



THE LACANDÓN FOREST FOR LIFE REDD+ PROJECT

VCS VERIFICATION

SECOND MONITORING PERIOD



Document Prepared By S&A Carbon LLC

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Summary:

The Lacandón Forest for Life REDD+ Project (hereafter referred as to Lancadón REDD+ Project) is a grouped AFOLU REDD+ AUD project, located in the National Park Sierra del Lacandón (SNLP), one of the seven nucleuses of the Maya Biosphere Reserve in the Northern Territory of Peten Department, Guatemala. The project area covers 45,289 ha of forestland on public and privately-owned lands corresponding to the management areas of Unión Maya Itzá, La Técnica Agropecuaria and La Lucha cooperatives and the two private properties of Fundación Defensores de la Naturaleza, respectively. The project was validated and verified against VCS version 3 and CCB 3rd Edition in 2016. The project applies the VM00015 v1.1 VCS approved methodology and intends to avoid the emission of

7,166,267 tCO₂e (ex-ante) due the project activity implementation over the course of the project lifetime (30 years). In this second monitoring period (August 25, 2014 to December 31, 2018) the project proponent reports the avoided emission of 1,341,656 tCO₂e (ex-post net GHG emission reduction) within which 134,166 tCO₂e will be allocated to the VCS AFOLU pooled buffer and 1,207,490 tCO₂e will be considered as tradable VCUs. The project activities are focused on different strategies related to 1) Adjustment of land uses and land use rights in communities without land registry, 2) Forest protection and biodiversity programs, 3) Sustainable farming and livestock familiar management systems, 4) Diversification and use of communal forestry resources, 5) Improved management of the SLNP, 6) Community dialog, education and capacitation and 7) Health and welfare of communities. In summary, the deforestation agents and drivers are related to subsistence agricultural activities, livestock production and land invasions. Underlying causes of deforestation can be cited as cultural practices (slash and burn, land grabbing), low governance (lack of funds, lack of deforestation prevention policy enforcement, lack of government institutions presence in the SNLP), low income, few economic alternatives and low education. The baseline scenario results in illegal activities of loggers, illegal new settlements and illegal land sales in the project area.

This document represents the final verification report for the second monitoring period of Lacandon REDD+project. During the verification process 09 Non-Conformity Reports (NCRs), 01 Forward Action Request (FAR) and 03 Observations (OBS) were raised and subsequently closed out by the Project Proponent. Once all identified issues were adequately resolved, S&A Carbon drafted this final verification report and deems, with a reasonable level of assurance, 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 in accordance with the validated project description, and all of its variations from this description and/or from the VCS methodology have been found to be appropriate.

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1 INTRODUCTION

S&A Carbon (VVB), developed this verification audit report to document the project's conformance with the VCS standard (4th edition, Verra) over the second monitoring period. The audit process was managed by Kyle Silon. Bruno B. Souza 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 August 25th, 2014 to December 31st, 2018, corresponding to the project's second monitoring period.

1.2 Scope and Criteria

This report represents the results of the project's second verification to the VCS Standards. The project proponent is conducting the project verification against the VCS and CCB standards at the same time, however, the results of both audits will be evidenced through separate reports. This was a choice made according due to the different timings of the VCS and CCB verification processes. The scope of work includes a desk-based assessment of the Project's conformance with the VCS criteria described below for the from August 25th, 2014 to December 31st, 2018 (second monitoring period). This verification took place without a site visit due to the COVID-19 pandemic and related travel restriction.

Specific verification audit tasks included:

- Assessing the conformity of the monitoring report (MR) with the VCS standards, approved VCS methodology and applicable tools.
- Verifying that the project activities were implemented as described in the validated PD and confirming 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;
- Evaluating 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.
- Assessing whether the reported GHG emissions data is sufficiently supported by evidence.
- Analysing the project according to the guidelines described in the criteria below.

The criteria for the offset verification 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 Mello – Trainee.
- Lawson Henderson - Internal Reviewer.
- 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 in lieu of physical visitations to the project area due to the COVID-19 pandemic. 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 will be 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 an established a communication methodology to facilitate this verification taking place as a remote desk-based assessment.

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 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 Lacandon REDD+ Project is an AFOLU REDD+ AUD project type located in the Sierra Lacandón National Park, one of the seven nucleuses of the Maya Biosphere Reserve. The project area covers 45,289 ha of forestland on privately-owned lands. The project was validated against VCS version 3 and CCB 2nd edition on June 18th, 2016. The project applies the VM0015 v1.1 VCS approved methodology and intends to avoid the emission of 7,166,267 tCO₂e (ex-ante) due the project activity implementation over the course of the project lifetime (30 years). In this second monitoring period (25-August-2014 to 31-December-2018) the project proponent reports the avoided emission of 1,341,656 (ex-post net GHG emission reduction) within which 134,166 tCO₂e will be allocated to the VCS AFOLU pooled buffer and 1,207,490 tCO₂e will be considered as tradable VCUs. The project activities are focused on different strategies related to 1) Adjustment of land uses and land use rights in communities without land registry, 2) Forest protection and biodiversity programs, 3) Sustainable farming and livestock familiar management systems, 4) Diversification and use of communal forestry resources, 5) Improved management of the SLNP, 6) Community dialog, education and capacitation and 7) Health and welfare of communities. Deforestation agents are referred to as small farmers to large ranchers and invaders. Drivers of deforestation are related to economic and social aspects.

The basic characteristics of the project are:

- Offset Project Commencement Date: February 1st, 2012
- Crediting Period Start Date: February 1st, 2012
- Crediting Period End Date: January 31st, 2042.
- Verification Start Date: July 8th, 2020
- Monitoring Period Covered by this Verification: August 25th, 2014 to December 31st, 2018
- Net GHG emission reductions (ex-post): 1,341,656 tCO₂e
- VCS AFOLU pooled buffer contribution: 134,166 tCO₂e
- Estimated VCU tradable generation: 1,207,490 tCO₂e

2 VERIFICATION PROCESS

2.1 Method and Criteria

S&A submitted a proposal to Fundacion Defensores de la Naturaleza for the verification of the Project on June 11th, 2020. Upon contract execution, S&A was selected as the VVB. A Kick Off call was held on July 08th, 2020. The project team and auditors discussed initial findings from a desk review of the initial document submission, 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 draft sampling plan was prepared based on information available from the project proponents and sent to the project proponents on July 28th. 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 of 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. Due to the desk-based approach and the scope of the audit, which includes a check against the CCB standard, the audit plan went through several Verra review rounds, and was finally approved on October 23rd. The project proponent is conducting the project verification against the VCS and CCB standards at the same time, however, the results of both audits will be evidenced through separate reports. This was a choice made according due to the different timings of the VCS and CCB verification processes. 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 raised to ensure that the project was in full conformance to all requirements.

The majority of the interviews were conducted from October 05th to 09th 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 two rounds 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 January 06th, 2021. Verifiers confirmed this in an email dated January 18th 2021 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 February 3rd, 2021. 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, LACANDÓN- FOREST FOR LIFE REDD+ PROJECT	- PROJ_DESC_1541_07JUN2016.pdf
2	Monitoring-Report v2.0	- 251120_2nd Monitoring Report Lacandon V2.0
3	GIS data	- BASELINE- raster PNSL_cobertura_00_19. tiff - Results of Monitoring- folder - Deforestation Map. Tiff - Geographical boundaries.shp - recicatricesdefuegos.zip
4	Carbon calculation spreadsheets	- SECOND MONITORING v2.0.xlsx - BASELINE ESTIMATIONS. Xlsx - Reduce Forest Loss v2.0xls
5	Non-Permanence Risk Reports and supplementary docs	- REDD-Maísa_VCS-Non-Permanence-Risk-Report_v3.1.pdf - VCS-Risk-Report-Calculation-Tool-v4.0-LACANDON.xls - Flujo de caja 3.xlsx - ERPA SOUTH POLE.pdf - negotiations co2logic.pdf - Recibo FDN.jpg - Fires NPRT.xlsx - Supporting doc 2.pdf (about geological risk) - Extreme weather1 PNSL.xlsx (about floods) - Political risk Guatemala.xlsx - Supporting doc_ Protected Areas.pdf - Supporting doc_ MBR.pdf - Master Plan.pdf - CVs and technical experience
6	Forest Management Plans and related documentation	- Informe_Trans_UMI_2014-2018.xls - 160516_ Tablas de VM0015 Lacandon_5areas.xlsx - PGM La Lucha.pdf - PMI_RFNM_La Lucha.pdf - PMI_RFNM_UMI.pdf

7	Local Stakeholder Consultation & Safeguards related proof of evidence	- RESUMEN DEL REPORTE DE MONITOREO- Language summary.pdf - Poster Lacandón V3.pdf - RESUMEN Quejas reclamos y sugerencias REDD+ 2020.docx - Quejas Reclamos y Sugerencias Proyecto REDD+ - Informe de socialización REDD+.docx - Reresultadosocializacinencampo (Attendance list) - Mecanismo de Atencioìn a Quejas y Reclamos.pptm - Quejas y reclamos_ Lacandon.docx - Reclamos, sugerencias.docx - Resumen quejas REDD.docx - 5. Reglamento-organigrama.pdf - curricula de comites.pdf
	Project activity implementation proof of evidence	- Pagos jornales patrullas (patrolling activities – strategy 02) - Procesos Judiciales PNSL (patrolling activities – strategy 02) - INFORMES (patrolling activities – strategy 02) - Cooperation Agreements (strategy 01) - Workshops and training (strategy 2& 3) - PGM La Lucha.pdf (strategy 03) - PMI_RFNM_La Lucha.pdf (strategy 03) - PMI_RFNM_UMI.pdf (strategy 03)

2.3 Interviews

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

#	Name	Institution	Date
1	Arnulfo Monterroso	La Lucha Cooperative	06 th October 2020
2	Rodolfo Ramirez	Union Tecnica Agropecuaria Cooperative	06 th October 2020
3	Santiago Matias Pablo	Union Maya Itzá Cooperative	06 th October 2020
4	Maria Isabel Martinez	Cooperativa La Lucha	05 th October 2020
5	Amsterdam Soledad Valera Alvarez	Cooperativa La Lucha	07 th October 2020
6	Laura Albina Escobar Hernández	Unión Maya Itzá	05 th October 2020
7	Edgar Roberto Pedro Matías	Unión Maya Itzá	07 th October 2020
8	Arnoldo Benjamín Silvestre Martín	Unión Maya Itzá	07 th October 2020
9	Kelvin Lisandro Sivistre Hernández	Unión Maya Itzá	07 th October 2020
10	Eimy Aliya De León Miranda	Retalteco	07 th October 2020
11	Jazmín Irene Ixcoy Campos	Retalteco	07 th October 2020
12	Harlin Rosmeri González Rodríguez	Retalteco	07 th October 2020
13	Mario Nicolas Caal Chub	San Juan Villa Nueva	09 th October 2020
14	Iris Yojana Portillo Zeceña	Villa Hermosa	09 th October 2020
15	Luisa Josefina Sacul Pop	Pozo Azul	09 th October 2020
16	Roderno Mauricio Amador Raymundo	Manantialito	08 th October 2020
17	Yuri Maricela Escobar López	Manantialito	08 th October 2020
18	Catalina Becerra	Project Consultant	Throughout verification

2.4 Site Inspections

This verification took place without a site visit due to the COVID- 19 pandemic and related travel restrictions. The verification was performed through a combination of remote sensing analysis, document review and interviews with relevant personnel and stakeholders, that took place between October 5th 2020 to January 28th 2021. 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 two rounds 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 13 findings (09 NCRs, 01 FAR, 03 OBS). The diagnosed non-conformities were related to the parameters monitored, the monitoring plan implementation, methodology deviations, the carbon calculation spreadsheet, the monitoring of burned areas, monitoring of non-CO2 emissions in the leakage management areas, the monitoring of forest degradation and the monitoring of unavoided unplanned deforestation. 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 January 18th 2021 that all remaining issues were satisfied in the responses provided in the Issues Log. This final issue 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) related to the project boundaries as a result of the verification assessment. The project proponent has defined the leakage management area in a way that they correspond to or transcend the project area boundary. This represents a conceptual error, since the limits of the Leakage Management Areas must be defined according to the absence of forest cover in areas surrounding the project area.

The delimitation of the leakage management area is a typical validation process assignment. The methodology determines the need to revise this specific limit of the project when revalidating the baseline. The verification team determined that the absence of a correctly demarcated leakage

management area has not affected the ex-post estimates during the monitoring period covered by this verification, because 1) the number of cattle has decreased in the reference region in the monitoring period as a whole (according to the official government data) and 2) the project proponent has not implemented cattle intensification measures as leakage management measures as described in the validated PD, which was stated by the project proponent and corroborated by interviews with the communities representatives.

Therefore the audit team determined this finding should be classified as a FAR, considering the delimitation of the leakage management area is applicable to project validation, and that the absence of a correctly demarcated leakage management area has not affected the ex-post estimates during the project's second monitoring period. This FAR is to be assessed during the project's baseline reassessment event.

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 was validated and verified against VCS Methodology for Avoided Unplanned Deforestation (VM0015) and Climate, Community & Biodiversity (CCBs 3 Edition). The project is now seeking its verification in the CCB standard. The verification audits against both standards are being conducted concurrently, however the results of the audits will be attested in separate reports, for the due to some variation in the timing of the VCS and CCB verification processes. The project is not seeking registration under any other GHG program and has not sought or received any other GHG-related environmental credit.

The Guatemalan government has indeed presented a Subnational REDD program to the Forest Carbon Partnership Facility (FCPF) operated by the World Bank. However, there is no overlap between the emissions to be claimed at the subnational level by the FCPF and the VCU from the project, since the crediting period of the FCPF has not started yet because it begins only until the signature of the Emission Reduction Payment Agreement (ERPA) and only when the nested approach can ensure that the program is developed in accordance with principles of environmental integrity (FCPF, 2019).

The country's FCPF program began in 2008 when the country decided to start with the readiness phase that consisted of receiving funding and technical support from the Carbon Fund to design a REDD program covering a big portion of Guatemala. The ERPA is expected to be signed at the end of 2020

(FCPF, 2019). For that reason, it is highly likely that for the subsequent monitoring period the project will have to be nested into the subnational program.

3.2 Methodology Deviations

The list below covers all methodology deviations made by the project proponent since the project was validated and which are currently applicable to this verification of second monitoring period.

ID	Methodology Deviation	Description
1	Leakage Belt (methodology section 1.1.3)	The project proponent considers the leakage belt boundary definition, through mobility analysis (the option 2), as a methodology deviation, which was evaluated and approved during the project validation. The methodology points to the baseline revalidation as the period in which the leakage belt boundary must be reassessed. Thus, the verification team finds the reported methodology deviation to be in conformance with the methodology requirements. The verification team also understands that mobility analysis can always be used.
2	Calculation of baseline activity data per post-deforestation class (methodology section 5.2)	This methodology deviation refers to the way in which the project proponent considers the proportion between the different post deforestation classes, in different zones. This deviation was approved during the project validation, having been relevant for establishing the project baseline. The verification team found that the methodology deviation has been correctly reported in the monitoring report, following the applicable requirements of the VCS standard.
3	% allocation of historical post-deforestation	The project proponent reports a methodology deviation to justify the calculation of the average carbon stocks used for the post-deforestation classes (long-term average). The deviation was approved during the project validation. Carbon stocks are fixed until the baseline is revalidated and are therefore not considered to be applicable to the scope of this verification. The audit team evaluated the baseline calculation spreadsheet (ex-ante) and the carbon calculation spreadsheet related to this monitoring (ex-post) and understands that the project proponent is using the same carbon stocks for the above and below ground reservoirs and considering carbon stocks variation according to the methodology requirements. The verification team found that the methodology deviation has been correctly reported in the monitoring report, following the applicable requirements of the VCS standard.

4	Estimation of the average carbon stocks of each LU/LC class - assessing the existing data.	This methodology deviation refers to the use of secondary forest inventory data that is more than 10 years from the project start date. This deviation was approved during the project validation. According to the methodology requirements, carbon stocks must remain fixed until the baseline is reassessed. This methodology deviation is therefore not considered to be applicable to the scope of this verification. The verification team found that the methodology deviation has been correctly reported in the monitoring report, following the applicable requirements of the VCS standard.
5	Carbon Stock Change factor for long-lived harvested wood products	The project proponent adopted a methodology deviation to account for the GHG emission from the manufacture of long-lived wood products in the harvest year in the baseline scenario (debiting the emissions from the total carbon stock volume - in tCO ₂ e) and disregarded the GHG emission in the project scenario (where it could be added), assuming that the GHG emission was not significant. This deviation was approved during the project validation. The verification team determined this approach taken by the project proponent as conservative. The verification team found that the methodology deviation has been correctly reported in the monitoring report, following the applicable requirements of the VCS standard.
6	Accounting for carbon stock changes due to planned activities.	The project proponent adopted a methodology deviation for the realization of GHG emission estimates due to planned degradation activities (timber logging). The deviation consists of calculating the area subject to logging based on the limits of the concession areas. The verification team agrees with the proposed methodology deviation as the concession areas limits are a good proxy for planned degradation and it will lead to more conservative estimates, considering that the actual forest managed area will be lower than the total summed limits of the forest concessions within the project area. The project proponent has presented the planned degradation GHG emissions estimates, which were deemed to be de minimis.
7	Application of the Displacement Leakage Factor (DLF) for ex-ante GHG estimates.	The project proponent adopted an alternative calculation methodology for the displacement leakage factor (DLF). According to the proposed deviation, Leakage (ex-ante) is calculated according to the project's effectiveness index on baseline GHG emissions. The proponent adequately reports the methodology deviation approved in the project

validation in the monitoring report, following the requirements of the VCS standard. The methodology deviation can be considered as conservative, because by decreasing ex-ante leakage the proponent increases the chance of reporting quantifiable ex-post leakage. DLF does not directly affect monitored leakage in the monitored period.

3.3 Project Description Deviations

No project descriptions deviations were reported by the project proponent during the monitoring period covered by this verification. No project descriptions deviations were perceived by the verification team during this verification event.

3.4 Grouped Project

The Lancandón REDD+ Project is a grouped project, the instance areas are constituted by the cooperatives of La Técnica Agropecuaria, La Lucha, Unión Maya Itza, and the private properties Fundación Defensores de la Naturaleza: Centro Campesino and Naranjitos. No new project activity instances were included in the project scope in the monitoring period covered by this verification.

4 VERIFICATION FINDINGS

4.1 Project Implementation Status

The project proponent describes the implementation status of the project activities in their monitoring report. The table below shows specific strategies as they were described in the validated project description and the verification team findings in regard to each one, that were made taking into perspective implementation of the project activities as described in the monitoring report, complementary documentation presented by the project proponent, and the results of interviews performed during the verification process.

Strategys of project	Implementation Status
Adjustment of land uses and land use rights in communities without land registry	The project first instance corresponds to the total forest area of Unión Maya Itzá, La Técnica Agropecuaria and La Lucha cooperatives, all with legal land tenure; and the private properties of Fundación Defensores de la Naturaleza, Naranjitos and Centro Campesino areas. In terms of governance and institutional relationships, during the monitoring period 8 cooperation agreements were signed with the communities of Arroyo Yaxchilan, El Pital,

	Manantialito, and San Miguel Los Angeles; and with national and international organizations such as ACOFOP and the CATIE. These agreements characterize the commitment of families that traditionally reside in the park to respect the laws in force in the country, to cherish the conservation of natural resources, to fight wildfires, not to sell their land to third parties, among others. The right of families to occupy the territory is defined in agreement as is the right to use the natural resources from the occupied area. The verification team found that the executed agreements were an effective measure to reduce deforestation in the project area during the monitored period.
Forest protection and biodiversity programs	The project proponent implemented a series of measures related to this strategy, such as patrols, judicial actions to avoid invaders, workshops on wildfires and monitoring of burned areas. The verification team evaluated various evidence of the implementation of these activities, such as payment of salaries to patrol personnel, records of judicial actions, attendance lists from workshops, monitoring reports, etc. The verification team determined that this strategy has been adequately implemented in the monitored period covered by this verification.
Sustainable farming and livestock familiar management systems	The project proponent presented records of workshops in agroforestry and documents that prove the purchase of equipment for the school in Pozo Azul, which can be considered as evidence of promotion of sustainable agriculture and implementation of this project activity as it was designed. The verification team determined that this strategy has been adequately implemented in the monitored period covered by this verification.

The project proponent's objectives and the project actions are oriented towards sustainable development goals. The audit team found that the Lacandón REDD+ project clearly contributes to several of the UN's sustainable development goals, directly contributing to life on land (15), climate action (13), zero hunger (2), decent work and economic growth (8), good health and wellbeing (3), clean water and sanitation (6).

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.

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 considers this as a plausible statement, considering it is a project aimed at reducing deforestation, promoting social benefits, and conserving biodiversity. It should be noted that the project was designed, validated, and verified against CCB standards in 2016 (CCB validation statement issuance), and is currently undergoing its second CCB verification. The audit team interviewed relevant stakeholders and community representatives affected by the implementation of the project activities. No negative impacts from its implementation have been identified. In the other hand, the audit team mapped reports of a critical and derogatory nature in relation to the project implementation, especially regarding the involuntary relocation of people. The results of the interviews carried out, however, did not show such effects of the project implementation. The audit team raises an observation, as a risk of the project non-conformance with this standard requirements (OBS#2020/12).

4.2.2 Local Stakeholder Consultation

The project proponent provides a brief description of comments received by community representatives affected by the project implementation in the monitoring report and brings extensive descriptions of inputs received during ongoing communication with local stakeholders in supplementary documents. In general, it can be said that the negative comments received are related to a lack of transparency about the project objectives or about the way in which the project is being implemented and how this affects the rights over natural resources, from the perspective of the complainant. Positive comments, in general, have to do with the positive impacts of the implemented activities, trainings, etc. Other noteworthy inputs are requests for better patrolling, greater support for actions to combat forest fires and the creation of a forest restoration program. The project proponent dealt with the negative comments received through clarifications about the country's legislation and its role in the context as the project proponent. Other inputs were also addressed through clarifications in regard to the project governance structure, expenditures made in the present monitoring period and budget limitations. The project proponent keeps records and a control sheet on the inputs received, the responses given and the status of the request / complaint. Based on the observed records, the verification team found that the answers provided by the proponent were appropriate to the questions. As the project is also under verification against the CCB standard, the project documentation underwent a 30-day public comment period. No comments were received. The verification team conducted interviews with representatives of the communities by telephone. During this process, no negative or derogatory comments were received. The audit team confirmed that the project proponent conducts a process of continuous communication with the representatives of the communities, through assemblies, through the dialogue mediated by community agents or through the dissemination of the project monitoring results through printed materials. The project proponent also maintains a grievance and complaints mechanism, based on direct

interaction with the affected groups through the action of community agents, that also works in favor of a continued consultation process.

4.3 AFOLU-Specific Safeguards

In its validated PD, the project proponent identifies risks to communities due to the implementation of project activities. The risks are related to socio-economic aspects (overexploitation of non-timber forest products) and political aspects (rights entanglement, abuse of power). The proposed mitigation measures are related to the elaboration of management plans, the work of independent social institutions in the project area (such as social pastoral). In the monitoring report, the project proponent stresses that measures to mitigate the risks identified are also implemented through the cooperative governance committees and through dialogue with community representatives. The project proponent presents an extensive record of reports of project monitoring results made available to communities, as well as records of complaints made by community representatives. Part of the criticism received by the proponent in relation to the impacts arising from the implementation of the project, originates in a feeling of threat on the rights to private property or on the rights to manage the land traditionally (with practice of forest suppression), by the communities. In these same records, the project proponent clarifies that the answers given to the disgruntled groups were aligned with clarifications about the country's environmental legislation and the limitations imposed by the type of land category in which the community was found (national park). The audit team understands that a certain degree of dissatisfaction or discontent in relation to the project is characterized. On the other hand, the audit team did not find that the degree of dissatisfaction or discontent characterized affects the project's compliance with the VCS standard, since a continuous process of communication with stakeholders is established, that a complaint mechanism is functioning and that the project has implemented risk mitigation measures identified over the monitored period. The audit team interviewed representatives of the community by phone. No strong complaints to the project were perceived. In the other hand, the audit team mapped reports of a critical and derogatory nature in relation to the project implementation, especially regarding the involuntary relocation of people. The audit team raises an observation, as a risk of the project non-conformance with this standard requirement (OBS#02/2020).

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 the 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 accurately 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
ABSLPA (ha) Forest cover areas converted into non-forest areas inside the Lacadon REDD+ Project Area.	The audit team used the data from the raster images of land use and occupation provided by the project proponent and performed the procedures according to the document accompanying the MR (<i>Apoyo al desarrollo de una base line para la subnacional de Tierras Bajas del Norte de Guatemala</i>) which establishes the methodology used for monitoring forest cover within the project area. The audit team also carried out independent analysis based on data provided by CONAP, through the country's access to information law. In a GIS environment, the VVB performed the clipping of the information for the project area and calculated the respective area of the clipped raster and found values similar to those reported by the proponent in the calculation tables and in the monitoring report. The verification team determined that this parameter has been correctly monitored / calculated by the project proponent.
ABSLKt (ha) Forest cover areas converted into non-forest areas inside the Lacadon REDD+ Leakage Belt.	The project proponent monitored and correctly measured the conversions of forest areas to non-forest areas in the Leakage Belt. The audit team evaluated the data reported in the monitoring report and calculation spreadsheet, clipping the limits of the leakage belt from the monitored deforestation data for the reference region and arrived at the same result independently. The verification team determined that this parameter has been correctly monitored / calculated by the project proponent.
ACPAicl,t (ha)	The project proponent did not identify any significant catastrophic events in this monitoring period that could have impacted in the carbon stocks in the project area. The audit team verified some samples of the historical remote

Annual area within the Project Area affected by catastrophic events in the icl class in year t	sensing images database from the Sentinel data and it wasn't possible to identify any kind of catastrophic event. The verification team determined that this parameter has been correctly monitored / calculated by the project proponent.
AUFPAicl,t (ha) Annual area within the Project Area affected by forest fires in class icl in year t	The project proponent monitored hot spots and fire scars in the project area during this monitoring period. The reports were made on a landscape scale (Maya Biosphere Reserve) covering the entire project area. This document contains the entire methodological approach carried out in the mapping exercise, and also, in addition the project proponent provided to the VVB the geographical data that was used to identify the fire scars from burning throughout the monitored period and which served as a subsidy for the information in the document presented. The audit team verified the spatial information provided in a GIS environment and found that the values reported by the project proponent are correct and in accordance with the results presented in tab t.25b of the second monitoring v2.0 Excel file. In addition, the verification team checked the significance analysis presented by the project proponent and verified that they are in conformity with the standard and methodology used. It is worth mentioning that the project proponent had a conservative approach considering two parameters with higher values (Fburnt and Pburnt). The project proponent uses the value of GWP for CH₄ of 21 according to the methodology requirements, which orients project proponents to use the value published in the IPCC second assessment report. The verification team understands the usage of the updated GWP value for CH₄ as a good practice for the project proponent in the next monitoring periods, in order to reflect the updates made periodically by the IPCC. This is highlighted in the OBS#2020/10 in this report.
ΔCPSPA (t CO₂-e) Cumulative project carbon stock change within the project area at year t	This parameter was correctly calculated by the project proponent and according to the methodology. The verification team evaluated the data reported in the monitoring report and calculation spreadsheet, all input data, formulas, conversions, and aggregations. No inconsistencies were found.
ΔCUCdPA (t CO ₂ e ha-1)	The project proponent didn't identify any significant catastrophic event in this monitoring period that could have impacted in the carbon stocks in the project area. The audit team verified some samples of the historical remote sensing

	images database from the Sentinel data and it wasn't possible to identify any kind of catastrophic event. The verification team determined that this parameter has been correctly monitored / calculated by the project proponent.
EgLKt (t CO₂e ha⁻¹) Emissions of methane (CH₄) and nitrous oxide (N₂O) arising from herds	The GHG emission of non-CO₂ gases in the leakage management areas must be monitored and accounted for if significant, due to the agricultural intensification activities foreseen in the validated project design, as per the methodology requirements. The Leakage Management Areas, according to the shapefiles presented by the project proponent, correspond to or transcend the project area. This represents a conceptual error, since the limits of the Leakage Management Areas must be defined according to the absence of forest cover in areas surrounding the project area. As the project boundaries are fixed by the project validation the VVB raised a Forward Action Request (FAR) for this parameter to be redefined at the time of the next baseline renewal takes place.
Harvest damage assessment (m³/ha)	The project proponent carried out the significance analysis regarding GHG emissions from forest management activities, considering an annual balance of the volume of wood extracted in the project area and the respective areas managed in the monitored period. The average values of volume extracted per hectare are in accordance with the common practice of management in dense tropical forests, of approximately 11m³ / ha. The proponent correctly performed the significance analysis of the managed areas in terms of the volume of wood extracted and, consequently, of the carbon stock that was emitted due to this project activity. The value obtained in tab t.25b of the second monitoring v2.0 Excel file was 0.12%. The audit team confirmed that the project proponent has therefore met the requirements of the VM0015 methodology and the standard, and is therefore in compliance with this aspect.
ΔREDD (t CO₂-e) Net anthropogenic greenhouse gas emission reduction attributable to the AUD project activity at year t	The project proponent calculated the net GHG reductions in the project area correctly and according to the VM0015. The audit team checked the carbon calculation spreadsheet and the monitoring report and all the parameters that are dependent of this one and found no inconsistencies in the calculation.

RF_(t) (%) Risk factor used to calculate VCS buffer credits	The project proponent has estimated the risk factor used to calculate the VCS buffer credits in the project area correctly and according to the VCS Non permanence risk tool. The audit team checked the Non permanence risk report. No inconsistencies were found in the calculation. More details, please see the section 4.6 of this verification report.
VCUs (t CO ₂ -e) Number of Verified Carbon Units (VCUs) to be made available for trade at time t	The project proponent calculated the number of VCUs generated by the project correctly and in conformity to the methodology. The verification team evaluated the data reported in the monitoring report and calculation spreadsheet, all input data, formulas, conversions, and aggregations. No inconsistencies were found.

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 were assessed and considered to be in conformity with the applicable standards, methodologies and tools.

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

Risk Factor	Score	Verification Team Considerations
Internal Risk (IR)		

Project Management (PM)	-4	The project design covers activities related to the enrichment of forests managed with native tropical species. In addition, it is a REDD + project focused on conservation actions of native vegetation. The project area is located inside a National Park. (a = 0). According to the previous verification report, the project has avoided the emission of 411,092 tCO₂e so far. In the current monitored period, between 2014 and 2018, the project proponent estimates to have avoided the emission of 1,341,656 tCO₂e. In this way, it is reasonable to assume that the border patrols carried out as part of project activity implementation over the current monitoring period were necessary to ensure that more than 50% of the GHG emissions avoided in the previous monitoring period were not emitted over the current monitoring period. On the other hand, the verification team understands that invasions do not correspond to the only driver of deforestation identified by the project proponent in the validated PD and that there is currently no conclusive evidence to affirm that the project area is under strong invasion pressure. Once patrolling activities and other project activities have resulted in effective control of deforestation in the monitored period, the verification team considers this risk factor to be null and the zero score demarcated by the project proponent as acceptable (b = 0). The management and technical team have 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). There is a Master Plan for the SLNP that includes the assessment of potential risks identified for the project zone in terms of changes in land use, forest fires, illegal extraction of natural resources, among others (f = -2). The audit team considers the arguments presented as plausible and
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		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 supports the input data used in its financial spreadsheet based on a carbon negotiation receipt and ERPAs, showing possible future negotiations. 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)	-4	The baseline activities are subsistence driven. The project is verified against CCB standard and has implemented assessments of the net impacts of the project on the social and economic well-being of the communities who derive livelihoods from the project areas (a = NA, b = NA, c = NA, d=0, e= NA, f = NA). The project proponent (Fundación Defensores de la Naturaleza) is a non-profit organization that protects and promotes the sustainable use of natural wealth and regional biodiversity. (g=-2); The project is in a national park and is therefore legally protected. (h=-2, i= NA). The score for this risk component was correctly applied by the project proponent.
Project longevity (PL)	0	The project is located in one of seven nucleuses of the Maya Biosphere Reserve in a National Park or in its buffer zone and therefore is legally bound to protect the forests indefinitely. (a=NA, b=NA)

Total Internal Risk	0	The score associated with the project's internal risk was assessed by the audit team and considered in accordance with the aforementioned VCS tool.
External Risk (ER)		
Land ownership and access to resources impacts (LO)	0	Ownership and resource access/use rights are held by different entities, NGOs in partnership with government bodies and community cooperatives. (a = NA, b = 2); The project proponent claims that there are no disputes over land tenure or ownership. The audit team found no conclusive evidence on the presence of land tenure or ownership disputes. (c = 0, d = 0). This project is not a WRC project (e = 0). The project is located within Sierra del Lacandón National Park, thus having a legally binding commitment for conservation (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)	-5	The project proponent carried out extensive consultation and engagement with communities living within and around the project area, as evidenced by the records generated at assemblies, disclosure materials on the project's monitoring results, the existence of community agents working on behalf of the project's activities, the existence of a governance committee with the participation of community representatives and also the interviews conducted by the audit team. (b=0) Project activities are designed to generate net positive impacts on the social and economic well-being of the local communities. The project is verified under the CCB standards and is currently undergoing the second CCB verification (c = -5). 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)	2	The audit team independently assessed the country's political risk, using the World Bank tool and agrees with the score of governance given by the project proponent (b =4, a = NA, b = NA, d = NA, e = NA), as well as with the associated mitigation measures (f = -2). Guatemala's Readiness Idea Note (R- PIN) was accepted by the World Bank Forest Carbon Partnership Facility (FCPF) in June 2009, and drafted the first national Climate Change Law, finally approved on Sept 2013. Guatemala has an established Designated national Authority under the CDM and has one registered 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 VCS tool.
Natural Risk (NR)		

Natural Risk Fire Pest and Disease Outbreaks Extreme Weather Geological Risk Other Natural Risk	6.5	The project proponent monitors hot spots and burn scars in the project area. According to their estimates, between 2003 and 2018, wildfires never reached an area greater than 25% of the project area in a single year, with most of the years being at a level of less than 5% of the affected area. The audit team believes that data variation is typical and occurs due to seasonal climatic anomalies that make tropical forests drier and more susceptible to forest fires. The project proponent considers forest fires in the project area to be frequent (occurring less frequently than every 10 years) and of low intensity (less than 25% of carbon stocks are compromised). The project proponent conducts workshops on prevention measures for avoiding forest fires for communities in the project area and considers them as mitigation measures. The audit team agrees with the project proponent's assessment and the proposed fire risk score (LS = 5, M = 0.5, LSxM = 2.5). The project proponent considers the risk of loss in carbon stocks due to pests or diseases as insignificant (they represent the loss of less than 5% of carbon stocks or non-lasting losses in a single event) and that these events occur with a frequency of less than 10 years. The proponent justifies its analysis based on the agroecological component of the project activities. The project proponent also chooses mitigation measures as activities to promote good agroforestry practices. The audit team found the project proponent's analysis to be conservative, since the project does not generate carbon credits based on forest restoration actions and that native tropical forests are not susceptible to the loss of carbon stocks due to pests and diseases (LS = 2, M = 0.5, LSxM = 1). The project proponent considers the risk of loss in carbon stocks due to extreme weather events, such as floods, as insignificant (they represent the loss of less than 5% of carbon stocks or non-lasting losses) and that these events occur less frequently than then 10 years. The proponent justifies their analysis based on the nature of
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		the problem, which mainly affects urban centers and not forests. The project proponent also chooses mitigation measures as territorial planning activities carried out in partnership with other institutions such as ACOFOP. This territorial ordering can contribute, for example, to define areas unsuitable for agriculture by potentially increasing the susceptibility of the area due to landslides caused by floods that, if avoided, will contribute to reducing the risk of impact to carbon stocks. The audit team understands the project proponent analysis as acceptable, since native tropical forests are not typically susceptible to the loss of carbon stocks due to floods (LS = 2, M = 0.5, LSxM = 1). The project proponent considers the geological risk of loss in carbon stocks to be insignificant (they represent less than 5% loss of carbon stocks or non-lasting losses) and that these events occur less than 10 years ago. The proponent justifies their analysis based on the geographic position of the project area in the country - although Guatemala has considerable seismic activity, the project area is not in one of the regions most affected by the movement of tectonic plates. The project proponent supports the analysis with a related technical document. The audit team found the project proponent analysis of the project proponent to be consistent with the technical document presented (LS = 2, M = 1, LSxM = 2).
TOTAL NON-PERMANENCE RISK SCORE: 10		
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 the applicable methodology.

S&A Carbon is able to issue a positive verification opinion for the 1,341,656 tonnes CO₂e of ex-post emissions reductions, as reported in the Monitoring Report version 2.0, dated 25th November 2020. The verification assessment determined with a reasonable level of assurance that that calculated the ex-post emission reductions 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 10%. Therefore, the total number of credits to be deposited in the buffer account is 134,166 VCU and the total VCUs to be issued are 1,207,490 tCO₂e.

Monitoring Period: From 25 August 2014 to 31 December 2018.

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
2014	87,637	32,714	NA	54,922	5,492	49,429
2015	367,506	63,977	NA	303,529	30,353	273,176
2016	343,568	27,107	NA	316,460	31,646	284,814
2017	320,844	69,050	NA	251,793	25,179	226,613
2018	418,624	3,671	NA	414,952	41,495	373,456
Total	1,538,178	196,520	NA	1,341,656	134,166	1,207,490

1. APPENDIX 1: ISSUES LOG

<u>Finding</u>	<u>ID</u>	2020 1	<u>Status:</u> Closed	<u>Verified by:</u> BM	<u>Date</u>	10/21/2020
Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description		Additional comments	
VCS v4, section 3.4.3 CCB_VCS_Monitoring_Report_Template_CCBv3.0_VCSv3.4	3.1.2	NCR	The project proponent in section 3.1.2 of the monitoring report did not present the monitored values for each parameter. According to the joint template of the CCB monitoring report, v3.0 and VCS, v3.4, in section 3.1.2 the project proponent is asked to provide an estimated value of the parameters. The VVB understands that the monitoring report must be revised to be in compliance with the requirements of the standard. Therefore, VVB is raising this NCR. <u>VVB analysis, 2nd of December 2020</u> The project proponent has revised its monitoring report to show the monitored parameters. The audit		Reviewed Documents: - 180820_2nd Monitoring Report Lacandon.doc	

			team evaluated the revised version of the monitoring report and cross-checked the reported values with the values found in the calculation spreadsheet and also with the values extracted from the GIS database presented by the project proponent. In addition, the audit team carried out an analysis of the carbon calculation spreadsheet, evaluating all input data, all conversions, aggregations, and formulas. No inconsistencies were found. Therefore, the VVB is closing this NCR.	
Project Proponent Response (1 st round)				
Date	Comment			Additional evidence submitted for review by PP
24/10/2020	Section 3.1.2 of the Monitoring Report has been adjusted to include the monitoring values for each parameter.			See last version MR

<u>Finding</u>	<u>ID</u>	2020 2	<u>Status:</u> Closed	<u>Verified by:</u> BM	<u>Date</u>	10/21/2020
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Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description	Additional comments
VM0015, section 2.6	3.1.3	NCR	The audit team did not find a plan to monitor the annual deforested areas within the reference region, leakage belt and project area. According to section 3.1.3 of the monitoring report, the project proponent presents a summary version of the monitoring plan in section 8 of the PD. However, it was not possible to verify the conformance of the monitoring plan against the methodology VM0015 section 02, where in section 2.6 it guides the proponent to elaborate a methodology attached to the PD to perform the multi-temporal analysis in a consistent manner, containing the details of the origin of the data, pre-processing steps (geometric, radiometric and any other correction), classification of information, post-processing and accuracy assessment for all monitored years). The audit team accessed the document provided by the proponent, Accuracy Assessment.pdf and found that the requirements of VM0015 are partially met in the mentioned document, however the lack of details of some steps characterizes a potential non-compliance with the methodology used. Therefore, VVB is raising this NCR.	Reviewed Documents: - 180820_2nd Monitoring Report Lacandon.doc

			<u>VVB analysis, 1st of December 2020</u> The project proponent submitted a document attached to the MR containing the methodological details of land use and land cover mapping in the project area, the document entitled: 'Support for the development of a baseline for the subnational region of Tierras Bajas del Norte de Guatemala - Wildlife Conservation Society and the National Council of Protected Areas with the USAID financial support through the Translinks project. This document meets the requirements of the VM0015 methodology in its section 2.6, which guides the proponent to establish a standard procedure for temporal analysis in order to enable comparisons and map changes in land use according to the methodological requirements and the VCS standard. The audit team confirmed that the project proponent is therefore in conformity in this aspect regarding the methodology used and thus closes this NCR.	
Project Proponent Response (1st round)				
Date	Comment			Additional evidence submitted for review by PP

24/10/2020	In addition to the information presented in the MR, we have included an Annex to the Monitoring Report into the database. The annex covers the following topics: - Selection of satellite images - Geometric corrections - Other corrections: cloud mask and cloud shadows - Conversion to exoatmospheric reflectance - Relative standardization - Identification of training sites, monitoring and evaluation of accuracy - Supervised Classification - Manual Edition - Data Gap Filler - Development of special classes - Integration of final maps - Accuracy assessment	See Annex to MR. It can be found in the database_GIS Second Monitoring Report.
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<u>Finding</u>	<u>ID</u>	2020 3	<u>Status:</u> Closed	<u>Verified by:</u> BM	<u>Date</u>	10/21/2020
Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description		Additional comments	

VCS v4.0, sections 2.2, 3.17	2.2.2	NCR	The audit team understands that the seven methodology deviations reported in section 4.3 of the validated PD must follow the guidelines and requirements of the VCS standard v 4.0, section 3.17. In the subsection 3.17.3, the standard states that the consequences of methodological deviations must be reported in the subsequent verification reports, as methodology deviations are not considered as a precedent setting. The project proponent did not report the methodology deviations used in the PD in this MR and is not clear whether the deviations are still being applied during this monitoring period. Therefore, VVB is raising this NCR. <u>VVB analysis, 1st of December 2020</u> The project proponent updated the monitoring report and incorporated the methodology deviations reported in previous reports in this new monitoring report for the second monitoring period. The verification team understands that with the adjustment, the project proponent is in conformity with the VCS standard and its requirements. The audit team evaluated the proposed deviations and determined them to be acceptable. This NCR is closed.	Reviewed Documents: - 180820_2nd Monitoring Report Lacandon.doc
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Project Proponent Response (1st round)

Date	Comment	Additional evidence submitted for review by PP
24/10/2020	Section 2.2.2 of the MR has been edited to include the methodology deviations reported in the PDD along with their updated status during the current monitoring report.	Section 2.2.2 has been adjusted.

<u>Finding</u>	<u>ID</u>	2020 4	<u>Status:</u> Closed	<u>Verified by:</u> <i>BM</i>	<u>Date</u>	10/21/2020
Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description		Additional comments	
VCS v4.0, section 3.21.3	3.2.1	NCR	The audit team found a discrepancy in the values for the baseline deforestation in the project area presented in the carbon calculation spreadsheet (table 9b) and the monitoring report (table 10). The verification team asks for the PP to make available the updated PD, the methodology annex to the PD (see step 2.6) and the spatial data of the projected deforestation allocation in the baseline scenario for this monitoring period (2014-2018).		Reviewed Documents: - 180820_2nd Monitoring Report Lacandon.doc - SECOND MONITORING.xlsx - PROJ_DESC_1541_07JUN2016.pdf	

			Therefore, VVB is raising this NCR. <u>VVB analysis, 1st of december 2020</u> The project proponent corrected the inconsistency identified by the audit team in the analysis of the project documentation in the verification process. The VVB confirmed that this correction meets the requirements and criteria of the methodology and standard used by the project. The new project documentation was evaluated and presents the adjustments mentioned by the proponent, therefore demonstrating conformance with the applicable rules. The audit team therefore closes this finding (NCR).	
Project Proponent Response (1 st round)				
Date	Comment			Additional evidence submitted for review by PP
24/10/2020	There was a mistake in the name of the table 9b of the file “Second Monitoring”. The name has been adjusted to represent the monitored areas deforested in the project area. Values presented in this table coincide with the values reported in table 15 of the monitoring report. The baseline values can be found in the baseline spreadsheet.			Name of table 9b in excel spreadsheet has been adjusted.

Finding	ID	2020 5	Status: Closed	Verified by: BM	Date	10/21/2020													
Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description		Additional comments														
VM0015, section 1.1.3 (part 3)	MR, section 3.2.2	NCR	The audit team’s assessment to verify the occurrence of forest fires used the MODIS active fire and burned area products which contains information unique to understanding the timing and spatial distribution of fires and their characteristics. The MODIS Standard Fire products provide an important contribution from the University of Maryland to the NASA Land Use and Land Cover Program and the international Global Observation of Forest Cover (GOFC) Project. After compiling the spatial data to the project area the VVB identified a total of 576 fire alerts during the monitoring period as it shows below: <table><tr><td>Year</td><td>Number of alerts</td></tr><tr><td>2014</td><td>0</td></tr><tr><td>2015</td><td>119</td></tr><tr><td>2016</td><td>157</td></tr><tr><td>2017</td><td>283</td></tr><tr><td>2018</td><td>17</td></tr><tr><td>Total</td><td>576</td></tr></table>		Year	Number of alerts	2014	0	2015	119	2016	157	2017	283	2018	17	Total	576	Reviewed Documents: - 180820_2nd Monitoring Report Lacandon.doc - SECOND MONITORING.xlsx - PROJ_DESC_1541_07JUN2016.pdf
Year	Number of alerts																		
2014	0																		
2015	119																		
2016	157																		
2017	283																		
2018	17																		
Total	576																		

The project proponent presented in the monitoring report, section 3.2.2 that non-CO2 greenhouse gases (CH4 and N2O) were not monitored and accounted for in this monitoring period because they were not considered significant in the baseline scenario.

However, this approach is contrary to the VM0015 methodology (section 1.1.3, part 3) which establishes the need to monitor and account for emissions if they are significant.

Based on the data obtained from the University of Maryland, the audit team found that there is a potential for significance in relation to the parameters not monitored by the proponent, which can lead to inconsistencies in the values reported as the project's emission reduction.

Therefore, VVB is raising this NCR.

VVB analysis, 30th of November 2020

The project proponent monitored hot spots and fire scars in the project area during this monitoring period. The related monitoring reports were made on a landscape scale (Maya Biosphere Reserve) covering the entire project area. The documentation contains the entire methodological approach carried out in the mapping. Also, in addition the project proponent provided to the VVB the geographical data that was used to identify the fire scars from burning throughout

the monitored period and which served as a subsidy for the information in the document presented.

The audit team verified the spatial information provided in a GIS environment and found that the values reported by the project proponent are correct and in accordance with the results presented in tab t.25b of the second monitoring v2.0 Excel file.

In addition, the VVB checked the significance analysis presented by the proponent and verified that they are in conformity with the standard and methodology used. It is worth mentioning that the project proponent had a conservative approach considering two parameters with higher values (Fburnt and Pburnt).

One aspect that the audit team sees as a possibility for improvement would be in relation to the value of GWP for CH₄, despite the methodology guiding the use of the value published in the second assessment report (SAR) of 21, it would be a good practice for PP to update this value in the next monitoring periods, reflecting the updates made periodically by the IPCC. **This is highlighted in OBS#2020/10.**

Despite this observation, the audit team determined that the project proponent is in compliance with this aspect of the applied methodology and closes this finding.

Date	Comment	Additional evidence submitted for review by PP
24/10/2020	Emissions from forest fires were indeed monitored during this monitoring period. The information used for the analysis can be found in the folder "Fires" included in the database. A total of 660.4 hectares were reported to be burnt during the monitoring period. This is equivalent to 1.46% of the total forest area included in the project area. The emissions from these fires were reported as insignificant as these represent 0.07% of the total emissions estimated (emissions from deforestation, fires and planned logging).	See tab T25b of the spreadsheet "Second Monitoring". Database_Carbon Estimations.

<u>Finding</u>	<u>ID</u>	2020 6	<u>Status:</u> Closed	<u>Verified by:</u> BM & BS	<u>Date</u>	10/21/2020
Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description		Additional comments	
VM0015, section 8.1.2 and appendix V	3.2.3	NCR	The Appendix V of the VM0015 methodology establishes that the EgLKt parameter must be used to estimate emissions from grazing animals in the leakage management areas and needs to be monitored annually. According to section 2.2 of the PD, strategy number 3, foresees working with sustainable agriculture and livestock, as a way of optimizing the productive area and thus not presenting a demand for opening new areas. Also, this		Reviewed Documents: - 180820_2nd Monitoring Report Lacandon.doc - SECOND MONITORING.xlsx	

		economic activity was considered as an agent of deforestation in the baseline scenario of the project. It is known that sustainable livestock has as a pillar in the intensification of management, involving both aspects related to animal feeding / diet as well as the densification of animals by area, these actions can cause a greater increase in the emission of CH₄ and N₂O and should be considered, if they are significant. The audit team understands that the proponent must monitor the emission of non-CO₂ gases in the areas of leakage management areas due to the existing livestock and consider these emissions if they are proven to be significant in relation to the emission reductions obtained. In addition, the audit team again requests the submission of the file related to the limits of the leakage management areas. Therefore, VVB is raising this NCR. <u>VVB analysis, 01st of December 2020</u> The project proponent carried out an analysis involving geoprocessing to demonstrate that livestock activity reduced in the leakage management area in the monitored period and to demonstrate that non-CO₂ GHG emissions in the monitored period can be disregarded. The project proponent presented shapefiles with spatial information and a calculation spreadsheet as a result of the analysis.	
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		The audit team used the documents presented having in perspective the arguments proposed by the project proponent. The audit team found that the evidence presented is insufficient to support the thesis that livestock activity has been reduced in the leakage management areas in the monitored period and highlights the following flaws/clarification needs: 1. The Leakage Management Areas, according to the shapefiles presented by the project proponent, correspond to or transcend the project area. This represents a conceptual error, since the limits of the Leakage Management Areas must be defined according to the absence of forest cover in areas surrounding the project area. 2. The results presented by the project proponent, according to the calculation spreadsheet, are not clear. The audit team does not clearly understand the distinction between the parameters "area" and "hectareas" presented in the calculation spreadsheet. The audit team does not understand the reason for the large and erratic variation of the grazing area in the monitored period - the values go up and down a lot over time, which is not typical of the land use and land cover change dynamics. The audit team does not understand the "point of presence" selection approach adopted by the project proponent - this approach seems to be related to a field check on data collected by analysing spatial images, but this is not clearly presented. The audit team did not find monitored data for the areas "Naranjitos",	
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		"Centro Campesino" and "Tecnica Agropecuaria", only for "Union Maya Itza" and "La Lucha". 3. The audit team understands that the grazing area is not a perfect proxy for the number of cattle, since, under intensification conditions (a practice intended as a measure to mitigate leakage in the project design), GHG emissions can vary significantly and independently from the area of pasture. Therefore, the NCR remains open. <u>VVB analysis, 04th of January 2020</u> The project proponent provided additional evidence that proves that the cattle herd in the reference region is decreasing. The delimitation of the leakage management area will be treated in this report as a FAR, understanding that it is a validation process assignment and that the methodology determines the need to revise this specific limit of the project when revalidating the baseline. The verification team determined that the absence of a correctly demarcated leakage management area has not affected the ex-post estimates during the monitoring period covered by this verification, because 1) the number of cattle has decreased in the reference region in the monitoring period as a whole (according to the official government data) and 2) the project proponent has not implemented cattle intensification measures as a leakage management measure in the leakage management areas, which was stated by the project proponent and corroborated by	
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		interviews with the community representatives. The project proponent, however, held workshops on sustainable agriculture for communities in the project zone, which can be understood as an example of the implementation of specific strategies as described in the validated PD. This was stated by the project proponent and corroborated by interviews with the community representatives. Please refer to FAR#2020/11.	
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Project Proponent Response (1st round)

Date	Comment	Additional evidence submitted for review by PP
26/10/2020	According to the recent monitoring conducted by CONAP about the presence of livestock production areas inside the Sierra Lacandon Park, it was possible to identify that livestock production areas have been decreasing over time inside the leakage management areas. Emissions due to livestock production were considered insignificant during the baseline scenario and given that livestock production has decreased it is possible to continue considering livestock emissions as non-significant. <u>PP response, 14th of December 2020</u> The project proponent provided additional evidence, drawn up in official data from the Guatemalan government, which shows that the cattle herd in the reference region is decreasing and presented tabulated data and descriptive statistical analysis based on the reference.	A new folder named “Livestock” has been added to the database. This folder contains the livestock production points identified by CONAP and the clip with the leakage management areas.

Finding	ID	2020 07	Status: Closed	Verified by: BM	Date	10/21/2020
Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description		Additional comments	
VCS v4.0, section 2.2; VM0015, section 7.1.1,	3.2.2	NCR	The project proponent in section 3.2.2 of the MR did not consider emissions from forest management due to logging. In the same document, in section 3.1.3, it was presented that within the project area, the carbon emissions due to the planned timber extraction in the baseline scenario were zero. However, the proponent failed to demonstrate in a transparent manner, according to one of the requirements of the VCS standard v4.0, section 2.2, the lack of significance of the GHG emissions from this reservoir during this monitoring period. The proponent did not clearly present the information mentioned in the MR as attachments (Harvesting and Management Plans), together with the respective calculations that support the analysis of the non-significance of this parameter. Therefore, VVB is raising this NCR. <u>VVB analysis, 30th of November 2020</u> The project proponent carried out the analysis of significance regarding GHG emissions from forest management activities, and a annual balance of the		Reviewed Documents: - 180820_2nd Monitoring Report Lacandon.doc - SECOND MONITORING.xlsx	

		volume of wood extracted in the project area and the respective areas managed in the monitored period were presented. The average values of volume extracted per hectare are in accordance with the common practice of management in dense tropical forests, of approximately 11m³ / ha. The proponent correctly performed the analysis of the significance of the managed areas in terms of the volume of wood extracted and, consequently, of the carbon stock that was emitted due to this project activity. The value obtained in tab t.25b of the file excel second monitoring v2.0. was 0.12%. The audit team determined that the project proponent has therefore met the requirements of the VM0015 methodology and the standard. Conformance with the standard criteria related to the verifier questions raised in this finding has been demonstrated, and the NCR is closed.	
Project Proponent Response (1st round)			
Date	Comment	Additional evidence submitted for review by PP	

24/10/2020	Emissions from planned logging were monitored during the current monitoring period. The information used for the analysis can be found in the folder “Harvesting” located in the project database. The estimation of emissions from logging is presented in the spreadsheet “Second Monitoring” tab T25b. These emissions were deemed as insignificant because they represent 0.09% of the total project emissions calculated during the monitoring report.	See tab T25b of the spreadsheet “Second Monitoring”. Database_Carbon Estimations
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<u>Finding</u>	<u>ID</u>	2020 08	<u>Status:</u> <u>Closed</u>	<u>Verified by:</u> <i>BM</i>	<u>Date</u>	10/21/2020
Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description		Additional comments	

VM0015, section, part 3, task 1	3.2.2	NCR	The project proponent reported for the monitored period a value of 719.16 hectares deforested in the project area, for parameter ABSLPA, table 15, MR, section 3.2.2. The audit team checked the GIS files referring to the project area and adopted an approach to calculate the transition between forest 2014 and deforestation 2018, making an intersection between the two spatial data and a total conversion area of 1211.41 hectares was calculated, with 771 hectares in the community of Union Maya Itza and 14 hectares in Naranjitos. The VVB carried out an independent and additional analysis and asked the Consejo Nacional de Protected Areas - CONAP, Unidad de Información Pública, for information regarding the monitoring of forest cover in the project's reference region, in the period between 2014-2018. The 2014-2018 forest transition in the project area was calculated, making an intersection between the spatial information and a total conversion area of 731.32 hectares. Due to the inconsistency of the information reported in the MR and the GIS file made available by the proponent, the audit team raises this finding as a NCR. <u>VVB analysis, 1st of December 2020</u> The audit team used the data from the raster images of land use and occupation provided by the project proponent and performed the procedures according to the document	Reviewed Documents: - 180820_2nd Monitoring Report Lacandon.doc - PROJ_DESC_1541_07JUN2016.pdf
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		accompanying to the MR (<i>Apoyo al desarrollo de una base line para la subnacional de Tierras Bajas del Norte de Guatemala</i>) which establishes the methodology used for monitoring forest cover within the project area. In a GIS environment, VVB performed the clipping of the information for the project area and calculated the respective area of the clipped raster and it was possible to arrive at values similar to those reported by the proponent in the calculation tables and in the monitoring report. In this way, the audit team concludes that the project has calculated this parameter in conformance with the methodology and, therefore, this finding (NCR) is closed.	
Project Proponent Response (1st round)			
Date	Comment	Additional evidence submitted for review by PP	
25/11/2020	We have extensively revised our maps used to estimate the area of forest loss during the monitoring period. We found differences in the coordinate systems of our vector files which were generating inconsistencies when processing vectors. We also found that in order to reduce errors in the calculation of areas, it was better to run the ArcMap tools on raster files. An explanatory document has been developed to detail the procedure undertaken to estimate forest loss. The corrected area of forest loss inside the project area during the monitoring period is 527 hectares.	We have included a document denominated “Description of the process” that can be found in the database_carbon estimations. We have updated the Monitoring Report and the estimations of carbon stocks.	

Finding	ID	2020 09	Status: Closed	Verified by: <i>BM</i>	Date	10/21/2020
Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description		Additional comments	
VM0015, section, part 3, task 1	3.2.2	NCR	The project proponent reported for the monitored period a value of 2,612 hectares deforested in the leakage belt, parameter ABSLLK, table 9c, MR, section 3.2.2, attached file excel, second monitoring.xlsx. The audit team checked the GIS files referring to the leakage belt area and adopted an approach to calculate the transition between forest 2014 and deforestation 2018 by making an intersection between the information and a total conversion area of 3,910.44 hectares was calculated. The VVB carried out an independent and additional analysis and asked the Consejo Nacional de Protected Areas -CONAP, Unidad de Información Pública, for information regarding the monitoring of forest cover in the project's reference region, in the period between 2014-2018. The 2014 forest transition and 2018 deforestation in the leakage belt was calculated, making an intersection between the information and a total conversion area of 1,682.41 hectares.		Reviewed Documents: - 180820_2nd Monitoring Report Lacandon.doc - PROJ_DESC_1541_07JUN2016.pdf	

Although emissions from the leakage belt are omitted because the monitored value (ex-post) is lower than the baseline value (ex-ante) there is an inconsistency in the information reported in the MR and the GIS file made available by the proponent. The , audit team therefore raises this finding as an NCR.

VVB analysis, 1st of december 2020

The audit team used the data from the raster images of land use and occupation provided by the project proponent and performed the procedures according to the document accompanying to the MR (*Apoyo al desarrollo de una base line para la subnacional de Tierras Bajas del Norte de Guatemala*) which establishes the methodology used for monitoring forest cover within the project area.

In a GIS environment, VVB performed the clipping of the information for the project area and calculated the respective area of the clipped raster and it was possible to arrive at values similar to those reported by the proponent in the calculation tables and in the monitoring report.

In this way, the audit team concludes that the project has calculated this parameter in conformance with the methodology and, therefore, this finding (NCR) is closed.

Date	Comment	Additional evidence submitted for review by PP
25/11/2020	We have extensively revised our maps used to estimate the area of forest loss during the monitoring period. We found differences in the coordinate systems of our vector files which were generating inconsistencies when processing vectors. We also found that in order to reduce errors in the calculation of areas, it was better to run the ArcMap tools on raster files. An explanatory document has been developed to detail the procedure undertaken to estimate forest loss. The corrected area of forest loss inside the leakage belt during the monitoring period is 2,649 hectares.	We have included a document denominated "Description of the process" that can be found in the database_carbon estimations. We have updated the Monitoring Report and the estimations of carbon stocks.

Finding	ID	2020 10	Status: Closed	Verified by: <i>BM</i>	Date	10/21/2020
Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description		Additional comments	
VM0015, section 1.1.3 (part 3)	MR, section 3.2.2	OBS	The project proponent uses the CH4 GWP value of 21, following the methodology requirements, that guides project proponents for the use of the CH4 GWP value published in the IPCC second assessment report (SAR). The audit team informs the project proponent of the need to change this value in the next monitoring period to reflect the most updated GWP value as published by IPCC in its periodic		Reviewed Documents: - 180820_2nd Monitoring Report Lacandon.doc - SECOND MONITORING.xlsx - PROJ_DESC_1541_07JUN2016.pdf	

			revisions and raises this observation as an opportunity for improvement of the project monitoring.	
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Finding	ID	2020 11	Status: <u>Open until the next baseline revalidation event</u>	Verified by: BS	Date	01/04/2020
Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description		Additional comments	
VM0015, section 1.1.4 (part 2)	PD, section 4.4	FAR	The Leakage Management Areas, according to the shapefiles presented by the project proponent, correspond to or transcend the project area. This represents a conceptual error, since the limits of the Leakage Management Areas must be defined according to the absence of forest cover in areas surrounding the project area. The delimitation of the leakage management area is a typical validation process assignment. The methodology determines the need to revise this specific limit of the project when revalidating the baseline. The verification team determined that the absence of a correctly demarcated leakage management area has not affected the ex-post estimates during the monitoring period covered by this verification, because 1) the number of cattle has decreased in the reference region in the monitoring period as a whole (according to the official government data) and		Reviewed Documents: - PROJ_DESC_1541_07JUN2016.pdf	

		2) the project proponent has not implemented cattle intensification measures as a leakage management measure In the leakage management areas, which was stated by the project proponent and corroborated by interviews with the community representatives. The project proponent, however, held workshops on sustainable agriculture for communities in the project zone, which can be understood as an example of the implementation of specific strategies as described in the validated PD. This was stated by the project proponent and corroborated by interviews with the community representatives. Therefore, the audit team determined this finding should be classified as a FAR, considering the delimitation of the leakage management area is applicable to project validation, and that the absence of a correctly demarcated leakage management area has not affected the ex-post estimates during the project's second monitoring period. This FAR is to be assessed during the project's next baseline revalidation event.	
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<u>Finding</u>	<u>ID</u>	<i>2020 12</i>	<u>Status:</u> Closed	<u>Verified by:</u> <i>BM</i>	<u>Date</u>	<i>10/21/2020</i>
Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description		Additional comments	

VCS v4.0, section 3.16;	MR, section 2.3.4, 4.1.2	OBS	The project proponent does not identify any negative socio-environmental impacts due to implementation of the project activities. The audit team considers this as a plausible statement, considering it is a project aimed at reducing deforestation, promoting social benefits, and conserving biodiversity. It should be noted that the project was designed, validated, and verified against CCB standards on 2016 (CCB validation statement issuance), and is currently undergoing the second CCB verification process. The audit team interviewed relevant stakeholders and communities' representatives affected by the implementation of the project activities. No negative impacts from its implementation have been identified. On the other hand, the audit team mapped some reports of a critical and derogatory nature in relation to the project implementation, especially regarding the involuntary relocation of people. The results of the interviews carried out, however, did not show such effects of the project implementation. The audit team raises this finding as an observation, as a risk of future non-conformance with this standard requirement.	Reviewed Documents: - 180820_2nd Monitoring Report Lacandon.doc
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<u>Finding</u>	<u>ID</u>	2020 13	<u>Status:</u> Closed	<u>Verified by:</u> BS	<u>Date</u>	02/01/2021
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Standard, Methodology, Tool	MR Section	Finding Class Category	Finding description	Additional comments
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VM0015, part 3, section 1.1.3	MR, section 3.1.1	OBS	The project proponent estimates that GHG emissions due to planned activities (logging) in the project area are insignificant. To this end, the project proponent uses activity data from the forest management plans and the carbon stocks present in the carbon wood products long lived and short lived reservoirs. The audit team performed an independent check of the estimates using the volume of wood harvested according to the management plans (11 m3 / ha), considering basic densities of 0.7 and 0.5 g / cm3 and the other sources of GHG emissions related to deforestation and wildfires and the same conclusion was reached, that is, that GHG emissions due to forest management are insignificant. Thus, the audit team determined that the project monitoring results of this parameter do not present any material errors. However, the verification team understands that the methodology used by the project proponent for making estimates does not exactly match the VM0015 requirements, which can lead to potential errors in the future (the methodology requests that project proponents estimate GHG emissions in areas subjected to carbon stocks decrease by planned activities, such as logging, using activity data and the difference in carbon stocks found in the initial classes and in the land use and cover classes that are representative of the lowest possible point found for carbon stocks in a productive cycle). Thus, the verification team raises this finding as an observation and risk of non-compliance with the requirements of the methodology.	Reviewed Documents: - 180820_2nd Monitoring Report Lacandon.doc - SECOND MONITORING v2.0.xlsx
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