significant inconsistencies were found. The project proponent monitored and reported the deforestation that occurred in the region of the leakage belt between 2013-2019 in a total of 322.09 hectares. The audit team verified, based on the same information from the PRODES Program in a GIS environment, a value lower than 310 hectares. The difference, and the PP's estimate of greater levels of deforestation in the leakage belt during this time period is considered to have be a conservative estimate and actually has no impact on the emission reductions generated by the project, since ex-post deforestation is lower than ex-ante deforestation which leads to GHG emissions due to leakage being considered equal to zero. The audit team however raises an observation considering the risk of future non-conformance (OBS#11/2020). The VVB deems the applied values are correct and in accordance with the VM00015
Emissions of methane (CH ₄) and nitrous oxide (N ₂ O) arising from herds (t CO ₂ e ha-1)	The VVB cross checked all the values, rational applied and equations used related to this parameter, no inconsistencies were found. The VVB deems the applied values are correct and in accordance with the VM00015
Regeneration rate of permanent plots (m3/ha/ano)	For this monitoring period the project proponent did not consider any GHG emissions due the forest management because this project activity was temporarily suspended by the proponent as it was described in the PD deviation section of the Monitoring report. This parameter is in conformance with the methodology requirements.
Harvest damage assessment (m3/ha)	For this monitoring period the project proponent did not consider any GHG emissions due the forest management because this project activity was temporarily suspended by the proponent as it was described in the PD deviation section of the Monitoring report. This parameter is in conformance with the methodology requirements.

4.5 Quality of Evidence to Determine GHG Emission Reductions and Removals

The reliability of the evidence and the sources used for the determination of GHG emission reductions was assessed by the VVB, as well as the information flow from data generation and aggregation, to recording, calculation and final transposition into the monitoring report.

The evidence used to determine GHG emission reductions for the monitoring period was of high quality. A series of workbooks, which contained the high-level calculations for determination of project emissions, leakage emissions and the calculation of GHG emission reductions.

Supporting evidence, including remotely sensed imagery, data sheets and reports, was made fully available to the audit team. All of the evidence required by the methodology was found to be present during the audit team's review.

The VVB conclusions regarding the sufficiency, appropriateness, and quality of the evidence used to determine the GHG reductions was dependent on the PP addressing to the findings raised during verification process. For more details please refer to appendix 1.

4.6 Non-Permanence Risk Analysis

The project proponent carried out their risk analysis of non-permanence considering the requirements of the VCS tool for risk analysis of AFOLU projects. The table below contains findings from the assessment of the audit team:

Risk Factor	Score	Verification Team Considerations
Internal Risk (IR)		

Project Management (PM)	-2	The project was developed on lands containing native forests in the Brazilian Amazon. The farm where the project is developed features some eucalyptus plantations, a species considered to be exotic in Brazil. The audit team understands, however, that this species has no potential for invasion of native ecosystems in the Amazon. Reforestation with non-native species is not part of the project activity (a = 0). The project proponent considered the risk of invasion by land grabbers to the project area as not applicable in the project scenario. It is noted that there are continuous inspection efforts that guarantee the protection of carbon stocks (b = 0). The management and technical team has significant experience and necessary skills to carry out the project activities as can be seen in the brief professional description presented by the proponent in the non-permanence risk analysis report (c = 0) (e = -2). The management team maintains a presence in the country of the Project Area. The project proponent maintains a presence in the project area (d = 0). The audit team considers the arguments presented as plausible and the score associated with this risk factor to be in accordance with the VCS tool.
-------------------------	----	---

Financial viability (FV)	3	The project proponent considers the project cash flow breakeven point to be less than 4 years from the current risk assessment (d = 0, a = NA, b = NA, c = NA). The audit team evaluated the project's financial spreadsheet in order to confirm the project's financial parameters. The project proponent considers that less than 15% of funding needed to cover the total cash out before the project reaches breakeven is secured, which is the most conservative risk score for this risk category. (e = 3, f = NA, g = NA, h = NA).The score for this risk component was correctly applied by the project proponent
Opportunity costs (OC)	0	The project proponent considers the maximum risk associated with the opportunity cost of the land (a = 8, b = NA, c = NA, d = NA, e = NA, f = NA). It also considers as a mitigation measure (i = -8) the protection of the legal reserve under Brazilian law and the possibility of an instrument for payments for environmental services, ensuring continuity of the reserve. The audit team considers the plausible argument and the score associated with this risk factor to be in accordance with the VCS tool.
Project longevity (PL)	15	The project proponent adequately considers the calculation proposed by the VCS tool based on the project lifetime in the condition where the project area is protected by Brazilian law. Approximately 52% of the project area is protected by the Brazilian Forest Code as legal reserve and can be designed to sustainable use and exploitation of forest (evidence: Law n° 12.651 of 2012/05/25 and Rural Environmental Registry property) (b = 15, a = NA).
Total Internal Risk	16	The score associated with the project's internal risk was assessed by the audit team and considered in accordance with the afore mentioned VCS tool.
External Risk (ER)		

Land ownership and access to resources / impacts (LO)	-2	The project proponent considers that ownership and resource access/use rights are held by same entity (a = 0, b = NA) and that there are no disputes over land ownership and use rights within the project area (c = 0, d = 0). The project proponent takes into account as a mitigating measure the existence of a legal agreement for the protection of about 52% of the project area (f = -2). The audit team considers the plausible argument and the score associated with this risk factor to be in accordance with the VCS tool.
Community Engagement (CE)	0	The project proponent considers risk factors not applicable to community engagement as the surrounding communities do not depend on the project area to survive (a = 0, b = 0), and the net positive impacts on the community have not been demonstrated in this monitoring period (c = 0). The audit team considers the plausible argument and the score associated with this risk factor to be in accordance with the VCS tool.
Political Risk (PR)	0	The audit team independently assessed the country's political risk, using the World Bank tool and agrees with the score given by the project proponent (c = 2, a = NA, b = NA, d = NA, e = NA,), as well as with the associated mitigation measures (f = -2). There are several eligible mitigation activities in Brazil. The country is receiving REDD+ funding from bilateral or multilateral donors, and is implementing a REDD+ policy framework covering key components such as GHG credit ownership, clear government authority over REDD+ projects and/or national measurement, reporting and verification systems. The country is participating in the CCBA/CARE REDD+ Social and Environmental Standards initiative (sub-national level). The jurisdiction in which the project is located is participating in the Governors' Climate and Forest Taskforce (GCF). The country has an established national FSC or PEFC standards body. The country has an established Designated National Authority under the CDM and has at least one registered CDM Afforestation/Reforestation project.

Total external risk	0	The score associated with the external risk of the project was assessed by the audit team and considered to be in accordance with the aforementioned VCS tool.
Natural Risk (NR)		
Natural Risk Fire Pest and Disease Outbreaks Extreme Weather Geological Risk Other Natural Risk	1	The project proponent correctly considers the significance of the risk associated with forest fires (LS = 2). The project proponent detected an 875 ha burnt forest area in the project area during the monitoring period. According to the project proponent this wildfire was responsible for the emission of 3,683 tCO₂e in the year of 2015, which represents 3.67% of the total GHG emission reduction in the same year (100,249 tCO₂e), and therefore according to the methodology can be deemed insignificant. The project proponent presented the calculations of significance related to the emission of non-CO₂e gases due to forest fires, concluding that the event was not significant. Thus, considering that it is only a forest fire event, whose impact has not been significant in terms of GHG emissions, throughout the monitoring period the verification team understands the score applied as compliant with the VCS tool. The proponent still considers patrolling and training for the farm employee as mitigation measures, which is considered acceptable by the verification team. Extreme Weather, Geological risks, Pests and diseases were not considered to have any real significant or likelihood on the impact of carbon stocks in tropical forests by the project proponent. The verification team considers the project proponent rationale as acceptable.
TOTAL NON-PERMANENCE RISK SCORE: 17		
Based on the evidence presented and analyses described above, the audit team agrees with the Proponent's Total Non-Permanence Risk Score.		

5 VERIFICATION CONCLUSION

S&A Carbon has verified that the project is in conformance with all of the requirements in the Verified Carbon Standard version 4.0, without qualifications or limitations. The project has been

implemented over the monitoring period in accordance with the VCS standards and applicable methodology.

S&A Carbon is able to issue a positive verification opinion for the 702,217 tonnes CO₂e of ex-post emissions reductions, as reported in the Monitoring Report version 2.4, dated 29th October 2020. The verification assessment determined with a reasonable level of assurance that that calculated ex-post emission reductions and/or removals were achieved over the second monitoring period. All material issues identified by the verification team were addressed by the project proponent in the verification process. Upon the verification conclusion, no material errors, omissions, or misstatements remained, and the materiality check conducted by the verification team can therefore be effectively considered zero, and thus meets the requirement at least reaching a 5% materiality threshold. The overall risk rating was 17%. Therefore, the total number of credits to be deposited in the buffer account is 119,377 VCU and the total VCUs to be issued is 582,840 tCO₂e.

Monitoring Period: From 22 May 2012 to 21 May 2020.

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

Year	Baseline emissions or removals (tCO ₂ e)	Project emissions or removals (tCO ₂ e)	Leakage emissions (tCO ₂ e)	Net GHG emission reductions or removals (tCO ₂ e)	Buffer pool allocation	VCUs eligible for issuance
22/05/2013 to 21/05/2014	87,889	3,242	0	84,647	14,390	70,257
22/05/2014 to 21/05/2015	84,406	0	0	84,406	14,349	70,057
22/05/2015 to 21/05/2016	100,710	460	0	100,249	17,042	83,207
22/05/2016 to 21/05/2017	116,945	103	0	116,843	19,863	96,979
22/05/2017 to 21/05/2018	132,770	10	0	132,760	22,569	110,191
22/05/2018 to 21/05/2019	95,276	10	0	95,266	16,195	79,071
22/05/2019 to 21/05/2020	88,057	10	0	88,047	14,968	73,079
Total	706,052	3,835	0	702,217	119,377	582,840

2. APPENDIX 1: ISSUES LOG

Verifier issue	Issue ID	2020 1	Status: Closed	Checked by: BM	Date Identified	11092020
Protocol ref	Monitoring report section	Significance	Issue description		Comments	
VM0015 - section 8.1.2 (part 2) and section 1.2.1 (part 3); VCS standard v4.0, section 3.18.2	3.2.2 4.2	NCR	The project proponent adopted a PD deviation related to accounting for methane (CH4) and nitrous oxide (N2O) emissions due to livestock located in the project's leakage management areas. In section 3.2.2 of the MR the proponent demonstrates his approach of not monitoring the EgLkt parameter in the areas of leakage management, going against the requirements of the methodology in his section 1.2.1 (part 3) without an adequate justification, going against the requirements to the standard VCS 4.0, in section 3.18.2. It is worth mentioning that the proponent himself mentions in section 3.2.2 of the MR the increase of pasture areas in the area of leakage management. The VVB independently accessed the data from the SIDRA / IBGE database in the municipality of Moju and identified a tendency to increase the number of cattle at the municipal level from 47 thousand heads in 2014 to 82 thousand heads in 2018. In this way, the audit team understands that this inconsistency in the calculation of the mentioned parameter results in incorrect values of the project's emission reductions and, consequently, characterizes a non-compliance with the standard and methodology used.		Consulted documentation: - REDD-Maísa_VCS-Monitoring-Report_VSCv.1.0_pt.pdf - PROJ_DESC_1329_12DEC2014.pdf - VCS v4.0 - VM0015 v1.1 Additional notes: The project proponent made an update on the map that shows the limits of the leakage management area in the validated PD, in order to show their location inside and outside the farm limits (both, outside the project area). The audit team considers this to be a minor change, made solely to correct a discrepancy between the description found in section 2.2 and map 02. The change does not affect the ex-ante or ex-post estimates, since both are null.	

		<u>Findings from the October 24, 2020 review:</u> The project proponent declares that it has not implemented leakage mitigation measures related to agricultural activity in a leakage management area in the current monitoring period. This is evidenced by interviews with the project team and by reading the monitoring report in its implementation status section. The audit team verified the interruption of agricultural activities over the monitored period in an interview with farm employees, which supports the thesis that leakage mitigation measures related to the intensification of agricultural activities in the area of leakage management have not occurred in monitoring period. Thus, the audit team determines that 1) GHG emissions from a possible increase in the herd in the areas of leakage management are not attributable to the project proponent and 2) that this has been properly reported in section 3.1 and 3.3 (as a PD Deviation) of the monitoring report . Therefore the NCR can be closed.	
Project Proponent Response			
Date	Comment	Description of additional evidence presented by the project proponent	
09/10/2020	The calculation pointed out in Section 3.2.2 of the MR (v.1.0) involved only the leakage management areas located outside the Project Area. As stated in the PDD, the areas of deforestation consolidated until 2011 within Fazenda Maísa are also leakage management areas and were considered in this new analysis. The calculation of methane and nitrogen oxide emissions, as pointed out in Section 8.1 and 8.3 of the PDD, would be given mainly by the assessment of areas occupied by pasture in the areas of leakage management. In the same sense, it is stated that "The number of animals in the baseline scenario and in the scenario with the project will be determined based on the availability of areas and forage. The difference will be considered when calculating the increase in GHG emissions". Thus, through the MapBiomass platform, an analysis of the class "Pastagem" was carried out in the period from 2012 (beginning of the Project) to 2019 (avaliacao_LMA.xlsx). It was detected that in the leakage management areas located within Fazenda Maísa there was a 42.28% reduction in pasture areas, while in leakage management areas located outside Fazenda Maísa, there was an increase of 8.30%. Adding the areas located inside and outside the farm, the reduction in pasture areas was 14.95% in the monitored period. As there was a reduction in pasture areas, there was a reduction in the number of animals. Thus, it is understood that there was no increase in methane	- Fazenda_Santa_Cecilia - GEO LMA_MAPBIOMAS - AnaliseFzdStaCecilia.pdf - Avalicao_LMA.xlsx	

and nitrogen oxide emissions in these areas and that it is not necessary to calculate these emissions. It is important to mention that the data from MapBiomass corroborate with the mention made in the MR about there being no more livestock activity inside Fazenda Maísa. The animals that existed on the farm were transferred to another family farm, called Fazenda Santa Cecília, from 2014 (in a previously deforested area, as can be seen on the map "AnaliseFzdStaCecilia.pdf" and PRODES data, in the folder "Fazenda_Santa_Cecília"), located in Paragominas. It is also important to mention that in the first version of the MR (version 1.0) MapBiomass Collection 4.1 was used, but as there was an update to Collection 5, this new one was used (links: <https://mapbiomas.org/>; and <https://mapbiomas.org/products>).

Verifier issue	Issue ID	2020 2	Status: Closed	Checked by: BM	Date Identified	11092020
Protocol ref	Monitoring report section	Significance	Issue description		Comments	

VCS standard v4.0, section 3.18.2	3.2.2	NCR	The project proponent stated a PD deviation due to the non-implementation of the sustainable forest management activities initially foreseen in the validated PD. According to the validated PD, the unfulfilled activity is one of the project's main activities for the enhancement of forest protection (section 2.2, table 8, PD). According to the VCS standard, v4.0. section 3.18.2 PD deviations that potentially impact additionality and the baseline scenario shall be properly justified. The VVB considered the analysis of how this PD deviation impacted additionality and the baseline scenario presented by the proponent in the MR, section 3.2.2 to be insufficient. It is important to clearly and transparently demonstrated that this change in an activity of the baseline scenario did not impact additionality and the baseline scenario itself. <u>Findings from the October 20, 2020 review:</u> The proponent clearly clarified the potential impacts generated by this PD deviation in the MR. The VVB can assess that the MR is in compliance with this aspect and with the standard and methodology used. Thus, this NCR is closed.	Consulted documentation: - REDD-Maísa_VCS-Monitoring-Report_VSCv.1.0_pt.pdf - PROJ_DESC_1329_12DEC2014.pdf - VCS v4.0 - VM0015 v1.1
--	-------	-----	--	---

Project Proponent Response

Date	Comment	Description of additional evidence presented by the project proponent
09/10/2020	The proponent recognizes that the activity of forest management is essential to guarantee the conservation of the forest in the long term. This is due to the fact that management promotes effective forest management, with ongoing economic and operational activities, in addition to ensuring permanent physical presence, which is essential to prevent invasions by deforestation agents. However, the economic crisis that the entrepreneur has gone through in recent years has led him to make the decision to temporarily halt the operation of forest management, but without neglecting the actions necessary to contain deforestation and manage property. During this monitoring period, other less capital-	- AnalisefinanceiraMaisea_2020_rev2.0.xlsx - INF SOBRE MANEJO E AUTEF!.pdf - Produção de açaí.pdf - Produção de castanha.pdf

intensive activities were carried out on the farm in order to maintain a minimum revenue stream to maintain the property, such as exploration of Açaí and Brazil nuts, as described in the Monitoring Report.

Proponents assess that in this period there was no change in the project scenario, as described in the PD, since forest management activity still occurred at the beginning of this period (2013) and the paralysis occurred temporarily, that is, it was not excluded the property's long-term management plan. In addition, the performance of additional alternative activities, synergistic with the maintenance of vegetation cover, were foreseen in the Project scenario. The entrepreneur also reported that he intends to resume the forest management operation in 2021 (INF ABOUT MANAGEMENT AND AUTEF! .Pdf).

The temporary suspension of forest management does not affect the additionality of the project because the expenses necessary for the maintenance of the forest were maintained, since the context of pressure for deforestation and forest degradation motivated by the deforestation agents did not change in the monitored period. That is, in our assessment, the project scenario becomes even more additional, and the guarantee of forest conservation in this period, even without the revenue from logging, was essential to enable the resumption of activity in the coming years (AnalisefinanceiraMaise_2020).

With regard to the financial analysis presented in the PD, the premises do not change. The property continues to depend on additional activities to contain / monitor unplanned deforestation and forest degradation, which were carried out in this period in line with other activities synergistic to the maintenance of forest cover. Forest management activity should be resumed in the coming years, helping to ensure the effective permanence of carbon stocks in the long run. "

Verifier issue	Issue ID	2020 3	Status: Closed	Checked by: BM	Date Identified	11092020
Protocol ref	Monitoring report section	Significance	Issue description		Comments	

VM0015 – Summary description of the methodology and section 1.4	3.1.2	NCR	The project proponent disregarded non-CO2 GHG emissions due to the burning of biomass, in a conservative approach in the baseline scenario established in the validated PD. In the monitoring report, section 3.1.2, the proponent identified a burn scar with an area of 875.43 hectares that did not account for its GHG emissions. According to VM0015. Section 1.4, CH4 and N2O emissions due to forest fires should be counted if they are significant. The VVB understands that it was not a major forest fire, as it was not identified using the Collection 6 Moderate Resolution Image Spectrometer (MODIS) Burned Area and INPE burning database monitoring system, but the Significance analysis tool must be used according to the methodology guidelines. <u>Findings from the October 20, 2020 review:</u> The project proponent carried out the significance analysis of non-CO2 GHG emissions due to the burning of forest biomass and the final significance value was less than 5%. In this way, the audit team ends this appointment, and this aspect is in accordance with the standard and methodologies used by the proponent.	Documentação consultada: - REDD-Maísa_VCS-Monitoring-Report_VSCv.1.0_pt.pdf - VCS v4.0
<i>Project Proponent Response</i>				
Date	Comment	Description of additional evidence presented by the project proponent		
09/10/2020	Calculations of non-CO2 emissions from forest fires were performed and the significance of the emissions was less than 5% (0.52%). For the calculations, the equations and references established in VM0015, version 1.1 (Section 6.2, p.81-83) were used. The equations have been included in Section 4.2.3 (Monitoring changes in carbon stocks and GHG emissions for periodic checks) of the Monitoring Report, as well as a brief summary in Section 3.1.2. Note that in the calculation of emissions, to estimate the value of the parameter P_{burntp}, icl (Average proportion of the mass burned in the carbon reservoir p in the forest class icl (%)) was used as a reference	-REDD-Maísa_VCS-Monitoring-Report_VSCv.2.1_en.pdf; - REDD-Maísa_VCS-Monitoring-Report_VSCv.2.1_pt.pdf; - VCS Monitoring Report Maísa Project 2013_2019_v2.0.xlsx;		

scientific article (Kauffman 1995 -Fire_In_The_Brazilian_Amazon_Bioma.pdf) that analyzed forest biomass burning associated with "cutting and burning" practices. As explained in the MR, the fire that occurred in the REDD + Maísa Project Area originated in the area adjacent to Fazenda Maísa, not due to the practice of "cutting and burning". Thus, coupled with the analysis on forest recovery already presented in Section 3.1.2 of the MR, it is found that the value of 42% for loss of forest biomass is more than conservative. Other values were based on documents from the Maísa Project itself, VM0015 and standard values established by the IPCC. Both the spreadsheet and the extra references used were made available to the VVB team.

- Kauffman 1995 -
Fire_In_The_Brazilian_Amazon_Bioma.pdf;
- IPCC_GPG_LULUCF.pdf

Verifier issue	Issue ID	2020 4	Status: Closed	Checked by: BM	Date Identified	11092020
Protocol ref	Monitoring report section	Significance	Issue description		Comments	
VM0015, section 1.3	3.2.2	NCR	The audit team accessed the geographic data from DETER's forest degradation monitoring and identified the occurrence of a polygon within the project area on August 2, 2016 with a total area of 13.51 hectares. Forest degradation can impact the forest carbon reservoir, resulting in the situation where the reservoir is smaller in the project scenario compared to the baseline scenario, therefore, it is not a conservative approach on the part of the proponent to exclude this transition without using the appropriate methodology. The VVB understands that to exclude this reservoir, the proponent must meet the requirements of the methodology, mainly with regard to the analysis of significance, according to the rules of the standard, VM0015, section 1.3. <u>Findings from the October 20, 2020 review:</u>		Documentação consultada: - REDD-Maísa_VCS-Monitoring-Report_VSCv.1.0_pt.pdf - PROJ_DESC_1329_12DEC2014.pdf - VCS v4.0 - VM0015 v1.1	

			The project proponent carried out the analysis of the significance of GHG emissions due to forest degradation and the final significance value was less than 5%. A conservative protocol was adopted to assess the level of significance considering that the area identified as degraded was deforested and consequently its CO2 stock equal to zero. In this way, the audit team considers this finding to be addressed, and this aspect of the project to be in accordance with the standard and methodologies used by the proponent.	
<i>Project Proponent Response</i>				
<i>Date</i>	<i>Comment</i>	<i>Description of additional evidence presented by the project proponent</i>		
09/10/2020	The Bioflica team found that, as pointed out by the VVB, a polygon of 13.51 hectares was detected by DETER in 2016 (without changing this polygon from the classification of "forest degradation" to "deforestation" in the following months). Anyway, in order to assess the significance of this degradation, conservatively (since there was no inventory of the area to actually know the intensity of degradation and lost biomass) it was decided to make the calculation considering that the intensity of degradation was 100% of biomass related to the carbon stock above ground (Cab = 330.8). Through the calculation, a value of 0.64% of significance was reached (VCS Monitoring Report Maísa Project 2013_2019_v2.0.xlsx - "ForestDegradation_Significance" tab). Thus, although it is not significant, even with the conservatism adopted, the emissions from this forest degradation detected by DETER was not considered in the calculations of the Project's GHG emissions in the monitored period.	- Analise_DETER.rar		

Verifier issue	Issue ID	2020 5	Status: Closed	Checked by: BM	Date Identified	11092020
----------------	----------	--------	----------------	----------------	-----------------	----------

Protocol ref	Monitoring report section	Significance	Issue description	Comments
VM0015, section 1.1.3 (part 3) and section 1.3 (part 3).	4.2 5.2.5	NCR	The project proponent identified the occurrence of total deforestation within the project area over the monitored period of 13.5 hectares, reporting them correctly in the monitored parameters (section 4.2 of the MR). The audit team can verify the information independently using PRODES data. The values, however, are different from section 5.2.5 of the MR and project calculation spreadsheet (table 13), which directly affects the project's emissions calculations due to unplanned and unavoidable deforestation. <u>Findings from the October 20, 2020 review:</u> The project proponent presented georeferenced photos of the local phytophysiology in order to corroborate their thesis that the deforestation monitored by the PRODES system within the project area was a system classification error. The proponent also uses other monitoring systems such as DETER and Mapbiomas to corroborate this thesis. The audit team interpreted the photographs and interviewed a consultant responsible for carrying out the forest inventory on the farm. The audit team also used high-resolution images from the Sentinel 2 sensor to analyze a possible change in features in the deforestation polygon indicated by PRODES in the project area. The audit team understands that there was no deforestation in the polygon indicated by the PRODES system in the project area during the monitoring period and that the occurrence of campinas or campinaranas is plausible in the polygon in question. Therefore, the NCR can be closed.	Documentação consultada: - REDD-Maísa_VCS-Monitoring-Report_VSCv.1.0_pt.pdf - PROJ_DESC_1329_12DEC2014.pdf - VCS v4.0 - VM0015 v1.1 - relatório de monitoramento VCS Projeto Maísa 2013_2016.xlsx

Project Proponent Response

Date	Comment	Description of additional evidence presented by the project proponent
09/10/2020	As stated in Section 3.1.2 (Analysis of changes in land use and land cover during the monitoring period), two polygons detected by PRODES in 2015 refer to an area of Campinarana, not deforestation. It is mentioned in this section of the MR that further details can be found in the document "Surveillance Reports - 2019.pdf", as well as geo-referenced images of the Check made in the field were made available to the VVB. Thus, it was placed in the spreadsheet that in 2015 deforestation in the Project Area was 1.37 hectares, not 13.17 hectares. In addition to the one already presented, complementary analyzes were performed using MapBiomass, DETER and satellite images, with the following conclusions: i) No forest degradation was detected in this area by DETER; ii) MapBiomass identified the area as "Forest" in all monitored years; iii) Satellite images reveal the differentiation of forest typology in the area, even before 2015. In the map presented (AnaliseCampinarana.pdf), the following were used: LANDSAT8 images from 2013, 2016 and 2019 of the area detected as deforestation by PRODES; the two PRODES polygons; the points of the field check performed (and which have photographic records); and information from DETER, which has not captured change in this area. The parameter table (Section 4.3), as pointed out by the VVB, was worth 13.2 hectares of deforestation. This has been adjusted in the new version of MR (version 2.0).	- AnaliseCampinarana_v2.pdf - Checagem_Campinarana.rar - AnaliseCampinarana_v2 - RASTER - Boletim de Monitoramento - Maisa 2019.pdf

Verifier issue	Issue ID	2020 6	Status: Closed	Checked by: BS	Date Identified	11092020
Protocol ref	Monitoring report section	Significance	Issue description		Comments	

VCS v4.0, 3.10.3, 3), c) VCS Registration and Issuance Process v4.0, 4.7.1	1.1 e 5.4	Clarification Request	The verification team requests clarification about the length of the monitoring period. The project proponent is considering a monitoring period of more than 05 years and has therefore failed to complete its verification within 05 years from the date of the last verification. The verification team requests clarification on the issue, evidence of communication with Verra on the delay in the verification process and suspension of carbon credits contributed to the joint account for AFOLU projects (buffer). <u>Findings from the October 20, 2020 review:</u> The project proponent shared an email from Verra communicating the expiration of the project validation in the CCB standard with the audit team. According to the proponent, no communication about the delay in verifying the project was made in relation to the VCS standard. The verification team checked the status of the project on the standard website. So far the project status appears as “Registered”. The verification team considers the clarification as satisfied.	Documentação consultada: - REDD-Maísa_VCS-Monitoring-Report_VSCv.1.0_pt.pdf - PROJ_DESC_1329_12DEC2014.pdf - VCS v4.0 - VM0015 v1.1
Project Proponent Response				
Date	Comment			Description of additional evidence presented by the project proponent
09/10/2020	The project proponent shared an email from Verra communicating the expiration of the project validation in the CCB standard with the audit team. According to the proponent, no communication about the delay in verifying the project was made in relation to the VCS standard.			

Verifier issue	Issue ID	2020 7	Status: Open	Checked by: BS	Date Identified	11092020
Protocol ref	Monitoring report section	Significance	Issue description		Comments	
VCS v4.0, 3.16	2.2	FAR	The monitoring report provides a succinct description of the communication mechanisms established for community consultation. The complementary documentation presented by the project proponent shows the execution of workshops with the communities to deal with various issues related to the project, including communication mechanisms. Interviews with the project proponent staff and other relevant stakeholders characterize a discontinuity in the engagement process with the communities. The audit team understands that the VCS standard requires continuous engagement with communities. In this way, the project proponent will need time to reestablish a process of continuous communication with the surrounding communities. Because of this, and also because of the COVID pandemic19, which makes direct and immediate interventions with communities unadvisable, the verification team raises this finding as a FAR so that it can be addressed by the project proponent prior to the next verification.		Documentação consultada: - REDD-Maísa_VCS-Monitoring-Report_VSCv.1.0_pt.pdf - VCS v4.0	
Project Proponent Response						
Date	Comment				Description of additional evidence presented by the project proponent	
09/10/2020	The Project Proponent acknowledges this finding raised by the audit team classified as a FAR and understands that it will need to be addressed prior to the next verification event.					

Verifier issue	Issue ID	2020 8	Status: Closed	Checked by: BM	Date Identified	11092020
Protocol ref	Monitoring report section	Significance	Issue description		Comments	
VCS v4.0, 2.2	4.3	NCR	The project proponent presents the ΔCabBSLLKt parameter measurement unit in hectares. The parameter measurement unit is tCO2e. The audit team understands that leakage GHG emissions can be considered zero as they have not exceeded ex-ante GHG leakage emissions peer the methodology requirements, however, the parameter unit needs to be corrected in the monitoring report. <u>Findings from the October 20, 2020 review:</u> The proponent has corrected the inconsistency and the MR is in compliance with this aspect in view of the standard and applied methodology. Thus, this NCR is closed.		Documentação consultada: - REDD-Maísa_VCS-Monitoring-Report_VSCv.1.0_pt.pdf - VCS v4.0	
Project Proponent Response						
Date	Comment				Description of additional evidence presented by the project proponent	
09/10/2020	It was confirmed by the Biofílica team that in the MR in English the parameter (ΔCabBSLLKt) was in fact with the unit in hectare. This error was corrected in the new version of MR (version 2.0).				-REDD-Maísa_VCS-Monitoring-Report_VSCv.2.1_en.pdf;	

Verifier issue	Issue ID	2020 9	Status: Closed	Checked by: BM	Date Identified	11092020
Protocol ref	Monitoring report section	Significance	Issue description		Comments	
VCS v4.0, 2.2	4.3	NCR	The proponent has 8 surveillance points within the project area, close to its limits, according to the parameter monitored in section 4.3, Number of surveillance posts. The audit team checked the project's geographic database for the existence of a file containing the geographic locations of those locations. However, according to the document provided by the proponent, Description of the surveillance operation.pdf, the amount presented is 5 support points and two guardhouses, which in the VVB's understanding is characterized by a total of 7 surveillance points . Due to this inconsistency, the audit team addresses a note until this non-compliance is closed. <u>Findings from the October 20, 2020 review:</u> The proponent clarified the divergence between the document Description of the surveillance operation.pdf and the shapefile. In the document, the central camp was not considered as a surveillance point. In this way, the audit team understands that the proponent has met the requirements of the standard with regard to monitoring this parameter. Therefore this NCR is closed.		Documentação consultada: - REDD-Maísa_VCS-Monitoring-Report_VSCv.1.0_pt.pdf - VCS v4.0 - Descrição da operação de vigilância.pdf	

Date	Comment	Description of additional evidence presented by the project proponent
09/10/2020	In addition to the 7 surveillance points contained in the document "Description of the surveillance operation.pdf", there is the central camp, which, according to the proponent and owner of Fazenda Maísa, also serves as a support point. This information was placed in the MR in Section 4.3 (as pointed out by the VVB) and in Section 3.1. The document "Description of the surveillance operation.pdf" mentions only the 7 surveillance points, but the shape of points (pntsvigilancia.shp) indicates the existence of the central camp and it can be confirmed with the owner of the farm.	pntsvigilancia.shp Descrição da operação de vigilância.pdf

Verifier issue	Issue ID	2020 10	Status: Closed	Checked by: BM	Date Identified	11092020
Protocol ref	Monitoring report section	Significance	Issue description		Comments	
VCS v4.0, 2.2	4.3	NCR	The project proponent monitors the parameter, Number of guards, according to the MR, section 4.3, however, no evidence was presented to the audit team about the number of employees responsible for surveillance. The project proponent reported the value of 10 employees; however the employment contracts were not presented to show this number. In the table in section 4.3 of the MR, VVB identified an inconsistency about the unit related to this parameter, a unit in hectares is being used. Thus, the audit team raises this finding as a non-conformance. <u>Findings from the October 20, 2020 review:</u>		Documentação consultada: - REDD-Maísa_VCS-Monitoring-Report_VSCv.1.0_pt.pdf - VCS v4.0	

			The audit team has verified the evidence presented by the proponent and can confirm the ten active employment contracts for the property surveillance services. Thus, the VVB considers that the issue has been addressed and the NCR is considered closed.	
Project Proponent Response				
Date	Comment			Description of additional evidence presented by the project proponent
09/10/2020	The proponent raised the employment contracts with the guards, the evidence was presented in annex to this document.			- 2020 10 - Contrato Vigilantes

Verifier issue	Issue ID	2020 11	Status: Closed	Checked by: BM	Date Identified	11092020
Protocol ref	Monitoring report section	Significance	Issue description		Comments	
VCS v4.0, 2.2	4.3	OBS	The project proponent monitored and reported the deforestation that occurred in the region of the leakage belt between 2013-2019 as a total of 322.09 hectares. The audit team verified, based on the same information from the PRODES Program in a GIS environment, a value lower than 310 hectares. The difference, and the PP's estimate of greater levels of deforestation in the leakage belt during this time period is considered to have be a conservative estimate and actually has no impact on the emission reductions generated by the project, since ex-post deforestation is lower than ex-ante deforestation which		Documentação consultada: - REDD-Maísa_VCS-Monitoring-Report_VSCv.1.0_pt.pdf - VCS v4.0	

		leads to GHG emissions due to leakage being considered equal to zero. The audit team raises this finding as an observation considering the risk of future non-conformance. <u>Findings from the October 20, 2020 review:</u> The proponent corrected the inconsistency in the calculations using the most updated version in PRODES 2019, updating the deforestation values identified in the leakage belt. In this way, the audit team found that the proponent has made the adjustment leaving in compliance with the requirements of the standard.	
<i>Project Proponent Response</i>			
<i>Date</i>	<i>Comment</i>	<i>Description of additional evidence presented by the project proponent</i>	
09/10/2020	PRODES 2019 data were extracted again and the value of 310.247ha was obtained for the period from 2013 to 2019 in the Leakage Belt. Apparently there was a reclassification / revision of the data from the moment we first accessed it. This value was updated in the project's emission calculation spreadsheet and in the documents in Portuguese and English of the MR, version 2.0.	-	