

REDUCED EMISSIONS FROM DEFORESTATION AND DEGRADATION IN KEO SEIMA WILDLIFE SANCTUARY VERIFICATION REPORT



Document Prepared By Zane Haxtema and Scott Eaton

Project Title	Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary
Version	2-4
Report ID	2-4

Report Title	Verification Report for Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary
Client	Royal Government of Cambodia (RGC), National Council for Sustainable Development, Ministry of Environment
Pages	90
Date of Issue	4 April 2017 (Revised 26 May 2017)
Prepared By	SCS Global Services (SCS)
Contact	2000 Powell Street, Suite 600, Emeryville, CA 94608, USA

Approved By	http://www.scsglobalservices.com Email: cpollet-young@scsglobalservices.com Telephone: +1 (510) 452-8000
	Christie Pollet-Young
Work Carried Out By	Lead Verifier: Zane Haxtema
	Verifier: Scott Eaton
	Verifier: Blake Troxel
	Technical Expert: So Malay
	Technical Expert: By Sovann
	Technical Reviewer: Letty Brown

Summary:

This report describes the verification audit of the Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary ("the project"), a Reduced Emissions from Deforestation and Degradation (REDD) project located in Cambodia, that was conducted by SCS. The purpose of the verification audit was to assess the conformance of the project with the verification criteria for the monitoring period from 1 January 2010 to 31 December 2015. The verification audit was performed through a combination of document review, interviews with relevant personnel and on-site inspections. A total of 21 findings were raised during the verification and sufficiently resolved. The project complies with all of the verification criteria, and the assessment team has no restrictions or uncertainties with respect to the compliance of the project with the verification criteria.

Table of Contents

Contents

1	INTRODUCTION	6
1.1	Objective	6
1.2	Scope and Criteria	6
1.3	Level of Assurance.....	6
1.4	Summary Description of the Project	6
2	Verification Process	7
2.1	Method and Criteria.....	7
2.2	Document Review	8
2.3	Interviews	9
2.4	Site Inspections	10
2.5	Public Comments.....	11
2.6	Resolution of Findings	11
2.6.1	Forward Action Requests	11
2.7	Eligibility for Validation Activities	11
3	VALIDATION Findings.....	11
3.1	Participation under Other GHG Programs	11
3.2	Methodology Deviations	12
3.3	Project Description Deviations	15
3.4	Grouped Project.....	17
4	General Verification Findings	17
4.1	Summary Description of the Project	17
4.2	Project Location	17

4.3	Conditions Prior to Project Initiation	17
4.4	Project Proponent	17
4.5	Other Entities Involved in the Project	17
4.6	Project Start Date	17
4.7	Project Crediting Period	17
5	IMPLEMENTATION OF DESIGN	18
5.1	Project Implementation Status	18
5.2	Management of Risks to Project Benefits	20
5.3	Measures to Maintain High Conservation Values	21
5.4	Project Financing	21
5.5	Employment Opportunities and Worker Safety	21
5.6	Stakeholders (G3)	21
6	LEGAL STATUS	22
6.1	Compliance with Laws, Statutes, Property Rights and Other Regulatory Frameworks	22
6.2	Evidence of Right of Use	22
6.3	Emissions Trading Programs and Other Binding Limits	22
6.4	Participation under Other GHG Programs	22
6.5	Other Forms of Environmental Credit	22
6.6	Projects Rejected by Other GHG Programs	22
6.7	Respect for Rights and No Involuntary Relocation	22
6.8	Illegal Activities and Project Benefits	23
7	APPLICATION OF METHODOLOGY	23
7.1	Project Description Deviations	23
7.2	Baseline Scenario	23
7.3	Additionality	23

8	QUANTIFICATION OF GHG EMISSION REDUCTIONS AND REMOVALS	23
8.1	Accuracy of GHG Emission Reduction or Removal Calculations	23
8.2	Quality of Evidence to Determine GHG Emission Reductions and Removals	37
8.3	Non-Permanence Risk Analysis	39
8.4	Climate Change Adaptation Benefits	52
9	COMMUNITY	52
9.1	Net Positive Community Impacts.....	52
9.2	Offsite Stakeholder impacts	53
9.3	Exceptional Community Benefits	53
10	BIODIVERSITY	53
10.1	Net Positive Biodiversity Impacts.....	53
10.2	Offsite Biodiversity Impacts.....	53
10.3	Exceptional Biodiversity Benefits	53
11	Verification conclusion	53
12	Appendix A: VCS Verification Findings Issued During Verification	57
13	APPENDIX B: CCB Verification Findings.....	74
14	APPENDIX C: Market Leakage Assessment.....	90

1 INTRODUCTION

1.1 Objective

The purpose of the verification audit activity was to conduct an independent assessment of the Reduced Emissions from Deforestation and Degradation in Keo Seima Wildlife Sanctuary (“the project”) to determine whether the quantification of GHG emission reductions for the project during the period from 1 January 2010 to 31 December 2015 (“the monitoring period”) complies with the verification criteria, as set out in the guidance documents listed in Section 1.2 of this report.

1.2 Scope and Criteria

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

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

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

- VCS Program Guide, Version 3.6
- VCS Standard, Version 3.6
- AFOLU Requirements, Version 3.5
- AFOLU Non-Permanence Risk Tool, Version 3.3

The assessment was conducted against the criteria set out within the following guidance documents:

- Climate, Community and Biodiversity Project Design Standards, Third Edition
- Rules for the use of the Climate, Community & Biodiversity Standards, Version 3.0

1.3 Level of Assurance

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

1.4 Summary Description of the Project

The project is located in the southeastern Cambodia and is aimed at reducing emissions related to unplanned deforestation. The project has resulted in the benefits below, as described in the Project Implementation Report:

Climate Benefits

- The project has resulted in emission reductions of over 10 million tCO₂e from avoided unplanned deforestation in the first five years of operation.
- Over 10 million tCO₂e of emission reductions from avoided unplanned deforestation were achieved during the first verification period.

Community Benefits

- Preserves forest areas that provide the basic needs and traditional cultural identity for over 2,500 households (approximately 12,500 people) within the 20 REDD+ participating villages. Nearly 25,000 hectares of unplanned deforestation of culturally significant forest was prevented during the verification period.
- Strengthens tenure rights and reduces landlessness of Seima forest communities through legal and planning support for indigenous communal land titling (ICT), participatory land-use planning (PLUP), and land-use agreements. Seven ICT areas were established during the verification period.
- Supports alternative livelihoods that reduce deforestation providing income generation and skill development opportunities. This includes literacy and numeracy education for increased off farm livelihood options. Numerous livelihood activities were initiated during the verification period including the establishment of the Jahoo Gibbon Camp ecotourism enterprise, community savings groups, and market garden development. Value chain research
- Provides agricultural extension and infrastructure support increasing food security, incomes, and resilience to climate change. The project provided extensive enhanced agricultural and livestock productivity trainings during the verification period.

Biodiversity Benefits

- Nearly 25,000 hectares of unplanned deforestation of ecologically significant forest was prevented during the verification period.
- Ongoing patrolling has reduced the rate of illegal land conversion, logging, and unsustainable NTFP harvest which has reduced loss, degradation, or disturbance of ecologically functional habitats.
- Likewise patrolling has reduced poaching of wildlife by active hunters as well as removal of thousands of snares which are responsible for indiscriminate killing of numerous species of global conservation concern. Some notable species protected include the Asian Elephant, the largest remaining world population of Black-shanked Douc, Yellow-cheeked Crested Gibbon, Eld's Deer, Gaur, Banteng, and Green Peafowl.

Biodiversity Gold

- The Seima REDD+ Project qualifies for CCB Biodiversity Gold for the following criteria:
 - a. Vulnerability – over 40 confirmed Globally Threatened species occur in the Project Zone.
 - b. Irreplaceability – the Project Zone holds significant populations of at least three restricted-range species and large proportions of the world's population of at least five other species.

2 VERIFICATION PROCESS

2.1 Method and Criteria

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

Prior to the site inspections documented in Section 3.4, a sampling plan was assembled that highlighted the areas of highest risk of material error. These areas included the potential impacts on communities in

the project area and implementation of project activities. A sampling plan was developed which identified communities to visit based on factors potentially affecting impacts and implementation, such as demographics/ethnicity of community, accessibility, degree of involvement with project activities, land ownership status, and whether the community was visited during the validation audit. A verification plan was constructed that took the sampling plan into account.

2.2 Document Review

The monitoring report and supporting documentation were carefully reviewed for conformance to the verification criteria. The following written documents (e.g., reports, memos, land deeds and titles) were reviewed to ensure conformance of the project to the VCS rules and the methodology:

Document Name/Type	File Names
Project Description validated against the Verified Carbon Standard ("the VCS PD"; reviewed as part of the VCS validation services performed by SCS), version 2.10, dated 29 December 2014	SPF PD FULL v2.10 [10th validation edit]
Project Design Documentation submitted for validation against the Climate, Community and Biodiversity Standards ("the CCBS PDD")	KSWS REDD+ PD FULL Gap Valid v7.1
Monitoring and Implementation Report (MIR)	KSWS REDD+ Monitoring & Implementation Report v3.3 (15 December 2016); Progress Report May 2016 of Seima in Khmer; KSWS REDD PD Khmer v7.1
Non-Permanence Risk Report	VCS Non-Permanence Risk Report v2.5 (09 January 2017)
Community Impact Monitoring Plan	2a. Seima Community Impact Monitoring v2.1; 2b. Seima Community Impact Monitoring Khmer v2.1
SPF annual management plan	3a. Seima Workplan - English_Aug_2015; 3b. Seima Workplan - (KH)_Final_DY_Aug_2015
Patrol activity records	Community Patrol 2013 Report; Community Patrol 2015 Report; SMART Patrol Book for Keo Seima Wildlife Sanctuary (EN)
Training activity records (patrol, community staffing, CBPF, agriculture, literacy)	Community Patrol Training Report in 2015_KH; First Aid Training in AK; First Aid Training in Andoung Kralong_KH
ICT documentation (or list of communities who have been registered)	Report on the ICT land issue
Community meeting records	Annual Community Consultation Meeting 2013; Annual Community Consultation Meeting 2014; Annual Community Consultation Meeting 2015
Commune Government Planning Meeting Notes/Agenda/Participants	Indigenous Internal Rule Gati in Khmer; Internal Rule Gati in Khmer; Minute Meeting on the Internal Rule in Khmer; Minutes on the Internal Rule in Khmer

NTPF Study	13. Sustainable Livelihoods Assessment & Product Scanning_NTFPs
HCV Assessment	14. SPF_HCV_final - 2015 update
Capacity needs assessment	15. TDNA summary
Legal documents for transfer from FA to MOE	Sub-Decree No. 69 on PA and ELC of MAFF and MOE; Sub-Decree No. 83 on Keo Seima Wildlife Sanctuary
Biodiversity Monitoring Report	19. Biodiversity Monitoring report_2013_v2
Calculations Workbook	verification_calculations_v3.3
Confusion Matrix	ConfusionMatrix_2010_Benchmark v2
Methodology Deviation Documentation	Meth Deviation Imagery Resolution

2.3 Interviews

Interviews constituted an important component of the audit process. The following personnel associated with the project proponent and/or implementing partner were interviewed. The phrase “throughout audit” under “Date Interviewed” indicates that the individual in question was interviewed on multiple occasions throughout the audit process.

Individual	Affiliation	Date Interviewed
Paris Chuop	Deputy Secretary General & National REDD+ Focal Point, Ministry of the Environment	30 May 2016
Chhun Delux	Chief of Forest and Climate Change, Forestry Administration, Ministry of Farms and Forestry	30 May 2016
Donal Yeang	REDD+ Specialist, Wildlife Conservation Society	Throughout audit
Jeffrey Silverman	Senior Technical Advisor, Wildlife Conservation Society	Throughout audit
Nut Menghor	Biodiversity Monitoring Coordinator, Forestry Administration, Forestry Administration, Ministry of Farms and Forestry	30 May 2016
Xander Woresta	Landscape Technical Advisor, Wildlife Conservation Society	30 May 2016
Matt Nuttall	Acting Technical Advisor, Wildlife Conservation Society	30 May 2016
Keziah Hobson	Ecotourism Technical Advisor, Wildlife Conservation Society	30 May 2016
Olly Griffin	Conservation Operations Technical Advisor, Wildlife Conservation Society	30 May 2016
Phuong Leng	SMART Coordinator, Wildlife Conservation Society	30 May 2016

Individual	Affiliation	Date Interviewed
Seyerth Ra	GIS Official, Wildlife Conservation Society	30 May 2016
Soung Mai	Cambodia Rural Development Team	31 May 2016
Hach Chhom	Cambodia Rural Development Team	31 May 2016
Kat Walker	Social Impact Researcher, Imperial College London	31 May 2016
Meak Vuttey	Project Manager, Forestry Administration, Ministry of Farms and Forestry	31 May 2016
Saly Por	ICT Officer, Wildlife Conservation Society	31 May 2016

2.4 Site Inspections

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

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

In fulfilment of the above objectives, the audit team performed an on-site inspection of the project area on the dates 31 May 2016 to 2 June 2016. The main activities undertaken by the audit team were as follows:

- Interviewed project personnel (see Section 2.3 of this report) to gather information regarding the monitoring procedures and project implementation;
- Interviewed project personnel to confirm the appropriateness of the non-permanence risk score claimed for the project (see Section 4.4 below for further details); and
- Conducted appropriate cross-checks to confirm the validity of the data used to quantify the parameters required to be monitored by the methodology.
- Interviewed leaders and citizens of the following communities to verify implementation of project activities: Andoung Kralong, Putrom, Pu Tang, Oureang, Gati, Sre Lvi, and O Am.

2.5 Public Comments

No comments were received from the CCBA during the initial public comment period, or the second public comment period necessitated by the updated Project Proponent.

2.6 Resolution of Findings

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

Non-Conformity Report (NCR): An NCR signified a material discrepancy with respect to a specific requirement. This type of finding could only be closed upon receipt by SCS of evidence indicating that the identified discrepancy had been corrected. Resolution of all open NCRs was a prerequisite for issuance of a verification statement. This category is analogous to the “Corrective Action Request” category used by other validation/verification bodies. The number of NCRs issued during the course of the verification engagement was 9.

New Information Request (NIR): An NIR signified a need for supplementary information in order to determine whether a material discrepancy existed with respect to a specific requirement. Receipt of an NIR did not necessarily indicate that the project was not in compliance with a specific requirement. However, resolution of all open NIRs was a prerequisite for issuance of a verification statement. This category is analogous to the “Clarification Request” category used by other validation/verification bodies. The number of NIRs issued during the course of the verification engagement was 11.

Observation (OBS): An OBS indicated an area where immaterial discrepancies exist between the observations, data testing results or professional judgment of the audit team and the information reported or utilized (or the methods used to acquire such information) within the GHG assertion. A root cause analysis and corrective action plan were not required, but highly recommended. Observations are considered by the audit team to be closed upon issuance, and a response to this type of finding is not necessary. The number of OBS issued during the course of the verification engagement was 1.

All findings issued by the audit team during the verification process have been closed. In accordance with Section 5.3.6 of the VCS Standard, a summary of each finding issued during the verification process, along with the response provided by project personnel and the final conclusions (along with resulting changes to project documents), is provided in Appendix A and B of this report.

2.6.1 Forward Action Requests

Not applicable, as no forward action requests were noted during this or the previous monitoring periods.

2.7 Eligibility for Validation Activities

Not applicable, as SCS does hold accreditation for validation in sectoral scope 14 (AFOLU).

3 VALIDATION FINDINGS

3.1 Participation under Other GHG Programs

Not applicable, as the project is not seeking registration under the VCS Program and an approved GHG program.

3.2 Methodology Deviations

Six methodology deviations were previously validated (see Section 3.2.7 of the VCS validation report produced by SCS, termed “the VCS validation report” and available under separate cover, for details). Per Section 3.5.2 of the VCS Standard, the consequence of these deviations are reported on below. All of these deviations affects data and parameters available at validation; none of the deviations affects data and parameters that have been monitored during the monitoring period. A full description of each deviation may be found in Section 4.3 of the VCS PD. The audit team believes that all of the below deviations, as they were applied at validation, are still valid.

No.	Consequences
1	- Offers a more comprehensive ex-ante treatment of activity-shifting leakage than does the methodology (i.e., accounts for leakage attributable to avoided in-migration, which is not accounted for by the methodology) - More conservatively accounts for leakage than does the methodology, as leakage emissions as accounted for under the deviation are potentially higher than those that would be calculated by strictly following the methodology
2	- Offers a more comprehensive ex-post treatment of activity-shifting leakage than does the methodology (i.e., accounts for leakage attributable to avoided in-migration, which is not accounted for by the methodology) - More conservatively accounts for leakage than does the methodology, as leakage emissions as accounted for under the deviation are potentially higher than those that would be calculated by strictly following the methodology
3	May slightly underestimate baseline carbon stock changes in leakage belt, which offers the potential to conservatively overstate leakage emissions
4	- Overstates post-deforestation carbon stocks by applying carbon stock value from peak year or years of a cycle (when biomass is greatest) to all years of that cycle - Will understate GHG emission reductions in any monitoring period (including the monitoring period in question) when deforestation rates are higher in baseline scenario than in project scenario
5	No inherent impact—simply applies a different procedure for determining wood density from pieces of known volume than is prescribed in methodology
6	No inherent impact except that a risk map has not been produced

In addition, the following deviations have been applied to the project since validation. For future clarity, the numbering system presented above has been maintained (and added to) in the below discussion.

Methodology Deviation 07

Part 3, Step 1.1.2 of the methodology states the following: “If no existing monitoring program exist or can be used, monitoring must be done by the project proponent or outsourced to a third party having sufficient capacities to perform the monitoring tasks. Methods used to monitor Land-Use and Land-Cover change categories and to assess accuracy must be similar to those explained in part 2, step 2.4 and part 2, step 2.5, respectively.”

As indicated in Section 5.1.2, Task 1.1.2 of the MIR, an accuracy assessment for the 28 February 2016 image was carried out using “10m resolution Sentinel 2 imagery”. Step 2.1 from Part 2 of the methodology requires that the “ground-truth validation of the posterior analysis” (i.e., the accuracy assessment) must be carried out using “high resolution data from remote sensors (< 5 x 5 m pixels) and/or from direct field observations”. Therefore, the data used for the accuracy assessment (as required by Step 2.5, Part 2 of the methodology) of the Land-Use and Land-Cover Map (LU/LC) based on the 28 February 2016 imagery was 10 meters in resolution, rather than 5 meters as required by the methodology. In the document “Methodology Deviation Documentation” (see Section 2.1 above), the audit team was provided with a visual example of Sentinel 2 imagery, and the audit team agrees, based on this example, that the Sentinel 2 imagery should allow the user to discriminate between the basic land classes.

The deviation meets with the criteria and specifications for permitted methodology deviations, as set out in Section 3.5.1 of the VCS Standard, because it represents a deviation from the criteria and procedures relating to monitoring, as set out in the methodology.

In assessing whether the deviation negatively impacts the conservativeness of the quantification of GHG emission reductions, the audit team considered its implications. The only negative potential consequence of the deviation is that it might degrade the integrity of the accuracy assessment process such that a LU/LC Map, that should not have been assigned an accuracy of 80% or more by the accuracy assessment process, might be assigned an accuracy of 80% or more. Use of such a sub-standard LU/LC Map might then result in less accurate (and, perhaps, non-conservative) quantification of GHG emission reductions.

The audit team does not feel it is likely that the deviation degrades the integrity of the accuracy assessment process. The audit team agrees that the basic land classes (open forest, dense forest, non-forest and wetland), as described in Section 4.5.2 of the VCS PD, can be readily discriminated using 10-meter imagery. The audit team was able to replicate the accuracy assessment, on a sample of data, to confirm the accuracy of the approach.

Therefore, the audit team does not believe that the deviation negatively impacts the conservativeness of the quantification of GHG emission reductions. The audit team believes that this deviation, as it has been applied to the project for the monitoring period in question, is valid.

Methodology Deviation 08

Part 3, Step 1.1.2 of the methodology states the following: “If no existing monitoring program exist or can be used, monitoring must be done by the project proponent or outsourced to a third party having sufficient

capacities to perform the monitoring tasks. Methods used to monitor LU/LC change categories and to assess accuracy must be similar to those explained in part 2, step 2.4 and part 2, step 2.5, respectively.”

Part 2, Step 2.4.3, requires production of “A Land-Use and Land-Cover Change Map for at least the most recent period analyzed (3-5 years) depicting the LU/LC-change categories defined in step 2.3.” Part 2, Step 2.5 of the methodology that the same LU/LC Change Map must be subjected to an accuracy assessment.

The above steps were not carried out because the procedure used by project personnel to calculate activity data does not involve production of a specific “Change Map”. Rather, it involves use of a tool in ArcGIS’ “Spatial Analyst” toolkit to automatically calculate activity data (i.e., the number of acres transitioning from any one class to any other class) where two vector datasets (i.e., two LU/LC Maps) are input. The output of this tool is, essentially, the “LU/LC Change Matrix” described in Part 2, Step 2.4.3 of the methodology. Because the required Land-Use and Land-Cover Change Maps have been produced, it is not possible to conduct an accuracy assessment with respect to these maps. Therefore, a methodology deviation was required.

The deviation meets with the criteria and specifications for permitted methodology deviations, as set out in Section 3.5.1 of the VCS Standard, because it represents a deviation from the criteria and procedures relating to monitoring, as set out in the methodology.

In assessing whether the deviation negatively impacts the conservativeness of the quantification of GHG emission reductions, the audit team considered its implications. While LU/LC Change Maps were not produced, it is possible that these maps could have been produced. However, in the judgment of the audit team, such maps would have no inherent informational value (additive to the information available via the procedure used by project personnel to produce a “Land-Use and Land-Cover Change Matrix” directly) for purposes of the quantification of GHG emission reductions. The only value such maps might have is that, if an accuracy assessment of these maps could have been carried out, this would allow for a much more direct assessment of the accuracy of the activity data itself (in terms of assessing the accuracy of the change detection process directly, rather than simply assessing the accuracy of the LU/LC Map produced for any given time period). It is theoretically possible for a situation to exist whereby the LU/LC Maps for two different time periods individually meet the accuracy thresholds specified in Part 2, Step 2.5 of the methodology, but where the LU/LC Change Map that is produced by combining these two maps does not meet the accuracy thresholds specified in Part 2, Step 2.5 of the methodology. While this situation is theoretically possible, given that the LU/LC Maps for the beginning and end of the monitoring period individually exceed the specified thresholds by what is, in many cases, a wide margin, it seems highly unlikely that the situation described above is present in this case. It seems far more likely that, had LU/LC Change Maps been produced, these maps would show accuracies that exceed the specified thresholds for each change category.

Therefore, the audit team does not believe that the deviation negatively impacts the conservativeness of the quantification of GHG emission reductions. The audit team believes that this deviation, as it has been applied to the project for the monitoring period in question, is valid.

Methodology Deviation 09

Part 3, Step 1.1.2 of the methodology states the following: “If no existing monitoring program exist or can be used, monitoring must be done by the project proponent or outsourced to a third party having sufficient capacities to perform the monitoring tasks. Methods used to monitor LU/LC change categories and to assess accuracy must be similar to those explained in part 2, step 2.4 and part 2, step 2.5, respectively.”

Part 2, Step 2.5, requires that “A verifiable accuracy assessment of the maps produced in the previous step is necessary to produce a credible baseline...” While accuracy assessments have been carried out with respect to the LU/LC Maps associated with the 2010 and 2016 images, an accuracy assessment has not been carried out with respect to the LU/LC Map associated with the 2013 image (see Task 1.1.2, Step 5.1.2 of the MIR for a description of these images).

The deviation meets with the criteria and specifications for permitted methodology deviations, as set out in Section 3.5.1 of the VCS Standard, because it represents a deviation from the criteria and procedures relating to monitoring, as set out in the methodology.

In assessing whether the deviation negatively impacts the conservativeness of the quantification of GHG emission reductions, the audit team considered its implications. The audit team believes that this deviation has little no effect on the quantification of GHG emission reductions for the monitoring period in question, as the LU/LC Map associated with the 2013 image has value in terms of identifying activity data for specific sub-periods of the monitoring period, but little value in informing the calculation of GHG emission reductions over the monitoring period as a whole. The only specific use of this image is in allowing differentiation of carbon stock changes in the leakage belt by sub-period (i.e., the larger “2010-2011” leakage belt boundary, which includes some land that was subsequently entered into economic land concessions, is used to conservatively used to calculate carbon stock changes in the leakage belt during the period 2010-2013 and the smaller “2012” leakage belt boundary is used to calculate carbon stock changes in the leakage belt during the period 2013-2016). Areas within the “economic land concession area” (that was removed from the “2012” leakage belt boundary) falsely predicted to be deforested in the 2013 image would result in a (conservative) underestimate of GHG emission reductions, while areas within the “economic land concession area” (that was removed from the “2012” leakage belt boundary) that were actually deforested during 2010 or 2011 that were not accurately monitored as deforested in the 2013 image would result in a (non-conservative) overstatement of GHG emission reductions. However, given that the other images subjected to accuracy assessment are of high accuracy, and given that an overall conservative methodological choice (the choice to use the larger leakage belt for monitoring for the entire 2010-2013 sub-period, even though areas subject to monitoring entered into economic land concessions in 2012) has been made, the audit team finds there to be a very small likelihood that the failure to carry out an accuracy assessment has led to a non-conservative quantification of GHG emission reductions.

Therefore, the audit team does not believe that the deviation negatively impacts the conservativeness of the quantification of GHG emission reductions. The audit team believes that this deviation, as it has been applied to the project for the monitoring period in question, is valid.

3.3 Project Description Deviations

As described in Section 4.2 of the MIR, the following project description deviation has been proposed:

“The Project Proponent representative was changed from the Forestry Administration (FA) of the Ministry of Agriculture, Forestry and Fisheries (MAFF) to the Ministry of Environment (MoE).”

The audit team can confirm, based on interviews and observations during on-site inspections, that the project proponent has changed as described above. The audit team understands (based on correspondence with project personnel) that this change took place after the end of the monitoring period. In correspondence with VCS Program Officer Amy Schmid, in an email received on 2 September 2016, it was indicated to the audit team that a project description deviation was one approach that could be used, under the VCS rules, to appropriately document the change.

In order to validate the project description deviation, the audit team confirmed, through interviews and document review, that control over the project area has, in fact, been transferred to the Ministry of Environment. This has been confirmed through review of “Sub-Decree No. 83 on Keo Seima Wildlife Sanctuary (KSWS)”. This is a legally-enforced document issued by the Royal Government of Cambodia, specifically referencing the transfer in management of the Keo Seima Wildlife Sanctuary, including a map of the project area which is identical to the 292,690 ha defined in Sub-Decree 143, which established the Seima Protection Forest. The document affirms that the aims of the KSWS are to: “(1) ensure the protection of wildlife habitats and ecosystem as well as provide necessary condition and habitats for wildlife, plants and biodiversity, (2) provide natural products and services for sustainable use and (3) promote local community participation as well as the public citizen to contribute to the management, protection and conservation of biodiversity and natural resources in the area”. The contents of Sub-Decree 83 are consistent with what is described in the CCBS PDD and the project area details included in Sub-Decree 143. The copy of Sub-Decree 83 reviewed included official seals and signatures, and is available publicly.

Of note is that ultimate control of the project area remains vested in the Royal Government of Cambodia—the change is simply a change in the identity of the governmental organization tasked with management of the project area.

The deviation does not affect the applicability of the methodology, as there are no applicability conditions that prescribe which organizations may, or may not, be project proponents. The deviation does not affect additionality, as transfer of management authority to the Ministry of Environment does not affect any of the claims made in Section 4.6 of the VCS PD—it is reasonable to conclude that, regardless of the specific agency that manages the project area, the same factors that make the project area attractive to illegal deforestation, and that hinder implementation of the project activities, will persist in the absence of carbon finance. Similarly, the baseline scenario, which essentially represents a continuation of the historical trends documented in Section 4.5 of the VCS PD, remains appropriate because transfer of management authority to Ministry of Environment would be, in the understanding of the audit team, highly unlikely to allow for significantly elevated levels of deterrence in the absence of the carbon project.

The deviation has been appropriately described in Section 4.2 of the MIR, which states that “The Project Proponent representative was changed from the Forestry Administration (FA) of the Ministry of Agriculture, Forestry and Fisheries (MAFF) to the Ministry of Environment (MoE).” In addition, Section 1.1 of the MIR provides an appropriate justification for the deviation, stating that it occurred “as part of a national jurisdictional transfer of all protected areas to MoE management.” (In the judgment of the audit team, it is beyond the scope of the VCS Rules to require justification for the decision of the Royal Government of Cambodia to carry out a national jurisdictional transfer of all protected areas to MoE management.) The project remains in compliance with the VCS rules. Overall, the project deviation is valid.

The audit team concludes that the project deviation is valid.

3.4 Grouped Project

Not applicable, as this is not a grouped project.

4 GENERAL VERIFICATION FINDINGS

The Rules for the Use of the CCB Standards state “The Project Implementation Report does not need to include information for indicators that have not changed from the VCS PDD but shall include relevant information about project implementation and impacts, and any changes to project design, as follows...”

As is allowed by the rules, any indicators that have not changed since validation or are not a specific requirement for project implementation reports will not be reported on here, but rather referred to the VCS website where these items can be reviewed in the most recent version of the VCS and or CCB validation reports.

4.1 Summary Description of the Project

The project is located in the Mondulkiri and Kratie Provinces of Cambodia, and is aimed at avoiding emissions related to unplanned deforestation and degradation. The project area is under threat from agricultural activities and unsustainable resource extraction, with multiple associated drivers of deforestation.

4.2 Project Location

The project location has not changed since validation.

4.3 Conditions Prior to Project Initiation

As conditions prior to project initiation are, by definition, ex-ante, this report does not include such information.

4.4 Project Proponent

As described in section 3.3, the Project Proponent was changed from the Forestry Administration (FA) of the Ministry of Agriculture, Forestry and Fisheries (MAFF) to the Ministry of Environment (MoE). Please see section 3.3 for more information.

4.5 Other Entities Involved in the Project

Other entities involved in the project have not changed since validation.

4.6 Project Start Date

The project start date was 1 January 2010.

4.7 Project Crediting Period

The project crediting period is 60 years and runs from 1 January 2010 – 31 December 2069.

5 IMPLEMENTATION OF DESIGN

The audit team assessed the implementation of the project activities against Section 4.3 of the VCS PD. The audit team confirmed that Section 2.2 of the monitoring report provided an accurate description of the implementation of the project. For a complete description of the steps taken to assess the project implementation see below:

5.1 Project Implementation Status

The audit team recognizes that the VCS PD and MIR describe some project activities as being funded over time through the sale of credits issued. As confirmed by the audit team during on-site inspections, interviews with project personnel and interviews with community members, the project proponent has implemented the activities as described throughout the monitoring period, with sufficient resources devoted to monitoring during that time. The change in project proponent has not been shown to significantly affect the successful implementation of the project, due to continued commitment to project activities and availability of technical and management capacity.

Item	Verification Findings
Material discrepancies between project implementation and the project description	Aside from discrepancy described in Section 3.3 above, no material discrepancies have been noted; absence of such material discrepancies was confirmed through on-site inspections, interviews with project personnel and interviews with community members
Implementation status of monitoring plan and completeness of monitoring	With respect to the monitoring plan for required monitoring under the VCS Program (as opposed to monitoring required for conformance to the CCB Standards), audit team confirmed monitoring activities planned in Section 8.1 of VCS PD, and documented in Section 5.1 of MIR, were correctly carried out, through the following: - Review of monitoring activities described in Section 5.1 of MIR to confirm that all activities are consistent with monitoring plan in Section 8.1 of VCS PD and that Section 5.1 of MIR constitutes the “report in the format of Annex 3.5 detailing the steps followed”, as required under Task 1.1.2, Section 8.1.2 of VCS PD - During the site visit various staff members discussed the process for completing monthly and annual reports, as described in Task 1.1.1 (“Monitoring of project information”). This review included demonstration of how specific patrol reports, biodiversity transect information, and other data collected is entered and aggregated in the SMART system. Spot checks of entries in the SMART system were compared with the initial reports to verify consistency. Staff also had presentations on the results of the annual reports developed under this project implementation monitoring task - Interviews with Jeffrey Silverman, via a web-based meeting held on 25 May 2016 (in Pacific Time), to wherein implementation of

Item	Verification Findings
	monitoring tasks described under “Monitoring of land-use and land-cover change (Task 1.1.2)” in Section 8.1.2.1 of VCS PD was described, in detail, to audit team, and wherein the audit team was “walked through” the process of acquiring cloud-free (or minimally clouded) Landsat imagery, carrying out classification and accuracy assessment, and reporting activity data for quantification of GHG emission reductions • Replication of accuracy assessment processes undertaken, using a sample of data, to confirm that they have been carried out without material error (and, thus, to confirm the fundamental accuracy of the LU/LC Maps that were a product of monitoring) • Recalculation of activity data (i.e., acres of dense forest and open forest deforested) using, as inputs, the LU/LC Maps discussed above, in order to confirm accuracy of calculations • Review of Task 1.1.3, Section 5.1 of MIR and application of professional judgment to confirm that the process documented therein is sufficient, in rigor and intensity, to detect any “unplanned and significant carbon stock decrease” (per Task 1.1.2, Part 2 of methodology) that may have occurred within project area during monitoring period; interviews with community members, during on-site inspections, to independently confirm absence of any catastrophic disturbance during monitoring period • Review of information provided in Section 5.1.2.2 of MIR to confirm that all of the steps required by Section 8.1.2.2 of VCS PD appear to have been correctly carried out • Recalculation of ex post net anthropogenic GHG emission reductions to confirm that all steps required by the methodology have been duly carried out
Existence of material discrepancies between monitoring system and monitoring plan (as described in 8.1 of VCS PD) and applied methodology	Through detailed review and data testing on implementation of all relevant aspects of monitoring plan, as described above, audit team confirmed absence of any material discrepancy between monitoring plan and methodology, on the one hand, and the monitoring system, on the other hand
Whether GHG emission reductions or removals generated by the project	• Audit team confirmed that REDD projects are not within scope of Clean Development Mechanism

Item	Verification Findings
have become included in emissions trading program or other mechanism that includes GHG allowance trading	Audit team applied professional judgment to determine there is very low risk of GHG emission reductions or removals having been included in any other program
Whether project has received or sought any other form of environmental credit, or has become eligible to do so since validation or previous verification	Audit team is unaware of any other environmental crediting program that project would be eligible to participate in
Whether project has participated or been rejected under any other GHG programs since validation or previous verification	Audit team exercised professional judgment to conclude that there is an extremely low level of risk that project would have been rejected under any other GHG programs since validation
Sustainable development contributions	Not applicable

Overall, the project has been implemented as described in both the VCS PD and the CCBS PDD, although the audit team understands that a more complete level of implementation can be expected once carbon finance is available to the project.

5.2 Management of Risks to Project Benefits

See table above. As described in the MIR, the project activities are intended to ensure project permanence. The proponents continue to have staff dedicated to assisting communities that wish to obtain their indigenous communal title (ICT) and maintain involvement in land ownership discussions. Interviewees referenced adaptive management approaches and long-term engagement with communities. The Cambodia Rural Development Team (CRDT) partnership is allowing for increased involvement within communities and programs which are responsive to community needs, with community members recognizing these project activities as long term benefits associated with the project. The audit team reviewed extensive community meeting records, including participation lists and agendas, which supported community interviewee claims of regular consultation meetings and information sharing sessions.

5.3 Measures to Maintain High Conservation Values

The project description describes a number of measures designed to maintain high conservation values (HCV's). These include protection from deforestation via law enforcement activities, land use planning, and engaging local communities to encourage more sustainable use. During the desk review of the project monitoring report and the subsequent site visit, the verification team reviewed the land use planning processes, enforcement measures, and interviewed local community members to confirm that these activities have been implemented as described. Based on the activities described here, the verification team confirms that the measures in place to maintain the project HCV's have been implemented appropriately.

5.4 Project Financing

The project financing has not changed since validation.

5.5 Employment Opportunities and Worker Safety

During the validation site visit, the verification team confirmed that the project personnel have systems in place to ensure that all employment is in compliance with Cambodia's labour laws, equal employment opportunities, and in conformance with the requirements of the CCB Standards (the Standards). During the site visit, the verification team interviewed communities in which members had volunteered for community-based patrolling, in particular. While there was understanding of community members that community-based patrolling includes an inherent level of risk, appropriate attention is paid to safety measures in training.

5.6 Stakeholders

In planning for the site visit, the verification team selected a range of communities in the project zone for interviews. The interview process included questions regarding consultation, notification about the audit process, and the grievance procedures. In general there was an understanding by community members of project benefits and goals, with lesser knowledge in some cases of potential risks and negative impacts. Community members were relatively knowledgeable about the implementation of the project, understood the processes for grievances, and were participating with some regularity in the project consultations/meetings. There are clearly understood community representatives for the projects and recognition that these representatives are avenues for information, including project information materials. During these meetings community members described providing feedback on project activities, specifically regarding interest in particular CRDT programs, community patrolling, and the ICT process. These are topics in which project personnel, as well as CRDT staff, had expressed receptiveness in on-site interviews, and commitment to continuing response to community input. CRDT personnel were planning, during the site visit, on the eventual expansion of project activities to meet these needs, and project staff involved directly with the ICT process had documented meetings in which these titling issues were addressed. See Appendix B for a more detailed description of some initial findings related to these indicators.

6 LEGAL STATUS

6.1 Compliance with Laws, Statutes, Property Rights and Other Regulatory Frameworks

The verification team included a local auditor who has worked with SCS in assessing compliance with relevant laws within Cambodia. Together with the inclusion of community interview questions seeking to identify any legal violations, and a review of Cambodian laws applicable to the project, the verification team was able to confirm that the project is in compliance with all laws, statutes, property rights, and other regulatory frameworks. The audit team has reasonable assurance that the ongoing due diligence employed by project personnel was sufficient to ensure the compliance of the project with all relevant laws for the duration of the monitoring period. In addition, the audit team can confirm that the project continues to receive support from the appropriate authorities (including, most importantly, the project proponent).

6.2 Evidence of Right of Use

As confirmed by the validation audit, a solid legal framework exists to ensure that the project proponent holds clear, uncontested title to the land and carbon rights. Through interviews with project personnel, the audit team has confirmed that the relevant legal agreements remain in effect.

6.3 Emissions Trading Programs and Other Binding Limits

The audit team has confirmed that Cambodia is a non-Annex I signatory of the Kyoto Protocol and does not have binding limits on GHG emissions.

6.4 Participation under Other GHG Programs

The verification team and the institution of SCS work in many areas of GHG verification and thus work under many different schemes, both voluntary and compliance. The verification team reviewed the available data for the known GHG registries and found no evidence that the project is participating in any other GHG programs.

6.5 Other Forms of Environmental Credit

The verification team is unaware of any other environmental crediting program in which the project would be eligible to participate.

6.6 Projects Rejected by Other GHG Programs

See Section 6.4 above.

6.7 Respect for Rights and No Involuntary Relocation

The audit team can confirm that the land tenure status of the project area is undisputed, and that the project has not encroached upon private property, community property or government property or resulted in the involuntary relocation of any individuals. During the site visit, the verification team interviewed local communities and toured the project area and found no evidence that any relocation took place, let alone involuntary relocation.

6.8 Illegal Activities and Project Benefits

No changes have taken place since validation. The project activities are not currently illegal.

7 APPLICATION OF METHODOLOGY

7.1 Project Description Deviations

See Section 2.2.2 and 2.2.3 of this report.

7.2 Baseline Scenario

No changes have taken place to the baseline scenario since validation.

7.3 Additionality

No changes have taken place with respect to additionality since validation.

8 QUANTIFICATION OF GHG EMISSION REDUCTIONS AND REMOVALS

8.1 Accuracy of GHG Emission Reduction or Removal Calculations

The GHG emission reductions and removals have been quantified correctly in accordance with the project description and (with the exception of the methodology deviations discussed in Section 3.2 above) with the applied methodology.

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

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

Data and Parameters Available at Validation

	Steps taken by audit team to assess...		
Data/Parameter	Accuracy of GHG emission reductions and removals	Whether methods/formulae set out in project description have been followed	Appropriateness of default values

<i>AP</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period unless, per Section 1.1.3 of Part 3 of methodology, there are "Areas subject to planned and significant carbon stock decrease in the project scenario according to the ex ante assessment" in project area or leakage management areas; the ex ante assessment identified no areas subject to planned and significant carbon stock decrease in the project scenario)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period unless, per Section 1.1.3 of Part 3 of methodology, there are "Areas subject to planned and significant carbon stock decrease in the project scenario according to the ex ante assessment" in project area or leakage management areas; the ex ante assessment identified no areas subject to planned and significant carbon stock decrease in the project scenario)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period unless, per Section 1.1.3 of Part 3 of methodology, there are "Areas subject to planned and significant carbon stock decrease in the project scenario according to the ex ante assessment" in project area or leakage management areas; the ex ante assessment identified no areas subject to planned and significant carbon stock decrease in the project scenario)
<i>BCEF</i>	N/A (only monitored once at project start)	N/A (only monitored once at project start)	N/A (only monitored once at project start)
<i>BEFpl</i>	Same as for BCEF	Same as for BCEF	Same as for BCEF
<i>Cabfcl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cabcl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cabicl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cabntcl</i>	N/A (non-tree pool excluded at validation)	N/A (non-tree pool excluded at validation)	N/A (non-tree pool excluded at validation)
<i>Cabtcl</i>	Same as for AP	Same as for AP	Same as for AP

<i>Cabz</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cacl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cbbcl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cbbfcl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cbbicl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cbbntcl</i>	N/A (non-tree pool excluded at validation)	N/A (non-tree pool excluded at validation)	N/A (non-tree pool excluded at validation)
<i>Cbbfcl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cbbtcl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cbbz</i>	Same as for AP	Same as for AP	Same as for AP

<i>Cdwfcl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cdwcl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cdwicl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cdwz</i>	Same as for AP	Same as for AP	Same as for AP
<i>CEp,icl</i>	Same as for BCEF	Same as for BCEF	Same as for BCEF
<i>CFdc</i>	Same as for BCEF	Same as for BCEF	Same as for BCEF
<i>CFj</i>	Same as for BCEF	Same as for BCEF	Same as for BCEF
<i>CFpl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cldwfcl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Clcl</i>	N/A (litter pool excluded at validation)	N/A (litter pool excluded at validation)	N/A (litter pool excluded at validation)
<i>Cldwcl</i>	Same as for AP	Same as for AP	Same as for AP

<i>Cldwicl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Clfcl</i>	N/A (litter pool excluded at validation)	N/A (litter pool excluded at validation)	N/A (litter pool excluded at validation)
<i>Clicl</i>	N/A (litter pool excluded at validation)	N/A (litter pool excluded at validation)	N/A (litter pool excluded at validation)
<i>Clz</i>	N/A (litter pool excluded at validation)	N/A (litter pool excluded at validation)	N/A (litter pool excluded at validation)
<i>Cp</i>	Same as for BCEF	Same as for BCEF	Same as for BCEF
<i>Cp,icl,t</i>	Same as for BCEF	Same as for BCEF	Same as for BCEF
<i>Csocfcl</i>	N/A (soil organic carbon pool excluded at validation)	N/A (soil organic carbon pool excluded at validation)	N/A (soil organic carbon pool excluded at validation)
<i>Csocz</i>	N/A (soil organic carbon pool excluded at validation)	N/A (soil organic carbon pool excluded at validation)	N/A (soil organic carbon pool excluded at validation)
<i>Csdwicl</i>	Same as for AP	Same as for AP	Same as for AP

<i>CsocioI</i>	N/A (soil organic carbon pool excluded at validation)	N/A (soil organic carbon pool excluded at validation)	N/A (soil organic carbon pool excluded at validation)
<i>Csoccl</i>	N/A (soil organic carbon pool excluded at validation)	N/A (soil organic carbon pool excluded at validation)	N/A (soil organic carbon pool excluded at validation)
<i>Csocpl</i>	N/A (soil organic carbon pool excluded at validation)	N/A (soil organic carbon pool excluded at validation)	N/A (soil organic carbon pool excluded at validation)
<i>Ctotcl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Ctotfcl,t</i>	Same as for AP	Same as for AP	Same as for AP
<i>Ctoticl</i>	Same as for AP	Same as for AP	Same as for AP
<i>Ctoticl,t</i>	Same as for AP	Same as for AP	Same as for AP
<i>Ctotz</i>	Same as for AP	Same as for AP	Same as for AP
<i>ctz</i>	N/A (parameter not used; Method 2 not applied)	N/A (parameter not used; Method 2 not applied)	N/A (parameter not used; Method 2 not applied)
<i>CV%</i>	Same as for AP	Same as for AP	Same as for AP

<i>CwpfcI</i>	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)
<i>CwpciI</i>	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)
<i>CwpicI</i>	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)
<i>Cwplt,icl,t</i>	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)
<i>Cwpmnt,icl,t</i>	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)
<i>Cwpz</i>	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)
<i>CXBw,icl,t</i>	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)	N/A (wood products pool excluded at validation)
<i>d1, d2, ..., dn</i>	Same as for AP	Same as for AP	Same as for AP
<i>DBH</i>	Same as for AP	Same as for AP	Same as for AP
<i>DBI</i>	N/A (per Section 5.5.1 of VCS PD, leakage management activities do not involve grazing)	N/A (per Section 5.5.1 of VCS PD, leakage management activities do not involve grazing)	N/A (per Section 5.5.1 of VCS PD, leakage management activities do not involve grazing)

	intensification)	intensification)	intensification)
<i>dc</i>	Same as for AP	Same as for AP	Same as for AP
<i>DC</i>	Same as for AP	Same as for AP	Same as for AP
<i>Cabct</i>	N/A (parameter not used; Method 2 not applied)	N/A (parameter not used; Method 2 not applied)	N/A (parameter not used; Method 2 not applied)
<i>Cbbct</i>	N/A (parameter not used; Method 2 not applied)	N/A (parameter not used; Method 2 not applied)	N/A (parameter not used; Method 2 not applied)

Data and Parameters Monitored

	Steps taken by audit team to assess...		
Data/Parameter	Accuracy of GHG emission reductions and removals	Whether methods/formulae set out in project description have been followed	Appropriateness of default values
<i>A</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
<i>a</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)

<i>a1 and a2</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
<i>Aaveragei</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
<i>ABSLK</i>	N/A (parameter not directly used in quantification of GHG emission reductions and removals)	N/A (parameter not directly used in quantification of GHG emission reductions and removals)	N/A (parameter not directly used in quantification of GHG emission reductions and removals)
<i>ABSLKct,t</i>	N/A (parameter not used; Method 2 not applied)	N/A (parameter not used; Method 2 not applied)	N/A (parameter not used; Method 2 not applied)
<i>ABSLKfcl,t</i>	Same as for ABSLK	Same as for ABSLK	Same as for ABSLK
<i>ABSLKi,t</i>	Same as for ABSLK (only one stratum in leakage belt)	Same as for ABSLK (only one stratum in leakage belt)	Same as for ABSLK (only one stratum in leakage belt)
<i>ABSLKicl,t</i>	Same as for ABSLK	Same as for ABSLK	Same as for ABSLK
<i>ABSLKt</i>	Same as for ABSLK	Same as for ABSLK	Same as for ABSLK
<i>ABSLPA</i>	N/A (parameter not directly used in quantification of GHG emission reductions and removals)	N/A (parameter not directly used in quantification of GHG emission reductions and removals)	N/A (parameter not directly used in quantification of GHG emission reductions and removals)
<i>ABSLPAct,t</i>	N/A (parameter not used; Method 2 not applied)	N/A (parameter not used; Method 2 not applied)	N/A (parameter not used; Method 2 not applied)
<i>ABSLPAi,t</i>	Same as for ABSLPA (only one stratum in project area)	Same as for ABSLPA (only one stratum in project area)	Same as for ABSLPA (only one stratum in project area)

<i>ABSLPAicI,t</i>	Same as for ABSLLK	Same as for ABSLLK	Same as for ABSLLK
<i>ABSLPA_t</i>	Same as for ABSLLK	Same as for ABSLLK	Same as for ABSLLK
<i>ABSLPAz,t</i>	Same as for ABSLLK (only one zone in project area)	Same as for ABSLLK (only one zone in project area)	Same as for ABSLLK (only one zone in project area)
<i>ABSLRR</i>	N/A (parameter not used)	N/A (parameter not used)	N/A (parameter not used)
<i>ABSLRRct,t</i>	N/A (parameter not used)	N/A (parameter not used)	N/A (parameter not used)
<i>ABSLRRi,t</i>	N/A (parameter not used)	N/A (parameter not used)	N/A (parameter not used)
<i>ABSLRRtaverage,i</i>	N/A (parameter not used)	N/A (parameter not used)	N/A (parameter not used)
<i>ABSLRRt</i>	N/A (parameter not used)	N/A (parameter not used)	N/A (parameter not used)
<i>ACPAicI,t</i>	N/A (parameter not used, as a catastrophic event has not occurred, as confirmed by project personnel via remote sensing monitoring of project area)	N/A (parameter not used, as a catastrophic event has not occurred, as confirmed by project personnel via remote sensing monitoring of project area)	N/A (parameter not used, as a catastrophic event has not occurred, as confirmed by project personnel via remote sensing monitoring of project area)
<i>Aforaget</i>	N/A (no area under forage as a project activity in leakage management areas)	N/A (no area under forage as a project activity in leakage management areas)	N/A (no area under forage as a project activity in leakage management areas)
<i>Aoptimali</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)

<i>APDPAicl,t</i>	N/A (no deforestation planned)	N/A (no deforestation planned)	N/A (no deforestation planned)
<i>APFPA icl,t</i>	N/A (no fuel- wood and charcoal activities planned)	N/A (no fuel- wood and charcoal activities planned)	N/A (no fuel- wood and charcoal activities planned)
<i>APLPAicl,t</i>	N/A (no logging activities planned)	N/A (no logging activities planned)	N/A (no logging activities planned)
<i>APNiPAicl,t</i>	N/A (parameter not used)	N/A (parameter not used)	N/A (parameter not used)
<i>APSLKfcl,t</i>	N/A (parameter not used)	N/A (parameter not used)	N/A (parameter not used)
<i>ARRi</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
<i>ARRi,t-1</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
<i>AUFPAicl,t</i>	N/A (not necessary to calculate this parameter as there have been no "Areas subject to unplanned and significant carbon stock decrease, e.g. due to uncontrolled forest fires and other catastrophic events" and so the guidance of Section 1.1.4 of Part 3 of methodology is not invoked)	N/A (not necessary to calculate this parameter as there have been no "Areas subject to unplanned and significant carbon stock decrease, e.g. due to uncontrolled forest fires and other catastrophic events" and so the guidance of Section 1.1.4 of Part 3 of methodology is not invoked)	N/A (not necessary to calculate this parameter as there have been no "Areas subject to unplanned and significant carbon stock decrease, e.g. due to uncontrolled forest fires and other catastrophic events" and so the guidance of Section 1.1.4 of Part 3 of methodology is not invoked)

<i>B</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
<i>b</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
<i>BLDA, BLDB, ... BLDN</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
<i>C</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
<i>Ci</i>	N/A (confirmed at validation; not monitored until renewal of fixed baseline period unless, per Section 1.1.3 of Part 3 of methodology, there are "Areas subject to planned and significant carbon stock decrease in the project scenario according to the ex ante assessment" in project area or leakage management areas; the ex ante assessment identified no areas subject to	N/A (confirmed at validation; not monitored until renewal of fixed baseline period unless, per Section 1.1.3 of Part 3 of methodology, there are "Areas subject to planned and significant carbon stock decrease in the project scenario according to the ex ante assessment" in project area or leakage management areas; the ex ante assessment identified no areas subject to planned and significant carbon stock decrease in the project scenario)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period unless, per Section 1.1.3 of Part 3 of methodology, there are "Areas subject to planned and significant carbon stock decrease in the project scenario according to the ex ante assessment" in project area or leakage management areas; the ex ante assessment identified no areas subject to planned and significant carbon stock decrease in the project scenario)

	planned and significant carbon stock decrease in the project scenario)		
<i>c/</i>	Same as for Ci	Same as for Ci	Same as for Ci
<i>ct</i>	N/A (parameter not used; Method 2 not applied)	N/A (parameter not used; Method 2 not applied)	N/A (parameter not used; Method 2 not applied)
$\Delta CabBSLLKt$	Confirmed accurate transcription from same source used to populate Table 5.3.27 of project description	Confirmed accurate transcription from same source used to populate Table 5.3.27 of project description	N/A (default values not used)
$\Delta CabBSLLKt$	Same as for CabBSLLKt	Same as for CabBSLLKt	Same as for CabBSLLKt
$\Delta CabBSLPA$	Confirmed accurate transcription from same source used to populate Table 5.3.24 of project description	Confirmed accurate transcription from same source used to populate Table 5.3.24 of project description	N/A (default values not used)
$\Delta CabBSLPAt$	Same as for CabBSLPAt	Same as for CabBSLPAt	Same as for CabBSLPAt
$\Delta CabBSLRR$	N/A (confirmed at validation; not monitored until renewal of fixed	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed

	baseline period)		baseline period)
$\Delta CabBSLR_{Rt}$	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
$\Delta CADLK$	Data testing to confirm that accuracy assessment was carried out; replication of spatial processes to quantify area deforested within leakage belt; recalculation of carbon stock changes in leakage belt to confirm conformance with methodology	Interviews with project personnel to confirm that methods similar to those described in Annex 3.5 of VCS PD were following; recalculation checks to confirm that carbon stock values specified in Tables 5.3.14 and 5.3.18 of VCS PD were used in calculations	N/A
$CADLK_t$	Same as for $\Delta CADLK$	Same as for $\Delta CADLK$	Same as for $\Delta CADLK$
$\Delta CBSLPA_{ft}$	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
$\Delta CBSLPA$	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
$ABSLP_{Act,t}$	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
$\Delta CBSLLK$	N/A (confirmed at validation; not monitored until renewal of fixed	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed

	baseline period)		baseline period)
$\Delta CBSLLKt$	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)
$\Delta CBSLPAf$	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)	N/A (confirmed at validation; not monitored until renewal of fixed baseline period)

8.2 Quality of Evidence to Determine GHG Emission Reductions and Removals

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

	Steps taken by audit team to assess...		
Category		Information flow from data generation and aggregation, to recording, calculation and final transposition into the monitoring report	Appropriateness of implemented calibration frequency of monitoring equipment
LU/LCr Maps and calculated activity data	Audit team carried out data testing of accuracy assessment in order to independently confirm accuracy of maps; audit team recalculated activity data with maps as an input to confirm accuracy of spatial calculations; audit team independently confirmed that spatial products were appropriately constrained to previously validated	Audit team calculated GHG emission reductions using activity data calculated by project personnel and confirm that these recalculated data were identical (to the nearest hectare) to those reported in MIR, thus confirming that no errors occurred anywhere along the information chain	N/A

	project and leakage belt areas, as appropriate		
Results of accuracy assessment	Audit team checked recalculated “predicted” classes and checked “actual” classes on a sample of points included in accuracy assessments carried out by the project; audit team independently recalculated results of accuracy assessment to confirm they were above thresholds specified in Step 2.5, Part 2 of methodology	Audit team confirmed that information from accuracy assessment was appropriately transcribed to Section 5.1.2.1 of MIR	N/A
Workbook for calculation of GHG emission reductions	Audit team recalculated information in reporting workbook to confirm accuracy of calculations	In recalculation information in reporting workbook, audit team confirmed that information from other sources (e.g., baseline carbon stock changes, carbon stock change factors) were appropriately transcribed to workbook; audit team then confirmed that information from workbook was appropriately transcribed to Section 6 of MIR	N/A

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

8.3 Non-Permanence Risk Analysis

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

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

The determined value of the overall risk rating of 10% remains appropriate and in conformance to the AFOLU Non-Permanence Risk Tool, to the extent that said determined value was appropriate and in conformance to the AFOLU Non-Permanence Risk Tool at the time of the prior verification audit.

Internal Risk - Project Management

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	• As tree planting is not a project activity, risk score remains justified	N/A	Risk rating is appropriate
(b)	• As no credits have previously been issued, risk score is justified	N/A	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(c)	While Ministry of Environment personnel are new to management of project, from site inspections and interviews with project personnel, audit team can confirm that Wildlife Conservation Society personnel have been working actively to bridge gaps between Forestry Administration and Ministry of Environment personnel and, therefore, that management team continues to include individuals with significant experience in all skills necessary to successfully undertake all project activities. Project personnel described a training which was occurring near the project area for Ministry of Environment staff, with the goals of rapidly completing the transition.	N/A	Risk rating is appropriate
(d)	From site inspections, audit team can confirm that management team maintains a presence at Seima Protection Forest headquarters, immediately adjacent to project area, and that additional management team personnel are stationed in Phnom Penh, an easy day's drive from project area. The audit team has also identified nearby areas where the Ministry of Environment is currently managing forest for conservation purposes similar to the goals of the project area.	NA	Risk rating is appropriate
(e)	-	-	N/A

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(f)	- Audit team reviewed adaptive management procedures and meeting records with project staff, who demonstrated the annual management cycle with examples and clarified how progress is monitored and how lessons learned or corrections are incorporated into project decision-making - During interviews with project personnel during site inspections, audit team gained an understanding of importance of adaptive management in project organization, and audit team agrees that this robust management system will be of value in negotiating future challenges	Annual planning workshop meeting records exhibit evidence of thoughtful planning and is of high quality	Risk rating is appropriate

Internal Risk – Financial Viability

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

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(d)	- At validation, the audit team had reviewed a financial model to confirm that cash flow breakeven point is less than 4 years from current risk assessment at that time (not 7 years, as erroneously indicated in Section 3.3.2 of the VCS validation report), in accordance with all requirements of the AFOLU Non-Permanence Risk Tool - During the audit team's verification work, no circumstances were identified that would threaten the conclusion reached in the prior financial model	N/A	Risk rating is appropriate
(e)	Audit team confirmed that score selected is most conservative in range of (e)-(h)	N/A	Risk rating is appropriate
(f)	-	-	N/A
(g)	-	-	N/A
(h)	-	-	N/A
(i)	-	-	N/A

Internal Risk – Opportunity Cost

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	- At validation, the audit team had reviewed a financial model to confirm that a net present value analysis was carried out that complied with all requirements of the AFOLU Non-Permanence Risk Tool - During the audit team's verification work, no circumstances were identified that would threaten the conclusion reached in the prior financial model	N/A	Risk rating is appropriate
(b)	-	-	N/A
(c)	-	-	N/A
(d)	-	-	N/A
(e)	-	-	N/A
(f)	-	-	N/A
(g)	As project proponent is a governmental entity, and thus explicitly not a non-profit organization, per AFOLU Non-Permanence Risk Tool, risk score is appropriately selected	-	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(h)	- The audit team confirmed that Sub-Decree 83 is indefinite in duration and forbids activities such as deforestation, burning, land clearing, development (e.g., construction of houses), and commercial timber harvest, thus requiring activities that avoid emissions (that is, requiring absence of certain activities that cause emissions) in perpetuity within “Core Protection Forest Area” (of which project area is a subset) - Therefore, audit team agrees that Sub-decree 83 is a “legally enforceable agreement or requirement, such as a conservation easement or protected area law that would require the continuation of the management practice that sequesters carbon or avoids emissions”	Sub-decree 83 is an official government document and is considered to be authentic; Khmer version was translated to English while on site, and is available publicly.	Risk rating is appropriate

Internal Risk – Project Longevity

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
	As described above, the project area is established by Sub-Decree 83, a “legally binding agreement that covers at least a 100 year period from the project start date”. A score of 0 is appropriate for project longevity	N/A	Risk rating is appropriate

External Risk – Land Tenure and Resource Access/Impacts

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

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(b)	- As described in Article 10 of the Cambodian Forestry Law (as discussed in Section 3.1.9.1 of the VCS validation report), given that the project area has been classified as “protection forest”, “Local communities have customary user rights to collect Forest Products & By-products within the Protection Forest with minor impact of the forests”, audit team agrees that local communities hold access/use rights - In the audit team’s review of Sub-decree 83, nothing was identified that would have re-classified the project area as “production forest”, and so the audit team agrees that the risk rating remains appropriate	N/A	Risk rating is appropriate
(c)	During site inspections and interviews with Forestry Administration personnel, the audit team discussed an ongoing tenure dispute over land which may partly include the project area; however the source of the dispute was regarding an area significantly smaller than 5% of the project area (additional detail regarding this dispute may be found in the site visit report that is part of the audit team’s internal working papers); no additional disputes over tenure were identified	N/A	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(d)	During site inspections and interviews with Forestry Administration personnel, audit team received no indication of any overlapping access/use rights, or disputes over overlapping access/use rights, within project area	N/A	Risk rating is appropriate
(e)	Not applicable, as this is not a WRC project	N/A	Risk rating is appropriate
(f)	The audit team confirmed that Sub-Decree 83 is indefinite in duration and a legally binding commitment (eg, a conservation easement or protected area) to continue management practices that protect carbon stocks over the length of the project crediting period". As such, the score is appropriate.	N/A	Risk rating is appropriate
(g)	-	-	N/A

External Risk – Community Engagement

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	Through on-site observations and interviews during the course of the on-site site inspections, audit team can confirm that, as relatively few households are located within project area as of issuance of this report, majority of any such households who are reliant on project area have been consulted and involved in participatory planning (in some cases, with direct meetings and planning as carried out with commune councils and other agencies of local government that are legally recognized to represent the households)	N/A	N/A
(b)	Through on-site observations and interviews during course of the on-site inspections, audit team can confirm that the majority of households living within 20 km of project area, and who are reliant on project area, have been consulted and involved in participatory planning (in some cases, with direct meetings and planning as carried out with commune councils and other agencies of local government that are legally recognized to represent the households)	N/A	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
	Project was validated against Climate, Community & Biodiversity Standards on 16 November 2015, as can be confirmed through review of http://www.climate-standards.org/2013/09/12/reduced-emissions-from-deforestation-and-degradation-in-seima-protection-forest-2/ (accessed 20 December 2016)	CCBS website is an official work product of VCSA and can be considered of high quality	Risk rating is appropriate

External Risk – Political Risk

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(a)	-	-	N/A
(b)	-	-	N/A
(c)	-	-	N/A
(d)	-	-	N/A
(e)	Audit team downloaded dataset from World Bank Institute's Worldwide Governance Indicators (for the most recent five years as of time of assessment, 2011-2015) and confirmed that governance score is between -0.79 and -0.32	The dataset used is required by the AFOLU Non-Permanence Risk Tool, and can be considered high quality.	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
(f)	- At validation, audit team had reviewed National Programme Document (see Section 3.3.7 of VCS validation report for details) and found it to be adequate as evidence to support the mitigation score - So far as audit team is aware, the Cambodia REDD+ National Programme remains in effect; from a web-based search, audit team was unable to identify any evidence that the Cambodia REDD+ National Programme has dissolved	N/A	Risk rating is appropriate

Natural Risk

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
Fire	- At validation, audit team confirmed appropriateness of stated likelihood and significance - During interviews with local residents as part of on-site inspections, audit team specifically inquired as to presence of any impacts to the project area from fire and no such impacts were reported	N/A	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
Pest and Disease Outbreaks	- At validation, audit team confirmed appropriateness of stated likelihood and significance - During interviews with local residents as part of on-site inspections, audit team specifically inquired as to presence of any impacts to the project area from pest and disease outbreaks and no such impacts were reported	N/A	Risk rating is appropriate
Extreme Weather	- At validation, audit team confirmed appropriateness of stated likelihood and significance - During interviews with local residents as part of on-site inspections, audit team specifically inquired as to presence of any impacts to the project area from extreme weather and no such impacts were reported	N/A	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of the risk rating
Geological Risk	- At validation, audit team confirmed appropriateness of stated likelihood and significance - During interviews with local residents as part of on-site inspections, audit team specifically inquired as to presence of any impacts to the project area from geological hazards and no such impacts were reported	N/A	Risk rating is appropriate
Other natural risk	Audit is aware of no risks that could be present in project area apart from those addressed above	N/A	Risk rating is appropriate

8.4 Climate Change Adaptation Benefits

The project is not seeking compliance with the optional GL1 criteria.

9 COMMUNITY

9.1 Net Positive Community Impacts

Prior to the verification site visit the verification team reviewed the monitoring plan and the reported community benefits reported by project personnel. Based on this information the verification team developed a list of questions to use during community interviews in order to confirm the existence of such benefits. Whereas, the verification team noted that there is some room for improvement, as discussed in Section 5 and Appendix B of this report, the verification team was able to confirm that the benefits described in Section 7.1 of the monitoring report to be accurate. Community members were generally enthusiastic about involvement with the project, particularly relating to the community forest patrols and CRDT activities, which are expected to expand. There was some question about whether potential negative impacts and risks had been explained and understood by community members, but overall the verification team was able to confirm the benefits to be positive.

9.2 Offsite Stakeholder impacts

N/A – As described in the CCB validation report, no offsite stakeholders are expected to be affected by project activities.

9.3 Exceptional Community Benefits

The project is not seeking compliance with the optional GL2 criteria.

10 BIODIVERSITY

10.1 Net Positive Biodiversity Impacts

As the benefits to biodiversity are directly linked to the successful restoration and protection of the project area, the verification team is able to confirm that the success of the project in reducing deforestation and degradation is resulting in net positive biodiversity benefits. The verification team has a wealth of experience in understanding the correlation between intact forest cover and wildlife biodiversity. While on-site the project team reviewed the project activities related to biodiversity, confirming activities for direct law enforcement were being tracked in their Spatial Monitoring and Reporting Tool (SMART) system, and community patrols were ongoing. Finally, the verification team interviewed project personnel regarding the implementation of the biodiversity monitoring and confirmed that project personnel had an intimate knowledge of the monitoring results, providing a reasonable level of assurance that the monitoring results were reported accurately.

10.2 Offsite Biodiversity Impacts

As described in the validation report, the project is designed to have positive impacts only on offsite stakeholders. The verification team can confirm that the biodiversity in the project zone is unlikely to result in any negative effects, and those described in the CCBS PDD were not observed while on-site.

10.3 Exceptional Biodiversity Benefits

Whereas, it is not possible for the verification team to monitor the critically endangered species listed in the monitoring report, the verification team was able to confirm the presence of such species using information gleaned from the IUCN Red List. In addition, during the site visit the verification team sighted at least one Black-Shanked Douc.

The verification team reviewed the biodiversity monitoring information reported in the CCBS PDD and PIR and confirmed that to date project personnel have performed the monitoring necessary to meet the requirements of the Standards.

11 VERIFICATION CONCLUSION

The project conforms with the verification criteria for projects and their GHG emission reductions set out in the VCS rules. The audit team asserts no qualifications or limitations with respect to the statement above. The project has been implemented in accordance with the project description and subsequently validated variations.

To the extent that the verification services documented in this report include validation activities, the audit team affirms that the project complies with the validation criteria for projects set out in VCS Version 3. The audit team asserts no qualifications or limitations with respect to the statement above.

In addition, the verification team asserts that the project complies with the verification criteria for projects set out in Third Edition of the CCB Standards, including reaching Gold Level for Exceptional Biodiversity Benefits.

The audit team has been able to confirm, with a reasonable level of assurance, that the quantity of GHG emission reductions set out below has been quantified in accordance with the VCS rules.

Verification period: From 1 January 2010 to 31 December 2015

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)
2010	0	79,584	248,582	(328,166)
2011	100,641	80,941	627,011	(607,311)
2012	516,334	82,298	23,828	410,208
2013	5,414,601	506,539	0	4,908,063
2014	3,937,711	516,049	0	3,421,662
2015	2,934,495	525,559	0	2,408,936
Total	12,903,782	1,790,968	899,421	10,213,393

*Note: Leakage emissions are not explicitly calculated in the Calculations Workbook (see Section 2.2 above for document reference), nor are they explicitly presented in Table 6.4.1 of the MIR, as they are not calculated as a stand-alone variable by the methodology. However, leakage emissions are correctly accounted for in the quantification of GHG emission reductions as presented in Table 6.4.1. Furthermore, the reader will note that, when the project emissions and leakage emissions in the above table are subtracted from baseline emissions in the same table, the result matches the “Net GHG emission reductions or removals” stated in the above table and also matches the annual “Ex post net anthropogenic GHG emission reductions” stated in Table 6.4.1 of the MIR (less any minor rounding-related differences).

CCB STANDARDS CRITERIA CHECKLIST:

GENERAL SECTION

CONFORMANCE

G1. Original Conditions in the Project Area (Required)	YES
G2. Baseline Projections (Required)	YES
G3. Project Design and Goals (Required)	YES
G4. Management Capacity and Best Practices (Required)	YES
G5. Legal Status and Property Rights (Required)	YES

CLIMATE SECTION

CL1. Net Positive Climate Impacts (Required)	YES
CL2. Offsite Climate Impacts ("Leakage") (Required)	YES
CL3. Climate Impact Monitoring (Required)	YES

COMMUNITY SECTION

CM1. Net Positive Community Impacts (Required)	YES
CM2. Offsite Community Impacts (Required)	YES
CM3. Community Impact Monitoring (Required)	YES

BIODIVERSITY SECTION

B1. Net Positive Biodiversity Impacts (Required)	YES
B2. Offsite Biodiversity Impacts (Required)	YES
B3. Biodiversity Impact Monitoring (Required)	YES

GOLD SECTION

GL1. Climate Change Adaptation Benefits (Optional)	NO
GL2. Exceptional Community Benefits (Optional)	NO
GL3. Exceptional Biodiversity Benefits (Optional)	YES

12 APPENDIX A: VCS VERIFICATION FINDINGS ISSUED DURING VERIFICATION

Please see the Section “Resolution of Discrepancies” above for a description of the findings issuance process and the categories of findings issued. It should be noted that all language under “Client Response” is a verbatim transcription of responses provided to the findings by project personnel.

NCR 1 Dated 31 Aug 2016

Standard Reference: VM0015 V1.1, Part 3, Step 1.3; Part 2, Step 6.1.3, Equation 10

Document Reference: SPF PD FULL v4.9 [dual validated] final, Section 5.3; verification_calculations_v1.2, worksheets "Ex-post CSC PA" and "Ex-post CSC LK"

Finding: Part 3 of the methodology requires that "The calculation of ex post net anthropogenic GHG emission reductions is similar to the ex ante calculation with the only difference that ex post estimated carbon stock changes and GHG emissions must be used in the case of the project scenario and leakage."

Part 2 of the methodology requires that, where Method 1 is used in Part 2, Step 5.2, Equation 10 must be used in Part 2, Step 6.1.3 to determine carbon stock change in each year. Section 5.3 of the VCS PD states that "Baseline carbon stock changes were calculated according to Method 1, Equation 10 of the Methodology." Thus, the audit team understands that Equation 10 must be used to calculate carbon stock changes in the project area and leakage belt in the project scenario.

For dense forests, the calculations required in Equation 10 have been correctly implemented in worksheets "Ex-post CSC PA" and "Ex-post CSC LK", respectively, of workbook "verification_calculations_v1.2". However, for open forests, these calculations have not been correctly implemented. This is because the carbon stock change factors for dense forest, rather than those for open forest, have been referenced in calculating carbon stock changes for open forest in these two worksheets. For example, the following formula is in cell E11 of worksheet "Ex-post CSC PA":

= 'Ex-post Activity'!J18*5.3 CSC Per Class (Step 6.1.2)!\$E\$6

The above formula references the carbon stock change factor for aboveground biomass in dense forest, found in cell E6 of worksheet "5.3 CSC Per Class (Step 6.1.2)", instead of the corresponding factor for open forest. This same error appears throughout worksheets "Ex-post CSC PA" and "Ex-post CSC LK".

Project Personnel Response: The Open Forest carbon stock change factors in MIR and calculation workbook have been corrected in the MIR and calculation workbook.

Auditor Response: Through review of the calculation workbook and updated versions (the most recent of which is "verification_calculations_v3.2", the audit team can confirm that the error in question has been resolved and that the updated version of the calculation workbook correctly sources the open forest carbon stock change factors. Other errors flagged by the audit team have also been addressed, among them:

- Cell E42 of "Ex-post CSC PA", which is intended to calculate carbon stock change in the dead wood pool in open forest, had the following code: =SUM('Ex-post Activity'!\$J\$18:J18)*5.3 CSC Per Class (Step 6.1.2)!\$M\$6. This multiplied the carbon stock change factor by the sum of the areas in I18 and J18 of "Ex-post Activity". However, as cell I18 of "Ex-post Activity" contains the area deforested in dense forest, this formula basically multiplied the carbon stock change factor by the total area deforested (across both dense and open forest), leading to an overestimate of carbon stock changes.

The same error existed in the calculations in cells E43:E47.

- The same was true for the calculation of carbon stock change in the belowground biomass pool in open forest, as calculated in cells E27:E32.
- The same was true for calculation of carbon stock change in belowground biomass and dead wood in open forest in the leakage belt, as calculated in cells E27:E32 and E43:E48 of "Ex-post CSC LK". In these cells, area values were summed across columns O and P of "Ex-post Activity", leading to a parallel overestimate of carbon stock changes.

Because the calculation errors led to a misstatement in excess of 1%, they were required to be corrected. All of the above errors have been corrected in the workbook "verification_calculations_v3.2".

NCR 2 Dated 31 Aug 2016

Standard Reference: VM0015 V1.1, Part 3, Step 1.2.2; Part 2, Step 9.2; AFOLU Requirements V3.4, Section 4.6.7

Document Reference: SPF PD FULL v4.9 [dual validated] final, Section 5.3; verification_calculations_v1.2, worksheet "Ex-post VCUs"

Finding: Part 3, Step 1.2.2 of the methodology requires that "Deforestation above the baseline in the leakage belt area will be considered activity displacement leakage." Part 2, Step 9.2 of the methodology suggests that this assessment is to be carried out on a yearly basis.

In column K of worksheet "Ex-post VCUs" of workbook "verification_calculations_v1.2", the accounting for leakage has been carried out in columns G and I. However, in column K, leakage is calculated as the difference between the values in columns G and I. This has the effect of decreasing the net GHG emission reductions of the project in years where project carbon stock changes exceeded baseline carbon stock changes in the leakage belt, and increasing the net GHG emission reductions of the project in years where baseline carbon stock changes exceeded project carbon stock changes in the leakage belt. While the audit team agrees that it is appropriate to decrease the net GHG emission reductions of the project in years where project carbon stock changes exceeded baseline carbon stock changes in the leakage belt (and this is clearly in line with the guidance of the methodology), the audit team does not agree that it is appropriate to increase the net GHG emission reductions of the project in years where baseline carbon stock changes exceeded project carbon stock changes in the leakage belt. While the methodology is, admittedly, silent on this matter, the audit team notes that Section 4.6.7 of the AFOLU Requirements states that "Projects shall not account for positive leakage (ie, where GHG emissions decrease or removals increase outside the project area due to project activities)."

Project Personnel Response: The positive GHG emission reductions in the Leakage Belt have been set to 0 in the MIR and calculation workbook.

Auditor Response: Through review of the calculation workbook "verification_calculations_v3.2", the audit team agrees that an effort has been undertaken to not account for positive leakage. However, due to some changes that occurred in parallel with the calculations, there still remains some erroneous calculation of positive leakage. In years 1 through 3, when actual carbon stock changes in the leakage belt exceed baseline carbon stock changes in the leakage belt in each year, the audit team agrees that the contribution of leakage emissions is appropriately accounted. In year 4, when actual carbon stock changes in the leakage belt are less than baseline carbon stock changes in the leakage belt, the audit team agrees it is appropriate to not account for leakage. However, in years 5 and 6, the comparison between actual and baseline carbon stock changes in the leakage belt is included in the calculation, leading to accounting for positive leakage and an overestimation of GHG reductions. Therefore, the non-conformity is not fully resolved.

Project Personnel Response 2: This has been corrected and available to review in "verification_calculations_v3.3"

Auditor Response 2: Through review of the updated calculation workbook, entitled "verification_calculations_v3.3", the audit team was able to confirm that the updated workbook correctly

carries out the leakage calculation, either accounting for or not accounting for leakage in each specific year, as is appropriate. Therefore, the non-conformity has been resolved.

NIR 3 Dated 31 Aug 2016

Standard Reference: VM0015 V1.1, Part 3, Step 1.1.2; Part 2, Step 2.5

Document Reference: Seima VCS CCB Monitoring & Implementation Report v1.2

Finding: Part 3, Step 1.1.2 of the methodology states the following: "If no existing monitoring program exist or can be used, monitoring must be done by the project proponent or outsourced to a third party having sufficient capacities to perform the monitoring tasks. Methods used to monitor LU/LC change categories and to assess accuracy must be similar to those explained in part 2, step 2.4 and part 2, step 2.5, respectively."

Part 2, Step 2.4 describes the process for creating, among other maps, "A Land-Use and Land-Cover Map for at least the most recent date (+/-2 years from the project start date) depicting the LU/LC-classes defined in step 2.2". Part 2, Step 2.5 of the methodology states the following: "A verifiable accuracy assessment of the maps produced in the previous step is necessary to produce a credible baseline".

The MIR describes the process by which an accuracy assessment on the classification of the 28 February 2016 image was carried out. However, as noted in the MIR, "The Forest Benchmark Map, as described in the PD, was created from Landsat imagery dated 23 April 2010". The MIR does not provide the process for carrying out an accuracy assessment relating to the 23 April 2010 image, and it is the audit team's understanding that an accuracy assessment relating to the 23 April 2010 image has not been carried out. As the 23 April 2010 image is of critical importance in the overall crediting of the project for the monitoring period in question (as it is the basis against which any deforestation identified in the 28 February 2016 image is measured), it is important that the accuracy of this image be demonstrated via accuracy assessment. Please provide evidence that an accuracy assessment has been carried out with respect to the 23 April 2010 image.

Project Personnel Response: An accuracy assessment for the Forest Benchmark Map has been carried out and the MIR updated with the results and the calculation workbook made available to the auditor.

Auditor Response: Through review of the workbook "ConfusionMatrix_2010_Benchmark v2" and supplementary documentation, the audit team agrees that an appropriate accuracy assessment to support the use of the 23 April 2010 image has been provided, with supplementary work products provided upon request of the audit team. Therefore, the non-conformity has been resolved.

NIR 4 Dated 31 Aug 2016

Standard Reference: VM0015 V1.1, Part 3, Step 1.1.2; Part 2, Step 2.5

Document Reference: N/A

Finding: Part 3, Step 1.1.2 of the methodology states the following: "If no existing monitoring program exist or can be used, monitoring must be done by the project proponent or outsourced to a third party having sufficient capacities to perform the monitoring tasks. Methods used to monitor LU/LC change categories and to assess accuracy must be similar to those explained in part 2, step 2.4 and part 2, step 2.5, respectively."

Part 2, Step 2.4.3 provides the following guidance regarding how cloud-obscured areas are to be dealt with: "Many projects will have some level of no-data areas because of cloud-cover. In this case change rates should be calculated for each time step based only on areas that were not cloud-obscured in either date in question. Then, a maximum possible forest cover map should be made for the most recent year (+/-2 years from the project start date). The historical rate in % should be multiplied by the maximum forest cover area at the start of the period for estimating the total area of deforestation during the period."

During the web-based meeting held 25 May 2016, it was indicated to the audit team that there was some "no data" in the LU/LC change analysis due to cloud-obscured areas in the 2010 imagery. However, it is not clear if the above procedure was followed and, if so, how. Please provide a clear written description of how cloud-obscured areas were dealt with in the classification process and a justification for not following the guidance provided above, if applicable.

Project Personnel Response: The cloud and shadow "no-data" areas occurred on the 2010 Forest Benchmark Map. These "no-data" areas were permanently excised from both the Project Area and the Leakage Belt during validation. The validated Project Area and Leakage Belt do not contain any of the 2010 no-data areas. Subsequent cover mapping for 2013 and 2016 did not have any no-data within the Project Area or Leakage Belt.

Auditor Response: Given the information provided, the audit team's questions regarding this matter have been satisfied. The actions undertaken appear to be consistent with best practice in remote sensing.

NIR 5 Dated 31 Aug 2016

Standard Reference: VM0015 V1.1, Part 3, Step 1.2.2; Part 2, Step 9.2

Document Reference: SPF PD FULL v4.9 [dual validated] final, Section 5.3; verification_calculations_v1.2, worksheet "Ex-post activity"

Finding: Part 3, Step 1.2.2 of the methodology requires that "Deforestation above the baseline in the leakage belt area will be considered activity displacement leakage." Part 2, Step 9.2 of the methodology suggests that this assessment is to be carried out on a yearly basis.

Section 4.6.16 of the VCS PD states the following: "Some parts of the Leakage Belt applicable from 2010 became unavailable for unplanned deforestation from 2012 onwards due to the presence of active Economic Land Concessions. The Leakage Belt has been delineated in a GIS shape file and provided to the auditor."

The implication of this language for accounting in the project scenario is that the leakage belt shapefile for years 2010-2011 is to be used for determination of project-scenario carbon stock changes in the leakage belt during those years and the leakage belt for 2012 is to be used for determination of project-scenario carbon stock changes in the leakage belt from 2012 onwards.

During the web-based meeting held 25 May 2016, project personnel appeared somewhat unclear regarding the purpose of the two separate leakage belt shapefiles. It is, therefore, unclear to the audit team that accounting has been carried out as specified in the project description. It appears, from review of worksheet "Ex-post activity" of workbook "verification_calculations_v1.2", that data from "Lkg 1" and "Lkg 2" have been combined to calculate overall deforestation in the leakage belt. However, if deforestation identified within the two different leakage belts is summed arithmetically, an over-accounting of deforestation may result, as the leakage belt from 2010-2011 includes area that is included in the leakage belt from 2012 onward. Please provide clarification regarding the procedures undertaken to account for leakage in line with the description in the VCS PD.

Project Personnel Response: The leakage calculation procedure was done incorrectly. This has been updated such that:

1. Leakage belt deforestation for the 2010 to 2013 measurement period is now counted within 2010 and 2011 leakage belt. Since there is no conservative method for subdividing the first satellite measurement period the full period was used resulting in some unavoidable over-accounting.
2. Leakage belt deforestation for the 2013 to 2016 measurement period is now counted within the 2012 onward leakage belt.

Both the MIR and calculation workbook has been updated to reflect this change.

Auditor Response: The audit team agrees that the approach undertaken is conservative, in that it results in the potential for planned deforestation within the 2010-2011 leakage belt to be accounted as leakage. Through review of the calculations and supplementary documentation, the audit team has

been able to confirm that the calculation of leakage correctly takes into account the two leakage belts. Therefore, the non-conformity has been resolved.

NIR 6 Dated 31 Aug 2016

Standard Reference: VM0015 V1.1, Part 3, Step 1.1.3

Document Reference: Seima VCS CCB Monitoring & Implementation Report v1.2

Finding: Part 3, Step 1.1.3 of the methodology requires that non-CO₂ emissions from forest fires "are subject to monitoring and accounting, when significant." The MIR describes the process of obtaining burn history information from the monitoring period from MODIS and comparing it with prior data. However, it is not clear how this information was used to determine whether non-CO₂ emissions from forest fires were significant. For example, it is shown that 54 fire point occurrences were predicted by MODIS to occur in 2010. However, it is not clear whether these 54 occurrences correspond to very minor ground fires or to significant forest fires. Please provide the audit team with ancillary information and documentary evidence to support the claim that no significant non-CO₂ emissions from forest fires have been emitted during the monitoring period.

Project Personnel Response: An analysis of fire intensity using MODIS Fire Radiative Power has been added to the MIR.

Auditor Response: Through review of the updated MIR, entitled "KSWS REDD+ Monitoring & Implementation Report v2.1", the audit team agrees that Figure 5.1.4 and the supplementary text adequately establish that neither the frequency or intensity of forest fires has increased over the monitoring period, and that this is sufficient to meet the requirements of the methodology as pertaining to monitoring of emissions from fire.

NIR 7 Dated 31 Aug 2016

Standard Reference: VM0015 V1.1, Part 3, Step 1.3

Document Reference: N/A

Finding: Part 3, Step 1.3 of the methodology requires that "A map showing Cumulative Areas Credited within the project area shall be updated and presented to VCS verifiers at each verification event." Please provide the requested map.

Project Personnel Response: Map added to MIR

Auditor Response: Through review of the updated MIR, entitled "KSWS REDD+ Monitoring & Implementation Report v2.1", the audit team agrees that a map showing the cumulative areas credited has been added in Figure 6.1.4. Therefore, the information request has been satisfied.

NCR 8 Dated 2 Sep 2016

Standard Reference: VCS Standard V3.5, Section 3.6.1

Document Reference: SPF PD FULL v4.9 [dual validated] final; Seima VCS CCB Monitoring & Implementation Report v1.2

Finding: Section 3.6.1 of the VCS Standard states that "Deviations from the project description are permitted at verification" and sets out a process by which such deviations may be approved. The VCS Standard states the following: "Where the deviation does not impact the applicability of the methodology, additionality or the appropriateness of the baseline scenario, and the project remains in compliance with the applied methodology, the deviation shall be described and justified in the monitoring report. This shall include a description of when the changes occurred and the reasons for the changes."

As reported to the audit team via email received by the audit team on 25 May 2016, and as verified during the audit team's on-site activities, a "jurisdictional shift" in control and management responsibility over the project area occurred whereby control and management responsibility was transferred from the Forestry Administration of the Ministry of Agriculture, Forestry and Fisheries to the Ministry of Environment. As the project proponent was identified as the "Royal Government of Cambodia (RGC), represented by Forestry Administration of the Ministry of Agriculture, Forestry and Fisheries (MAFF)" within the VCS PD, this change in control and management responsibility constitutes a change in project proponent, as confirmed by guidance from VCS Program Officer Amy Schmid via an email received by the audit team on 3 June 2016. It was further clarified by Ms. Schmid that "The verification documents (monitoring report, verification report) should include the new project proponent, despite the change occurring after the monitoring period was over, and document this change where appropriate."

As the change in project proponent has resulted in a deviation from the project description, and as the deviation does not impact the applicability of the methodology, additionality or the appropriateness of the baseline scenario, and the project remains in compliance with the applied methodology, it is required that the deviation be described and justified in the monitoring report (including a description of when the changes occurred and the reasons for the changes). The monitoring report does not contain the required documentation.

Project Personnel Response: The MIR has been updated to reflect the change in proponent.

Auditor Response: Through review of the updated MIR, entitled "KSWS REDD+ Monitoring & Implementation Report v2.1", the audit team agrees that the following text in Section 1.1 addresses the change in project proponent to some extent:

"In 2016, the KSWS was transferred to the Ministry of Environment (MoE) as part of a national jurisdictional transfer of all protected areas to MoE management. At this time MoE renamed KSWS to KSWS and assumed management of project area operations and REDD+ activity implementation."

However, the change in project proponent is not specifically described as a project description deviation within the MIR. In addition, Section 1.3 of the MIR still identifies the project proponent as "the Royal Government of Cambodia (RGC), represented by Forestry Administration (FA) of the Ministry of

Agriculture, Forestry and Fisheries (MAFF)", which is inconsistent with the change that has been made. Therefore, the non-conformity has not been fully resolved.

Project Personnel Response 2: The text mentioned has been updated to reflect the proponent change. The PD deviation was added to Section 4.2.

Auditor Response 2: Through review of the updated MIR, entitled "KSWS REDD+ Monitoring & Implementation Report v3.1", the audit team can confirm that the report now clearly indicates, in Section 1.3, that "the Royal Government of Cambodia (RGC), represented by the Ministry of Environment (MoE)" and that the change in project proponent is clearly identified in Section 4.2 of the report. Therefore, the non-conformity has been resolved.

NCR 9 Dated 13 Jan 2017

Standard Reference: AFOLU Requirements V3.5, Section 3.7.3

Document Reference: N/A

Finding: The AFOLU Requirements states that "Projects shall prepare a non-permanence risk report in accordance with VCS document AFOLU Non-Permanence Risk Tool at both validation and verification... The non-permanence risk report shall be prepared using the VCS Non-Permanence Risk Report Template, which may be included as an annex to the project description or monitoring report, as applicable, or provided as a stand-alone document."

In the initial stages of the verification process, it was indicated to the audit team that the previously validated non-permanence risk report, which was included as Annex 2.2 to the VCS PD, would serve as the non-permanence risk report submitted for verification. So long as there were no changes to the risk analysis, this was considered appropriate to the audit team. However, during the course of the verification audit, the project proponent has changed. Additionally, it has become known to the audit team that World Bank Institute Worldwide Governance Indicators now include additional years of data, and the governance score as assessed using the most recent five years of available data has increased (i.e., become less negative) relative to the -0.84 value identified in the validated non-permanence risk report. Thus, as the previously submitted non-permanence risk report is not wholly up-to-date, it is necessary to submit a non-permanence risk report that has been prepared using the VCS Non-Permanence Risk Report Template.

Project Personnel Response: The report has been updated with current data and conditions. The new file "VCS Risk Tool KWSW 2016 update v1.0 has been provided to the auditor.

Auditor Response: In response to this finding, the audit team was provided with the document "VCS Non-Permanence Risk Report v2.0", which was prepared using the VCS Non-Permanence Risk Report Template ("the Template"). However, the risk report does not comply, in various instances, with the requirements of the Template. The following examples have been noted by the audit team:

1. The Template states that "All instructions, including this introductory text, should be deleted from the final document." Instructional text has not been deleted from the risk report.
2. For Internal Risk (Section 1) and External Risk (Section 2), the Template gives the following instructions: 'Where a risk or mitigation is not relevant to the project, please write "Not applicable".' This has not been done. For example, project management risk factor (a), defined as "Species planted (where applicable) associated with more than 25% of stocks on which GHG credits have previously been issued are not native or proven to be adapted to the same or similar agro-ecological zones (s) in which the project is located", is not applicable. However, such has not been indicated in the risk report.
3. For Internal Risk (Section 1) and External Risk (Section 2), the Template gives the following instructions: 'Document and substantiate the risk and/or mitigation for each risk factor applicable to the project.' This has not been done within the risk report.
4. For Natural Risk (Section 3), the Template gives the following instructions: "Explain the significance

and likelihood of the natural risk and any mitigation activities implemented." This has not been done.

5. Section 4.2 of the Template requires the following: 'Include in this calculation the number of buffer credits to be deposited in the AFOLU pooled buffer account based on the change in carbon stock only. Include any deductions for the AFOLU pooled buffer account, if applicable, to determine the number of GHG credits eligible to be issued as VCUs.' This has not been done.

Project Personnel Response 2: [A response to this finding was provided outside the cover of the findings workbook.]

Auditor Response 2: The audit team reviewed the updated non-permanence risk report, entitled "VCS Non-Permanence Risk Report v2.2", that was provided in response to this finding. It is apparent that appropriate action has been undertaken to resolve some of the previously highlighted non-conformities. However, some instances of non-conformity are still evident. These are as follows:

1. While all instructional text has been removed from the template, there are now some non-conformities to the following requirement of the Template: "All sections must be completed using Arial 10pt, black, regular (non-italic) font." The text "Overall Risk Rating" in Section 3 (above what seems to be a duplicate table containing information also contained in Section 4.1) is in italic font. In addition, the following text in Section 4.2 is in a font other than Arial 10pt: "The project has a calculated risk rating of 7%. The minimum risk rating for a VCS AFOLU project is 10%, so the SPF project has a rating of 10%. This is equivalent to a 10% risk buffer set-aside at the time of each verification event."

2. For Internal Risk (Section 1) and External Risk (Section 2), the Template gives the following instructions: 'Where a risk or mitigation is not relevant to the project, please write "Not applicable".' This has been done in many cases. However, the following risks or mitigations have apparently been considered not applicable to the project, but such has not been indicated in the non-permanence risk report:

- Project management risk (b), defined as "Ongoing enforcement to prevent encroachment by outside actors is required to protect more than 50% of stocks on which GHG credits have previously been issued."
- Project management risk (c), defined as "Management team does not include individuals with significant experience in all skills necessary to successfully undertake all project activities (ie, any area of required experience is not covered by at least one individual with at least 5 years experience in the area."
- Project management risk (d), defined as "Management team does not maintain a presence in the country or is located more than a day of travel from the project site, considering all parcels or polygons in the project area."
- Project management mitigation (f), defined as "Adaptive management plan in place"
- Financial viability mitigation (i), defined as "Project has available as callable financial resources at least 50% of total cash out before project reaches breakeven."

- Land and tenure resource access/impacts risk (a), defined as "Ownership and resource access/use rights are held by same entity(s)"
- Land and tenure resource access/impacts risk (c), defined as "In more than 5% of the project area, there exist disputes over land tenure or ownership"
- Land and tenure resource access/impacts risk (d), defined as "There exist disputes over access/use rights (or overlapping rights)"
- Land and tenure resource access/impacts risk (e), defined as "WRC projects unable to demonstrate that potential upstream and sea impacts that could undermine issued credits in the next 10 years are irrelevant or expected to be insignificant, or that there is a plan in place for effectively mitigating such impacts."
- Land and tenure resource access/impacts mitigation (g), defined as "Where disputes over land tenure, ownership or access/use rights exist, documented evidence is provided that projects have implemented activities to resolve the disputes or clarify overlapping claims"
- Community engagement risk (a), defined as "Less than 50 percent of households living within the project area who are reliant on the project area, have been consulted"
- Community engagement risk (b), defined as "Less than 20 percent of households living within 20 km of the project boundary outside the project area, and who are reliant on the project area, have been consulted"

3. For Internal Risk (Section 1) and External Risk (Section 2), the Template gives the following instructions: 'Document and substantiate the risk and/or mitigation for each risk factor applicable to the project.' This has still not been done within the risk report.

4. For Natural Risk (Section 3), the Template gives the following instructions: "Explain the significance and likelihood of the natural risk and any mitigation activities implemented." This has not been done.

5. Section 4.2 of the Template requires the following: 'Include in this calculation the number of buffer credits to be deposited in the AFOLU pooled buffer account based on the change in carbon stock only. Include any deductions for the AFOLU pooled buffer account, if applicable, to determine the number of GHG credits eligible to be issued as VCUs.' This has not been done. Section 4.2 of the non-permanence risk report provides helpful clarification that the required minimum risk rating of 10% has been applied, but does not specifically provide the information required by the Template.

Project Personnel Response 3: [A response to this finding was provided outside the cover of the findings workbook.]

Auditor Response 3: Through review of the updated non-permanence risk report, entitled "VCS Non-Permanence Risk Report v2.3", the audit team can confirm that the vast majority of the previously identified discrepancies have been addressed. However, some non-conformities to the VCS rules remain. For administrative reasons, this finding will be closed and NCR 11 will be opened in its place.

NIR 10 Dated 13 Jan 2017

Standard Reference: AFOLU Non-Permanence Risk Tool V3.3, Section 2.2.2(4)

Document Reference: VCS Non-Permanence Risk Report v2.0

Finding: In the risk report document "VCS Non-Permanence Risk Report v2.0", it is indicated that "Project has secured 40% to less than 80% of funding needed to cover the total cash out before the project reaches breakeven". It has been indicated to the audit team, by project personnel, that secured funding has come through a certain executed emission reduction purchase agreement. The AFOLU Non-Permanence Risk Tool indicates the following: "Projects may demonstrate that funding has been secured through, for example, financial statements, bank records, executed commodity purchase agreements, executed emission reduction purchase agreements, or other signed contractual agreements. Evidence shall be provided that agreement counterparties are in good financial standing, to demonstrate the ability to meet the financial obligations."

Please provide evidence that the counterparty to the executed emission reduction purchase agreement is in good financial standing. Otherwise, please provide documentary evidence (e.g., a bank statement or screenshot showing an online account summary) to show that the "up-front payment", as described in the agreement, has already been deposited in WCS' financial accounts.

In addition, please provide specific evidence of the calculation to suggest that "Project has secured 40% to less than 80% of funding needed to cover the total cash out before the project reaches breakeven". While the financial model workbook "Financial Model with Distribution v3.0" has been provided to the audit team, it is not clear how the calculation of percent of funding needed to cover the total cash out before the project reaches breakeven has been calculated.

Project Personnel Response: [A response to this finding was provided outside the cover of the findings workbook.]

Auditor Response: In response to this finding, the audit team was provided with the document "VCS Non-Permanence Risk Report v2.1". In this document, it is suggested that "Project has secured less than 15% of funding needed to cover the total cash out before the project reaches breakeven", and thus it is no longer suggested that the project has secured funding needed to cover the total cash out before the project reaches breakeven. Because of this, the requirement to assess whether agreement counterparties are in good standing, or to ensure that funds have been deposited and are available to the project, is no longer applicable. It is also no longer necessary to review the calculation of the percent of funding needed to cover the total cash out before the project reaches breakeven. Therefore, this information request is no longer relevant, and will be closed.

NCR 11 Dated 1 Mar 2017

Standard Reference: AFOLU Requirements V3.5, Section 3.7.3

Document Reference: N/A

Finding: The AFOLU Requirements states that "Projects shall prepare a non-permanence risk report in accordance with VCS document AFOLU Non-Permanence Risk Tool at both validation and verification... The non-permanence risk report shall be prepared using the VCS Non-Permanence Risk Report Template, which may be included as an annex to the project description or monitoring report, as applicable, or provided as a stand-alone document."

The non-permanence risk report has been prepared using the VCS Non-Permanence Risk Report Template. However, in review of the report, the audit team has identified several non-conformities to the requirements in the Template. These are as follows:

1. For Internal Risk (Section 1) and External Risk (Section 2), the Template gives the following instructions: 'Document and substantiate the risk and/or mitigation for each risk factor applicable to the project.' For the following risk factors, the mitigations have not been documented or substantiated:

Mitigation (c) from Community Engagement ("The project generates net positive impacts on the social economic well-being of the local communities who derive livelihoods from the project area")

Mitigation (f) from Political Risk ("Country is implementing REDD+ Readiness or other activities, as set out in this section 2.3.3")

2. For the Financial Viability sub-category, it is suggested that risk factor (d) ("Project cashflow breakeven point is less than 4 years from current risk assessment") is not applicable. However, as far as the audit team understands, this risk factor is applicable.

3. For Natural Risk (Section 3), the Template gives the following instructions: "Explain the significance and likelihood of the natural risk and any mitigation activities implemented." This has not been done.

4. Section 4.2 of the Template requires the following: 'Include in this calculation the number of buffer credits to be deposited in the AFOLU pooled buffer account based on the change in carbon stock only. Include any deductions for the AFOLU pooled buffer account, if applicable, to determine the number of GHG credits eligible to be issued as VCUs.' Information is provided in response to this requirement in Section 4.2 of the risk report, but the information provided appears to ex-ante information. Implicit in the requirement to include "the number of buffer credits to be deposited in the AFOLU pooled buffer account based on the change in carbon stock only" is the requirement to provide ex-post information for the reporting period in question.

5. The risk rating for the Internal Risk category, as provided in Section 1, is 1. However, the same risk rating is provided as 0 in the calculation in Section 4.1.

Project Personnel Response: [A response to this finding was provided outside the cover of the findings workbook.]

Auditor Response: In response to this finding, the audit team was provided with the document "VCS Non-Permanence Risk Report v2.4". While many of the non-conformities identified in the text of this finding have been addressed, two non-conformities remain:

1. While it is suggested that "Project cashflow breakeven point is less than 4 years from current risk assessment" in the Financial Viability sub-category, no documentation or substantiation has been provided, within the risk report, for this selection.
2. It is stated, in Section 4.2 of the risk report, that the number of buffer credits to be deposited in the AFOLU pooled buffer account is 1,111,282. This is inconsistent with cell P13 of worksheet "Ex-post VCUs" of workbook "verification_calculations_v3.3", which states this number as 1,111,281.

Project Personnel Response 2: [A response to this finding was provided outside the cover of the findings workbook.]

Auditor Response 2: In response to this finding, the audit team was provided with the document "VCS Non-Permanence Risk Report v2.5". In review of this document, the audit team has found that all of the prior non-conformities have been addressed, and thus, the non-permanence risk report has been produced in full conformance with the VCS rules. Therefore, the non-conformity has been resolved.

13 APPENDIX B: CCB VERIFICATION FINDINGS

NIR 1 Dated 28 Jul 2016

Standard Reference: CCB Standards Third Edition, G3.12

Document Reference: PDD sections 2.6.2 and 2.6.3; MIR table 2.6.2 and section 2.6.3

Finding: Indicator G3.12 requires that the project proponent "Comprehensively assess situations and occupations that might arise through the implementation of the project and pose a substantial risk to worker safety. Describe measures needed and taken to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be guaranteed, project proponents must show how the risks are minimized using best work practices in line with the culture and customary practices of the communities." "Workers" are defined as "people directly working on project activities in return for compensation (financial or otherwise)" and the dictionary definition of "compensation" is "something, typically money, awarded to someone as a recompense for loss, injury, or suffering" or "something that counterbalances or makes up for an undesirable or unwelcome state of affairs."

Frequently interviewees, particularly those involved in community patrols or those with family involved in community patrols raised concerns about lack of resources to effectively and safely conduct these activities. In many cases there was description of requests made for uniforms and cameras to enhance the credibility of their work with people they meet who might not trust them. There was also description from multiple interviewees of decreased activity of community patrols, which seemed to be related to this lack of resources. It is understood by the audit team that there are limited stipends to pay for food during these patrol trips (compensation), and that this minimal compensation reduces the incentive for community members to take excessive risk. Several community members seemed to understand this and expressed their willingness to continue with community patrols with only the minimal stipend in the interest of protecting the forest. While community interviews described having received training on community based patrols, the audit team was not able to confirm the frequency of trainings or how safety was consistently addressed.

The MIR describes training for community-based patrolling as including safety and security, with training courses conducted annually, "regular village meetings, including local authorities - bimonthly or more frequent", and "mentoring during patrolling events - bimonthly or more frequent". Please provide supporting evidence that these trainings are being conducted in a manner consistent with what is described in the MIR, and demonstrate that the topics of safety and security are addressed in trainings.

Project Personnel Response: The trainings on community patrol and SMART reports in Khmer (Some are in English) provides information on how safety and security of the patrol teams are addressed. In addition, the SMART patrol book also provides key safety procedure before conducting the patrol, especially bring first aid kit with all the patrol teams. First aid kits are always carried during the community patrols and during the patrol, the FA official and Military Polices (MP) along with WCS Community Patrol staff are always joining the community patrol so the safety and security of the community members who going on patrol could be ensure, especially when they confront with the illegal loggers and land encroacher who carry weapons. The FA official and WCS staff used to received training on first aid and patrol strategy to ensure that they conduct a proper patrol work. Moreover, the patrols are conducted in the form of team patrol which comprise of 5-7 members. In addition, the

community patrol could also contact the Mobile Law Enforcement Unit (MLEU) which comprise of FA official and MP from Seima if they encounter any trouble and the MLEU will back up the community as needed. Community Patrol Training Reports, First Aid Training Report and SMART patrol books will be made available to the auditor. Revenue from carbon sales will provide additional resources to enhance the community patrol program.

Auditor Response: The description provided, along with the supporting community patrol training reports, first aid training reports, and SMART patrol books contain sufficient information to meet the requirements of indicator G3.12. This finding is closed.

NCR 2 Dated 28 Jul 2016

Standard Reference: CCB Standards Third Edition, G3.12

Document Reference: PDD sections 2.6.2 and 2.6.3; MIR table 2.6.2 and section 2.6.3

Finding: Indicator G3.12 requires that the project proponent "Comprehensively assess situations and occupations that might arise through the implementation of the project and pose a substantial risk to worker safety. Describe measures needed and taken to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be guaranteed, project proponents must show how the risks are minimized using best work practices in line with the culture and customary practices of the communities." "Workers" are defined as "people directly working on project activities in return for compensation (financial or otherwise)" and the dictionary definition of "compensation" is "something, typically money, awarded to someone as a recompense for loss, injury, or suffering" or "something that counterbalances or makes up for an undesirable or unwelcome state of affairs." As consistent with NIR 1, the MIR must "Describe measures needed and taken to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be guaranteed, project proponents must show how the risks are minimized using best work practices in line with the culture and customary practices of the communities."

Project Personnel Response: The participating community members who involving in project activities such as patrolling and eco-tourism received trainings related to safety and security at work and most training activities occur on an annual basis, or more frequently, so that local communities can rapidly be inducted. The trainings on community patrol and SMART reports in Khmer provides information on how safety and security of the patrol teams are addressed in order to minimize risks during the patrol. In the SMART patrol books, the key information on safety procedure were provided, including first aid kit with all the patrol teams. To minimize risk of confrontation between the local communities and illegal loggers/hunters, the FA official and Military Polices (MP) along with WCS Community Patrol staff accompany the community patrol so the safety and security of the community members who going on patrol can be ensured. The FA official and WCS staff used to received training on first aid and patrol strategy to ensure that they conduct a proper patrol work. Moreover, the patrols are conducted in the form of patrol teams which comprise of 5-7 members both reducing the vulnerability of individual patrol members and increasing situational awareness. In addition, the community patrol could also contact the Mobile Law Enforcement Unit (MLEU) which comprise of FA official and MP from Seima or nearby if they encounter any trouble and the MLEU will back up the community as needed.

Auditor Response: The information and supporting documentation provided is sufficient to close the associated finding, NIR1, however this finding describes that the MIR must describe these measures needed and taken to inform workers of risks and to explain how to minimize such risks throughout project implementation. This information does not appear to be included in the MIR, and as such this finding remains open.

Project Personnel Response 2: Approved text added to MIR document 2.6.3.

Auditor Response 2: The information has been included in the MIR, and is sufficient to close this

finding.

NIR 3 Dated 28 Jul 2016

Standard Reference: CCB Standards Third Edition, G3.8

Document Reference: PDD table 6.2.1; MIR

Finding: Indicator G3.8 requires that the project proponent "Demonstrate that a clear grievance redress procedure has been formalized to address disputes with Communities and Other Stakeholders that may arise during project planning, implementation and evaluation with respect but not limited to, Free, Prior and Informed Consent, rights to lands, territories and resources, benefit sharing, and participation. The project shall include a process for receiving, hearing, responding to and attempting to

resolve Grievances within a reasonable time period." "Grievances are defined in the CCB Standards as "Disputes with Communities and Other Stakeholders that may arise during project planning, implementation and evaluation with respect but not limited to, Free, Prior and Informed Consent, rights to lands, territories and resources, benefit sharing, and participation." The dictionary definition of "dispute" is "disagreement or argument".

In the case of one community there was significant frustration related to the process for establishing the extent of community forest land in the ICT. There was concern that the amount of land allotted to the community was insufficient, and would soon be fully allocated to newly married couples. They discussed that there were ongoing discussions with both FA and WCS regarding increasing the allocation, but that little respect was paid to their concerns, the process was slow, and that in some cases the people they were treated rudely. Additional interviewees in other communities described there being too little land allocated. The PDD describes what the community is experiencing as a potential negative impact from Actions 1 and 3 of Sub-Objective #3, and that the grievance process is a mitigation option (pg 140). During the audit team's interview with the community members, there was acknowledgement of a grievance process but there did not seem to be recognition of a more formal process than the ongoing discussions they described with FA and WCS.

Please clarify whether there are instances of disputes, and provide documentation demonstrating that communities have been informed about appropriate use of the grievance process. Please clarify whether there is any system for accounting for and/or mitigating these potential negative impacts outside of a formal grievance process. Please clarify whether, where these negative impacts aren't processed through the grievance system, they are incorporated into the adaptive management system, as described in Action 6 of Sub-Objective 1. Please also clarify the extent of ongoing discussions with communities regarding concerns about allocation of land, and the mitigation activities taking place (if applicable). Please provide evidence that, where there are disputes, there is an attempt to resolve grievances within a reasonable time period.

Project Personnel Response: The registration of Indigenous Collective Titling (ICT) has been done by participatory process. The communities involve all the process including location, size and boundary of community land. The grievance mechanism was include in the Sub-Decree on Procedures of Registration of Land of Indigenous Communities as well as community's Internal Rule. For instance, Article 9 of Sub-Decree on Procedures of Registration of Land of Indigenous Communities was identified that a public display must be announced at village hall, Sankat hall, urban area and at the site of the community land to inform the communities, if there is any disagreement. If the land was agreed

by the neighbors and without any dispute or complaint, the Cadastral administration will issue a collective title certificate to the community. The Indigenous Internal Rule Gati, Meeting Minutes on Internal Rule, and a Report on an ICT land issue will be made available to the auditor. When the ICT was officially established and approved, the internal rules were set for land management and land use according to land type and reconciliation at community level in case of conflict over traditional land use. The internal rule was developed with participation process. For instance, a meeting was organized with Andong Kralang village to consult and agree on internal rule on 06 December 2015 (attached in Khmer). The conflict resolution was set by the member of communities. The communities have designed three steps for resolve conflict and complaint (Step 1: resolve at community level (elderly or community committee), Step 2: if the conflict can not be resolved by step 1 local authority, village administrative, representatives of commune, or any relevant authority will be invited for giving advice, Step 3: if issues can not be solved by traditional (step 1 and 2), the legal process of) (article 25 to 31 of Internal Rule of Gati Village). According to internal rule, new couples have right to request for land ownership however they need to get approval/agree from the community committee/elder people (Article 4, Gati's Internal Rule). The communities also have right to request for land expansion, if all the members agreed (Article 7, Gati's Internal Rule). After the agreement from community committee, the project help to facilitate request to Cadastral Administration. The Cadastral Administration will evaluate the actual land use and need of the communities.). As set in the project's workplan, the project has regular meeting with all the ICT villages for strengthening implementation of internal rule and assist community to deal with conflicts and treats. For instance, on 16 February 2015, the project had meeting with Andong Kralang village to facilitate solution on land use, especially demarcation of actual land use and land clearance. The grievance system will be reinforced during 2016 based on the CCBA procedures validated November 2015 CCBA validation. The activities for assisting the communities on the land use, demarcation and land clearance were included in the work plan for fiscal year 2017. For instance, the inventory of land use and demarcation in Sre Lavi Village will be conducted in 2017.

Auditor Response: The description provided, along with the supporting documentation on the process with the community and the report on ICT land issue, are sufficient information to meet the requirements of indicator G3.8. This finding is closed.

NIR 4 Dated 28 Jul 2016

Standard Reference: CCB Standards Third Edition, G3.1, G3.4, G3.5

Document Reference: PDD table 2.7.5; MIR section 2.2.1; Winrock Database Meeting Records

Finding: Indicator G3.1 requires that the project proponent Describe how full project documentation has been made accessible to Communities and Other Stakeholders, how summary project documentation (including how to access full documentation) has been actively disseminated to Communities in relevant local or regional languages, and how widely publicized information meetings have been held with Communities and Other Stakeholders." Indicator G3.4 requires that the project proponent "Describe how Communities including all the Community Groups and Other Stakeholders have influenced project design and implementation through Effective Consultation, particularly with a view to optimizing Community and Other Stakeholder benefits, respecting local customs, values and institutions and maintaining high conservation values. Project proponents must document consultations and indicate if and how the project design and implementation has been revised based on such input. A plan must be developed and implemented to continue communication and consultation between the project proponents and Communities, including all the Community Groups, and Other Stakeholders about the project and its impacts to facilitate adaptive management throughout the life of the project." Complementing these indicators, G3.5 requires that the project proponent "Demonstrate that all consultations and participatory processes have been undertaken directly with Communities and Other Stakeholders or through their legitimate representatives, ensuring adequate levels of information sharing with the members of the groups."

In some communities, the audit team received confirmation that there were regular meetings about the project, but in some cases community members and community leaders indicated meetings were less frequent, or hadn't occurred between 2014 and 2016. The audit team understands that these meetings are the primary means for disseminating information about the project and allowing the Community Groups and Other Stakeholders to influence project design and implementation. The PDD notes the frequency of meetings in Table 2.7.5, with an annual Community Forum, annual participation in Commune Development Planning Process, annual consultations on benefit sharing arrangements (dependent upon benefit sharing design adopted), annual Participation in District Integration Workshops (as necessary), and regular consultations on implementation of specific village level activities (pg 48). Please demonstrate when these different meeting types took place, and clarify when they were conducted at a village level or in a central location. For meetings conducted in a central location, please describe the process for inviting community representatives, and for providing assistance to collect community views at a village level. With regards to indicator G3.4, please clarify how the project implementation has been influenced by communities.

Project Personnel Response: The community forum or public forum is a government public forum where communities and government officials meet to discuss certain issue. In some forum, the project manager or staff are invited to join the forum to clarify or respond some issues related to the project implementation in Seima and please refer to the public forum reports in Khmer for more information. For the public forum, the authority at the district to facilitate and invite the communities to join the forum at district office.

The annual commune development planning process is held at commune level and it is a government process to collect input for the development of the commune development plan. The commune council are responsible for organizing the meeting at different villages in Seima.

The annual community consultation meeting in Seima Headquarter are facilitate by the project in order to provide update of the activities in Seima including REDD+ activities and also seek reflection of the local communities on the implementation of the project activities. The community representatives have the chance to provide inputs on the annual work-plan and voice their concerns on the proposed activities. All the inputs from them will be incorporated into the final annual work-plan. The community representatives will be invited to join a meeting at least 2-3 days in advance and the team will visit the villages or make a phone call (if they could be reached) to the communities to invite them for the meetings. The detail reports on the Seima annual work-plan can be found the Annual Work-Plan folder.

- CCBA PDD Public Comment Period
- Selection of REDD+ focal point at the village level
- CCBA PIR Public Comment Period

Auditor Response: The description provided, along with the associated meeting records and consultation documentation, is sufficient to meet the requirements of indicators G3.1, G3.4, and G3.5. This finding is closed.

NIR 5 Dated 28 Jul 2016

Standard Reference: CCB Standards Third Edition, G3.3, G3.5

Document Reference: PDD 2.7.8; MIR

Finding: Indicator G3.3 requires that the project proponent "Describe the measures taken, and communications methods used, to explain to Communities and Other Stakeholders the process for validation and/or verification against the CCB Standards by an independent Auditor, providing them with timely information about the Auditor's site visit before the site visit occurs and facilitating direct and independent communication between them or their representatives and the Auditor."

During community interviews there was little recognition of measures taken or communication methods used by the project proponents to explain the process for validation and/or verification by and independent auditor. During interviews with community members it was apparent that few people were informed about the site visit, and measures taken to facilitate direct or indirect communication between them or their representatives and the auditor. No comments were received by CCB during the public comment period. WCS staff described these topics relevant to G3.3 as having been discussed during a meeting at the Seima Headquarters.

Please clarify whether there were additional meetings (other than those described in documentation already received) held by WCS/FA or by community representatives to share information about these topics, as necessary to ensure adequate levels of information sharing within the members of the group. The audit team requests the MIR be updated to describe the measures taken and communications methods used to explain to Communities and Other Stakeholders the process for validation and/or verification against the CCB Standards by an independent Auditor, providing them with timely information about the Auditor's site visit before the site visit occurs and facilitating direct and independent communication between them or their representatives and the Auditor.

Project Personnel Response: In the Seima annual meetings, the update on REDD+ project implementation is presented to the community representatives, local authorities and local partners and in addition, the process for validation and/or verification against CCBA standards is informed in those meetings. Furthermore, during the CCBA public comment period for the project validation in 2014, the project teams visited the 20 villages to explain about CCBA and validation/verification process against the standard. Recently, during the CCBA MIR public comment period, the project teams visited the villages in the project area to explain the verification process to the local communities as well.

During the community meetings in the 20 villages, the project teams informed all the participants that there would be independent auditors who come to visit their villages and interview some of them regarding the project. This was a part of the process for project validation/verification against CCB standards. During the visit of the auditors to the project sites, the local communities in the selected villages were informed in advance prior to the visit at least two to three days in advance through phone call (only some villages could be reach via phone call) and direct visits of the project teams to the villages so they could inform other community members to be available for the meeting with the auditors. The heads of the local communities were introduced to the auditors for further discussion and

arrangement of the discussion and interview with community members. The project teams guided the auditors to the selected villages and let community members openly talk to auditors.

Auditor Response: The description provided, along with the supporting documentation from community meetings, are sufficient to meet the requirements of indicators G3.3 and 3.5. This finding is closed.

NCR 6 Dated 28 Jul 2016

Standard Reference: CCB Standards Third Edition, G3.3, G3.5

Document Reference: PDD 2.7.8; MIR

Finding: Indicator G3.3 requires that the project proponent "Describe the measures taken, and communications methods used, to explain to Communities and Other Stakeholders the process for validation and/or verification against the CCB Standards by an independent Auditor, providing them with timely information about the Auditor's site visit before the site visit occurs and facilitating direct and independent communication between them or their representatives and the Auditor."

As consistent with NIR 5, the MIR must document the measures taken and communications methods to meet indicator G3.3 requirements.

Project Personnel Response: In the Seima annual meetings, the update on REDD+ project implementation is presented to the community representatives, local authorities and local partners and in addition, the process for validation and/or verification against CCBA standards is informed in those meetings. Furthermore, during the CCBA public comment period for the project validation in 2014, the project teams visited the 20 villages to explain about CCBA and validation/verification process against the standard. Recently, during the CCBA MIR public comment period, the project teams visited the villages in the project area to explain the verification process to the local communities as well. During the community meetings in the 20 villages, the project teams informed all the participants that there would be independent auditors who come to visit their villages and interview some of them regarding the project. This was a part of the process for project validation/verification against CCB standards. During the visit of the auditors to the project sites, the local communities in the selected villages were informed in advance prior to the visit at least two to three days in advance through phone call (only some villages could be reach via phone call) and direct visits of the project teams to the villages so they could inform other community members to be available for the meeting with the auditors. The heads of the local communities were introduced to the auditors for further discussion and arrangement of the discussion and interview with community members. The project teams guided the auditors to the selected villages and let community members openly talk to auditors.

Auditor Response: The information and supporting documentation provided is sufficient to close the associated finding, NIR5, however this finding describes that the MIR must describe these measures taken and communications methods used to meet these requirements throughout project implementation. This information does not appear to be included in the MIR, and as such this finding remains open.

Project Personnel Response 2: The approved text added to MIR 2.7.2.

Auditor Response 2: The information has been included in the MIR, and is sufficient to close this finding.

NIR 7 Dated 28 Jul 2016

Standard Reference: CCB Standards Third Edition, G3.1, CM4.3

Document Reference: MIR section 5.1.4.1

Finding: Indicator CM4.3 requires that the project proponent "Disseminate the monitoring plan, and any results of monitoring undertaken in accordance with the monitoring plan, ensuring that they are made publicly available on the internet and summaries are communicated to the Communities and Other Stakeholders through appropriate means." This is additional to indicator G3.1, which requires that the project proponent Describe how full project documentation has been made accessible to Communities and Other Stakeholders, how summary project documentation (including how to access full documentation) has been actively disseminated to Communities in relevant local or regional languages, and how widely publicized information meetings have been held with Communities and Other Stakeholders."

In multiple communities there was description during interviews of having not received the monitoring report or informational DVD. It is understood that meetings were conducted in May of 2016 to provide the Khmer MIR, which was described as containing monitoring information, and that there has been a video distributed to improve communication of the project and its implementation. Few community members acknowledged knowing the results of community, climate, and biodiversity monitoring or project implementation. Please confirm the meeting locations and dates when the monitoring information was disseminated (if additional to the meeting documentation already received), and clarify whether methods for dissemination included presentation of these materials in both Khmer and Bunong.

Project Personnel Response: In every annual meeting, the community representatives are invited to Seima Headquarter to provide an update on the project implementation. The methods and results from community and biodiversity impact assessment are presented at the meeting by the project teams. During the CCBA public comment period in 2014, the PDD in Khmer were disseminated in the 20 villages and for Bunong Indigenous Communities, they do not have a written languages so only PDD in Khmer were produced. In the PDD in Khmer, key parameters to be monitor for the project which taken from the monitoring plans for the community and biodiversity were included and explained in the meetings in Khmer and Bunong languages as well. The project organized a meeting with the communities to present the PDD in each community. Furthermore, during the CCBA MIR public comment period, the report in Khmer were distributed to the communities in the 20 villages of the project area and the report also contained information on the key parameters to be monitor in the project.

Auditor Response: The description provided, along with the supporting documentation of meetings and information dissemination, are sufficient information to meet the requirements of indicator G3.1 and CM4.3. This finding is closed.

NCR 8 Dated 28 Jul 2016

Standard Reference: CCB Standards Third Edition, G3.1, CM4.3

Document Reference: MIR section 5.1.4.1

Finding: Indicator CM4.3 requires that the project proponent "Disseminate the monitoring plan, and any results of monitoring undertaken in accordance with the monitoring plan, ensuring that they are made publicly available on the internet and summaries are communicated to the Communities and Other Stakeholders through appropriate means." This is additional to indicator G3.1, which requires that the project proponent Describe how full project documentation has been made accessible to Communities and Other Stakeholders, how summary project documentation (including how to access full documentation) has been actively disseminated to Communities in relevant local or regional languages, and how widely publicized information meetings have been held with Communities and Other Stakeholders."

As consistent with NIR 7, the MIR must be updated to describe how the requirements in indicators CM4.3 and G3.1 have been met throughout project implementation and with respect to monitoring information.

Project Personnel Response: In every annual meeting, the community representatives are invited to Seima Headquarter to provide an update on the project implementation. The methods and results from community and biodiversity impact assessment are presented at the meeting by the project teams. During the CCBA public comment period in 2014, the PDD in Khmer were disseminated in the 20 villages and for Bunong Indigenous Communities, they do not have a written languages so only PDD in Khmer were produced. In the PDD in Khmer, key parameters to be monitor for the project which taken from the monitoring plans for the community and biodiversity were included and explained in the meetings in Khmer and Bunong languages as well. The project organized a meeting with the communities to present the PDD in each community. Furthermore, during the CCBA MIR public comment period, the report in Khmer were distributed to the communities in the 20 villages of the project area and the report also contained information on the key parameters to be monitor in the project. In addition to the CCBA website, the project team also uploaded the monitoring plans into WCS Cambodia website (<https://cambodia.wcs.org/About-Us/Publications.aspx>) as well and the plans are available in Khmer and English.

Auditor Response: The information and supporting documentation provided is sufficient to close the associated finding, NIR7, however this finding describes that the MIR must describe how the requirements in indicators CM4.3 and G3.1 have been met. This information does not appear to be included in the MIR, and as such this finding remains open.

Project Personnel Response 2: That approved text added to MIR 5.1.4.3

Auditor Response 2: The information has been included in the MIR, and is sufficient to close this finding.

OBS 9 Dated 28 Jul 2016

Standard Reference: CCB Standards Third Edition, B2.9

Document Reference: PDD section 7.1.4.2; MIR

Finding: Indicator B2.9 requires that the project proponent "Describe the process for identifying, classifying and managing all waste products resulting from project activities."

There is relatively large-scale storage of cars and motorcycles at the SPF HQ, and much of it appears to have been on site for a long time. This seems to be the result of slow court cases, and just the sight of it may deter some illegal actors, but it also poses a potential waste problem if not dealt with in a timely manner. The relevant CCB indicator requires a process for managing all waste products resulting from project activities, and the PDD describes the process as relying on the conclusion of court cases. Without significant progress in the speed with which court cases are resolved, however, seized waste will be increasingly large scale and there may be need to mitigate this.

Project Personnel Response: Steps are being taken to address the lengthy legal process required to dispose of seized materials.

Auditor Response: The audit team recognizes that the legal process may be lengthy, and since this is an Opportunity for Improvement finding, suggests that this issue be addressed in forthcoming verification audits.

NCR 10 Dated 28 Jul 2016

Standard Reference: CCB Standards Third Edition, G1.1; G5.7; G4.1; G4.2; G4.3

Document Reference: MIR cover page and section 1.3; Non Permanence Risk Report

Finding: Indicator G1.1. requires that the project proponent "Identify the primary Project Proponent which is responsible for the project's design and implementation and provide contact details."

The audit team understands that the project proponent has changed to the Ministry of Environment, representing the Royal Government of Cambodia. Guidance received via email from VCS on 3 June 2016 requires that "The verification documents (monitoring report, verification report) should include the new project proponent, despite the change occurring after the monitoring period was over, and document this change where appropriate. This includes updating the non-permanence risk assessment to include the new project proponent."

Indicator G5.7 requires that the project proponent "Document that the project has approval from the appropriate authorities, including the established formal and/or traditional authorities customarily required by the Communities."

Indicator G4.1 requires that the project proponent "Describe the project's governance structures, and roles and responsibilities of all the entities involved in project design and implementation. For projects using a programmatic approach, identify any new entities included in the project since the last validation or verification against the CCB Standards."

Indicator G4.2 requires that the project proponent "Document key technical skills required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills. Document the management team's expertise and prior experience implementing land management and carbon projects at the scale of this project. If relevant experience is lacking, the proponents must either demonstrate how other organizations are partnered with to support the project or have a recruitment strategy to fill the gaps."

Indicator G4.3 requires that the project proponent "Document the financial health of the implementing organization(s). Provide assurance that the Project Proponent and any of the other entities involved in project design and implementation are not involved in or are not complicit in any form of corruption such as bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion, and collusion, and describe any measures needed and taken to be able to provide this assurance."

Documentation does not address these indicators with respect to the change in project proponent, and must be updated to meet these requirements. Per additional guidance received in the email referenced, an additional public comment period will be required.

Project Personnel Response: The PD and non-permanence risk assessment have been updated to reflect the changes in the project proponent and will be provided to the auditor.

Auditor Response: The audit team requests clarification on which of the PDD versions provided is the current valid version. The CCB administrators have also provided guidance regarding the following

necessary updates to documentation:

1. A new version of the full PDD will need to be issued with the following information:

- a. Cover page: Indicate that this version of the document relates to a gap validation, per p. 17 of the Rules
- b. Relevant indicators/sections of the PDD updated with the new project proponent information
- c. An annex at the end of the document including document history. This annex should include:
 - i. Version number

The audit team also notes that the updated MIR includes the listing of the Ministry of Environment on the cover page, but includes outdated project proponent information in section 1.3. The MIR and PDD updates must be consistent with regards to this information prior to posting for public comment.

Project Personnel Response 2: PD updated and available for review.

Auditor Response 2: The updated documentation provides the information required, and is sufficient to close this finding.

14 APPENDIX C: MARKET LEAKAGE ASSESSMENT

In accordance with Section 3.6.4 of the AFOLU Requirements, the quantity of market leakage caused by the project was assessed at verification. The information upon which the market leakage assessment was based is contained within the methodology. The market leakage assessment findings and conclusion are as follows.

The market leakage assessment findings and conclusion are as follows.

The methodology does not contain require accounting of market leakage. Therefore, market leakage attributable to project activities has not been accounted for, in accordance with the methodology.

In summary, the total quantity of market leakage emissions is estimated to be 0 tCO₂e over the project crediting period. The audit team has concluded that the reporting of market leakage emissions is in conformance with the VCS rules and the methodology.