VALIDATION REPORT FOR THE TUMRING REDD+ PROJECT

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Summary:

This report describes the validation audit of the Tumring REDD+ Project ("the project"), (Project ID: PL1689) a REDD+ project located in the Kampong Thom Province of Cambodia that was conducted by SCS. The purposes of the validation audit were (1) to conduct an independent assessment of the project to determine whether the project complies with the VCS rules and (2) to conduct an independent assessment of the project to determine whether the project design complies with the CCB rules. The validation audit was performed through a combination of document review, interviews with relevant personnel and on-site inspections. A total of 58 findings were issued during the validation process. The project complies with all of the validation criteria, and the assessment team has no restrictions or uncertainties with respect to the compliance of the project with the validation criteria.

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1 INTRODUCTION

1.1 Objective

The objectives of the validation engagement were set out as follows.

1.1.1 Validation Objectives Under the Verified Carbon Standard

In accordance with Section 5.1.1 of the VCS Standard (see Section 1.2.2 below for full reference), SCS carried out an independent assessment of the project to determine whether the project complies with the VCS rules. In accordance with Section 2.1.2 of the VCS Validation & Verification Manual, V3.1, the objectives of the validation engagement were to evaluate the project description and assess the following:

- Project conformance to VCS rules;
- Project conformance to the applied methodology, including the procedure for the demonstration of additionality specified in the methodology; and
- Likelihood that methods and procedures set out in the project description will generate verifiable GHG data and information when implemented.

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

1.1.2 Validation Objective Under the Climate, Community & Biodiversity Standards

In accordance with Section 4.1 of the CCB Program Rules (see reference in Section 1.3 below), SCS carried out an independent assessment of the project to determine whether the project design complies with the CCB rules.

1.2 Scope and Criteria

1.2.1 Scope

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

- The project and, where relevant, 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
- The crediting period, as discussed in Section 3.2.11 of this report

1.2.2 Criteria Under the Verified Carbon Standard

In accordance with Section 5.3.1 of the VCS Standard (see below for full reference), the criteria for validation was the VCS Version 3, including the following documents:

- VCS Program Guide, V3.7
- VCS Standard, V3.7
- VCS AFOLU Requirements, V3.6
- VCS Non-Permanence Risk Tool (see Section 3.3.1 below for version reference)
- CCB & VCS Project Description Template, V3.1*
- The VCS-approved methodology applied to the project, as identified in Section 3.3.1 below

*Note that, while the indicated template has been superseded by the CCB & VCS Project Description Template, CCB V3.0, VCS V3.3, which was released as part of a program update released on 21 June

2017, the audit team was provided with evidence of email communication from Verra personnel dated 28 November 2017 in which the following was stated: "The use of the new templates is mandatory for any project's validation or verification for which the public comment period is started on or after 1 January 2018. If the project has already held a public comment period, and did not use a CCB template at that time, it may complete its validation without being required to apply the new CCB templates." As the public comment period was started before 1 January 2018 (see Section 2.6 below), the audit team understands that the indicated template, which prevailed immediately prior to release of the 21 June 2017 program update, can be used.

1.2.3 Criteria Under the Climate, Community & Biodiversity Standards

In accordance with Section 1.1 of the CCB Program Rules (see below for full reference) the criteria for validation was established as follows:

- All CCB Version 3 program documents, including the following:
    - CCB Standards Third Edition (V3.0)
    - CCB Program Rules, V3.1
    - CCB Program Definitions, V3.0
    - CCB & VCS Project Description Template, V3.1*

*See the note regarding this document in Section 1.2.2 above.

1.3 Summary Description of the Project

The following summary description is excerpted from Section 1.1 of the project description (see Section 2.3 below for full citation).

"The Tumring REDD project (TRP) lies on the southwestern edge of the recently declared Prey Long Wildlife Sanctuary, serving as a buffer area to one of the last lowland evergreen tropical forests in the region. The TRP covers approximately 67,791 hectares and is located within the Kampong Thom Province of central Cambodia. The threats to the TRP area include unplanned small-scale land conversion of forests to agriculture, both by local rural communities and by people migrating into the area. In addition, conversion to large-scale agro-industrial plantations (e.g. cassava) by the private sector is a threat. The project proponent, the Royal Government of Cambodia's Forestry Administration (FA), owns and manages the TRP area as a protected permanent forest reserve. However, due to lack of funding, unplanned deforestation continues and the TRP area is a highly threatened forest landscape."

"The TRP plans two main types of intervention: 1) livelihoods improvement and 2) reduction of forest clearing and logging by local communities. The target populations are villages located within the project zone, adjacent to the project area. For livelihood improvement, the project activities are to employ an expanded community ranger force, to support local businesses involved in non-timber forest product extraction (e.g. local liquid resin, wild honey collection), and to offer technical training in improved agricultural techniques. In addition, the project plans to support private sector investment and help create a market for deforestation-free commodities, and to strengthen community health care. To achieve the the reduction of forest clearing and logging by local communities, the project supports the development of "Community Forests" in the project area, in which Conservation Agreements between the local community and the FA are signed, and the community agrees to protect the forest in exchange for enhanced local control and management of the forest. In addition, the FA will train the community-led forest patrol teams and equip them with the necessary skills and resources to protect the areas. Finally, the FA will perform outreach and sensitization activities to build awareness for conservation activities."

"In addition to the community benefits, the biodiversity objectives of the TRP are to provide a buffer area to the Prey Lang Wildlife Sanctuary, and to serve as a corridor connecting viable populations of threatened species including clouded leopard, dhole and Malayan sun bear. The climate objective is to

reduce GHG emissions from deforestation and forest degradation, by approximately 11.4 million tCO2e over the project's 30 year lifetime."

2 VALIDATION PROCESS

2.1 Audit Team Composition (*Rules* 4.3.1)

A table indicating how the audit team meets each of the requirements of the CCB Standards Rules is below.

Area of required expertise	Individual(s) on audit team containing required expertise	Summary of relevant qualifications
Proficiency in a relevant local or regional language for the project location	So Malay	Native Khmer speaker and citizen of Cambodia
Relevant agriculture, forestry and/or other land use experience in the project country or region	So Malay	Familiar with common agricultural practices and corresponding deforestation pressures in the project country
Relevant social and cultural expertise	So Malay	Familiar with established social norms in rural Cambodia
Relevant ecological and biodiversity expertise	Letty B. Brown	Familiar with ecology and biodiversity best practices and measurements

2.2 Method and Criteria

The validation was performed through a combination of document review and interviews with relevant personnel, as discussed in Sections 2.3 through 2.5 of this report. At all times, the monitoring report and non-permanence risk analysis were assessed for conformance to the criteria described in Section 1.2 of this report. As discussed in Section 2.6, findings were issued to ensure conformance to all requirements.

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

2.3 Document Review

The project description (version 4.1 dated 14 August 2018; "PD") and non-permanence risk report (version 1.7 dated 15 March 2018; "NPRR") were carefully reviewed for conformance to the validation criteria. The following additional documentation, provided by project personnel in support of the aforementioned documents, was also reviewed by the audit team:

Document	File Name	Ref.
project area KML file	KML_PL1689	/1/
project area shapefile	Tumring_PA_rvd	/2/
project accounting area shapefile	PAA_bndry_rvd	/3/

Document	File Name	Ref.
proxy area shapefile	ProxyArea	/4/
leakage area layer package	Tumring Leakage Area	/5/
"threat analysis" map	Tumring_Section4.5.6.1_ThreatAnalysis_perimeter_rvd_V2	/6/
"threat analysis" workbook	Tumring_ThreatAnalysis	/7/
GIS layer showing deforestation between 2006 and 2014 within 120 meters of the project area boundary	T2006_2014_Conversion_perim_rvd_lyr	/8/
Preah Reach Kret No. NS/RKM/0802/016 (2002 Forestry Law)	IWTI	/9/
30-year budget and workplan	Final-Tumring REDD-30 Budget and WorkPlan	/10/
Draft-Grievance and Redress Mechanism	Annex 1 - Draft-Grievance and Redress Mechanism	/11/
Tumring Climate Monitoring Plan	Annex 3 - Tumring Climate Monitoring Plan v1.0	/12/
Tumring Community and Biodiverstiy Monitoring Plan	Annex 4 - Tumring Community and Biodiverstiy Monitoring Plan v1	/13/
Draft Safety Policy-Tumring-REDD	Draft Safety Policy-Tumring-REDD	/14/
Official Letter from Head of FA Committing to Cover Expenses Should TRP Budget Shortfall Occur	Letter FA-SCS.pdf	/15/
Annex 5 - Standard Operating Procedure Tumring - Forest Inventory	Standard Operating Procedure Tumring - Forest Inventory v4.3_20172908	/16/
Annex 6 - Standard Operating Procedure - Disturbance Monitoring	Annex 6 - Standard Operating Procedure - Disturbance Monitoring - v1.0_2012-10-02	/17/
Annex 7 - Standard Operating Procedure_Densiometer Forest Leakage	Annex 7 - Standard Operating Procedure_Densiometer Forest Leakage v4_02112016	/18/
Annex 8 - Standard Operating Procedure Tumring - Proxy Area	Annex 8 - Standard Operating Procedure Tumring - Proxy Area v1.1_20160725	/19/
Annex 9 - Tumring REDD Preojct SOP Quality Control Procedure v1.0	Annex 9 - Tumring REDD Preojct SOP Quality Control Procedure v1.0	/20/
Annex 10 - Tumring REDD Carbon Inventory v7	Tumring REDD Carbon Inventory_revised PA v11	/21/
Annex 11 - Tumring REDD Proxy Area Inventory v2	Tumring REDD Proxy Area Inventory v3	/22/
ex-ante calculation workbook using FREL approach	Tumring FREL v2	/23/
Biodiversity Assessment of Prey Lang (May 2015)	Biodiversity Assessment of Prey Lang 2015	/24/
Annex 14 - Leakage_Full Data	Annex 14 - Leakage_Full Data	/25/
Annex 15 - Tumring_JNR Leakage Tool	Tumring_JNR Leakage Tool v10_v3	/26/
Prey Lang Community Network Commune Research Report 2013-2014	PreyLang report English Version	/27/
Annex 18 - Equipment List - Tumring REDD Project	Annex 18 - Equipment List - Tumring REDD Project	/28/

Document	File Name	Ref.
Community Forest agreement _Kbal Okronhak (contains map)	CF agreement _Kbal Okronhak	/29/
CF agreement _Sre Pring (contains map)	CF agreement _Sre Pring	/30/
CF agreement_ Choam Smarch (contains map)	CF agreement_ Choam Smarch	/31/
CF agreement_ Neak Tala (contains map)	CF agreement_ Neak Tala	/32/
CF agreement_ Sochet (contains map)	CF agreement_ Sochet	/33/
demonstration that grazing within project area is de minimis	Tumring_Cattle Emission	/34/
proxy area plots shapefile	ProxyAreaPlots	/35/
list of biomass (project accounting area) plots, with coordinates	BiomassPlots_All	/36/
list of leakage area plots, with coordinates	Tumring_LeakageAreaPlots	/37/
list of proxy area plots, with coordinates	Tumring_ProxyPlots_Coordinates	/38/
maps of leakage area plots	[various files]	/39/
maps of biomass (project accounting area) plots	[various files]	/40/
maps of proxy area plots	[various files]	/41/
email attesting to Forestry Administration control over project area as described in PD	NCR41 email from RGC FA	/42/
map 1 of historical fires in the PAA	MODIS Fire Product sample map dates_Tumring	/43/
map 2 of historical fires in the PAA	MODIS Fire Product sample map dates_Tumring	/44/
natural risk narrative to non-permanence risk analysis	Tumring Non-Permanence Risk Tool_Annex 2_Natural Risk Narrative v2	/45/
evidence of "requirement to continue the management practice"	VCS NIR 3 Permanence - Forestry Law_v2	/46/
announcement of public comment period and site visit (Khmer)	Tumring Validation Annoucement Khmer v2	/47/
announcement of public comment period and site visit (English)	Tumring Validation Annoucement_english	/48/
guidance provided by Verra regarding use of jurisdictional baselines	VCS Guidance on FREL	/49/

2.4 Interviews

2.4.1 Interviews of Project Personnel

The process used in interviewing project personnel was a process wherein the audit team elicited information from project personnel regarding (1) the work products provided to the audit team in support of the PD and NPRR, (2) actions undertaken to ensure conformance with various requirements and (3) implementation status of the project activity.

The following personnel associated with the project proponent and/or implementing partner were interviewed.

Individual	Affiliation	Role	Date(s) interviewed
Chivin Leng	Ministry of Environment	Chief of Watershed Management & Forest Cover Assessment Office	14 June 2017
Omaliss Keo	Forestry Administration	Director, Department of Wildlife and Biodiversity	14 June 2017
Chhun Delux	Forestry Administration	Chief of Forest Carbon Credits and Climate Change Office	20-22 June 2017
Nara Lee	Korea Forest Service	REDD+ Advisor	14-16 June 2017
Hort Sothea	Forestry Administration	Community Outreach Specialist	14-22 June 2017
Bun Radar	Forestry Administration	Project manager of the Korea-Cambodia Joint REDD+ Project	14-16 June 2017
Simon Bird	Wildlife Works Carbon	Director of Forest Science	14-22 June 2017
Brian Williams	Wildlife Works Carbon	Director of Asia	14-22 June 2017
Thuch Phalla	Forestry Administration	Biodiversity Specialist	14-22 June 2017
Sar Sophyra	Forestry Administration	GIS and MRV Specialist	28 November 2017

2.4.2 Interviews of Other Individuals

Residents of project communities located near the project boundary were also interviewed. Local residents of the following villages were interviewed during the dates listed.

- 16 June- 21 June 2017: Tum Ar, Pou Rong, An Sa, Sam Ang, Kanti, Tboung Tuek, Andoung Pring, Svay, Tbaing Chas, Sre Pring, Chaom Svay, Rong Knay and Trapean Tralanch

2.5 Site Inspections

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

- Select samples of data and information from field observations 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 conforms to the validation criteria; and
- Confirm the validity of information presented in the non-permanence risk report.

In fulfilment of the above objectives, the audit team performed an on-site inspection of the project area on the dates 12 June 2017 through 22 June 2017. The main activities undertaken by the audit team were as follows:

- Interviewed project personnel (see Section 2.4.1 of this report) to gather information regarding the monitoring procedures and project implementation

- Interviewed residents of several communities (Tum Ar, Pou Rong, An Sa, Sam Ang, Kanti, Tboung Tuek, Andoung Pring, Svay, Tbaing Chas, Sre Pring, Chaom Svay, Rong Knay and Trapean Tralanch) listed as project communities, and located in the immediate vicinity of the project area to confirm the claims of the project proponents with respect to the extent of community engagement and to confirm other information provided in the PD
- Carried out on-site inspections of the project's monitoring methodologies through re-measurement of a number of inventory plots located within the project area

2.6 Public Comments (*Rules* 4.6)

The public comment period extended from 30 May 2017 to 29 June 2017. As confirmed by the audit team through review of the project webpage in the VCS project database (http://www.vcsprojectdatabase.org/#/pipeline_details/PL1689; accessed 24 May 2018), "No comments were received". Therefore, this section is not applicable.

2.7 Resolution of Findings

Any potential or actual discrepancies identified during the assessment process were resolved through the issuance of findings. The types of findings typically issued by SCS during this type of validation engagement are characterized as follows:

- Non-Conformity Report (NCR): An NCR signified a 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 validation statement.
- New Information Request (NIR): An NIR signified a need for supplementary information in order to determine whether a material discrepancy existed with respect to a specific requirement. Receipt of an NIR did not necessarily indicate that the project was not in compliance with a specific requirement. However, resolution of all open NIRs was a prerequisite for issuance of a validation statement.
- Observation (OBS): An OBS indicates 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 are 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.

As part of the validation process, 42 NCRs and 16 NIRs and no OBS were issued, for a total of 58 findings. All findings issued by the audit team during the validation process have been closed. In accordance with Section 5.3.7 of the VCS Standard, all findings issued during the validation process, and the inputs for their closure, are described in Appendices A and B of this report.

2.7.1 Forward Action Requests

This section is not applicable, as no forward action requests have been issued.

3 VALIDATION FINDINGS

3.1 Summary of Project Benefits

This section is not applicable, as a Summary of Project Benefits is not required by the CCB & VCS Project Description Template, V3.1.

3.2 General

3.2.1 Summary Description of the Project (G1.2)

3.2.1.1 Technologies/Measures to Be Implemented by the Project and Eligibility of the Project

The audit team has the following conclusions regarding the technologies and measures that constitute the project activities, as described in Section 2.2 of the PD:

- The "Income Generating Activities (IGAs)" are culturally appropriate and will support alternatives to agricultural systems that require or incentivize ongoing deforestation.
- "Promoting Effective Forest Land Use Planning and Tenure Security" will serve to strengthen systems of land tenure; given that uncertain or unenforceable tenure and land rights are a well-known factor contributing to deforestation in Cambodia, the audit team agrees that this is an important component of an anti-deforestation program of work.
- "Strengthening Community Organizations" will provide resources to groups that are promoting land use planning and tenure security as mentioned in the above bullet, as well as provide educational opportunities for natural resource management; the audit team agrees this is an important anti-deforestation program of work.
- "Training on Agricultural Methods and Intensification" will provide community members with access to techniques and equipment that will improve yields and decrease conversion pressure on remaining forestland.
- "Employment and Motivation of a Larger Ranger Force" will empower and incentivize community members to participate directly in the conservation of forest within the project area. The audit team saw members of the existing ranger force in project communities, and agrees with the goal of augmenting the existing force.
- "Establish Micro-financing schemes" will increase the viability of livelihoods that do not depend on deforestation-related agricultural practices.
- "Improve Health Facilities and Care" will improve goodwill among participating communities.

The audit team finds that the project meets the eligibility requirements of the VCS Program because it meets the additionality test (as discussed in Section 3.3.5 below) and complies with all applicability conditions of the selected methodology (as discussed in Section 3.3.2 below).

3.2.1.2 Project Proponent and Other Entities Involved in the Project

The project proponent is "The Royal Government of Cambodia, Forestry Administration". The audit team confirmed that this is the entity that has overall control and responsibility for the project and that can demonstrate project ownership with respect of the project (see Section 3.2.47 below for more details). While on-site the audit team interviewed multiple employees of the Forestry Administration (see Section 2.4.1 above) who confirmed the Forestry Administration as the official project proponent.

Wildlife Works Carbon is the project partner/implementing partner. The audit team was able to confirm the active involvement of Wildlife Works Carbon through interviews, site inspections and correspondence throughout the course of validation activities.

The Korea Forest Service is another entity involved in the project as a donor funding the project preparation phase. The audit team was able to confirm the involvement through on-site interviews with Nara Lee of the Korea Forest Service.

Action for Development is to be involved in the implementation phases of the project. The audit team did not meet them personally, but was able to confirm their stated involvement via interview with members of the project team.

3.2.1.3 Project Start Date

Section 1.6 of the PD states that "The project start date for the TRP is January 1st, 2015. This date when the Tumring REDD+ Project planning and activities were first initiated." The initiation of project activities to denote a project start date is permitted by Section 3.2.1 of the AFOLU Requirements, which states the following: "As set out in the VCS Standard, the project start date of an AFOLU project shall be the date on which activities that lead to the generation of GHG emission reductions or removals are implemented. Such activities may include… implementing management or protection plans." The audit team undertook the following activities to confirm that 1 January 2015 was the date on which the project activities were first initiated:

- The audit team reviewed a document provided by the project team entitled "Progress report Q1_Y1_2015". The document is a progress report written by the RGC Forest Administration for the Korea-Cambodia REDD+ Joint Project, which details the activity in the First Quarterly Report, listed as January to March 2015. The document lists the REDD+ project being conducted in Kampong Thom province, covering 65,300 hectares. The document also states that the FA signed an MOU with Korea Forest Service on 10 December 2014 to implement the project. Given that the documented first quarterly report begins January 1 2015, the audit team confirms the project start date.

3.2.1.4 Project Scale and Estimated GHG Emission Reductions or Removals

The estimated average annual GHG emission reductions or removals, during the Project's 30-year lifetime from 2015 through 2044, have been calculated at 378,434 tonnes of CO2e per year, as reported in Section 5.1 of the PD. Therefore, the audit team agrees that the project is a correctly classed as a large project, per Section 3.9.1 of the VCS Standard.

3.2.1.5 Project Location

Through on-site inspections as part of the site visit (see Section 2.5 above), the audit team can confirm that the project is located "in Kampong Thom province in the central part of Cambodia", as stated in Section 1.2.1 of the PD. The audit team checked the project area boundaries in Google Earth against the provincial boundary.

3.2.1.6 Scenario Existing Prior to the Implementation of the Project

The audit team agrees with the characterization of the scenario existing prior to implementation of the project as described in Sections 4.5 and 4.6 of the PD. Through review of historical imagery in Google Earth, the audit team has confirmed that the area in nonforest land uses in and around the project zone has increased significantly over the last four decades (from the first image accessible via Google Earth, which is dated 30 December 1984). This observation has been supplemented by the audit team's on-site inspections and interviews in which it was confirmed that deforestation would likely continue in the project area… Therefore, the audit team can confirm that the scenario that existed prior to the implementation of the project is a scenario of ongoing deforestation of land within the project zone.

3.2.1.7 Project's Climate, Community and Biodiversity Objectives

The audit team confirms that the PD Section 2.2 defines the project's climate, community and biodiversity objectives, and that they are specific, measurable, and distinct, per the CCB (Indicator G1.2) requirements.

3.2.1.8 Overall Conclusion

In summary, the audit team concludes that the description in the PD is accurate, complete, and provides an understanding of the nature of the project.

3.2.2 Physical Parameters (G1.3)

The audit team took the following steps to validate the summary description of basic physical parameters of the project.

Steps taken to validate the summary description of…		
Physical parameter	**Details of documentation assessed**	**Observations made during site visit**
Geology	• N/A	The audit team visited many portions of the project area, and confirms the project area contains alluvial soils, and flat areas that may be underlain by sandstone, per the PD Section 1.2.11.In addition, the audit team has experience working in Cambodia and relied on knowledge from these.
Topography	• N/A	The audit team visited many areas of the project area and confirms a mostly flat terrain as is stated in the PD Section 1.2.11.
Soil	• N/A	The audit team visited many areas of the project, and confirms a patchwork of clay and sandy soils, as is stated in the PD Section 1.2.11. In addition the PD presents additional evidence in the form of a map regarding soil types found in the project area in Appendix B. The audit team confirms that organic soils were not seen during the site visit.
Climate, precipitation and hydrology	• N/A	The audit team confirms the project area's presence in a tropical monsoon climate, and believes it is reasonable that the hydrology is created by the two major rivers in the area, the Sen and Mekong, as is stated in the PD Section 1.2.11.
Vegetation and Forest Type	• N/A	The audit team confirmed the landscape of the TRP is lowland rain forest. In addition, the audit team visited the two dominant vegetation types in the TRP- the deciduous and semi-evergreen short forest.
Wildlife	• N/A	The audit team did not directly observe the wildlife listed in the PD but conducted on-site interviews with community members and with FA's Biodiversity Specialist, as well as saw photographs (e.g. wildlife camera captures) of many of the species listed in the PD.

3.2.3 Social Parameters (G1.3)

The audit team took the following steps to validate the summary description of basic social parameters of the project.

To populate the below table, include one row for each physical parameter identified in Section 2.1.6 of the PD.

Steps taken to validate the summary description of…		
Social parameter	**Details of documentation assessed**	**Observations made during site visit**
Communities and main settlements	• N/A	The audit team confirmed the information about social parameters contained in Section 1.2.1.2 of the PD while on the site visit. Thirteen of the 26 project communities were visited; multiple group and individual interviews were conducted in each community. Section 2.4.1 and Section

Steps taken to validate the summary description of…		
Social parameter	**Details of documentation assessed**	**Observations made during site visit**
		2.5 provide detail regarding the communities visited.
Land uses and economic activities	• N/A	Please see first row above. In addition, the audit team confirmed that the majority of households in the project area derive their livelihoods from agriculture, the collection of NTFP's, logging and hunting.
Ethnic groups and migration	• N/A	Please see first row above.
Poverty	• N/A	Please see first row above.
Food security	• N/A	Please see first row above.
Public Health	• N/A	Please see first row above.
Education	• N/A	Please see first row above.

3.2.4 Project Zone Map (G1.4-7, G1.13, CM1.2, B1.2)

The audit team took the following steps to validate the accuracy of the project zone map, as depicted in Section 1.2.2.2 of the PD.

- Audit team confirmed that a 5-km boundary around the project accounting area is an appropriate means to delineate the project zone as follows:
  - Through distance measurements as well as interviews on the site visit, the audit team confirmed that application of a 5-km buffer is appropriate process to identify villages that "influence the land-use of the PAA" (as indicated in Section 1.2.1 of the PD)
  - Through interviews with project personnel, audit team confirmed that the "project activities that directly affect land and associated resources, including activities such as those related to provision of alternative livelihoods and community development" (per footnote 16 of the CCB Standards) are to be implemented within the project zone as delineated

3.2.5 Stakeholder Identification (G1.5)

The audit team took the following steps to validate the process of stakeholder identification and analysis used to identify communities and community groups as described in Section 1.3.3 of the PD.

- While on site, the audit team held interviews with community members across the project zone and heard first-hand regarding the stakeholder identification and analysis workshops SBIA workshops.
- The audit team interviewed a host of government officials, including the Community Outreach specialist for the FA, as well as other members of the project team who were present for stakeholder identification and analysis workshops.
- The audit team cross-checked a subset of SBIA workshop meeting notes and sign-in sheets to verify the information contained in the PD.
- The audit team has performed CCB audits in the past and confirmed that the community characteristics information in the PD provide a sufficient baseline for which the project and future verifiers can assess conformance.

3.2.6 Stakeholder Descriptions (G1.6, G1.13)

The audit team took the following steps to assess that all communities, community groups and other stakeholders that are included in the project were correctly identified in the project description.

Audit team confirmed that a 5-km buffer around the project accounting area is sufficient to identify all groups of people "who derive income, livelihood or cultural values and other contributions to well-being from the Project Area at the start of the project and/or under the with-project scenario" per footnote 18 of the CCB Standards) through the following means:

- The audit team used distance measurements and on-site interviews to confirm.

Audit team confirmed that the process of identifying community groups was sufficient to identify all "sub-groups of Communities whose members derive similar income, livelihood and/or cultural values and other contributions to well-being from the Project Area and whose values are different from those of other groups" per footnote 19 of the CCB Standards through the following means:

- While on site, the audit team held interviews with dozens of community members across the project zone, in individual and group settings, with questions targeted towards understanding the process of identifying community groups and subgroups.

Audit team confirmed that the process of identifying other stakeholders was sufficient to identify "all groups other than Communities who can potentially affect or be affected by the project activities" per footnote 20 of the CCB Standards through the following means:

- While on site, the audit team held interviews with dozens of community members across the project zone, in individual and group settings, with questions targeted towards understanding the process of identifying other stakeholder groups.

3.2.7 Sectoral Scope and Project Type

3.2.7.1 Sectoral Scope(s) and Project Type

The project falls within sectoral scope 14 and the following project category: Avoiding Unplanned Deforestation and/or Degradation (AUDD). The project activities fall under these designations because the objective of these activities is to reduce net GHG emissions by stopping deforestation that is not legally authorized, as discussed elsewhere in this report.

3.2.7.2 Technologies and Measures Implemented and Eligibility of the Project

See the discussion under Section 3.2.1.1 above.

3.2.8 Project Activities and Theory of Change (G1.8)

The audit team took the following steps to validate the causal relationships or theory of change that link the project activities to the project's predicted climate, community and biodiversity benefits.

- The audit team confirmed that the project uses the theory of change methodology and that the text in the PD is well supported by a series of flow diagrams which allow for assessment by the auditor and the public.
- While on site, the audit team interviewed local community members who confirmed that the assumptions in the model were are a result of the consultation process and are therefore clearly defendable.
- Furthermore, the focal issues used as indicators of change allowed the audit team to draw a clear comparison between the 'with project' and 'without project" scenarios. The PD includes a detailed breakdown of anticipated impacts by group and shows the result to be net positive for all groups, therefore meeting the requirements of this indicator.
- While on site, the audit team heard from the Community Outreach specialist and other members of the project team, regarding how the focal issues were identified with stakeholders and community groups, as well as used to inform the project's climate, community and biodiversity objectives.

In summary, the audit team concludes that the theory of change in the PD is accurate, complete, and provides an understanding of the nature of the project and how it will achieve its climate, community, and biodiversity objectives.

3.2.9 Sustainable Development

The PD identified how the project will contribute to seven sustainable development themes that the Royal Government of Cambodia has committed to attaining, which include economic growth and development, poverty and equity, education, sustainable forest and land use, climate change, and agriculture and food security. The audit team confirmed that the PD contains detailed information to justify how the project contributes to the seven themes. While on-site, the audit team confirmed through interviews and visual observation that the benefits are real contributions to be made from the project.

In summary, the audit team concludes that the project's sustainable development contributions as written in the PD are accurate, complete, and provide an understanding of how the project will contribute to sustainable development goals.

3.2.10 Implementation Schedule (G1.9)

The audit team concludes the following regarding the key dates and milestones in the project's development and implementation.

- These key dates and milestones are set out in Table 8 of the PD in conformance with PDR.9, and the audit team has confirmed through observations and interviews with project personnel that all listed milestones had been fulfilled as of the time of the audit team's site visit (see Section 2.5 above)

3.2.11 Benefits Assessment and Crediting Period (G1.9)

The project crediting period (of 30 years) is equal in length to the assessment periods for climate change adaptive capacity and resilience, biodiversity and community well-being resulting from project activities , which is appropriate. The 30-year project crediting period is in full compliance with the requirements of Section 3.8.1 of the VCS Standard, as it falls between the 20 year minimum and 100 maximum for AFOLU projects. The audit team confirmed that, per Section 3.3.1 of the AFOLU Requirements, the project has a credible and robust plan for managing and implementing the project over the project crediting period, as follows:

- The audit team reviewed the relevant sections of the PD and confirmed that the project's monitoring plans will enable measuring progress towards desired project activity outcomes and impacts from slated project activities and strategies.
- Through on-site interviews with community members, governmental officials, and other project personnel, the audit team confirmed that the Community Monitoring Plan /12/ has selected variables that are directly linked to the project's community development objectives and impacts, and that the community variables were produced as a result of the consultation process and are anticipated to be positive over the project crediting period.
- Through on-site interviews with governmental officials, including the project's Biodiversity Specialist, community members (including rangers), and other project personnel, as well as through observations regarding threats to biodiversity and forest cover made on-site, the audit team confirmed that the Biodiversity Monitoring Plan /13/ is credible and robust and designed to generate stable or increasing levels of biodiversity and their associated indicators over the crediting period.

- The Climate Monitoring Plan /13/ includes three primary monitoring activities that will be performed throughout the lifetime of the project, including Forest Patrols and Perimeter Observation, Plot Measurements, and Identification of Significant Disturbance. The audit team confirmed through on-site interviews with ranger patrols, observations of biomass sampling teams, and thorough review of the PD that the information contained is credible and robust and designed to generate reductions in the emissions of greenhouse gases by reducing deforestation in the project area over the crediting period.

3.2.12 Risks to the Project (G1.10)

The audit team took the following steps to assess the accuracy of the likely natural and human-induced risks to the expected climate, community, and biodiversity benefits during the project lifetime identified by the project.

- Through on-site observations and interviews with project personnel, the audit team confirmed that the discussion of risks in Section 2.3.1 of the PD is comprehensive and also includes risk identified as part of the non-permanence risk analysis (see Section 3.3.10 below); furthermore, the identified risks are consistent with those risks identified by the audit team in respect of other REDD+ projects operating within the Kingdom of Cambodia

The audit team concludes the following regarding the measures included in the project description to mitigate the risks in question.

- Through on-site observations and interviews with project personnel, the audit team confirmed that the mitigation measures are appropriate, in that they will directly target each potential risk to the extent appropriate (noting that few mitigation measures are available to target natural risk, and that the risk of significant natural disturbance is low to begin with).

3.2.13 Benefit Permanence (G1.11)

Through on-site observations and interviews with project personnel, the audit team confirmed that the project activities identified in Section 2.2 of the PD are, if properly implemented, likely to result in maintenance and enhancement of benefits beyond the project lifetime. It is the impression of the audit team, based on on-site observations, that the Kingdom of Cambodia is in a period of significant economic development, and it is in this context that intact tracts of forested land are particularly vulnerable to conversion. By the end of the project lifetime, it is reasonable to expect that conversion pressure will have been lessened and that tenure rights and “rule of law” will have become strengthened (attributable, in part, to the “Promoting Effective Forest Land Use Planning and Tenure Security” project activity). Therefore, the protection of the project accounting area during the project lifetime will hopefully set the stage for future protection beyond the project lifetime, leading to maintenance and enhancement of the climate and biodiversity benefits beyond the project lifetime.

For the same reasons, the audit team concludes that the project activities designed to strengthen land tenure and improve community well-being should extend beyond the project lifetime, as investment made during the present period of steep economic growth is likely to yield lasting improvements in per-capita wealth and quality of life.

3.2.14 Financial Sustainability (G1.12)

The audit team concludes the following regarding financial mechanisms adopted to provide an adequate actual and projected flow of funds for project implementation and to achieve the project’s climate, community and biodiversity benefits.

- Through review of the 30-year budget and workplan /10/, audit team confirmed the projected flow of funds is adequate to support implementation of the project activities, as follows:

- Revenue assumptions (e.g., estimates of pricing and broker fees) are all reasonable and/or conservative
- Administrative and operational cost projections are sourced directly from the official budget of the project proponent, and can be assumed to be correct
- Breakeven analysis demonstrates that cumulative cash flow becomes positive in the fourth year of the project and remains positive thereafter

Evidence of actual and/or projected revenues from GHG emissions reductions and/or removals and/or other sources has been provided to the audit team.

3.2.15 Grouped Projects

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

3.2.16 Land-Use Scenarios without the Project (G2.1)

The audit team concludes the following regarding the range of potential land-use scenarios and the associated drivers of land use changes most likely to occur within the project zone in the absence of the project.

- Audit team agrees that all "realistic and credible land-use scenarios that would have occurred on the land within the proposed project boundary in the absence of the AFOLU project activity under the VCS" have been identified in Section 4.6 of the PD, per the "Tool for the Demonstration and Assessment of Additionality in VCS AFOLU Project Activities"

3.2.17 Most-Likely Scenario Justification (G2.1)

The audit team took the following steps to validate the most-likely land use scenario.

- Audit team undertook steps described in Section 3.2.1.6 above to confirm that the scenario of "Continuation of the pre-project land use" is one in which deforestation would continue to occur throughout the project zone
- Based on on-site observations, interviews with Forestry Administration personnel and applicable of professional judgment, audit team concluded that there have been no significant changes in social, political or economic circumstances, relative to those existing in recent history, that would lead to a difference between the most likely land-use scenario within the Project Zone in the absence of the project and the scenario of "Continuation of the pre-project land use"
- Therefore, audit team concluded that the most likely land-use scenario within the Project Zone in the absence of the project (i.e., the baseline scenario) is equal to the scenario of "Continuation of the pre-project land use"

In summary, since the most-likely land-use scenario in absence of the project is readily defensible on the basis of historic deforestation patterns and current land conversion pressures, the audit team concludes that the most-likely land-use scenario in absence of the project, as described in the PD, is justified.

3.2.18 Community and Biodiversity Additionality (G2.2)

The audit team took the following steps to validate the project's justification for the additionality of the project benefits.

Steps taken to assess…	
Existing laws, regulations, and governance arrangements, or lack of laws and arrangements	-The audit team carried out interviews in the field to confirm that project benefits are additional to

that would likely affect land use in the absence of the project.	existing laws, regulations and governance arrangements. -The audit team was able to confirm the additionality based on considerable prior experience working in the Kingdom of Cambodia within the forest sector.
Significant financial, technological, institutional or capacity barriers under the without-project scenario that would have inhibited project activities.	-The audit team was provided with financial information for the entities participating in the project funding, along with the anticipated budgets for carrying out the project activities.
Any distinct climate, community and biodiversity benefits intended to be used as an offset and specify how additionality is established for each benefit intended for this purpose.	-N/A

In summary, the audit team concludes that the justification for the additionality of the project activities, as provided in the PD, is appropriate and in conformance with requirements of the selected methodology.

3.2.19 Stakeholder Access to Project Documents (G3.1)

The audit team took the following steps to validate the project's stakeholder engagement plans and practices to fulfil the requirements of G3.1.

- The audit team carried out a detailed review of Section 2.7.5 of the PD which contains information regarding steps made to communicate and publicize the PD and other project documentation, the project validation process, and the CCB public comment period.
- The audit team visited 13 of the 26 project communities, as well as project offices and sub-offices. In these locations (or a subset of them), audit team saw the project PD, as well as executive summaries of the PD, fliers and posters advertising and informing of the project (in english and Khmer).
- The audit team conducted interviews with community members and heard first-hand of stakeholder engagement practices.

In summary, given the impressive amounts of outreach material available in most project communities, the audit team concludes that the project has made project documentation accessible to communities and other stakeholders.

3.2.20 Community Costs, Risks and Benefits (G3.2)

The audit team took the following steps to validate project proponent's plan/practices to explain the project's potential costs, risks and benefits to communities.

- While on site, the audit team held interviews with community members across the project zone and heard first-hand accounts regarding the project personnel's communication and engagement with the project communities regarding the project. During the interviews, the audit team confirmed that the potential costs, risks and benefits were discussed with communities.
- The audit team discussed the content of meetings and workshops held with the project's Community Outreach specialist as well as other project personnel involved in the meetings, and confirmed that potential costs, risks and benefits of the project were discussed.
- The audit team reviewed meeting notes, photographic evidence and sign in sheets confirming the level of outreach that was performed by the project; the audit team confirmed that potential project benefits and risks were discussed during meetings.

In summary:

- Given this information, the audit team concludes that the information was relevant to decision-making with respect to participation in the project, and was sufficiently adequate to inform such a decision.
- In addition, the audit team concludes that the information was provided in a form that could be understood by the communities.
- The audit team concludes that the information was provided in a in a timely manner prior to any decision made to participate in the project.

3.2.21 Information to Stakeholders on Validation and Verification Process (G3.3)

The audit team took the following steps to validate the measures taken and communication methods used to inform communities and other stakeholders of the process for CCB validation.

- While on site, the audit team held interviews with community members across the project zone and confirmed that communities had been apprised of the CCB validation process.
- The audit team discussed the content of meetings and workshops held with the project's Community Outreach specialist, and confirmed that the CCB validation process was discussed with community members in a variety of forums and settings.
- The audit team reviewed meeting notes, photographic evidence and sign in sheets confirming the level of outreach performed by the project.

3.2.22 Site Visit Information and Opportunities to Communicate with Auditor (G3.3)

The audit team concludes the following regarding how communities and other stakeholders were informed of the auditor's site visit in a timely manner before the site visit occurred, and how direct and independent communication between communities and other stakeholders or their representatives and the auditor were facilitated.

- While on site, the audit team held interviews with community members across the project zone in a variety of settings and forums and confirmed that communities had been apprised of the auditor's site visit in a timely manner. The villagers were aware that the meetings would be held with the auditor, and that direct and independent communication with the auditor team was encouraged.
- The audit team held both group and one-on-one meetings; in both settings, the audit team heard that most community members were aware of the upcoming auditor's visit and of ways to communicate with the team.
- The audit team reviewed meeting notes, photographic evidence and sign in sheets confirming the level of outreach performed by the project, including appraisal of the audit team's visit and the CCB validation process.

3.2.23 Stakeholder Consultations (G3.4)

The audit team took the following steps to validate the project's method(s) for conducting effective consultation to fulfil the requirements of G3.4.

- The audit team confirmed that the PD includes a detailed description of the stakeholder consultation process.
- While onsite, the audit team interviewed project personnel involved in community outreach (e.g. SBIA and FPIC meetings) who confirmed that the consultation process was implemented as described in the PD.
- Moreover, the audit team reviewed meeting minutes, photographic evidence and sign in sheets confirming the level of outreach that was performed by the project personnel.

- Finally, interviews with community chiefs or officials confirmed that the consultation process is ongoing with representatives from all participating communities being represented in order to learn from project successes and failures in order to ensure the project is being implemented using an adaptive management framework.

In summary, given the evidence collected, the audit team concludes that the project's method(s) for conducting effective stakeholder consultations, as described in the PD, fully satisfy the requirements of G3.4.

3.2.24 Stakeholder Consultation Channels (G3.5)

The audit team concludes the following regarding the stakeholder consultation channels used by the project proponent to fulfil G3.5, considering especially the project proponent's justification that adequate levels of information sharing occurred.

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- While onsite, the audit team interviewed project personnel involved in community outreach (e.g. SBIA and FPIC meetings) who attested that the consultation process was undertaken directly with communities and other stakeholders, or their legitimate representatives.
- Moreover, the audit team reviewed meeting minutes, photographic evidence and sign in sheets confirming that outreach was conducted directly with community members.
- A large number of community meetings and workshops occurred during the project development process, as is documented in Section 2.7.2 of the PD and was confirmed onsite. The audit team concludes that adequate levels of information sharing occurred.

3.2.25 Stakeholder Participation in Decision-Making and Implementation (G3.6)

The audit team concludes the following regarding the measures needed (and taken, if appropriate) by the project proponent to enable effective participation in culturally appropriate and gender sensitive manner with all communities.

- As is the case in the community consultation section above, the audit team confirmed that the project design process has been implemented in a collaborative manner ensuring that all potentially affected stakeholders are included throughout the project design process.
- While onsite, the audit team interviewed community members across the project zone and confirmed that meetings were held in the relevant language of Khmer.
- The audit team confirmed that meetings were held during the day and at times when other work did not interfere with full community participation.
- The audit team confirmed through interviews that invitations were extended to community leaders, leaders of community forests, and commune leaders within a respectful timeframe and in such a manner that each stakeholder could respond.

3.2.26 Anti-Discrimination Assurance (G3.7)

The audit team concludes the following regarding the measures needed and designed to ensure that all entities involved in project design and implementation are not involved in, or complicit in, any form of discrimination or sexual harassment.

- The audit team confirmed that the PD contains detailed description of measures designed to ensure that all entities involved in project design and implementation are not involved in any form of discrimination or sexual harassment.
- While onsite, the audit team interviewed project personnel involved in community outreach (e.g. officers or SBIA and FPIC meetings) who attested that entities involved in project design were not involved or complicit in discrimination or sexual harassment.

- The audit team confirmed that the project established a grievance system that was written up in to a formal Grievance and Redress Mechanism document /11/.

3.2.27 Feedback and Grievance Redress Procedure (G3.8)

The audit team concludes the following regarding the project's feedback and grievance redress procedure.

- The audit team agrees that the project's formalized process is consistent with the intent of the CCB Standards

The audit team took the following steps to validate that the procedure meets the requirements of G3.8.

- The audit team reviewed the submitted formal Grievance and Redress Mechanism document /11/ and agreed that it outlines a procedure for receiving, hearing, responding to and attempting to resolve grievances within a reasonable time period.
- While on site, the audit team interviewed project partners, government officials including relevant Forestry Administration personnel (e.g. the Community Outreach specialist), and and members of local communities. It was confirmed that the grievance process described in the PD is consistent with their understanding.
- Whereas, the project is technically still in design phase, no grievances have been raised as of this point.

In summary, the audit team concludes that the feedback and grievance redress procedure described in the PD fully satisfies the requirements of G3.8.

3.2.28 Worker Training (G3.9)

The audit team concludes the following regarding the measures needed and designed to provide orientation and training for those employed through project activities and relevant people from the communities.

- The audit team concludes that employee orientation, training and capacity building for those employed through project activities meet the intent of the CCB Standard Indicator G3.9.

The audit team took the following steps to validate that the orientation and training meet the requirements of G3.9.

- The audit team confirmed that the PD contains a detailed description of employee orientation, training and capacity building measures that are either occurring or planned related to project activities.
- While onsite, the audit team interviewed community members (including community forest leaders) who confirmed that training, orientation and capacity building is occurring, for instance for local community members training as rangers to monitor community forests for illegal activities. These trained staff include women.
- As the project is in design stage, most of the training and orientation has yet to occur. The audit team interviewed FA staff who attested to plans to train local community members to conduct monitoring and data collection, for biodiversity and climate monitoring activities.

3.2.29 Community Employment Opportunities (G3.10)

The audit team concludes the following regarding how the project provides equal employment to people from the community.

- The audit team concludes that the project provides equal employment in line with the intent of the CCB Standard indicator G3.10

The audit team took the following steps to validate the project's practices.

- The audit team confirmed that the PD contains a detailed description of the project's equal opportunity policy regarding how future project positions will be openly advertised through the project's office within the project area, and how positions will be open to all groups including ethnic minority, women, and different socio-economic groups, if the job requirements are met.

3.2.30 Relevant Laws and Regulations Related to Worker's Rights (G3.11)

The audit team concludes the following regarding the project's adherence to all relevant laws and regulations covering worker's rights and the measures needed and designed to inform workers about their rights.

- The audit team confirmed that the PD contains a detailed description of Cambodia's worker rights laws and regulations.
- In addition, the audit team performed a web based review of employee rights in Cambodia and confirmed that no laws or regulations have been omitted from the PD.
- The audit team conducted interviews with project personnel and confirmed that the project's worker's laws meet or exceed all applicable laws and/or regulations covering worker rights.
- The audit team reviewed the project's draft Health and Safety Policy /14/, which contains information about relevant laws and regulations related to worker's rights.

3.2.31 Occupational Safety Assessment (G3.12)

The audit team concludes the following regarding the project's occupational safety assessment and the measures needed and designed to minimize risk.

- The audit team confirmed that the PD described ways that the project ensures worker's health and safety protections, including an outline of risks and how to mitigate them.
- The audit team reviewed the project's draft Health and Safety Policy /14/, and confirmed that it informs workers of risks and explains how to minimize such risks. The Policy is comprehensive and details project staff safety procedures for different types of fieldwork and indoor work, and how to report incidents of worker injuries
- The audit team conducted interviews with project personnel and confirmed that the project's worker's laws meet or exceed applicable laws and/or regulations covering worker rights.

3.2.32 Project Governance Structures (G4.1)

The audit team concludes the following regarding the project's governance structures, and roles and responsibilities of all entities involved in project design and implementation.

- The audit team reviewed the PD and confirmed that it identifies the project's governance structure as well as roles and responsibilities of all who will be involved in the project development and implementation.
- The audit team held interviews with contact people from the project proponent (the Royal Government of Cambodia, Forestry Administration), the project partner (Wildlife Works Carbon), as well as the funder, the Korea Forest Service to confirm that the PD description of the governance structure is accurate. The only entity listed as involved in the project but not interviewed was the Action for Development, which will be involved in future implementation activities, following finalization of validation.

3.2.33 Required Technical Skills (G4.2)

The audit team concludes the following regarding the key technical skills required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills.

- The audit team reviewed the PD and confirmed that it identifies the required technical skills needed to implement the project successfully, including which entities will provide which technical skills.
- The audit team confirmed the assertions of the PD through interviews with project personnel including the project proponent (the Royal Government of Cambodia, Forestry Administration), the project partner (Wildlife Works Carbon), and the funding partner (Korea Forest Service). The only entity listed as involved in the project but not interviewed was the Action for Development, which will be involved in future implementation following finalization of validation.
- The audit team confirmed that the key technical skills covered included those needed for community engagement, biodiversity assessment, carbon measurement, and monitoring skills.

3.2.34 Management Team Experience (G4.2)

The audit team concludes the following regarding the management team's expertise and prior experience implementing land management and carbon projects at the scale of this project.

- Through prior validation and verification engagements, audit team can confirm that the project proponent currently holds or previously held the role of project proponent with respect to the other two REDD+ projects in the Kingdom of Cambodia, both of which were at a scale similar to this project
- Through past work with Wildlife Works Carbon, audit team can confirm that this entity has extensive experience in development and maintenance of REDD+ projects at a scale similar to this project

3.2.35 Project Management Partnerships/Team Development (G4.2)

This section is not applicable, as there are no areas of relevant experience lacking in key technical skills required to implement the project successfully.

3.2.36 Financial Health of Implementing Organization(s) (G4.3)

The audit team concludes the following regarding the financial health of the implementing organization(s) to ensure adequate financial support over the project lifetime.

- The audit team reviewed the financial budgets for the project, and confirmed that the financial mechanisms adopted, including projected revenues from emissions reductions and other sources, are likely to provide an adequate flow of funds for project implementation and to achieve the anticipated climate, community and biodiversity benefits.
- The audit team reviewed the official letter from the project proponent, committing to cover expenses of the project over the project lifetime, should a budget shortfall occur /15/.
- The audit team confirmed that the project budget was designed by individuals with a wealth of experience in designing avoided deforestation projects, including implementing activities designed to ensure success and confirmed that the budget carefully considers the cost of project implementation.
- The audit team confirmed that predicted credit sales and an accurate estimated annual budget demonstrate sufficient cash flow from predicted contracted sales to sustain the project through the end of the crediting period.

3.2.37 Avoidance of Corruption and Other Unethical Behavior (G4.3)

The audit team took the following steps to validate the assurances provided 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.

- Regarding corruption, while the audit team cannot and will not make any assertions regarding the absence of corruption at any level within the entities involved in the project, the audit team took steps to validate that the project proponent and any other entities involved in project design and implementation are not involved in, or complicit in, any form of corruption.
- The audit team conducted on-site interviews with members of communities, community forests, with project proponent staff, project partner staff, and other implementing entity staff and inquired about corruption. The interviewees attested to no knowledge at the time of any entities involved in project design and implementation being involved or complicit in any form of corruption.
- The audit team interviewed the project personnel and heard attested that the donor entity involved in the project is committed to ensuring transparency of any donor funds disbursed by the project and has set forth means by which any and all donor funds are closely tracked.
- In addition, the project's Feedback and Grievance Mechanism /11/ (per Section 3.2.27) provides a clear protocol for bringing forth and addressing any concerns regarding issues including corruption that are made within the context of the project.

In summary, the audit team concludes that all necessary measures have been taken to adequately support assurances made in the PD that the project is not involved or complicit in any form of corruption.

3.2.38 Commercially Sensitive Information (*Rules* 3.5.13 – 3.5.14)

No information has been withheld from the PD as commercially sensitive information.

3.2.39 Statutory and Customary Property Rights (G5.1)

The audit team concludes the following regarding the map of tenure, use, access and management rights to lands, territories and resources in the project zone, as presented in Annex B of the PD under "Tumring REDD+ Project Land Use".

- The map accurately depicts tenure, use, access and management rights to lands in the project zone (while the project zone is not specifically depicted on the map, it is still quite possible to use the map to understand land rights within the project zone, so long as one understands that the project zone consists of a 5-km buffer around the project accounting area)

The audit team took the following steps to validate the presented map.

- Observed the western boundary of the Prey Lang Wildlife Sanctuary to validate the boundary
- Reviewed official land use designation maps (contained within official community forest agreements) to validate the boundaries of community forests contained within the project zone /29/ through /33/.
- Interviewed project personnel to validate the boundaries of the economic land concessions
- Interviewed project personnel to validate the boundaries of the economic land tenure reform areas

3.2.40 Recognition of Property Rights (G5.1)

The audit team took the following steps to validate that all property rights are recognized, respected, and supported.

- The audit team carefully reviewed the PD and confirmed that it contains detailed descriptions of statutory and customary rights as relates to land, territory and resources in the project.

- Customary rights are recognized within community forests, and the audit team interviewed community forest leaders and members to confirm access to community forest resources granted through customary rights. The audit team confirmed through interviews that the project actions will grant more community forests to community members.
- In addition, the audit team reviewed the community forests agreements, /29/ through /33/ to confirm that customary rights are granted to communities within community forests.
- Measures are taken by the project to help secure statutory rights to land within the project zone by helping to secure land tenure around the project area given the widespread issues in Cambodia with regard to insecure land tenure. The audit team confirmed these measures with project personnel.
- The audit team conducted interviews with community members across the project zone to confirm that customary and statutory rights were not infringed upon by the project.

In summary, given these actions, the audit team concludes that all property rights are recognized, respected and supported in the project design as described in the PD.

3.2.41 Free, Prior and Informed Consent (G5.2)

The audit team took the following steps to validate the adherence of the planned project activities, as described in the PD, to the requirements of G5.2.

Steps taken to validate that…	
The planned project activities, as described in the PD, will not encroach uninvited on private property, community property, or government property	
• The audit team conducted interviews with local communities and confirmed that the planned project activities within the project zone will not encroach uninvited on private or community property. The project area itself is entirely government-owned and the project proponent is a government entity.	
Consent of those whose property rights are affected by the project has been obtained through a transparent, agreed process, and this consent has the following attributes:	
'Free', meaning no coercion, intimidation, manipulation, threat and bribery	
• Through multiple interviews throughout the project zone with local communities, in group and individual settings, as well as through review of the FPIC process implemented by the project personnel and confirmed through the review of meeting minutes, the audit team confirmed that FPIC was attained without coercion, intimidation, manipulation, threat and bribery.	
'Prior', meaning sufficiently in advance of any authorization or commencement of activities and respecting the time requirements of their decision-making processes	
• Through the same processes as described in the above bullet, confirmation was attained that notice was provided sufficiently 'prior' to any authorization of activities	
'Informed', meaning that information is provided that covers (at least) the following aspects:	
a. the nature, size, pace, reversibility and scope of any proposed project or activity;	• Through the same processes as listed above; and through observing the amount of material (e.g. posters, fliers) available regarding the project's purpose and scope in project communities
b. the reason/s or purpose of the project and/or activity;	• Through the same processes as listed above; and through observing the amount of material (e.g. posters, fliers) available

	regarding the project's purpose and scope in project communities
c. the duration of the above;	• Through the same processes as listed above
d. the locality of areas that will be affected;	• Through the same processes as listed above; the audit team viewed maps made available in project communities by project personnel
e. a preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks and fair and equitable benefit sharing in a context that respects the precautionary principle;	• Through the same processes as listed above, as well as through the information available regarding SBIA meetings in the PD that were confirmed during onsite interviews
f. personnel likely to be involved in the execution of the proposed project (including Indigenous Peoples, private sector staff, research institutions, government employees, and others); and	• Through the same processes as listed above; in addition, the audit team conducted multiple interviews with the FA's Community Outreach specialist and confirmed that he was well known and respected in the project communities
g. procedures that the project may entail	• Through the same processes as listed above
The option of withholding consent is available and the parties have reasonably understood it	
• Through the processes listed above, namely multiple interviews with local communities throughout the project zone, the audit team was able to confirm this.	
Collective rights holders have been able to participate through their own freely chosen representatives and customary or other institutions following a transparent process for obtaining their Free, Prior and Informed Consent that they have defined	
• Through the processes listed above, namely multiple interviews with local communities throughout the project zone, the audit team was able to confirm this.	
Appropriate restitution or compensation has been allocated to any parties whose lands have been or will be affected by the project.	
• Through the processes listed above, and as discussed in Section 3.2.39 and 3.2.40 the audit team was able to confirm that this is not applicable as project area land is owned by the government and parties were not relocated by the project.	

In summary, given this information, the audit team concludes that the project design, as described in the PD, respects the property rights of the communities.

3.2.42 Property Rights Protection (G5.3)

The audit team took the following steps to validate that that that project activities do not lead to involuntary removal or relocation of property rights holders from their lands or territories, and do not force rights holders to relocate activities important to their culture or livelihood.

- While on site, the audit team conducted interviewed with local communities and project personnel and confirmed that project activities do not lead to involuntary removal or relocation of property rights holders from their lands or territories.
- Furthermore, all of the land in the project is owned by the government (the project proponent) making this an area of low risk in the opinion of the audit team
- Similarly, interviews confirmed that project activities do not force rights holders to relocate activities important to their culture or livelihood. In fact, given that establishment of new, and fortification of existing community forests are both proposed project activities, the communities will have greater customary user rights of forest products & by-products for local communities, as codified in Article 2 of the Forestry Law pertaining to community forests, which was reviewed by the audit team.

3.2.43 Illegal Activity Identification (G5.4)

The audit team concludes the following regarding any illegal activities that could affect the project's impacts and the measures needed and designed to reduce these activities so that project benefits are not derived from illegal activities.

- Audit team confirmed, through on-site observations and interviews, that illegal activities are accurately described in Section 3.8 of the PD
- Audit team agrees that the measures stated in Section 3.8 of the PD should help to reduce such activities and that, in any case, there is no risk of project benefits being derived from illegal activities

3.2.44 Ongoing Disputes (G5.5)

The audit team concludes the following regarding any ongoing or unresolved conflicts or disputes over rights to lands, territories and resources.

- No ongoing disputes or unresolved conflicts are occurring over rights to lands, territories and resources.

The audit team concludes the following regarding any disputes that were resolved during the last twenty years where such records exist, or at least during the last ten years.

- No disputes or conflicts were occurring over the last twenty years, and therefore none were resolved during that timeframe.

The audit team took the following steps to validate that no activity is undertaken by the project that could prejudice the outcome of an unresolved dispute relevant to the project over lands, territories and resources in the project zone.

- The audit team carefully reviewed PD section 1.3.4 which attests to no ongoing disputes occurring relevant to the project over lands, territories and resources in the project zone. The PD transparently discusses the insecure land tenure issues occurring throughout Cambodia, including within the project zone, and how the project activities are designed to assist community members with securing land tenure. In addition, the project activities are designed to assist community members in strengthening protections of community forest as well as providing official recognition allowing for establishment of new community forests. This would allow communities to share in protection of and sustainably draw resources from community forests, as written into Community Forest agreements between specific communities and the Forestry Administration.
- While on site, the audit team conducted interviews with members of project communities, in both group and one-on-one settings, and confirmed the project personnel's assertions of no disputes over lands, territories and resources in the project zone.

- The audit team conducted interviews with multiple project personnel working within the project communities and in the project zone and confirmed the project personnel's assertions of no disputes over lands, territories and resources in the project zone.
- Should disputes over project lands, territories or resources occur, the project has effective measures in place. Per Section 3.2.27 of this report, the project's Feedback and Grievance Mechanism /11/ provide an effective protocol for bringing forth and addressing concerns, including issues of rights to lands, territories and resources.

3.2.45 National and Local Laws (G5.6)

The audit team concludes the following regarding all national and local laws and regulations in the host country that are relevant to the project activities.

- The lists in Sections 3.1.1 and 3.1.2 are comprehensive and include all such laws

The audit team took the following steps to validate that the project is complying with said laws and regulations.

- Review of relevant laws including those listed in Section 3.1.2 of the PD, with particular emphasis on the relevant articles of the Forestry Law (2002)
- Interviews with project personnel regarding compliance and enforcement
- Audit team experience working in-country and with many of the same laws and regulations

The audit team concludes the following regarding how the project demonstrates compliance with relevant laws and regulations.

- The audit team concludes that the project is in compliance with the relevant laws and regulations

3.2.46 Approvals (G5.7)

The audit team concludes the following regarding the project's approval from appropriate authorities, including established formal and/or traditional authorities customarily required by the communities.

- Through interviews with Forestry Administration representatives (see Section 2.4.1 above), the audit team confirmed that the project has been granted approval from the appropriate officials within that organization
- Through meetings with commune and community leaders (see Section 2.4.2 above for communities visited), the audit team confirmed that the project has also been granted approval from appropriate community leaders

3.2.47 Project Ownership (G5.8)

Identify, discuss and justify conclusions regarding evidence of project ownership in accordance with VCS specifications on project ownership.

The audit team concludes that the PD has been accompanied by one or more of the following types of evidence establishing project ownership accorded to the project proponent(s); the audit team's specific conclusions regarding evidence of project ownership are provided specific to each type of evidence.

Conclusions regarding evidence of…	
Project ownership arising or granted under statute, regulation or decree by a competent authority	• N/A
Project ownership arising under law	• The audit team can confirm that the project proponent, the Royal Government of Cambodia's Forestry Administration,

	holds ownership of and therefore has the legal right to control and operate project activities in the project area. • The Land Law of 2002 is the law that grants FA the ownership. • Project personnel provided evidence substantiating the project area as under the ownership status of state public property. Project personnel submitted a document containing confirmation from Mr Chhun Delux, the Chief of Forest Carbon Credits and Climate Change Office of the Forestry Administration, Royal Government of Cambodia. The letter states as follows "The Tumring REDD+ Project area is not a formally decreed area and thus there is no formal decree (or official map) associated with it. As is stated in the PD Section 1.2 page 15, "The entirety of the TRP Project Area is declared Permanent Forest Reserve under the Cambodian Forestry Law of 2002." I attest that the FA is the designated national agency that manages all permanent forest reserves, including the entirety of the Tumring REDD+ Project Area, and maintains ownership of the forest under this law." The 14 community forests have maps associated with their respective areas. However, the TRP map included in the PD is the official map of the Project Area."
Project ownership arising by virtue of a statutory, property or contractual right in the plant, equipment or process that generates GHG emission reductions and/or removals (where the project proponent has not been divested of such project ownership)	• N/A
Project ownership arising by virtue of a statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions and/or removals (where the project proponent has not been divested of such project ownership)	• N/A
An enforceable and irrevocable agreement with the holder of the statutory, property or contractual right in the plant, equipment or process that generates GHG emission reductions and/or	• N/A

removals which vests project ownership in the project proponent	
An enforceable and irrevocable agreement with the holder of the statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions or removals which vests project ownership in the project proponent	• N/A
Project ownership arising from the implementation or enforcement of laws, statutes or regulatory frameworks that require activities be undertaken or incentivize activities that generate GHG emission reductions or removals	• N/A

3.2.48 Management of Double Counting Risk (G5.9)

The audit team concludes that the project is not currently participating, or seeking participation, in any form of social or environmental credit generation/trading program or mechanism other than validation under CCB Version 3; the justification for this conclusion is provided in detail in the sections below.

3.2.49 Emissions Trading Programs and Other Binding Limits

The audit team concludes that the project is not currently participating in any emission trading or other binding limit program or mechanism, as confirmed through the following steps.

- General understanding that no such emissions trading program exists within the Kingdom of Cambodia

3.2.50 Other Forms of Environmental Credit

The audit team concludes that the project has not sought or received another form of GHG-related environmental credit (other than validation under the CCB Version 3), as confirmed through the following steps.

- Review of Section 3.5 of PD

3.2.51 Participation under Other GHG Programs

The audit team concludes that the project is not currently registered under or seeking registration under another GHG program, as confirmed through the following steps.

- Application of professional judgment to confirm that few, if any, other GHG programs accept REDD+ projects

3.2.52 Projects Rejected by Other GHG Programs

The audit team concludes that the project has not been rejected by any other GHG program, as confirmed through the following steps.

- Application of professional judgment to confirm that few, if any, other GHG programs accept REDD+ projects

3.2.53 Double Counting (G5.9)

The audit team concludes the following regarding the tradable climate, community and biodiversity benefits of the project and the procedures for avoidance of double-counting of such benefits, as described in the PD.

- As the Kingdom of Cambodia is not currently participating in a compliance mechanism, audit team agrees that the likelihood of double-counting is very low and will, therefore, inherently be avoided

3.3 Climate

3.3.1 Title and Reference

The title and reference of the methodology applied by the project (referred to hereafter as "the methodology") and any tools applied by the project are identified in the table below. The audit team affirms that the methodology and any applied tools, and the specific versions of them applied by the project, were valid at the time of issuance of this validation report.

Type*	VCS ID**	Title	Version	Notes regarding validity
M	VM0009	Methodology for Avoided Ecosystem Conversion	3.0	Current version
T	N/A	AFOLU Non-Permanence Risk Tool	3.3	Current version
T	N/A	Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use Activities	3.0	Current version

*M=methodology; T=tool
**This is the identifier as assigned under the VCS Program or other GHG program

3.3.2 Applicability

The steps taken to assess compliance of the project with each of the relevant applicability conditions of the methodology are described below. The steps taken to assess compliance of the project with each of the applicability conditions of the "Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use Activities" are likewise described below. The audit team concludes, overall, that the project is fully applicable to the methodology and the "Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use Activities", in respect of all relevant applicability conditions.

Note that the project baseline has been determined according the following guidance of the methodology as set out in Section 6: "If a jurisdictional baseline has been established and is applicable to the project activity, it may be used per VCS requirements." The audit team undertook the steps described below to confirm that a jurisdictional baseline had been established and was applicable to the project activity, and as such could be utilized in determination of the project's baseline.

As indicated in Section 4.5.8 of the PD, "The Royal Government of Cambodia submitted a Forest Reference Level (FRL) under the UNFCCC Framework in July 2016 (MoE, 2016)." The audit team independently acquired the report accompanying both the original July 2016 submission and the revised May 2017 submission at http://redd.unfccc.int/submissions.html?country=khm (accessed 14 May 2018). While these versions contain slightly different calculations of the overall reference emission level as presented in Table 3-1, the values provided for total forest area in 2006 and 2014, used as "activity data" in the analysis, are identical between versions and so any differences are not relevant for purposes of the quantification of baseline emissions by the project.

Finally, the audit team noticed that the Initial Forest Reference Level had not been accepted as of 14 December 2017. Furthermore, it was unclear whether such data, whether accepted or not, would constitute a "jurisdictional baseline". However, the audit team received the following guidance from Verra personnel via an email dated 22 January 2018:

"Use of national forest reference levels or national forest reference emission levels are acceptable for use as jurisdictional baselines, where allowed by VCS methodologies. As VM0009 allows for this, use of Cambodia's forest reference level meets the intent of this requirement because it has been formally submitted to the UNFCCC."

"As you likely know, the UNFCCC assessment process does not approve reference levels. However, there is a technical assessment process whereby the UNFCCC Secretariat may submit clarification requests and opportunities for improve to the country. The country can then electively update the reference level and submit a modified reference level, or take this information into consideration for subsequent reference level submissions."

"Therefore, where projects develop their initial baseline or update their baseline to be consistent with jurisdictional forest reference emission levels, VCS recommends projects utilize a reference level that has completed the UNFCCC technical assessment process, as such reference levels may be updated as part of the assessment process."

"However, understanding the time constraints for project validation, and the uncertainty of the timeline of the UNFCCC assessment process, VCS will accept the application of submitted reference levels that have not yet completed technical assessment. Where projects have utilized a reference level that has been submitted to the UNFCCC, but has not completed the technical assessment process, and such reference level is subsequently updated via a modified forest reference level submission, the project should apply a PD deviation at a subsequent verification to make any necessary updates to the baseline to bring the project in line with the updated FREL."

As such, the audit team has confirmed that process documented in Section 4.5.8 constitutes use of an "established jurisdictional baseline" in conformance with the methodology (noting this baseline may need to be updated as described above in the case that the reference level is revised).

In addition, the audit team was provided with evidence of an email exchange with Verra personnel in which Verra personnel stated, in an email sent 27 February 2018, "Where a project applies a jurisdictional baseline as allowed by a VCS methodology, the requirements within the methodology for determining the rate of deforestation must be disregarded as the project method baseline rate is superseded by the jurisdictional baseline rate." The same email also states, "Additionally, to ensure projects crediting is in line with national accounting, the 10-year decay function for below-ground biomass as required by Section 4.5.3 of the AFOLU Requirements may be disregarded."

Therefore, any requirements within the methodology that solely pertain to determination of the baseline rate of deforestation have been considered by the audit team to be inapplicable. This includes certain applicability conditions, as identified below. Furthermore, logical inference suggests that, to ensure projects crediting is in line with national accounting, other requirements for the quantification of the baseline, may also be disregarded, where (1) they conflict with the established jurisdictional baseline or (2) they can only be validly implemented using the products of analytical processes that would normally be required by the methodology for determination of the baseline. This logical inference is discussed further below.

3.3.2.1 Steps Taken to Assess Conformance of the Project With Each Applicability Condition of the Methodology

Condition	Steps taken by the audit team to assess compliance
The drivers and agents of conversion in the baseline scenario must be consistent with those described in section 6 of this methodology, and the end land use in the baseline scenario is non-forest (in the case of REDD project activities) or	• Confirmed, through review of Section 6 of the methodology, that there is no sense in which the baseline agents and drivers of deforestation, as identified in Section

converted native grassland (in the case of ACoGS project activities). Accordingly, the project activity must be APD or AUDD for forested project accounting areas and APC or AUC for grassland project accounting areas.	4.5.4 of the PD, are inconsistent with the description in the methodology • Confirmed, through interviews and on-site observations, that the end land use in the baseline scenario is non-forest. • On-site observations were made mainly via vehicular travel around the majority of the project area, project zone, and proxy area; through these travels, it was confirmed that the end result of the agents and drivers of conversion is non-forest. • Through interviews with local residents, government officials, and observations on site, the audit team was able to confirm that the primary agents of deforestation are the agriculturalists living around the project zone.
All project accounting areas must have been in an unconverted state (ie, forest or native grassland) for at least 10 years prior to the project start date, according to the following: a. Land in all forested project accounting areas has qualified as forest, on average, across the project accounting areas, as defined by FAO 2010 or by the residing designated national authority (DNA) for the project country for a minimum of 10 years prior to the project start date. b. Land in all grassland project accounting areas has qualified as native grassland or shrubland for a minimum of 10 years prior to the project start date.	• Confirmed that the definition of forest as provided by the residing designated national authority for Cambodia have been accurately transcribed to Section 4.2 of the PD • Confirmed, via spot checks against aerial imagery, that on average the project accounting area meets the specified thresholds even though some area not specifically meeting the minimum thresholds has been included in the project accounting area • Confirmed that, as the project area does not contain a grassland project accounting area, condition (b) is not relevant
For project accounting areas with an unplanned baseline type, a conversion threat must exist for each project accounting area as demonstrated by one of the following two options: a. Imminent conversion (see definition) must be predicted by a survey, where more than 60% of respondents predict the end land use identified in the baseline scenario. The survey must meet the requirements of Appendix E. OR b. As of the project start date, some point within 2 kilometers of the perimeter of the project	• Confirmed, via spot checks against aerial imagery, that much of the perimeter of the project accounting area is within 2 kilometers of land that has been completely deforested

accounting area has been converted to the end land use identified in the baseline scenario.	
In the case of baseline type F-U1, at least 25% of the project area boundary is within 120 meters of deforestation and at least 25% of the project area boundary is adjacent to the reference area (see section 6.3).	• Confirmed, via independent spatial checks, that the "threat analysis" as documented in /1/ /2/ /3/ was correctly carried out
In the case of baseline type G-U1, at least 25% of the project area boundary is adjacent to the reference area (see section 6.3).	• Not applicable (baseline type F-U1 was selected)
In the case of baseline type F-U2, at least 25% of the project area boundary is within 120 meters of deforestation (see section 6.3).	• Not applicable (baseline type F-U1 was selected)
The project accounting area(s) must not contain peat soil.	• Reviewed evidenced provided in Section 4.2 and Appendix B of PD • On-site observations, which confirmed absence of peat soils near or within the project area • Applied professional judgment to confirm that the likelihood of peat soils existing within the project area is very small
For each project accounting area, a reference area can be delineated for each baseline type in the baseline scenario that meets the requirements, including the minimum size requirement, of section 6.8.1 of this methodology.	• Not applicable (pertains solely to determination of the baseline rate of deforestation)
As of the project start date, historic imagery of the reference area(s) exists with sufficient coverage to meet the requirements of section 6.8.4 of this methodology.	• Not applicable (pertains solely to determination of the baseline rate of deforestation)
Project activities are planned or implemented to mitigate ecosystem conversion by addressing the agents and drivers of conversion as described in section 8.3.1 of this methodology.	• On-site inspections and interviews with project personnel and community members to confirm that the project activities described in Section 2.2 of the PD are intended to address the agents and drivers of conversion • Review of Section 5.2.1 of the PD and confirmed that it contains a detailed and appropriate leakage mitigation strategy.
The project proponent has access to the activity-shifting leakage area(s) and proxy area(s) to implement monitoring (see sections 8.3.2.1 and 6.4), or has access to monitoring data from these areas for every monitoring event.	• Confirmed, through on-site observations of the activity-shifting leakage areas and proxy areas while being escorted by representatives of the project proponent, that the project proponent has access to these areas

If logging is included in the baseline scenario and a market leakage area is required as per section 8.3, then the project proponent has access to (or monitoring data from) the market leakage area if measurement is needed (see section 8.3.3).	• Confirmed that, while logging is included in the baseline scenario, a market leakage area is not required by Section 8.3 (see Section 3.3.7.3 below)
This methodology is applicable to all geographies. However, if SOC is a selected carbon pool and the default value from section 6.19.2 is selected, then the project must be located in a tropical ecosystem.	• Not applicable (SOC is not a selected carbon pool)
If livestock are being grazed within the project area in the project scenario, there must be no manure management taking place, as emissions from N2O as a result of manure management are not quantified or addressed in this methodology.	• Confirmed, through on-site observations as part of site inspections and interviews with project personnel, that manure management is not a project activity and is not otherwise foreseen to take place in the project area, now or in the future
For ACoGS project types, project activities must not result in significant GHG emissions. All GHG emissions from project activities must be shown to be de minimis (see section 8.3.1).	• Not applicable (not an ACoGS project)

3.3.3 Project Boundary

The audit team concludes, overall, that the project boundary is appropriately specified, and the selected sources, sinks and reservoirs appropriately justified for the project, following the guidance of the methodology or, where relevant, the established jurisdictional baseline.

3.3.3.1 Spatial Boundaries

The geographic boundaries of the project area are delineated in a KML file /1/, provided per Section 3.10.1(3) of the VCS Standard, and a shapefile /2/, both of which delineate the same boundary, as confirmed by the audit team through spatial checks. The maps of the project area, as provided in Appendices A and B to the PD per PDR.4, likewise depict the same area as shown in /1/ and /2/. The audit team affirms that all requirements of PDR.4 have been satisfied.

While on-site, the audit team performed field validation activities, included re-measurement of carbon plots and groundtruthing strata and project area boundaries and confirmed that the geographic and physical boundaries depicted in the PD maps are generally accurate.

Regarding ownership and to ensure the requirements of PDR.5 were met, project personnel provided evidence substantiating the project area as under the ownership status of state public property. Project personnel submitted a document containing confirmation from Mr Chhun Delux, the Chief of Forest Carbon Credits and Climate Change Office of the Forestry Administration, Royal Government of Cambodia /42/. The letter states as follows "The Tumring REDD+ Project area is not a formally decreed area and thus there is no formal decree (or official map) associated with it. As is stated in the PD Section 1.2 page 15, "The entirety of the TRP Project Area is declared Permanent Forest Reserve under the Cambodian Forestry Law of 2002." I attest that the FA is the designated national agency that manages all permanent forest reserves, including the entirety of the Tumring REDD+ Project Area, and maintains ownership of the forest under this law." The 14 community forests have maps associated with their respective areas. However, the TRP map included in the PD is the official map of the Project Area."

3.3.3.2 Temporal Boundaries

The project start date and project crediting period start date are both 1 January 2015 (see Section 3.2.1.3 above regarding the project start date). The crediting period is 30 years (see Section 3.2.11 above regarding the project crediting period).

3.3.3.3 Gases

The only greenhouse gas included in the project boundary (in both the baseline and project scenarios) is carbon dioxide. For purposes of the baseline, the inclusion of greenhouse gases as set out in the established jurisdictional baseline supersedes guidance provided in the methodology for inclusion of greenhouse gases, for the reasons given in Section 3.3.3.4 below. Section 4.2.3 of the May 2017 Initial Forest Reference Level document indicates that carbon dioxide is the only selected greenhouse gas and, therefore, the inclusion of carbon dioxide as the only selected greenhouse gas, for purposes of the baseline scenario, is consistent with the established jurisdictional baseline.

For purposes of project emissions, the only greenhouse gases potentially required to be included are methane emissions from livestock and nitrous oxide emissions from synthetic fertilizer. Through review of Section 2.2 of the PD, the audit team can confirm that none of the described project activities involve the use of synthetic fertilizers. Therefore, the only greenhouse gas, other than carbon dioxide, that would potentially need to be included is methane emissions from livestock.

Table 2 of the methodology indicates that methane emissions from livestock are “a required source when emissions from grazing are not de minimis”. The audit team was a provided with a demonstration /34/ and can confirm the validity of the information provided. The emission factor of 0.47 has been duly sourced from Table 10.11, Chapter 10, Volume 4 of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. While a threshold for "de minimis" is not specified, the audit team agrees that a value of 1% is appropriate as a threshold. In the judgment of the audit team, the more appropriate approach would be to divide the quantity of methane emissions per head per year by the expected quantity of annual GHG emission reductions (378,434 tCO2e), as reported in Section 5.1 of the PD. When this is done, the result indicates that there would need to be 3.49 head of cattle grazing per hectare per year within the nonforested portions of the project area in order to equal 1% of the estimated annual GHG emission reductions.

The audit team agrees, based on on-site observations, that the number of cattle being grazed within the nonforested portion of the project area as of the site visit was far fewer than 3.49 head per hectare. Therefore, the information provided is sufficient as a demonstration that methane emissions from grazing may be deemed de minimis.

3.3.3.4 Carbon Pools

As justified in Section 3.3.2 above, guidance provided by Verra personnel suggests that, to ensure projects crediting is in line with national accounting, requirements within the methodology for quantification of the baseline may be disregarded where they conflict with the established jurisdictional baseline. The jurisdictional baseline includes only the carbon pools “Above Ground Biomass” and "Below Ground Biomass", as identified in Table 4-1 of the May 2017 Initial Forest Reference Level document. Table 1.1 of Chapter 1 of Volume 4 of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (which the audit team understands to be the source of identification of carbon pools in Table 4-1, given the reference to "five carbon pools as described per IPCC guidelines" in Section 4.2.2 of the same document), defines "Above Ground Biomass" as "All biomass of living vegetation... above the soil" and "Below Ground Biomass" as "All biomass of live roots". According to this definition, the "Above Ground Biomass" and "Below Ground Biomass" pools as defined by IPCC together encompass the AGOT, AGNT and BGOT pools as defined by the methodology.

Given that the methodology states that "If a jurisdictional baseline has been established and is applicable to the project activity, it may be used per VCS requirements" and that a jurisdictional baseline includes the quantification of baseline emissions (as made clear through review of Section 3.11.9 of the Jurisdictional REDD+ Program and Nested Project Requirements V3.1), the audit team concludes that,

when a jurisdictional baseline is used, the selection of carbon pools as set out in that jurisdictional baseline supersedes guidance provided in the methodology for selection of carbon pools.

The GHG reservoirs (i.e., carbon pools) identified in Table 2 of the methodology (for forested project accounting areas) are provided below, along with a description of steps taken to assess that they have been selected correctly in accordance with the jurisdictional baseline (if selected) or a description of steps taken to confirm that they are not relevant, per the jurisdictional baseline (if not selected).

Carbon pool	Description of steps taken to assess whether selected or not selected correctly
AGMT	• See note below*.
AGOT	• Confirmed that this pool is included in the jurisdictional baseline (see above)
AGNT	• Confirmed that this pool is included in the jurisdictional baseline (see above)
BGMT	• See note below*.
BGOT	• Confirmed that this pool is included in the jurisdictional baseline (see above)
LTR	• Confirmed that this pool is not included in the jurisdictional baseline (see above)
DW	• See note below*.
SD	• Confirmed that this pool is not included in the jurisdictional baseline (see above)
LD	• Confirmed that this pool is not included in the jurisdictional baseline (see above)
SOC	• Confirmed that this pool is not included in the jurisdictional baseline (see above)
WP	• See note below*.

*Note that the pools AGMT, BGMT, DW and WP are effectively linked by the methodology, in that AGMT is required "if baseline scenario or project activity (ies) include the harvest of long-lived wood products" and both DW and WP are required "if AGMT is selected" and the only reason to select BGMT is if AGMT is selected.

The project activities, as described in Section 2.2 of the PD, do not include the harvest of long-lived wood products. As noted above, the established jurisdictional baseline does not include dead wood or wood products as carbon pools. Therefore, as the only reason to include the AGMT and BGMT carbon pools, in terms of quantifying baseline emissions per the methodology, is to quantify carbon stock changes in dead wood and wood products (the DW and WP carbon pools), these pools have no meaning under the methodology where the DW and WP carbon pools are not selected and, following the established jurisdictional baseline, the AGMT and BGMT pools are, therefore, not selected.

3.3.3.5 Grouped Projects

Not applicable; the project is not a grouped project.

3.3.4 Baseline Scenario

Overall, the identified baseline scenario is justified. The audit team's high-level assessment of the baseline scenario is included in the table below.

Item assessed	Step(s) taken to assess item
Assumptions and data used in the identification of the baseline scenario are justified appropriately, supported by evidence and can be deemed reasonable	• Confirmed that activity data utilized in determination of baseline deforestation rate is correctly sourced from an established jurisdictional baseline (see Section 3.2.1 above) • Confirmed, through interviews with project personnel who produced analysis documented in Section 4.5, that said personnel have a wealth of experience, both regionally and internationally, in assessing drivers and key underlying causes of deforestation
Documentary evidence used in determining the baseline scenario is relevant, and correctly quoted and interpreted in the project description	• The audit team reviewed a subset SBIA workshop meeting notes and confirmed the PD's description of baseline scenario and drivers of deforestation were determined among workshop participants as is stated.
Relevant national and/or sectoral policies and circumstances have been considered and are listed in the project description	• Reviewed Section 4.6 of PD, which states the following: "The land within the project boundary is all Cambodian state owned and administered by the Cambodian Forest Administration, the Project Proponent. On these land parcels there is a legal requirement to perform activities similar to the proposed project activities, such as conserve the forest and enforce the boundaries of the areas against deforestation and degradation activities… While this land is managed for conservation purposes and is protected under national legislation, it has undergone significant forest degradation and deforestation over the last 10 years. This is largely due to a lack of funding at the Forest Administration, limiting their ability to enforce the forest boundaries and patrol the areas to stop the unsustainable activities that lead to forest degradation and deforestation." • Interviews with project personnel and others, along with on-site inspections, to confirm that the information provided in the quoted text

Item assessed	Step(s) taken to assess item
	above is accurate and constitutes the required consideration of relevant national and/or sectoral policies and circumstances
The procedures for identifying the baseline scenario have been correctly followed and the identified scenario reasonably represents what would have occurred in the absence of the project	• Assessed procedures against all applicable methodology requirements, as described below • Confirmed that the project accounting area is under a real threat of deforestation and that the identified baseline scenario reasonably represents what would have occurred in absence of project through the following means: o On-the-ground observations of current land uses in immediate vicinity of project accounting area, which suggest that deforestation would continue to spread into the project accounting area in the absence of the project activities o Observations of historical remotely sensed imagery, which indicates a dramatic expansion of deforestation in the immediate vicinity of the project accounting area over the last 20 years

The specific steps taken to validate the baseline scenario against each applicable requirement of Section 6 of the methodology are stated below.

Section(s)	Step(s) taken to assess compliance
6.1	• Confirmed, through interviews, on-site observations and general knowledge of the regional context of project activities, that Table 21 provides a comprehensive list of agents and drivers of deforestation and provides accurate information regarding agent mobilities • Confirmed, through interviews, on-site observations and general knowledge of the regional context of project activities, that in-migrants and outsiders (and, particularly forestland speculators) pose the primary deforestation threat to the project area, and that the information regarding agents and drivers of deforestation is accurate and complete • Confirmed that PDR.21 is not applicable*
6.1.1, 6.1.2	• Not applicable to baseline type F-U1
6.2	• Confirmed that the project accounting area met the definition of forest for at least 10 years prior to the project start date (see Section 3.3.2 above) • Confirmed, through on-site observations and general knowledge of environmental/edaphic factors within the project area, that no portion of the

Section(s)	Step(s) taken to assess compliance
	project accounting area includes lands wherein deforestation is significantly constrained (due to terrain, poor soils, etc.) • Confirmed that the project accounting area has been clearly delineated in a shapefile /3/ and that the named factors (topography, roads, etc.) have been considered in its delineation • Recalculation to confirm that the project accounting area is 41,196 ha in size
6.3.1	• Confirmed, through review of a translated version of the Cambodian Law on Forestry (accessed 18 May 2018 from http://extwprlegs1.fao.org/docs/pdf/cam50411.pdf) and the Preah Reach Kret No. NS/RKM/0802/016 /9/, that deforestation within the project area is not legally sanctioned and, therefore, the baseline scenario does not meet the definition of avoided planned deforestation • Review of the "threat analysis" undertaken /6/ /7/ to confirm that the baseline type F-U1 is applicable to the project area (i.e., that the length of perimeter along the boundaries of the project area that is within 120 meters of deforestation that occurred within 10 years prior to the project start date is more than 25% of the project area perimeter), as follows: o Confirmation, through interviews with project personnel, that only deforestation detected between 2006 and 2014 was included in the analysis, thus meeting the requirement to only consider "deforestation that occurred within 10 years prior to the project start date" o Recalculation of the percentage of the length of the perimeter along the boundaries of the project area that was deforested, using as inputs the 2006-2014 deforestation layer /8/ and the project area layer /2/, to confirm that this percentage is (much) greater than 25% o Risk-based checks on the layer depicting deforestation between 2006 and 2014 within 120 m of the project boundary /8/ to confirm that the analysis was appropriately conducted
6.3.2	• Not applicable; the project area is not grassland
6.4	• As discussed under Section 3.3.2 above, the audit team confirmed that the project proponent has access to the proxy area • Confirmed, through review of the proxy area shapefile /4/ against aerial imagery and through on-site observation, that: o Proxy area polygons are immediately adjacent to the project area, are in the same general region of the project area and have a similar landscape configuration (in terms of topographic constraints to deforestation) and climatic conditions o Likely pre-deforestation vegetation conditions in the proxy area is similar to that in the project area o The proxy area has already been converted to the end land use in the baseline scenario; these areas exist in a highly developed agricultural area and, although the most recent freely available high-resolution aerial

Section(s)	Step(s) taken to assess compliance
	imagery in Google Earth identifies certain portions of the area as forested, the audit team confirmed through site inspections that the proxy area had been completely deforested as of the site visit • Confirmed, through independent spatial checks, that the proxy area does not include any part of the project area
6.5.1	• Confirmed, through review of ex-ante calculations of GHG emission reductions, that livestock emissions in the baseline scenario are conservatively assumed to be zero and not credited
6.5.2	• Not applicable; AGMT not included in project boundary (see Section 3.3.3.4 above)
6.5.3	• Confirmed, through review of methodology, that methodology allows for assumption of immediate emission upon conversion for baseline type F-U1, and that use of data from proxy area to quantify residual biomass is in conformance with methodology
6.5.4	• Confirmed, through review of methodology, that assumption of a 10-year decay period is consistent with methodology requirements, and that use of data from proxy area to quantify residual biomass is in conformance with methodology
6.5.5	• Confirmed, through review of methodology, that methodology allows for assumption of immediate emission upon conversion for baseline type F-U1, and that use of data from proxy area to quantify residual biomass is in conformance with methodology
6.5.6	• Not applicable; LD not included in project boundary (see Section 3.3.3.4 above)
6.5.7	• Not applicable; SOC not included in project boundary (see Section 3.3.3.4 above)
6.5.8	• Not applicable; WP not included in project boundary (see Section 3.3.3.4 above)
6.6-6.17	• Not applicable; requirements in all of these sections have been superseded by use of a jurisdictional baseline (see Section 3.3.2 above) in that they fall into one of two categories: o Requirements for determining the baseline rate of deforestation, which are directly superseded per Verra guidance as discussed in Section 3.3.2 above (all sections other than Sections 6.8.9 and 6.8.10) o Requirements for estimation of uncertainty as quantified in Equations F.13 and F.14, which cannot be followed as written unless compliance is also achieved with the requirements for determining the baseline rate of deforestation which have been superseded (Sections 6.8.9 and 6.8.10)

Section(s)	Step(s) taken to assess compliance
	• For the latter of the two categories identified above, the audit team determined that, as the only way to comply with the requirements in Sections 6.8.9 and 6.8.10 is to also comply with the requirements that have been superseded as discussed above, by logical extension, the requirements in Sections 6.8.9 and 6.8.10 have also been so superseded
6.18	• Not applicable; the relevant requirements in this section have been superseded by use of a jurisdictional baseline (see Section 3.3.2 above) in that they pertain to use of a 10-year decay function for belowground biomass
6.19	• Not applicable; SOC not included in project boundary (see Section 3.3.3.4 above)
6.20	• Not applicable; a baseline revision is not being undertaken

3.3.5 Additionality

3.3.5.1 Summary

Overall, additionality is justified for the project. In accordance with the methodology, and as documented within Section 4.6 of the PD, the tool Version 3.0 (the most recent version) of the VCS-approved "Tool for the Demonstration and Assessment of Additionality in VCS AFOLU Project Activities" (referred to in this Section 3.5.3 as "the additionality tool") has been used to demonstrate additionality. A high-level summary of steps taken to assess additionality is provided below.

Steps taken to assess…	
Adherence to regulatory surplus requirements.	• Not applicable, as the identified baseline scenario is not in compliance with all mandatory applicable legislation and regulations (see Section 3.3.5.2.2 below)
The appropriateness of data and parameters used in financial calculations and sensitivity analyses, including those taken from feasibility study reports.	• Audit team information provided to "Document the costs associated with the VCS AFOLU project" per Step 2 of the additionality tool and confirmed it was appropriate for this purpose (see Section 3.3.5.2.3 below)
The suitability of the benchmark used for investment analysis.	• Not applicable; as simple cost analysis was used, a benchmark was not used for investment analysis (Section 3.3.5.2.3 below)
The credibility of each barrier identified in the barrier analysis.	• Not applicable; as simple cost analysis was used, barrier analysis was not undertaken (Section 3.3.5.2.3 below)

The appropriateness of the geographical region used in the common practice analysis.	• While not specifically specified in Section 4.6 of PD, the geographic region used in the common practice analysis appears to be implicitly specified as including the Preah Vihear, Kampong Thom and Kratié provinces; audit team confirmed these area the provinces near the project area and constitute an appropriately large geographical region
Information regarding similar projects identified in the common practice analysis, including essential distinctions between similar projects and the proposed project.	• Review of information provided and confirmation that it appears reasonable in light of the audit team's professional experience working in Cambodia
The reasonableness of assumptions made in the demonstration of additionality.	• Review of the following assumptions made in the demonstration of additionality; confirmation that all assumptions are evidently reasonable: o Assumption that the baseline scenario would represent continuation of the pre-project land use o Assumption that the enforcement difficulties that have led to deforestation of vast swaths of land in and around the project area would also lead to deforestation within the project accounting area in the absence of crediting o Assumption that the project activities will have expenditures associated with them o Assumption that the project activities will not generate financial or economic benefits other than VCS-related income derived from the sale of carbon credits

3.3.5.2 Steps Taken To Assess Against Specific Requirements

The audit team's specific findings regarding the application of each step and sub-step of the additionality tool are as follows.

3.3.5.2.1 Sub-step 1a

The identified land use scenarios identified in Section 4.6 of the project description include those scenarios required by the additionality tool. The audit team's findings regarding the identified scenarios are as follows. Note that, in the judgment of the audit team, only scenario i is credible (scenarios ii and iii have been included merely to satisfy the requirements of the additionality tool).

Scenario	Audit Findings
i	• Audit team agrees, based on on-site inspections, review of remotely sensed imagery and interviews with project personnel, that the most likely alternative land-use scenario is continuation of the pre-project land-use
ii	• Audit team agrees, based on on-site inspections, interviews with project personnel and community members, that the likelihood of the project activities being implemented in the absence of VCS-related income is low
iii	• Audit team agrees that, while some enforcement within the project area would likely continue in absence of the project activities, the rate of enforcement in the absence of the project activities can be expected to be inadequate to prevent further deforestation within the project area, absent of any significant changes in policy or funding levels between historical and current practices

3.3.5.2.2 Sub-step 1b

The audit team reviewed the information provided in Sub-step 1b of Section 4.6 of the PD and confirmed that it provides a detailed description of the credibility of the baseline land-use scenarios with respect to enforced mandatory applicable laws in regulation.

The audit team agrees, based on examination of current practices in the region and the country, that the applicable laws related to forest protection are not being enforced and that the non-compliance is widespread, i.e. prevalent on at least 30% of the area of the smallest administrative unit that encompasses the project area.

Furthermore, the audit team agrees that these result from systematic lack of enforcement of applicable laws and regulations.

3.3.5.2.3 Step 2

The audit team confirmed that the operational costs associated with the project activities are duly documented in the 30-year budget and workplan /10/ (see Section 3.2.14 above for more information on how the audit team assessed the project financials). The audit team agrees that none of the project activities documented in Section 2.2 of the PD accrue financial benefits to the project proponent (while the "income-generating activities" are expected to result in financial benefits, these financial benefits would accrue to the participating communities as opposed to the project proponent and, as such, are understood by the audit team to not be relevant for purposes of this analysis). Therefore, the audit team agrees that simple cost analysis is required by the additionality tool.

3.3.5.2.4 Step 3

This step is not applicable, as one proceeds directly to step 4 when simple cost analysis is undertaken.

3.3.5.2.5 Step 4

All requirements of this section are satisfied in the analysis in Section 4.6 of the PD. The analysis clearly identifies the “similar activities” and also explicitly states four “essential distinctions” between the proposed project activity and the similar activities.

The audit team is aware of the distinctions mentioned in the analysis, and all of the assertions made appear reasonable. Sites that rely on donor funding often experience unreliable funding streams. It can also be difficult to draw funding in the absence of particular "charismatic" animal species or natural features. The audit team also understands the distinctions between drawn between other sites with a long-term international NGO presence (and a commensurate "conservation ethos") and areas outside of these high-priority conservation sites.

Therefore, the audit team finds that the common practice analysis has been appropriately carried out and is well-documented in Section 4.6 of the PD.

3.3.6 Methodology Deviations

This section is not applicable, as no methodology deviations have been applied to the project.

3.3.7 Quantification of GHG Emission Reductions and Removals

3.3.7.1 Quantification of Baseline Emissions

As described in Section 3.3.2 above, an established jurisdictional baseline, as documented in the Initial Forest Reference Level report dated May 2017 (termed “the IFRL report” within this Section 3.3.7.1) has been used to quantify baseline emissions. The process for quantifying baseline emissions, as carried out in worksheet “Tumring FREL” in the calculation workbook /23/ and as documented in Section 4.5.8 of the PD, involves the following:

- Calculating the amount of deforestation between 2006 and 2014 by taking the difference between the reported forested land areas in 2014 and 2006
- Calculation of a percentage loss figure by dividing by the reported forest area in 2006
- Dividing the percent loss by nine (the estimated number of years between 2006 and 2014) to annualize
- Scaling the annualized percent loss through multiplication with the ratio of the area of the project accounting area to the total area of Cambodia to produce the “activity data” (an estimate of annual baseline deforestation within the project accounting area)
- Multiplication of activity data with the difference between carbon stock estimates in the project accounting and proxy areas (the “emissions factor”)

The audit team reviewed the approach undertaken and confirmed that it is reasonable and appropriate to apportion the activity data according to the ratio of the number of hectares in the project accounting area (which is also the number of forested hectares in the project area as of project commencement) to the number of forested hectares in Cambodia as of 2014 (as sourced from the report referenced above). The audit team agrees that the “proportional allocation” method described in Section 4.5.8.1 of the PD is appropriate for the following reasons:

- It is the simplest possible approach to scaling jurisdictional activity data down to the project level, and simplicity has its advantages. In particular, an approach with less quantitative sophistication may be less prone to deliberate “gaming” than a more sophisticated approach, particularly when

utilized consistently (and the audit team has received every impression that Wildlife Works Carbon intends to use this approach consistently for all projects developed in Cambodia).

- It uses the jurisdictional baseline as a performance method, consistent with the principles set out in the VCS Standard for performance methods. Note that there is an inherent trade-off between "false negatives and false positives", as discussed in Section 4.1.17(2) of the VCS Standard, in respect of performance methods. Therefore, we cannot be certain that the activity data from the jurisdictional baseline, when allocated proportionally, will not indicate a higher baseline deforestation rate than the activity data that would be quantified using the methodology on a project-specific basis. However, as with a performance method, the item of interest is not whether such the jurisdictional activity data reflects a higher or lower deforestation rate than corresponding project activity data rather, the item of interest is whether conservativeness of GHG quantification is maintained at the jurisdiction level (i.e., to quote from in Section 4.1.17(2) of the VCS Standard, mutatis mutandis, "The selected level(s) shall not systematically overestimate [the baseline rate of deforestation]"). As review of the jurisdictional baseline does not fall within the scope of the validation engagement described in this report, we assume that the jurisdictional baseline was appropriately developed and that decisions were made so that the activity data in the jurisdictional baseline was not systematically overestimated.
- As mentioned in Section 4.5.8.1, the proportional approach, if applied consistently throughout Cambodia, would put all projects on an equal playing field in terms of baseline emissions, and would, arguably, provide for a clear and consistent set of incentives to avoid future deforestation.

The calculated emission level of 474,029 tCO2e/year was found to be quantified without material error.

An assessment of the data and parameters used in quantification of baseline emissions follows.

Parameter	**Value**	**Step(s) taken to assess whether parameter values are considered reasonable in the context of the project**
Total area of Cambodia (ha)	18,160,674	• Confirmed reported value is equal to that stated in Table 4-3 of IFRL report
Total forest area in 2006 (ha)	10,837,260	• Confirmed reported value is equal to that stated in Table 4-3 of IFRL report
Total forest area in 2014 (ha)	8,518,173	• Confirmed reported value is equal to that stated in Table 4-3 of IFRL report
Project accounting area size (ha)	41,196	• Recalculation using project accounting area shapefile /3/
Project accounting area carbon stock (tCO2e/ha)	489.50	• Confirmed that this quantity is equivalent to the sum of values in cells K3, N3 and P3 in the worksheet "Analysis - Total" of carbon inventory workbook /21/ • Confirmation that Section 8.4.7 of the methodology explicitly allows for the assumption that "the total carbon stock in the

Parameter	Value	Step(s) taken to assess whether parameter values are considered reasonable in the context of the project
		project area is equal to the initial carbon stock for each future monitoring period" for ex-ante purposes • Interviews with project personnel, on-site review of inventory process and overview of spreadsheet-based quantification processes, which suggest measurement and calculation processes were carried out in a manner consistent with the collection of high-quality data (noting, however, that detailed data testing of quantification of this parameter is outside the scope of the validation engagement described in this report, as such assessment will take place at verification); for the on-site review of inventory processes, the audit team visited a random subset of inventory plots in each strata and throughout the project accounting area, and confirmed that the collection of forest inventory data conformed to the project SOPs which are in conformance with best forestry practices for the collection of carbon stock data
Proxy area carbon stock (tCO2e/ha)	5.55	• Confirmed that this quantity is equivalent to the sum of values in cells K3, N3 and P3 in the worksheet "Analysis - Total" of proxy area inventory workbook /22/ • Interviews with project personnel, on-site review of inventory process and overview of spreadsheet-based quantification processes, which suggest measurement and calculation processes were carried out in a manner consistent with the collection of high-quality data (noting, however, that detailed data testing of quantification of this parameter is outside the scope of the validation engagement described in this report, as such assessment will take place at verification); for the on-site review of inventory processes, the audit team visited a random subset of inventory plots throughout the proxy area, and confirmed that the collection of inventory data conformed to the project SOPs for proxy areas, which are in conformance with best practices for the collection of carbon stock data

A plan for updating the quantification of GHG emission reductions, upon completion of Cambodia's National Forest Inventory, is presented in Section 4.5.8.1 of the PD. Although many of the details have yet to be spelled out, the plan set out in the PD seems appropriate in principle.

3.3.7.2 Quantification of Project Emissions

Project emissions have not been quantified (i.e., they have implicitly been assumed to be zero) for ex-ante purposes. This is consistent with the methodology because the activities requiring quantification of project emissions (biomass burning, controlled grassland burning, or the sustainable production of charcoal or logging) are not among the list of planned project activities in Section 2.2 of the PD.

3.3.7.3 Quantification of Leakage

3.3.7.3.1 Activity-Shifting Leakage

The activity-shifting leakage area, as delineated in a shapefile /5/ and described in Section 5.5.1.1 of the PD, was assessed in detail for conformance to the criteria in Section 8.3.2.1 of the methodology, as documented below. The audit team agrees that the activity-shifting leakage area is appropriately delineated, as it constitutes a large block of intact forest to which deforestation would likely be displaced in the absence of mitigation activities.

Requirement	**Step(s) taken to assess conformance**
"The activity-shifting leakage area must be in the same general region as the project area, but not necessarily adjacent to the project area"	• Spatial analysis to confirm that the activity-shifting leakage area is adjacent to the project area
"As of the project start date, the activity-shifting leakage area must be entirely unconverted (ie, in a forest or native grassland state), and no larger than the project accounting area, or no larger than the geographic area in the case of grouped projects"	• Review of activity-shifting leakage area against most recent available remotely-sensed imagery to confirm that the entire area met the definition of "forest" at the time of imagery acquisition (and thus, presumably, at the project start date) that the single permanent road within the external boundaries of the leakage area has been duly buffered out • Recalculation of area to confirm that the activity-shifting leakage area is not larger than the project accounting area
"The activity-shifting leakage area must not include the project area…"	• Spatial analysis, using the project area /2/ and leakage area /5/ shapefiles, to confirm absence of overlap between the project area and activity-shifting leakage area
"The activity-shifting leakage area must be delineated per the requirements of Appendix D"	• On-site observations and interviews with project personnel to confirm that the delineation of the leakage area is consistent with the requirements of Appendix D, in that the activity-shifting leakage area is immediately adjacent to the project area and there are no significant differences between the activity-shifting leakage area and project accounting area in terms of factors that would influence deforestation (accessibility, site productivity, forest types, etc.)

Regarding ex-ante quantification of leakage emissions, the audit team can confirm that Section 5.6.4 of the PD contains an appropriately thorough narrative description of the sources used to estimate the leakage rate and demonstration that the rate used is conservative. The audit team agrees that, per Section 8.4.7 of the methodology, use of experience from past projects is appropriate to inform leakage estimates. In order to independently confirm the assertions made in Section 5.6.4 of the PD, the audit team reviewed the publically available monitoring reports for the "The Kasigau Corridor REDD Project - Phase II The Community Ranches" project, as obtained from

http://www.vcsprojectdatabase.org/#/project_details/612 on 17 May 2018, for the following monitoring periods: 1 January 2011-31 December 2011, 1 January 2012-31 December 2012, 1 January 2013-31 December 2014. In each monitoring report, the reported leakage emissions were less than 10% of the gross emission reductions. Therefore, the audit team is assured of the accuracy of the information provided and, therefore, of the conservativeness of the ex-ante estimate.

3.3.7.3.2 Market Leakage

As described in Section 5.5.2 of the PD, the production approach will be used to estimate market leakage. The audit team can confirm that this approach has been appropriately selected following Figure 12 of the methodology, in that the project activities are likely to change supply of wood products and other market commodities. An ex-ante calculated leakage rate of 0.5%, as reported in Section 5.6.4 of the PD, has been calculated in a workbook /26/ using the VCS tool VMD0037 Global Commodity Leakage Module: Production Approach. While review of the calculations is outside the scope of the validation engagement described in this report (quantification of market leakage emissions is a monitoring task that will be reviewed at verification), as the calculations have been undertaken following a highly prescriptive tool, the risk of an error in ex-ante quantification that would lead to a significant error in ex-ante quantification of GHG emission reductions is quite low.

3.3.7.4 Summary of net GHG emission reductions or removals

Net GHG emission reductions as presented in the “Tumring NERs” worksheet of the calculation workbook /23/ and correctly transcribed to Table 31 of the PD, have been correctly calculated following Equations F.53-F.56 of the methodology (noting that the result of Equation F.57 has been set to zero for ex-ante purposes—see Section 3.3.7.5 below).

3.3.7.5 Uncertainties associated with the calculation of emissions

Section 5.6.3.1 of the PD contains an appropriate plan to account for uncertainties associated with the calculation of emissions. Note that, as discussed in Section 3.3.4 above, the requirements of the methodology pertaining to estimation of total uncertainty in the Baseline Emissions Model (as quantified in Equations F.13 and F.14) are superseded through use of the established jurisdictional baseline. The audit team also notes that the methodology does not require ex-ante calculation of uncertainties in the project accounting area and proxy area carbon stock estimates; these calculations will be carried out using monitored data and assessed at verification.

3.3.8 Monitoring Plan

The parameters to be monitored (including only those parameters that are relevant to this specific project given the use of the established jurisdictional baseline and that, and that are specifically monitored as opposed to calculated) are as follows:

- Area of project accounting area stratum [1, 2, …, n] prior to first verification event
- Baseline carbon stocks in biomass at the end of the current monitoring period
- Project carbon stocks in biomass prior to first verification event
- Project carbon stocks at the end of the current monitoring period
- Project carbon stocks at the beginning of the current monitoring period
- Portion of leakage due to degradation in forest at the end of the current monitoring period
- Portion of leakage due to degradation prior to first verification event
- Any parameters required to be monitored by the VCS tool VMD0037 Global Commodity Leakage Module: Production Approach

A monitoring plan, consistent with the requirements of the methodology, is provided in Section 8.1.1 of the PD and the referenced annexes /12/ /13/ /16/ /17/ /18/ /19/ /20/. The audit team took the following steps to validate the suitability and eligibility of monitoring equipment and procedures in the field:

- Visited a random subset of inventory plots in each strata and throughout the project accounting area, and confirmed that the collection of forest inventory data conformed to the project SOPs for plot measurements and data collection, which are in conformance with best forestry practices for the collection of carbon stock data. Note that the annexes providing specific field instructions are deemed commercially sensitive information, per Section 3.2.3.8

In conclusion, the monitoring plan adheres to the methodology.

3.3.9 Dissemination of Monitoring Plan and Results (CL4.2)

Through interviews with the relevant project personnel, the audit team confirmed that the climate monitoring plan will be made available for public review in the Project Office and on the internet as stated in the PD. In addition, results will be communicated to the communities and other stakeholders. The audit team confirmed that the full results of the initial climate monitoring are in the PD, which is available in summary form to the communities (in Khmer), as well as information regarding how to access the full PD is available to communities and other stakeholders throughout the project zone. Results of monitoring will be made publicly available during each verification event.

3.3.10 Non-Permanence Risk Analysis

3.3.10.1 Introduction and Conclusion

The reported value of the overall risk rating, as determined based on the risk analysis documented in the NPRR, was 10%.

The audit team performed a complete review of the risk analysis against the requirements of the AFOLU Non-Permanent Risk Tool. The audit team concludes that the assignment of risk scores is appropriate and in conformance to the AFOLU Non-Permanence Risk Tool.

A detailed review of the audit team's conclusions may be found below.

3.3.10.2 Internal Risk - Project Management

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(a)	• As tree planting is not included in project activities as described in Section 2.2 of PD, risk score is 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
(c)	• As management team does include individuals with significant experience in all skills necessary to successfully undertake project, risk score is justified	• N/A	Risk rating is appropriate
(d)	• From site inspections, audit team can confirm that management team maintains a presence in Phnom Penh, which is within a day's drive from project area	• N/A	Risk rating is appropriate

(e)	• Through interviews with project personnel and institutional memory regarding the "2 previous REDD+ Projects" mentioned in the NPRR (both of which were verified by SCS), audit team can confirm that the claims in the NPRR are accurate	• N/A	Risk rating is appropriate
(f)	• The audit team reviewed the documents that contain adaptive management plan elements (e.g. community feedback mechanism /10/, social and biodiversity impact monitoring plan /13/, mitigation activities detailed in the PD)	• The documentation is high quality as discussed in Sections 3.2.22 and 3.4.12	Risk rating is appropriate

3.3.10.3 Internal Risk – Financial Viability

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(a)	• Audit team reviewed the 30 year budget and workplan /10/ and confirmed that project cash flow breakeven point is 4 years or less from the current risk assessment; therefore, the risk score is justified	• The documentation provided included audited financial documents and a detailed, user friendly budget workbook that allowed for assessment by the audit team and is therefore of high quality	Risk rating is appropriate
(b)			Risk rating is appropriate
(c)			Risk rating is appropriate
(d)			Risk rating is appropriate
(e)	• Audit team reviewed the 30 year budget and workplan /10/ and confirmed that project has secured 15% to less than 40% of funding needed to cover the total cash out required before the project reaches breakeven; the risk score is justified.	• Please see above	Risk rating is appropriate
(f)			Risk rating is appropriate
(g)			Risk rating is appropriate
(h)	• Not applicable given the above; the risk score is justified	• NA	Risk rating is appropriate
(i)	• The audit team reviewed the 30 year budget and workplan /10/ as well as the letter confirming allocation should budget shortfall from the FA /15/; the Project has available as callable financial resources at least 50% of total cash out before project reaches breakeven and the risk score is justified	• Please see above	Risk rating is appropriate

3.3.10.4 Internal Risk – Opportunity Cost

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(a)	• Audit team agrees with the project team's assessment that the most profitable alternative land use activity is expected to be at least 100% more than that associated with project activities; or where baseline activities are subsistence-driven, net positive community impacts are not demonstrated; the risk score is appropriate	• N/A	Risk rating is appropriate
(b)			Risk rating is appropriate
(c)			Risk rating is appropriate
(d)			Risk rating is appropriate
(e)			Risk rating is appropriate
(f)			Risk rating is appropriate
(g)	• Audit team agrees that, as a governmental entity, the project proponent does not meet the definition in Section 2.2.3(1) of AFOLU Non-Permanence Risk Tool	• N/A	Risk rating is appropriate
(h)	• Audit team reviewed the legal decree that determines management of forests in Cambodia /9/, as well as the project's narrative description pertaining to project longevity /46/, and agrees that the project is protected by legally binding commitment to continue management practices that protect the credited carbon stocks over the length of the project crediting period	• As this is a Cambodian legal agreement the audit team considers it high quality	Risk rating is appropriate

3.3.10.5 Internal Risk – Project Longevity

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
	• Audit team reviewed the legal decree that determines management of forests in Cambodia /9/, as well as the project's narrative description pertaining to project longevity /46/, and agrees that there is legal protection for the project area and a requirement to continue the conservation management practice in perpetuity as enshrined in Cambodian national law, the project longevity is 30 years	• Please see above	Risk rating is appropriate

3.3.10.6 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 risk rating
(a)	• The audit team confirmed, through observation, review of applicable laws /9/, and review of a letter sent from the Forest Administration to SCS /42/, that the project area land is under the jurisdiction of the Royal Cambodian Government Forest Administration, and all resource and carbon rights are also held by the Forest Administration	• Please see above regarding the quality of Cambodian laws	Risk rating is appropriate
(b)	• NA	• NA	Risk rating is appropriate
(c)	• NA	• NA	Risk rating is appropriate
(d)	• NA	• NA	Risk rating is appropriate
(e)	• NA	• NA	Risk rating is appropriate
(f)	• NA	• NA	Risk rating is appropriate
(g)	• NA	• NA	Risk rating is appropriate

3.3.10.7 External Risk – Community Engagement

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(a)	• NA	• NA	Risk rating is appropriate
(b)	• Through community interviews while on-site, the audit team confirmed that the project held extensive community meetings throughout the region and performed many outreach activities, and agreed with the risk score chosen for regarding total number of people consulted and the total local population living within 20 km of the project boundary who are dependent on the project area for their livelihood.	• NA	Risk rating is appropriate
(c)	• Through on-site interviews with communities throughout the project area as well as extensive review of the project's adherence to the CCB Indicators (CCB validation occurring concurrent to VCS validation) the audit team confirms that the risk rating is appropriate	• NA	Risk rating is appropriate

3.3.10.8 External Risk – Political Risk

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(a)	• NA	• NA	Risk rating is appropriate
(b)	• The audit team has reviewed and recalculated the World Bank World governance indicator score and confirms that it is as stated by the time of the project start time and therefore that the risk score is appropriate.	• The World bank governance indicator online database is considered of high quality (http://databank.worldbank.org/data/reports.aspx?source=Worldwide-Governance-Indicators)	Risk rating is appropriate
(c)	• NA	• NA	Risk rating is appropriate
(d)	• NA	• NA	Risk rating is appropriate
(e)	• NA	• NA	Risk rating is appropriate

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
(f)	• The audit team confirmed via the UN Redd Readiness website that the Cambodian government is implementing REDD+ Readiness, through support of the World Bank Forest Carbon Partnership and UN-REDD	• The UN REDD READINESS website is a site of the United Nations and is therefore considered of high quality (https://theredddesk.org/countries/initiatives/un-redd-programme-cambodia)	Risk rating is appropriate

3.3.10.9 Natural Risk

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
Fire			
The audit team reviewed the MODIS Fire Product sample maps of the project area /43 /44/ provided by the project team as well as the natural risk narrative /45/ and confirmed the information provided regarding significance and likelihood of fire. In addition, the audit team interviewed local communities and government officials who confirmed the claims in the PD. The audit team agrees that reforestation of burned areas is an appropriate mitigation for the natural risk.		• The audit team considers MODIS satellite maps to be of high quality	Risk rating is appropriate
Pest and Disease Outbreaks			
The audit team interviewed local communities and government officials who confirmed the claims in the PD that natural risks from pests are not a threat to carbon stocks in the project area. The audit team reviewed the project's natural risk narrative /45/ and agreed with the justification contained therein regarding pests and disease outbreak. The audit team has experience working in the region further corroborating the expert opinion of the local communities and government regarding pest and disease outbreak and the risk to the project's carbon stocks.		• NA	Risk rating is appropriate
Extreme Weather			

Risk	Assessment of rationale, assumptions and justification	Assessment of quality of documentation and data provided	Conclusion regarding appropriateness of risk rating
The audit team interviewed local communities and government officials who confirmed the claims in the PD that natural risks from extreme rain events that occur but the species in the Tumring ecosystem are adapted to wet conditions. The audit team reviewed the project's natural risk narrative /45/ and agreed with the justification contained therein regarding extreme weather. The audit team has experience working in the region further corroborating the expert opinion of the local communities and government.		• NA	Risk rating is appropriate
Geological Risk			
While on site, the audit team interviewed local communities and government officials who confirmed the claims in the PD that natural risks from volcanoes or earthquakes do not occur in the Tumring ecosystem. The audit team reviewed the project's natural risk narrative /45/ and agreed with the justification contained therein regarding geological risk to the project's carbon stocks. The audit team has experience working in the region further corroborating the expert opinion of the local communities and government.		• NA	Risk rating is appropriate
Other natural risk			
While on site, the audit team interviewed local communities and government officials who confirmed the claims in the PD that flooding is the only other natural risk in the Tumring ecosystem, and further that the likelihood of flooding is as stated in the PD. The audit team reviewed the project's natural risk narrative /45/ and agreed with the justification contained therein regarding flooding. The audit team has experience working in the region further corroborating the expert opinion of the local communities and government.		• NA	Risk rating is appropriate

3.3.11 Optional Gold Level: Regional Climate Change Scenarios (GL1.1)

Not applicable as the project is not seeking Gold Level status at this time.

3.3.12 Optional Gold Level: Climate Change Impacts (GL1.2)

Not applicable as the project is not seeking Gold Level status at this time.

3.3.13 Optional Gold Level: Measures Needed and Designed for Adaptation (GL1.3)

Not applicable as the project is not seeking Gold Level status at this time.

3.4 Community

3.4.1 Descriptions of Communities at Project Start (CM1.1)

The audit team reviewed the PD and confirmed it contains a comprehensive description of communities at the start of the project, including social, economic and cultural diversity within the communities. Demographics, well-being, and other community characteristics (e.g. shared language, culture, and livelihood structures) are also presented comprehensively. Information about significant community changes in the past, like in-migration and population increase, as well as conflicts over resources, are described. The community descriptions draw from a variety of appropriate sources.

The audit team confirmed that the descriptions contained in the PD are accurate and thorough through a large number of on-site observations and interviews. Interviews were held with local communities including a variety of stakeholders and livelihoods groups throughout the project zone. Interviews were also held with project personnel who work closely with project communities.

The audit team concludes that the project descriptions of the communities at the start of the project and any significant community changes in the past are thorough and accurate.

3.4.2 Interactions between Communities and Community Groups (CM1.1)

Please see Section 3.4.1 above.

3.4.3 High Conservation Values (CM1.2)

The audit team confirmed that the descriptions contained in the PD regarding the community-related High Conservation Values (HCVs) are accurate through on-site observations and interviews. Given that the community-related HCVs are inherently correlated with the project's climate benefits, the audit team agrees that avoided deforestation and forest degradation are expected to have positive impacts on the community well-being, as described in the PD.

3.4.4 Without-Project Scenario: Community (CM1.3)

The audit team reviewed the PD and confirmed it includes an estimate of the expected changes in the well-being of communities, including all constituent socio-economic or cultural groups such as indigenous peoples under the without-project scenario. The audit team confirmed that the project uses the Theory of Change methodology and SBIA assessments, as suggested by the CCB Standards. It was confirmed that the text in the PD is well supported by a series of flow diagrams which allow for assessment by the auditor and public. While on site, the audit team interviewed local community members who confirmed that the assumptions in the model were a result of the consultation process and are therefore clearly defendable. Furthermore, the focal issues used as indicators of change allowed the audit team to draw a clear comparison between the 'with project' and 'without project" scenarios. The PD includes a detailed breakdown of anticipated impacts by group and shows the result to be net positive for all groups, therefore meeting the requirements of this indicator.

The audit team therefore concludes that the expected changes to the community well-being in the without-project scenario are well-supported.

3.4.5 Expected Community Impacts (CM2.1)

The audit team reviewed the PD and confirmed it includes a detailed assessment of expected community impacts on the well-being of communities, including all constituent socio-economic or cultural groups such as indigenous peoples under the with-project scenario. The audit team confirmed that the project utilizes appropriate methodologies, including the recommended SBIA assessments, and including predicted and actual, costs and risks, on each of the identified community groups. It was confirmed that the text in the PD is supported by a series of flow diagrams (e.g. Result Chain diagrams) which allow for assessment by the auditor and public. While on site, the audit team interviewed local community members who confirmed that the assumptions in the model with regard to community impacts, were a result of the consultation process and are therefore defendable. The PD includes a detailed breakdown of anticipated impacts by group and shows the result to be net positive for all groups, therefore meeting the requirements of this indicator.

The audit team therefore concludes that the expected changes to the community well-being in the with-project scenario are well-supported.

3.4.6 Negative Community Impact Mitigation (CM2.2)

The audit team reviewed the PD and confirmed it addresses community impacts and measures needed to mitigate potential negative impacts on community groups. While on site, the audit team interviewed local community members who confirmed that potential negative community impacts and measures to counteract them were collaboratively addressed during outreach efforts. In addition, the project's monitoring systems are designed to monitor for negative impacts to community-related HCV attributes.

The audit team therefore concludes that measured designed to mitigate any negative well-being impacts on community groups, and for maintenance or enhancement of the HCV attributes, are well-supported.

3.4.7 Net Positive Community Well-Being (CM2.3, GL1.4)

The audit team reviewed the PD and confirmed that the anticipated net well-being impacts of the project are predicted to be positive for all identified community groups. While on site, the audit team interviewed local community members who confirmed these claims.

The audit team therefore concludes that the project's anticipated net well-being impacts are predicted to be positive for all identified community groups compared with their anticipated well-being conditions under the without-project land use scenario.

3.4.8 High Conservation Values Protected (CM2.4)

The audit team reviewed the PD and confirmed that the community-related HCV's are not negatively affected by the project. The project's main goals of protecting forests will provide enhanced access to hydrological services, as well as assist in prevention of soil erosion. The areas that are fundamental to meeting the basic needs of the communities, such as providing poles for building material and fuel, will be collaboratively managed such that they will not be negatively impacted. Areas critical for the traditional cultural identity of communities will similarly not be negatively impacted. While on site, the audit team interviewed a large number of local community members who confirmed these claims.

The audit team therefore agrees with the conclusion that the community-related HCV's will not be negatively affected by the project.

3.4.9 Impacts on Other Stakeholders (CM3.1)

The audit team reviewed the PD's write-up regarding potential positive and negative impacts of the project activities to the well-being of other stakeholders. The audit team agrees that most impacts will be positive (e.g. provisioning of ecosystem services like clean water and climate regulation) and that halting certain illegal extractive activities from the project area may affect the temporary income of some offsite stakeholders, but that such activities are a legal offence and therefore their abatement ultimately support law enforcement in the area. The audit team also agrees that a heightened risk of human wildlife conflict may result from the project.

While on site, the audit team interviewed government officials from the FA, as well as community leaders who confirmed that the offsite stakeholder impacts described in the PD are accurate. Furthermore, the audit team was provided with photographic evidence of the illegal activities undertaken by offsite stakeholders.

The audit team therefore agrees with the conclusions drawn regarding potential positive and negative impacts that the project activities may cause to the well-being of other stakeholders.

3.4.10 Mitigation of Negative Impacts on Other Stakeholders (CM3.2)

The audit team reviewed the PD's write-up regarding measures needed and included in the project description to mitigate potential negative impacts to the well-being of other stakeholders.

The audit team agrees with the conclusions drawn regarding mitigation of negative impacts on other stakeholders.

3.4.11 Net Impacts on Other Stakeholders (CM3.3)

The audit team reviewed the PD and confirmed that the anticipated net well-being impacts of the project are predicted to be positive for other stakeholders. While on site, the audit team interviewed local community members who confirmed these claims.

The audit team therefore concludes that the project does not produce net negative impacts on the well-being of other stakeholders.

3.4.12 Community Monitoring Plan (CM4.1, CM4.2, GL1.4, GL2.2, GL2.3, GL2.5)

The audit team reviewed the community monitoring plan /13/, as described in the PD and confirmed that it employs the Theory of Change and the Social Impact Assessments, as suggested by the CCB Standards. The audit team confirmed that the plan has selected variables that are directly linked to the project's community development objectives and impacts, and that the appropriate sampling methods, frequencies, and reporting methods are used. While on site, the audit team interviewed local community members who confirmed that the community variables were produced as a result of the consultation process and are anticipated to be positive.

The audit team therefore concludes that the community monitoring plan meets the requirements of the relevant CCB Standard indicators.

3.4.13 Monitoring Plan Dissemination (CM4.3).

While on site, the audit team confirmed that the community monitoring plan was available for public review in the Project Office as is stated in the PD. Results of monitoring will be made publicly available during each verification event.

3.4.14 Optional Gold Level: Exceptional Community Criteria (GL2.1)

Not applicable as the project is not seeking Gold Level status at this time.

3.4.15 Optional Gold Level: Short-term and Long-term Community Benefits (GL2.2)

Not applicable as the project is not seeking Gold Level status at this time.

3.4.16 Optional Gold Level: Community Participation Risks (GL2.3)

Not applicable as the project is not seeking Gold Level status at this time.

3.4.17 Optional Gold Level: Marginalized and/or Vulnerable Community Groups (GL2.4)

Not applicable as the project is not seeking Gold Level criteria at this time.

3.4.18 Optional Gold Level: Benefit Sharing Mechanisms (GL2.6)

Not applicable as the project is not seeking Gold Level criteria at this time.

3.4.19 Optional Gold Level: Benefits, Costs, and Risks Communication (GL2.7)

Not applicable as the project is not seeking Gold Level criteria at this time.

3.4.20 Optional Gold Level: Governance and Implementation Structures (GL2.8)

Not applicable as the project is not seeking Gold Level criteria at this time.

3.4.21 Optional Gold Level: Smallholders/Community Members Capacity Development (GL2.9)

Not applicable as the project is not seeking Gold Level criteria at this time.

3.5 Biodiversity

3.5.1 Existing Conditions (B1.1)

The audit team confirmed that the PD provides comprehensive information regarding biodiversity within the project zone at the start of the project. While on site, the audit team toured the project area and entered the Prey Long Wildlife Sanctuary and confirmed that the project area boundary abuts and forms a buffer to the Sanctuary along the project area's northeastern edge. The audit team viewed photographs

of, and reviewed literature to confirm the threatened wildlife species present or assumed to be present within the Prey Long Wildlife Sanctuary (and project area given proximity to Prey Long). Interviews were conducted with project personnel biodiversity experts on the project team and their authority with regard to the topic was confirmed. In addition, the biodiversity teams who conducted the initial biodiversity surveys in 2015-2016 were interviewed, and line transect data viewed by the audit team. The audit team concurs that the use of the IUCN Red List is an authoritative and appropriate source for threatened status and distribution and habitat information for species.

During the site visit, threats to biodiversity were confirmed, including active unplanned and illegal deforestation directly observed occurring in the project area, and high human population density and associated land conversion nearby. The audit team did not directly witness poaching or see nets or snares; however, the audit team is sufficiently knowledgeable of threats to Cambodian wildlife to confirm that such threats are real.

3.5.2 High Conservation Values (B1.2)

The audit team confirmed that the PD provides information regarding biodiversity HCV's within the project area. As discussed in Section 3.5.1, the audit team toured the project area and entered the Prey Long Wildlife Sanctuary thereby confirming the project's proximity to the protected Prey Lang Wildlife Sanctuary. Similarly, the audit team reviewed the threatened species lists and confirmed a subset of these in the IUCN Red List, and the scientific literature cited for the endemic species. The audit team confirmed that the Prey Lang landscape is part of a global hotspot, and through conversations with the project personnel as well as a literature search, heard and confirmed the justifications regarding the project area not supporting significant concentrations of species during any time in their life cycle. Finally, the audit team confirmed that the evergreen swamp forest is a rare ecosystem and located within the project area per CCB Indicator B1.2c.

3.5.3 Without-project Scenario: Biodiversity (B1.3)

The audit team agrees with the project assessment that the without-project land use scenario would result in significant loss of habitat and lead to increase in hunting throughout the project zone. See Section 3.5.1 and 3.5.2 for documents assessed and observations made.

In conclusion, the audit team agrees with the project personnel's assessment regarding expected changes to biodiversity conditions in the without-project scenario.

3.5.4 Expected Biodiversity Changes (B2.1)

The audit team confirmed that the PD provides an estimate of the changes in biodiversity using the Theory of Change methodology, focal issue identification and result chain diagrams, as suggested by the CCB Standards. The audit team agrees with the project assessment that the positive and negative impacts on biodiversity are directly linked to the health and existence of the ecosystems that comprise habitat for wildlife. Moreover, the audit team is intimately familiar with the importance of wildlife to the biodiversity of the ecosystems themselves. The audit team was also able to confirm that the PD provides a transparent description of the net impacts by comparing the 'with project' and 'without project scenarios that allows for assessment by the auditor and the public resulting in net positive impact estimates.

In conclusion, the audit team agrees with the project assessment regarding expected changes to biodiversity conditions in the with-project scenario.

3.5.5 Mitigation Measures (B2.3)

The project does not anticipate negative impacts to biodiversity in the project area. The audit team agrees given that the primary project activity is protection of the forest, and thereby the species' habitat. Therefore no mitigation measures are needed. For the maintenance of the HCV attributes of the project area, the audit team agrees that no measures beyond the project activities are needed.

3.5.6 Net Positive Biodiversity Impacts (B2.2, GL1.4)

Given that the status of biodiversity is inherently correlated with the climate benefits of the project, the audit team agrees that activities designed to avoid deforestation and forest degradation are expected to have only positive impacts on the project's biodiversity. See Section 3.5.1 and 3.5.2 for documents assessed, interviews conducted, and observations made to support the decision.

The audit team concludes that the project will produce net positive biodiversity impacts.

3.5.7 High Conservation Values Protected (B2.4)

The project does not anticipate negative impacts to biodiversity-related HCV's in the project area. The audit team agrees given that the primary project activity is protection of the forest, and thereby the species' habitat. For the maintenance of the biodiversity HCV attributes of the project area, the audit team concludes that only positive impacts will occur.

3.5.8 Species Used (B2.5)

This indicator is not applicable as no species are used by the project, and furthermore no invasive species are used in the project.

3.5.9 Impacts of Non-native Species (B2.6)

This indicator is not applicable as no nonnative species are used in the project.

3.5.10 GMO Exclusion (B2.7)

This indicator is not applicable as no GMO's will be used to generate emission reductions or removals.

3.5.11 Inputs Justification (B2.8)

This indicator is not applicable as no fertilizers, chemical pesticides, biological control agents and other inputs will be used for the project.

3.5.12 Waste Products (B2.9)

This indicator is not applicable as no waste products beyond the normal amount produced through general operations, will be generated by the project.

3.5.13 Negative Offsite Biodiversity Impacts (B3.1) and Mitigation Measures (B3.2)

The audit team concludes that only positive biodiversity impacts will occur due to the project; as a result, per Section 3.5.5 and 3.5.7, potential negative offsite impacts on biodiversity outside the project zone are not likely.

3.5.14 Net Offsite Biodiversity Benefits (B3.3)

The audit team concludes that only positive biodiversity impacts will occur due to the project; as a result, per Section 3.5.5 and 3.5.7, evaluation of unmitigated offsite impacts is not applicable.

3.5.15 Biodiversity Monitoring Plan (B4.1, B4.2, GL1.4, GL3.4)

The audit team reviewed the biodiversity monitoring plan /13/, as described in the PD and confirmed that it employs the Theory of Change and the Social Impact Assessments, as recommended by the CCB Standards. The audit team confirmed that the plan has selected biodiversity indicators that are directly linked to the project's biodiversity objectives, and that the appropriate sampling methods, frequencies, and reporting methods are used. While on site, the audit team interviewed project personnel involved in the wildlife surveys, and observed the biomass teams involved in carbon plot monitoring, and confirmed their competence to perform the wildlife and vegetation monitoring protocols. In addition, the audit team was able to independently confirm the accuracy of the GIS and remote sensing work performed by the project partners through validation activities.

The audit team therefore concludes that the biodiversity monitoring plan meets the requirements of the relevant CCB Standard indicators.

3.5.16 Biodiversity Monitoring Plan Dissemination (B4.3)

While on site, the audit team confirmed that the biodiversity monitoring plan was available for public review in the Project Office as is stated in the PD. Results of monitoring will be made publicly available (on the internet, and summaries to the communities and other stakeholders) during each verification event.

3.5.17 Optional Gold Level: High Biodiversity Conservation Priority Status (GL3.1)

Not applicable as the project is not seeking Gold Level criteria at this time.

3.5.18 Optional Gold Level: Trigger Species Population Trends (GL3.2, GL3.3)

Not applicable as the project is not seeking Gold Level criteria at this time.

4 VALIDATION CONCLUSION

In conclusion, the project complies with the validation criteria for projects set out in CCB Version 3 and VCS Version 3. The audit team holds no qualifications or limitations regarding the above statement.

The project is reasonably likely to achieve the estimated GHG emission reductions, although the extent to which it will do so is dependent upon the following dimensions of project performance, which have not been directly assessed at validation and which will be monitored and assessed as part of future verification engagements:

- Project emissions (dependent upon deforestation-related carbon stock change in the project accounting area under the project scenario, which has been assumed to be zero in ex-ante calculations)
- Leakage emissions (dependent upon the extent to which deforestation is displaced to the activity-shifting leakage area due to project activities)
- Uncertainty in carbon stock estimates for the project accounting and proxy areas

In conclusion, the project is likely to achieve the project's stated climate change adaptive capacity and resilience, community, and biodiversity benefits.

APPENDIX A: FINDINGS ISSUED UNDER CCB VERSION 3

NIR 1 Dated 12 Jul 2017
Standard Reference: CCB Standards Third Edition, Section G3
Document Reference:
Finding: The CCB Standards Section G3 Stakeholder Engagement states "Communities and other stakeholders are involved in the project through full and effective participation, including access to information, consultation, participation in decision-making and implementation, and free, prior and informed consent (requirements for free, prior and informed consent are included in G5.2). Timely and adequate information is accessible in a language and manner understood by the communities and other stakeholders. Effective and timely consultations are conducted with all relevant stakeholders and participation is ensured, as appropriate, of those that want to be involved."

Indicator G3.1 states "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", where "full project documentation includes project description and monitoring reports, as they become available, through the project lifetime."

On the site visit, the audit team saw that the summary project documentation was made widely available to communities and other stakeholders in the appropriate language of Khmer. However, the summary documentation did not seem to state how full project documentation could be accessed, nor did the communities and other stakeholders appear to have the full project documentation. Please provide evidence that indicator G3.1 was met with regard to access to full project documentation.

Project Personnel Response: The Tumring REDD+ Project made full project documentation available to communities for their review prior to the validation. As is detailed in Section 2.7.5 of the PD, the full Project Document was made available to communities and other stakeholders at the Project sub-office in the village of Tumring, and as the auditor witnessed on her visit to the office. Additionally, the PD was made available for download on the project's webpage, and the Cambodian Forest Administration's webpage and Facebook page. Due to the length and technical complexity of the PD we were not able to translate the entire document into Khmer, the predominant local language. However, that is not required under CCB rules and guidance. Under section 3 of the CCB rules version 3, it states that in countries where English is not the predominant language it is acceptable to submit a summary of the PD written in the local language. As the auditor noted in the finding, this PD summary document was provided in Khmer, it fully met the CCB rules and guidance, and it was widely distributed throughout the communities and to stakeholders. In addition to the PD summary, a project advertisement in Khmer was distributed to communities and stakeholders. This advertisement contained pertinent project information and project contact information, and included the statement "For Project information, to provide comment or other feedback please send emails to TumringREDD@gmail.com". This implies that to receive full project documentation one should contact the project at that email address. However, the primary method for communicating the methods of receiving full project documentation was at the community meetings held by the Project's community outreach staff, which were held in each village in the Project Zone. At these meetings the communities and stakeholders were informed that the full project document was available on the Project's webpage (http://www.tumringredd.org/tumring-redd-project-public-comment-period-and-site-visit-june-2017/) and at the Project Office. This information is all included in Section 2.7.5 of the PD.
Auditor Response: The project team's response thoroughly explains the means by which the full project documentation can be accessed and Section 2.7.5 of the PD includes this information. Therefore, the finding can be closed.

NIR 2 Dated 12 Jul 2017
Standard Reference: CCB Standards Third Edition, Section G3; The Rules for the Use of the Climate, Community and Biodiversity Standards Dec 2013
Document Reference: Tumring PD, various sections
Finding: The Rules for the Use of the Climate Community and Biodiversity Standards define communities as "all groups of people—including Indigenous Peoples, mobile peoples and other local communities—who derive income, livelihood or cultural values and other contributions to well-being from the project area at the start of the project and/or under the with-project scenario."

The Tumring PD identifies 26 communities (sometimes referred to in the PD as villages) in the Tumring REDD+ project zone, stating as follows in Section 1.2.1.2, "There are 7 communes with 26 villages within 5km of the Project that utilize the project area and its surrounding forests for their livelihoods."

The G3 Stakeholder Engagement Section of the CCB Standard states that "Communities and other stakeholders are involved in the project through full and effective participation, including access to information, consultation, participation in decision-making and implementation, and free, prior and informed consent (requirements for free, prior and informed consent are included in G5.2)…. Effective and timely consultations are conducted with all relevant stakeholders and participation is ensured, as appropriate, of those that want to be involved."

In addition, the G3.6 indicator states: "Describe the measures needed and taken to enable effective participation, as appropriate, of all communities, including all the community groups that want and need to be involved in project design, implementation, monitoring and evaluation throughout the project lifetime, and describe how they have been implemented in a culturally appropriate and gender sensitive manner."

While on the site visit, the audit team conducted interviews with a subset of communities and noted that while some communities were well-informed about the project, its anticipated benefits as well as costs or risks, other communities were not. Those that were well-informed had an existing or proposed community forest, while those that were not were not engaged in community forest development. These on-site observations were corroborated in the PD where Table 3 lists the 26 communities, noting that 17 are 'targeted project villages', which are those currently participating in community forest development. The remaining 9 villages are shown as 'not participating in community forestry development'. Per Table 12 in the PD, the communities involved in community forest development had an initial consultation between December 2015 - November 2016, and a second consultation in May 2016 - December 2016. The communities not involved in community forest development had the initial consultation meeting and not a second consultation meeting.

The CCB Standard states that all communities should be involved in project design, implementation, monitoring and evaluation throughout the project lifetime, through effective participation. Please indicate how the 9 communities described above are in conformance with the CCB Standards.

Project Personnel Response: The nine communities (villages) mentioned in this NIR are listed below:

1. Svay
2. Tbaeng Chas
3. Andoung Pring
4. Prey Kanlaeng
5. Krang
6. Leaeng
7. Kbal Damrel
8. Samraong
9. Khaos

The Project is in compliance with CCB standard G3 Stakeholder Engagement regarding these communities, as they were consulted and given the opportunity to fully and effectively participate in the Tumring REDD+ Project. As is noted in the finding, these communities did have an initial consultation, they just did not receive the second consultation that the other 17 did. This initial consultation meets the requirements of the CCB indicator G3. Through this initial consultation with each of the 9 communities, each community was provided access to Project information, participated in decision-making, and gave free, prior and informed consent to the Project. We conducted effective and timely consultations with these communities to ensure their participation, as appropriate, if they wanted to be involved. While these nine communities did not receive as much consultation as the targeted communities, they were given the opportunity to consult to the Project.

The Project's intention is to include all 26 communities in the Project, and thus we have revised the heading of Table 3 in the PD to read, "Table 3: Targeted project villages situated within 5 km from Project Area." The TRP's monitoring plan sets forth the Project's adaptive management framework with the focus on including all communities and community groups in the Tumring REDD+ Project Area in project implementation, monitoring, and evaluation for the Project's lifetime. Before verification, which is scheduled for the 3rd or 4th quarter of 2018, the TRP will have a second set of consultations with each of the 9 villages listed above. In these consultations, to which all community members will be invited, the focus will be on understanding the community's needs and if possible incorporating them into the Project's design, if they are not already being met in the current design. If new needs are developed, the TRP Project team will develop new indicators and include them into the Project's monitoring and evaluation through the project lifetime.

Auditor Response: The project team's response and the edits made to the revised PD 'Tumring REDD Project VCS_CCB PD.v3' clarify the situation and demonstrate how the nine communities have been sufficiently involved in project design stages to date. The finding is therefore closed.

NCR 3 Dated 12 Jul 2017
Standard Reference: CCB Standards Third Edition, Section G3, Indicator G3.4.
Document Reference: Tumring REDD+ Project PD Section 2.7.2
Finding: The Climate Community and Biodiversity Standards, Indicator G3.4 states, "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." It adds "In cases where it is unclear whether a project will be implemented or not, it is acceptable to start with preliminary consultations, provided there are plans for appropriate full consultations before the start of the project. Where conformance with the Climate, Community & Biodiversity Standards is being applied to a project already under implementation, project proponents must either provide documentation of appropriate consultations during the project design phase or demonstrate how more recent consultations have been effective in evaluating community benefits and adapting project design and implementation to optimize community and other stakeholder benefits and respect local customs."

The PD's Section 2.7.2 Community and Stakeholder Identification and Involvement in Project Design (G3.4) discusses the process of community and stakeholder identification at length but does not currently address indicator G3.4 in terms of how the project design has been revised based on input received by communities and other stakeholders. Please revise the PD accordingly.
Project Personnel Response: The PD has been updated to include this required information. Section 2.7.2 has been updated with information outlining the SBIA process and how stakeholders were involved in Project design. Please refer to this section in the PD for the required information for indicator G3.4.
Auditor Response: The project team's updates made to Section 2.7.2 in the revised PD 'Tumring REDD Project VCS_CCB PD.v3' regarding the SBIA process and how stakeholders were involved in project design are sufficient to close the finding.

NCR 4 Dated 12 Jul 2017
Standard Reference: CCB Standards Third Edition
Document Reference: Tumring REDD+ Project PD Section 1.4 and 1.4.1
Finding: The CCB Standards Indicator G1.1 reads "Identify the primary project proponent which is responsible for the project's design and implementation and provide contact details."

The PD Section 1.4.1 Project Partners (G1.1 & G4.1) does not identify the project proponent, though Section 1.4 does. Please relabel the G1.1 accordingly.
Project Personnel Response: The PD has been revised to include the required information to meet Indicator G1.1. Section 1.4 of the PD has been revised to state that CCB indicator G1.1 is included in that section, identifying the Project Proponent. Please see section 1.4 of the PD for this revision.
Auditor Response: The project team's updates to Section 1.4 in the revised PD 'Tumring REDD Project VCS_CCB PD.v3' are sufficient to close the finding.

NCR 5 Dated 12 Jul 2017
Standard Reference: CCB Standards Third Edition
Document Reference: Tumring PD, various sections
Finding: The CCB Standards indicator G1.6 states "List all communities, community groups and other stakeholders identified using the process explained in G1.5."

Currently the PD Section 1.2.1 contains a list of all communities. However, the PD does not appear to contain a list of all community groups and other stakeholders, and if so it is not linked to the Indicator G1.6. Please revise accordingly.
Project Personnel Response: Section 1.2.1.2. of the PD has been revised to include the table for the information required by indicator G1.6, identifying the Project's stakeholders. Please see the revised PD for this information.
Auditor Response: Section 1.2.1.2 of the PD has been revised as stated and now meets the CCB Indicator G1.6. The finding is closed.

NCR 6 Dated 12 Jul 2017
Standard Reference: CCB Standards Third Edition
Document Reference: Tumring PD, various sections
Finding: The CCB Standards indicator G1.6 states "Provide a map identifying the location of communities and the boundaries of the project area(s), of the project zone, including any high conservation value areas (identified in CM1 and B1), and of additional areas that are predicted to be impacted by project activities identified in CL3, CM3 and B3."

The PD provides a map (Figure 3) showing the location of communities and boundaries of the project area and project zone. However, if does not appear to include a map showing high conservation value areas identified in CM1 or areas predicted to be impacted by project activities identified in CL3, CM3 and B4, or if so, are not labeled in such a way to determine that they meet the indicator. Please revise accordingly.
Project Personnel Response: The PD has been revised to meet Indicator G1.6. Section 1.3.6 of the PD has been revised to include the information required by indicator G1.6, identifying the areas of high conservation value within the project area. Please see figure 5 in section 1.3.6 of the PD for this revision.
Auditor Response: In the provided revised PD, "Tumring REDD Project VCS_CCB PD.v3" Section 1.3.6 has been revised as stated. Figure 5 shows a map of high conservation value locations in the project area. The finding is closed.

NCR 7 Dated 12 Jul 2017
Standard Reference: CCB Standards Third Edition
Document Reference: Tumring PD, Section 2.5
Finding: The CCB Standards indicator G1.12 states "Demonstrate that financial mechanisms adopted, including actual and projected revenues from GHG emissions reductions or removals and other sources, provide an adequate actual and projected flow of funds for project implementation and to achieve the project's climate, community and biodiversity benefits."

The audit team was shown documentary evidence in a draft form that the indicator is met during the site visit, however has not yet been provided the document(s) that could be used as evidence as such. Please provide such evidence to the audit team when it becomes available.
Project Personnel Response: Please review the attached budget spreadsheet that displays all of the projected Project expenses, including project costs, administration and project activities as well as projected credit sales. The submitted document "Final-Tumring REDD-30 Budget and WorkPlan.xlsx" is the approved budget for the Project.
Auditor Response: • Through review of the 30-year budget and workplan "Final-Tumring REDD-30 Budget and Work Plan.xlsx", the audit team confirmed the projected flow of funds is adequate to support implementation of the project activities, as follows:
o Revenue assumptions (e.g., estimates of pricing and broker fees) are all reasonable and/or conservative
o Administrative and operational cost projections are sourced directly from the official budget of the project proponent, and can be assumed to be correct
o Breakeven analysis demonstrates that cumulative cash flow becomes positive in the fourth year of the project and remains positive thereafter
Evidence of actual and/or projected revenues from GHG emissions reductions and/or removals and/or other sources were provided to the audit team. The finding is closed.

NCR 8 Dated 12 Jul 2017
Standard Reference: CCB Standards Third Edition
Document Reference: Tumring PD, Section 2.6.1
Finding: The CCB Standards indicator G3.9 states "Describe measures needed and taken to provide orientation and training for the project's workers and relevant people from the communities with an objective of building locally useful skills and knowledge to increase local participation in project implementation. These capacity building efforts should target a wide range of people in the communities, with special attention to women and vulnerable and/or marginalized people. Identify how training is passed on to new workers when there is staff turnover, so that local capacity will not be lost."

With regard to targeting a wide range of people in the communities, with special attention to women and vulnerable and/or marginalized people, the audit team did hear in many communities that women were being employed as rangers and in patrols. However, in Section 2.6.1 Employee Orientation, Training and Capacity Building (G3.9), the PD does not discuss this or other efforts related to how the project meets indicator G3.9, though related information is contained in other Sections of the PD. Please revise accordingly.
Project Personnel Response: The PD has been revised to include the required information meet Indicator G3.9. Section 2.6.1 of the PD has been revised to identify the Project's efforts to ensure that there is equal opportunity for women and people from marginalized communities in its training and capacity building. This section also states how the Project meets the CCB indicator G3.9. Please see section 2.6.1 of the PD for the revised text addressing this indicator.
Auditor Response: The revised PD, "Tumring REDD Project VCS_CCB PD.v3", Section 2.6.1 has been revised as stated and now meets the CCB indicator G3.9. The finding is closed.

NCR 9 Dated 17 Jul 2017
Standard Reference:
Document Reference: Template for Project Description VCS Version 3, CCB Standards Second Edition
Finding: The template instructions for Section 1.5 Other Entities Involved in the Project state: "Describe key technical skills that are required to implement the project successfully and demonstrate that the implementing team's human and financial resources are adequate to implement the project".

The current PD does not currently include this information in the Section 1.5 Please revise accordingly.
Project Personnel Response: The PD has been revised to include the required information on the key technical and management skills required and demonstrating that the project partners possess these skills. Please refer to Section 1.5 of the PD for the text that has been updated to address this indicator.
Auditor Response: The revised PD, "Tumring REDD Project VCS_CCB PD.v3", Section 1.5 has been revised as stated and now meets the template requirements. The finding is closed.

NCR 10 Dated 20 Jun 2018
Standard Reference: CCB Standard
Document Reference: Tumring PD Section 2.4
Finding: The CCB Standards Indicator CM1.2c states "Evaluate whether the project zone includes any of the following high conservation values related to community well-being and describe the qualifying attributes for any identified HCV's. C- areas that are critical for the traditional cultural identity of communities."
The PD Section 2.4 lists the response to a) and b) of Indicator CM1.2 but not point c).
Project Personnel Response:
Auditor Response: Outside the cover of the findings workbook, the project team submitted a new version of the PD that includes the required information regarding CCB Standard Indicator CM1.2c. The new document is "Tumring REDD Project VCS_CCB PD.v4.0". The finding is closed.

APPENDIX B: FINDING ISSUED UNDER VCS VERSION 3

NCR 1 Dated 13 Jul 2017
Standard Reference: Section 3.9.1 of the VCS Standard, Section 2.4.1 of the VCS Standard
Document Reference: Annex 5 - Standard Operating Procedure Tumring - Forest Inventory v4.2_20151002
Finding: The audit team observed, while observing re-measurement of the SF004 biomass inventory plot, that the diameter at breast height of several buttressed trees were measured in an inconsistent manner compared with the original measurements taken in March 2016, based on the data sheets from March 2016.

Project personnel explained to the audit team that when trees are buttressed, the DBH is taken above the buttress, and, for several trees in SF004, the height above buttress is greater than 10 ft, and therefore too high to access. In such cases the team used ocular estimates of the diameter taken by 2 people independently on a point just above the buttress, and averaged the two estimates. This method is acceptable as a conservative method for attaining a diameter on such trees and because the approach is consistent with what is listed in the Project's SOPs, where Step 7.2.6.12 states "Buttressing taller than 1.3 m or roots coming out of the trunk from points higher than 1.3 m -- Measure the diameter immediately above the swelling of the buttressing, or immediately above the roots (Figure A13). If the point to be measured is too high to be reached, two individuals should independently estimate the diameter visually without discussing their estimates. These two estimates will then be averaged."

However, it was clear to the audit team (based on placement of tree tags as well as the discrepancy between original and re-measured data) that in the original plot taken in March 2016 (the datasheets for which were made available to the audit team), the measurements on the same trees were taken at 1.3 meters above the ground surface, as they would be for a non-buttressed tree. This appeared to be the case only for the white-barked species of tree that was said to be very typical in the Semi-Evergreen plots and comprised the majority of trees in the SF004 plot. The same species was also seen in some of the Deciduous plots visited by the audit team, and the audit team witnessed the same problem occurring in the DF006 biomass inventory plot. While there lacked other buttressed species in the Semi-Evergreen or Deciduous plots visited by the audit team, there were buttressed species in the Evergreen plots. The audit team did not witness the same issue in the Evergreen plots; in these plots, the buttressed trees were measured appropriately and consistently with the SOP's and the original measurements.

In the event that diameter at breast height measurements are taken at 1.3 meters for buttressed trees, and these measurements are run through an equation that was created from datasets where diameter at breast height was measured above such buttresses, overestimation of biomass for individual trees results. Section 5.3.1(4) of the VCS Standard states that "The threshold for materiality with respect to the aggregate of errors, omissions and misrepresentations relative to the total reported GHG emission reductions and/or removals shall be five percent for projects and one percent for large projects." As the project is considered a "large project" in accordance with Section 3.9.1 of the VCS Standard, please provide evidence that the misrepresentation of the reported GHG emission reductions, as caused by the issue described above, is likely to be less than one percent of the total reported GHG emission reductions. Alternatively, please take steps to correct the issue and ensure that GHG emission reductions and removals are reported in accordance with the principle of conservativeness, as defined in Section 2.4.1 of the VCS Standard.

Project Personnel Response: The tree species that the audit team observed the biomass team not taking the DBH measurement above the buttress is Lagerstroemia calyculata. According to our database of tree measurements it occurred 7 times out of the 115 trees measured in the deciduous forest strata and 15 times out of the 213 trees measured in the semi-evergreen forest strata, for a frequency of 6 % and 7%, respectively. Additionally, the species of 25% of the trees in the deciduous trees stratum and 21% of the trees in the semi-evergreen stratum could not be identified and were recorded as unknown. Therefore, a conservative estimate is that the biomass team's mismeasurement of the species Lagerstroemia calyculata, and potentially an unknown number of unidentified species, could account for a maximum potential of up to 30% of the trees mis-measured in the deciduous and semi-evergreen forest strata. The carbon stock of the deciduous forest stratum is 137,284.4 t CO2e, of the semi-evergreen forest stratum is 313,202.8 t CO2e and the evergreen forest stratum is 20,364,164.9 t CO2e, for a total carbon stock in the Project Area of 20,814,652.16 t CO2e. The sum of the carbon stock for the deciduous forest and semi-evergreen forest strata is equal to 2% of the total carbon stock of the Project Area. Therefore, the impact of the trees that may have had their DBH measured in an in-correct location could not have resulted in an error in the carbon calculations of 1 % of the total carbon stock. Additionally, based on the biomass plot measurements, the species Lagerstroemia calyculata and unidentified species in the strata deciduous forest and semi-evergreen forest accounted for a total of 1,618.68 t CO2e, which is 0.008% of the total carbon stock. This amount is significantly less than the 1% threshold of materiality set by the VCS. Therefore, the observed mis-measurement of trees of the Lagerstroemia calyculata species could not have resulted in a material error in the calculation of NERs.
The forest inventory SOP has been revised to make clear that all trees, in all strata, must have their DBH measured above any buttress. Additionally, before any new biomass plot measurements are made the biomass team will have a refresher training, with an emphasis on determination of the location for measurement of DBH in different tree morphologies. Please refer to the revised forest inventory SOP, Standard Operating Procedure Tumring - Forest Inventory v4.3_20172908 section 7.2.6.5, which has been submitted to the auditor, to see this revision.
Auditor Response: The audit team confirms that the SOP document referenced in the Project Response has been revised as stated. The data and numbers used to justify that calculation errors or misrepresentations in the calculated GHG ERs are appropriate and below the threshold of materiality for large projects per the VCS requirements. The audit team agrees that a refresher training for the biomass team prior to new inventories is an appropriate step. The finding is closed.

NCR 2 Dated 13 Jul 2017
Standard Reference: VCS Standard
Document Reference: Annex 5 - Standard Operating Procedure Tumring - Forest Inventory v4.2_20151002
Finding: The VCS Standard states "Projects shall meet all applicable rules and requirements set out under the VCS Program, including this document. Projects shall be guided by the principles set out in Section 2.4.1." Additionally, accuracy under Section 2.4.1 is defined as "reduce bias and uncertainties as far as is practicable."

The Standard Operating Procedures (SOPs) are required to include all protocols related to collection of data in the field related to accurate measurement of carbon stocks for the biomass teams to follow. As such, the SOPs are required to be detailed and prescriptive for any scenario that could arise in the field.

While the audit team noted that the SOPs were comprehensively written and followed in general, during the audit, the audit team witnessed that certain rules followed by the biomass team related to the collection of carbon stock information were not currently included in the SOPs, potentially leading to inconsistencies and errors in measurement.

Section 7.2.6.7 of the SOPs state as follows: “Tree is leaning. Measure 1.3 m above the ground on the underside of the trunk, not vertically (Figure A5).” When the audit team observed that leaning trees were not always measured as described, it was explained to the audit team by the biomass team leader that leaning trees located on termite mounds were not subject to the same rules as other leaning trees, and that such trees are measured on the overside of the tree. Please revise the SOPs accordingly.

Project Personnel Response: The forest inventory SOP has been revised to include this piece of guidance concerning where to measure the dbh location of 1.3 m height on a tree that is leaning as a result of being located on a termite mound. Please refer to section 7.2.6.7 and Annex figure A5 of the forest inventory SOP, Standard Operating Procedure Tumring - Forest Inventory v4.3_20172908, for this revision.
Auditor Response: The audit team confirms that the SOP document referenced in the Project Response has been revised as stated. The finding is closed.

NIR 3 Dated 13 Jul 2017
Standard Reference: AFOLU Non-Permanent Risk Tool, v3.3
Document Reference: Tumring REDD Project Non-Permanence Risk Report template v3.2 v1.4
Finding: The AFOLU Non Permanence Risk Tool, Section 2.2.4, states "Project Longevity (PL) shall be assessed using Table 4, noting the following: (1) Project longevity is the number of years beginning from the project start date that project activities will be maintained, which may be longer than the project crediting period where projects can demonstrate that activities that maintain carbon stocks on which GHG credits have previously been issued will continue beyond the project crediting period. The project longevity score shall be determined by the formulae set out in Table 4. "

Subsection 3) states "For all AFOLU project types, the entire project longevity shall be covered by management and financial plans as submitted to local government or financial institutions, or otherwise made public, in which the intention to continue management practices is stated and planned for, and may include external evidence such as municipal land-use plans, institutional structures, or tools such as ecological-economic zoning". Subsection 5) states- "Legal agreement or requirement to continue the management practice refers to any 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 for the entire project longevity. .." Subsection 6) states "Where AFOLU project longevity is less than 30 years, the project fails the risk assessment and is not eligible for crediting."

In the client's Non-Permanent Risk Report, "Tumring REDD Non-Permanence Risk Report template v3.2 v1.4.pdf", Section 1 Internal Risk, Subsection Project Longevity, the risk score of 18 is chosen, stating as follows "There is no legal protection for the Project Area or requirement to continue the conservation management Practice, the project longevity is 30 years (Without legal agreement or requirement to continue the management practice)" option is chosen.

Per the PD, one of the main project activities is to increase protection of existing community forests within the Project Area as well as and to develop additional community forests within the Project Area. This project activity has been chosen given the greater success rate of protecting carbon stocks seen in community forests compared to in areas designated permanent forest reserves. The PD, Table 7, states that Community Forest Agreements shall be in effect not more than a period of fifteen (15) years from the date of approval by the Forestry Administration Cantonment Chief (Article 27, CF sub-decree) .

Given that Community Forest Agreements are in effect for a maximum of 15 years, please provide information regarding how the project will ensure protection of the carbon stocks over the entire 30 year project longevity. If this assurance is stated in a government decree, please provide evidence of the specific section and wording in the decree that demonstrates compliance with the VCS's project longevity requirements.

Project Personnel Response: The Tumring REDD+ Project Area is protected from deforestation and unsustainable degradation by Cambodian law. The Cambodian Forest Law creates a legally binding requirement to continue the Project's management practices, namely avoiding deforestation and degradation, for perpetuity. Therefore, the carbon stocks of the Project Area are legally protected for the entirety of the Project Longevity of 30 years. Additionally, the Project is eligible for the mitigation in Table 3, point I, as the Project is protected by a legally binding commitment to continue the conservation management plan for more than 100 years.
The legal decree that determines management of forests in Cambodia is Preah Reach Kret No. NS/RKM/0802/016. Management of the Tumring REDD+ Project Area follows this decree. The entire Project Area is declared a "Permanent Forest Reserve", and is declared as "production forest". Production forest is to be used "for sustainable-use" only and is not to be converted to non-forest. If FA does not renew a community forest's lease the forest will return to be a part of the "permanent forest reserve" as a "production forest" and will have the same protections. Below is an outline of the articles and protections for permanent reserve forests:
Under article 29, it is "prohibited to harvest the following forest products & by-products within the Permanent Forest Reserve:
1- Tree species whose diameter is smaller than the minimum diameter allowed to harvest;
2- Rare tree species;
3- Trees that local communities have being tapped to extract resin for customary use;
4- Trees that yield high-value resin."
Resin and its use are of extreme importance to communities in the Tumring area. Thus all of the resin trees found within the REDD+ Project area are protected.
Under Article 30, "It is prohibited to process forest products & by-products or establish and operate a forest industry, sawmills, forest products & by-products' processing facility or all types of kilns in the domains of Permanent Forest Reserves. All forest products & by-products' processing facilities and all types of kilns shall be located at least five (5) kilometers away from the boundaries of the Permanent Forest Reserves."
Under Article 31, "The clearing of forestland for the purpose of public road construction in the Permanent Forest Reserves shall be prohibited, unless approved by the Royal Government, upon request of the Ministry of Public Works and Transport after consultation with Ministry of Agriculture, Forestry and Fisheries.
The clearing of forestland for the purpose of construction of forest road in the Permanent Forest Reserves shall be prohibited, unless approved by the Minister of Ministry of Agriculture, Forestry and Fisheries, upon request of the head of the Forestry Administration.
All projects for public and forest road construction within the Permanent Forest Reserves shall be subject to consultation with local authorities and communities and an Environmental & Social Impact Assessment pursuant to Article 4 of this law.
New settlement along public or forest roads in the Permanent Forest Reserve shall be prohibited unless the permission of the Royal Government of Cambodia.
Article 32, "The forests shall be protected against damaging activities caused by excessive exploitation, abusive forest clearing, forest ecosystem pollution, forest fires, shifting cultivation, diseases, noxious insects, and the imports of harmful forest vegetation and wildlife species.

The following activities that damage forests shall be prohibited:
1- To displace, remove, or destroy the boundary posts or distinctive sign marking the forest boundary;
2- To grid bark, poison, destroy, fell down or uproot any tree without technical necessity;
3- To use harvest rights for forest products & by-products in a manner different from those authorized by permit;
4- To use various means or allow unleashed or leashed livestock within an area with tree seedlings or recent growth after harvesting, or forest fires, or in areas being or recently planted; and
5- To establish yellow vine or other forest by-products' processing facilities that may cause significant pollution or destruction to the forest ecosystem."
Article 33, "Unless otherwise stated in Articles 31, 35, and 37 of this law, all forest clearing activities shall be prohibited within the Permanent Forest Reserve."

We have submitted with this response a copy of the Cambodian Law on Forestry, with both the original text in Khmer and an English translation. Additionally, we are submitting with this response a selection of community forestry agreements that have been agreed between the Forest Administration and community forestry groups.
Auditor Response: The audit team notes that the project team has revised the Project Longevity score from 18 to 15 in the Non-Permanence Risk Report in the submitted document "Tumring REDD Project Non-Permanence Risk Report template v3.2 v1.6" . The accompanying text has been revised to state: "There is legal protection for the Project Area and a requirement to continue the conservation management Practice in perpetuity as enshrined in Cambodian national law, the project longevity is 30 years."
The evidence of the referenced legal protection has also been submitted and reviewed. The submitted legal decree, Preah Reach Kret No. NS/RKM/0802/016 determines the management of forests in Cambodia. The finding is closed.

NIR 4 Dated 13 Jul 2017
Standard Reference: AFOLU Non-Permanence Risk Tool section 2.4.1 (1)
Document Reference: Tumring REDD Project Non-Permanence Risk Report template v3.2 v1.4
Finding: Finding: Section 2.4.1 of the Risk Tool states that "1) Natural risk is based on likelihood (i.e., the historical average number of times the event has occurred in the project area over the last 100 years) and significance (i.e., the average significance of each event). Any significant natural risk (i.e., a risk affecting more than 5% of the project area) that has occurred over the past 100 years in the project area shall be considered applicable to the project. The frequency and significance of events shall be estimated based on historical records, probabilities, remote sensing data, peer-reviewed scientific literature, and/or documented local knowledge, such as survey data in project areas, and may include projected climate change impacts. Where data are available for at least 20 years, but less than 100 years, projects shall conservatively extrapolate using available data. Where such data are not available for the project area, likelihood and significance shall be determined based on conservative estimates (ie, not underestimating the possible frequency or severity) of historical events in the region in which the project is located."

The information on the frequency and significance of events provided in the project risk report does not include any of the appropriate evidence as described above. Please provide the information required to assess the frequency and significance of events for the natural risks category of the risk report (i.e. Historical records, probabilities, remote sensing data, peer-reviewed scientific literature, and/or documented local knowledge, such as survey data in project areas, and may include projected climate change impacts. Where data are available for at least 20 years, but less than 100 years, projects shall conservatively extrapolate using available data).

Project Personnel Response: The non-permanence risk tool has been updated to include an annex containing information on the frequency and significance of natural risk events. This annex provides information from published sources to document the frequency and significance of these natural risk events in the region where the Project Area is located. Additionally, section 2.3.1.2 has been added to the PD providing a short overview of the natural risks for the Project Area. The annex to the non-permanence risk report with detailed information on the natural risks has been provided to the auditor for their review.

We wrote a natural risk annex using the below research to support our natural risk ratings and will include it in the final version of the PD.
Wilson, K., Newton, A., Echeverria, C., Weston, C. and Burgman, M. (2005) A vulnerability analysis of the temperate forests of south central Chile. Biological Conservation 122: 9 – 21.
Yusuf, A.A. and Francisco, H.A. (2009) Climate change vulnerability mapping for Southeast Asia. Economy and Environment Program for Southeast Asia (EEPSEA), Singapore.
- low multiple climate vulnerability in the Project area
Conducted research and added in likelihood data to section 2.3.1.2 Natural Risks.
Delgado, J. M., Apel, H., and Merz, B.: Flood trends and variability in the Mekong river, Hydrol. Earth Syst. Sci., 14, 407-418, https://doi.org/10.5194/hess-14-407-2010, 2010.
Delgado, Apel and Merz Flood trends and variability in the Mekong River – notes
- Assessed water flow on Mekong from 1925 – 2000 – border of Kampong Thom and Stung Treng Provinces
- Results: Greater variability – extremely high flood events were experienced more than before, with below-average flooding in between high flood events
- Floods decreased on average over last 75 years
- the theoretical probability of an extreme event, for example exceeding the 20-year return period, increases over time in the three downstream stations Thakhek, Pakse and Kratie, at least in the last years of the 20th century
Extreme Weather
Pierce, Hal. 2015. NASA Mapped Heavy Rainfall from Tropical Storm Vamco. https://www.nasa.gov/feature/goddard/vamco-northwestern-pacific

Auditor Response: The audit team reviewed the revised non-permanence risk report, entitled "Tumring REDD Project Non-Permanence Risk Report template v3.2 v1.6" as well as the newly submitted annex containing information regarding Natural Risk "Tumring Non-Permanence Risk Tool_Annex 2_Natural Risk Narrative". The annex contains detailed information including relevant literature to support the selected risk ratings. While the audit team finds that the provided information is sufficient for most sections, the following two issues were found: 1) In the Annex write-up, it states, "supporting information the file
"MODIS Fire Product sample map dates.pdf" has been provided to the auditor". This information has not been submitted to the audit team. 2) Point 2 in the Annex- regarding the Pest risk rating references information from Kenya.
Project Personnel Response 2: We apologize, an early draft of the file "Tumring Non-Permanence Risk Tool_Annex 2_Natural Risk Narrative.pdf" was erroneously supplied to the auditor and the file "MODIS Fire Product sample map dates.pdf" was forgotten. We have now supplied the final version of the natural risk information in the file "Tumring Non-Permanence Risk Tool_Annex 2_Natural Risk Narrative v2.pdf" and have also supplied the referenced fire map in the file "MODIS Fire Product sample map dates_Tumring.pdf".
Auditor Response 2: The audit team reviewed the information provided, including the 'MODIS Fire Product sample map dates.pdf', which confirms the information provided under 1. Fire for the revised 'Tumring Non-Permanence Risk Tool_Annex 2_Natural Risk Narrative v2.pdf'. The finding is now closed.

NIR 5 Dated 13 Jul 2017
Standard Reference: AFOLU Non-Permanence Risk Tool section 2.2.2
Document Reference: N/A
Finding: Section 2.2.2 of the Risk Tool states that "the financial viability of a project is based on 1) the number of years until cash flow breakeven is reached, and 2) the funding that has already been secured relative to what is needed to implement and operate the project until reaching the cash flow breakeven. The cash flow breakeven point is the year in which the cumulative cash flow is positive (ie, cash flow in exceeds cash flow out) and stays positive. Breakeven should be calculated on a cash flow basis based on generally accepted accounting principles. Cash flow in may include commercial revenue streams associated with the project, secured revenue and conservatively projected revenues from the sale of GHG credits, other funding sources such as donor funds, upfront investments, or carbon prepayments, equity or loans. Cash flow out shall include, at a minimum, project implementation costs, costs associated with GHG credit generation (eg, validation, verification and registration), and, where applicable, interest expenses, repayment of loans or forward purchase agreements, and any required equity distributions. The percentage of needed funding secured shall be calculated by adding up all funding and revenue already secured and dividing this by the total cash out up to and including the year the project reaches breakeven."

In addition, "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. Given execution uncertainties, options contracts shall not be counted as secured funding. When preparing the cash flow breakeven analysis, the assumptions on revenue from both carbon and other commercial sources (eg, timber) must be conservative and clearly document the source, pricing assumptions, frequency of verification and other relevant variables."

While the audit team was shown some of the relevant financial analyses that were used to support the Financial Viability risk score while on the site visit, the documents need to be submitted to the audit team once available so that independent checks can be run. These documents will remain confidential. Please ensure that the submissions meet the requirements listed in the paragraph above.

Project Personnel Response: Please review the attached budget spreadsheet that displays all of the projected Project expenses, including project costs, administration and project activities as well as projected credit sales. The submitted document "Final-Tumring REDD-30 Budget and WorkPlan.xlsx" is the approved budget for the Project.
Auditor Response: The project team has submitted a detailed workplan and budget entitled "Final-Tumring REDD-30 Budget and WorkPlan.xls". In addition, please provide evidence to comply with the VCS requirement per AFOLU Non-Permanence Risk Tool Section 2.2.2 and as stated in the initial finding:

"In addition, "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. Given execution uncertainties, options contracts shall not be counted as secured funding. When preparing the cash flow breakeven analysis, the assumptions on revenue from both carbon and other commercial sources (eg, timber) must be conservative and clearly document the source, pricing assumptions, frequency of verification and other relevant variables."

Project Personnel Response 2: The Royal Government of Cambodia (RGC) shared with the auditor the official minutes of the bilateral meeting between RGC and the Republic of Korea (ROK) for the Joint Korea-Cambodia REDD+ Project (Tumring REDD+ Project), but these minutes do not include the exact amount of funding committed. The funds officially committed for the Project are included in the 30-year budget that has been shared with SCS on March 15, 2018. The auditor has also been provided a letter signed by the Director General of the RGC's Forestry Administration that states that if there are any funding shortfalls, the Project finances will be covered through the Forestry Administration's general fund.
Regarding the financial status of the Government of Korea, according to the Reuters article, "South Korea Reports Third Straight Annual Budget Surplus in 2017", the government of South Korea had a $5.7 billion surplus in 2017, the third surplus in as many years. According to the CIA World Factbook, in 2016, the Government of South Korea was one of only two governments in the world's top 14 economies that ran a surplus. (https://www.cia.gov/library/publications/the-world-factbook/ visited May 24, 2018).
Auditor Response 2: The audit team confirms that the provided letter, "Letty FA-SCS.pdf" provides a written statement regarding what would occur should a funding shortfall occur for the Tumring REDD project. The letter provides a signed and stamped attestation from the Under Secretary of State and Head of the Forestry Administration, Mr. UNG SAM ATH. The letter states that, should a shortfall occur, the Tumring REDD+ Project's finances will be covered through the fund committed by the Korea Forest Service and the contribution from the Royal Government of Cambodia's Forestry Administration's general fund. The letter, in addition to the evidence submitted regarding the good financial standing of the Government of South Korea, satisfies the VCS requirement, per AFOLU Non-Permanence Risk Tool Section 2.2.2, of secured funding. The finding is closed.

NCR 6 Dated 17 Jul 2017
Standard Reference: Project Description template- VCS Version 3, CCB Standards Second Edition
Document Reference: Tumring REDD Project VCS_CCB PD.v2.0
Finding: Section 1.1 of the template states, "provide an estimate of annual average and total GHG emission reductions and removals."

Such an estimate is currently missing. Please update Section 1.1. accordingly.
Project Personnel Response: The monitoring report has been revised to include the estimate of the annual average and total GHG emission reduction. Please see the "Climate Benefits" heading in section 1.1 of the monitoring report for this revision.
Auditor Response: The audit team confirmed that the project team intended to write that the PD had been revised. The audit team notes that the project team has revised Section 1.1. of the PD accordingly.

NCR 7 Dated 17 Jul 2017
Standard Reference: Project Description template- VCS Version 3, CCB Standards Second Edition
Document Reference: Tumring REDD Project VCS_CCB PD.v2.0
Finding: Section 2.1 of the template states" indicate whether the project is a grouped project."

Such a statement is currently missing. Please update Section 2.1 accordingly.
Project Personnel Response: The monitoring report has been revised to include the statement that the "TRP is not a grouped project". Please see section 2.1 of the monitoring report for this revision.
Auditor Response: The audit team confirmed that the project team intended to write that the PD had been revised. The audit team notes that the project team has revised Section 1.2.2.3 to state that the project is not a Grouped Project.

NCR 8 Dated 17 Jul 2017
Standard Reference: Project Description template- VCS Version 3, CCB Standards Second Edition
Document Reference: Tumring REDD Project VCS_CCB PD.v2.0
Finding: Section 2.7 of the template states "Demonstrate how due account of all and any comments received during the VCS comment period has been taken. Include details on any updates to the project design or demonstrate the insignificance or irrelevance of comments."

Please update Section 2.7 accordingly.
Project Personnel Response: The monitoring report has been revised to include the statement "During the VCS and CCB comment period no comments were received. This includes both comments submitted through the VCS website or through the Project's comment system detailed above. As there were no comments received, the project design was not updated, nor were any comments deemed insignificant or insignificant". Please see section 2.7.5 of the monitoring report for this revision.
Auditor Response: The audit team confirmed that the project team intended to write that the PD has been revised. Section 2.7.5 has been revised as stated.

NCR 9 Dated 17 Jul 2017
Standard Reference: Project Description template- VCS Version 3, CCB Standards Second Edition
Document Reference: Tumring REDD Project VCS_CCB PD.v2.0
Finding: Section 2.9 Sustainable Development is currently missing.

Please update the document and add Section 2.9 and the accompanying text per the template guidelines accordingly
Project Personnel Response: The monitoring report has been revised to include section 2.9, Sustainable Development, and the accompanying text per VCS requirements. Please see section 2.9 of the monitoring report for this revision.
Auditor Response: The audit team confirmed that the project team meant that the PD had been revised. Section 2.9 Sustainable Development, has been added as well as accompanying text that meets the VCS requirements.

NCR 10 Dated 17 Jul 2017
Standard Reference: Project Description template- VCS Version 3, CCB Standards Second Edition
Document Reference: Tumring REDD Project VCS_CCB PD.v2.0
Finding: Section 3.2 Project Ownership of the template states "provide evidence of project ownership, in accordance with the VCS specifications on project ownership."

Please update the title of the section and the section accordingly.
Project Personnel Response: Section 3.2 has been revised to bring it into compliance with the VCS template. The section has been revised with the term "Project Ownership" in place of "Right of Use." Please see section 3.2 of the monitoring report for this revision.
Auditor Response: The audit team confirmed that Section 3.2 has been revised accordingly.

NCR 11 Dated 17 Jul 2017
Standard Reference: Project Description template- VCS Version 3, CCB Standards Second Edition
Document Reference: Tumring REDD Project VCS_CCB PD.v2.0
Finding: Section 4.1 Title and Reference of Methodology of the template states "Include also the title and version number of any tools applied by the project."

Please update the section accordingly.
Project Personnel Response: Section 4.1 of the project document has been revised to include reference to the VCS Tool VMD 0037 Global Commodity Leakage Module: Production Approach (LM-P), V1.0 4 February 2014. This tool was used for the determination of the market leakage resulting from the Project. Please see section 4.1 of the monitoring report for this revision.
Auditor Response: The PD makes reference to the CDM A/R tool used for direct and indirect nitrous oxide emission, as well as the additionality tool and the non-permanence risk assessment tool. These and any other tools used should be included in Section 4.1
Project Personnel Response 2: The CDM A/R Tool is mentioned in regards to the calculation of methodology parameter E_(P Δ SF)^[m] , which is used to calculate any project emissions resulting from the emission of nitrous oxide from the use of nitrogen fertilizers as a project activity. This parameter is not using the TRP as there are no project activities involving the use of fertilizers, and additionally nitrous oxide is not an included gas in the Project, therefore the CDM A/R tool is not used in the project. We have been told previously that all parameters from the methodology must be included in data and parameters section of VCS document templates, therefore this parameter has been included here even though it is not included in the project. We have updated the data and parameters table for this parameter to make this more clear. Section 4.1 has been revised to include the VCS additionality tool and non-permanence risk tool.
Auditor Response 2: The information provided regarding the quantification of project nitrous oxide emissions seems reasonable to the audit team. Through review of the revised PD entitled "Tumring REDD Project VCS_CCB PD.v3.2", the audit team can confirm that the parameter in question now has the following clarifying language under "Any comment": "This parameter is not used in the Project and the CDM A/R methodological tool is also not used in this project." The audit team agrees that this is sufficient to clarify that the CDM A/R methodological tool is not applied by the project and, therefore, it is not required to be listed under Section 4.1.

The audit team can confirm that the VCS “Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities,” VT0001 Version 3.0, and the VCS “AFOLU Non-Permanence Risk Tool,” V3.3, are appropriately referenced in Section 4.1.

Therefore, the non-conformity has been resolved.

NCR 12 Dated 17 Jul 2017
Standard Reference: Project Description template- VCS Version 3, CCB Standards Second Edition
Document Reference: Tumring REDD Project VCS_CCB PD.v2.0
Finding: The instructions in the template for Section 4.3 Methodology Deviation of the template states "Describe and justify any methodology deviations. Include evidence to demonstrate the following: the deviation will not negatively impact the conservativeness of the quantification of GHG emission reductions and removals."

Such evidence is currently missing. Please update the section accordingly.
Project Personnel Response: The deviation from the methodology listed in the Section 4.3 was written in error. In actuality, the calculation of the REL was done in accordance with the VCS methodology VM0009, and there were no deviations from this methodology. VCS methodology VM0009 details the use of the BEM process for determination of a Project's baseline. However, in section 6.0 on page 46 of the methodology it states that "If a jurisdictional baseline has been established and is applicable to the project activity, it may be used per VCS requirements." In the case of the TRP, it has chosen to use the sub-national jurisdictional baseline for Kampong Thom province from the Royal Government of Cambodia. Therefore, the Project has not deviated from the methodology, and is calculating the Project baseline fully in accordance with the methodology. Section 4.3 Methodology Deviations in the PD has been updated to state that there were no deviations from the VCS methodology VM0009 in the TRP.

Auditor Response: Through review of the revised PD entitled "Tumring REDD Project VCS_CCB PD.v3.2", the audit team can confirm that it is now stated that "The TRP has no deviations from the VCS methodology VM0009 v3." The audit team undertook the steps described below to confirm that the use of the "REL" did not constitute a methodology deviation.

The audit team confirmed that the methodology contains the following language on page 46: "If a jurisdictional baseline has been established and is applicable to the project activity, it may be used per VCS requirements."

As indicated in Section 4.5.8 of the revised PD, "The Royal Government of Cambodia submitted a Forest Reference Level (FRL) under the UNFCCC Framework in July 2016 (MoE, 2016)." The audit team independently acquired the report accompanying both the original July 2016 submission and the revised May 2017 submission at http://redd.unfccc.int/submissions.html?country=khm (accessed 14 May 2018). While these versions contain slightly different calculations of the overall reference emission level as presented in Table 3-1, the values provided for total forest area in 2006 and 2014, used as "activity data" in the analysis, are identical between versions.

The audit team reviewed the approach documented in Section 4.5.8 of the revised PD and confirmed that it is reasonable and appropriate to apportion the activity data according to the ratio of the number of hectares in the project area to (which is also the number of forested hectares in the project area as of project commencement) to the number of forested hectares in Cambodia as of 2014 (as sourced from the report referenced above). The calculated emission level of 482,681 was found to be quantified without material error.

Finally, the audit team noticed that the Initial Forest Reference Level had not been accepted as of 14 December 2017. Furthermore, it was unclear whether such data, whether accepted or not, would constitute a "jurisdictional baseline". However, the audit team received the following guidance from Verra personnel via an email dated 22 January 2018:

"Use of national forest reference levels or national forest reference emission levels are acceptable for use as jurisdictional baselines, where allowed by VCS methodologies. As VM0009 allows for this, use of Cambodia's forest reference level meets the intent of this requirement because it has been formally submitted to the UNFCCC.

As you likely know, the UNFCCC assessment process does not approve reference levels. However, there is a technical assessment process whereby the UNFCCC Secretariat may submit clarification requests and opportunities for improve to the country. The country can then electively update the reference level and submit a modified reference level, or take this information into consideration for subsequent reference level submissions.

Therefore, where projects develop their initial baseline or update their baseline to be consistent with jurisdictional forest reference emission levels, VCS recommends projects utilize a reference level that has completed the UNFCCC technical assessment process, as such reference levels may be updated as part of the assessment process.

However, understanding the time constraints for project validation, and the uncertainty of the timeline of the UNFCCC assessment process, VCS will accept the application of submitted reference levels that have not yet completed technical assessment. Where projects have utilized a reference level that has been submitted to the UNFCCC, but has not completed the technical assessment process, and such reference level is subsequently updated via a modified forest reference level submission, the project should apply a PD deviation at a subsequent verification to make any necessary updates to the baseline to bring the project in line with the updated FREL."

As such, the audit team has confirmed that process documented in Section 4.5.8 constitutes use of an "established jurisdictional baseline" in conformance with the methodology (noting this baseline may

need to be updated as described above in the case that the reference level is revised). Therefore, the audit team agrees that a methodology deviation has not been applied, and this finding is withdrawn.

NCR 13 Dated 17 Jul 2017
Standard Reference: Project Description template- VCS Version 3, CCB Standards Second Edition
Document Reference: Tumring REDD Project VCS_CCB PD.v2.0
Finding: Section 4.4 Project Boundaries of the template states "In addition to the table, provide a diagram or map of the project boundary, showing clearly the physical locations of the various installations or management activities taking place as part of the project activity based on the description provided in Section 2.2 above."

Such a diagram or map (or reference to diagram/map) is currently missing from this section. Please update accordingly.
Project Personnel Response: The project document has been revised to include the required information. Please refer to section 4.4.3 for figure 6, a new map showing the project boundary and project office locations. In addition, table 20 has been added, listing each project activity that is named in section 2.2, and showing which project offices are implementing the project activity.
Auditor Response: The audit team was able to locate Figure 7, and confirm that it is a map containing information regarding project boundary and project office locations. Table 19 provides information about project activities occurring in project office locations.

NCR 14 Dated 17 Jul 2017
Standard Reference: Project Description template- VCS Version 3, CCB Standards Second Edition
Document Reference: Tumring REDD Project VCS_CCB PD.v2.0
Finding: The instructions in the template for Section 8.2 and 8.3 state "Complete the table below for all data and parameters.. "

In the PD, the current table used in both sections is missing a row called "Purpose of Data". Please update the tables for each section and data/parameter accordingly.

Project Personnel Response: The tables in Section 8.2 and Section 8.3 have been updated to include the row “Purpose of Data.” Please refer to the PD and these Sections to review this revision.
Auditor Response: The row has been added to the Sections 8.2 and 8.3 in the revised PD.

NIR 15 Dated 8 Jan 2018
Standard Reference: VM0009 Methodology, version 3.0
Document Reference: Tumring REDD Project VCS_CCB PD v.3
Finding: The VM0009 methodology, Section 4 Applicability Conditions, number 7, states "the project accounting area(s) must not contain peat. The Tumring REDD Project VCS_CCB PD v.3. pdf states "The Project Accounting Area does not contain any areas of peat soil". Please refer to Appendix E for a map showing the soil types present in the Project Area." At present, Appendix E provides a soil map for the leakage area but does not appear to do so for the accounting area. In addition, while it lists a number of types of soil, no text exists to evaluate the origin of the map and how it was confirmed that the soils do not fall into the peat category.

Please revise accordingly or indicate how the current PD meets the methodology requirements.
Project Personnel Response: The Project Accounting Area soil map is in Appendix B on page 193. The soil types for the PAA are listed by soil type name, so these can be easily researched through publicly available sources. The soil types included in the PAA are:

1) Acid Lithosol
2) Alluvial Lithosol
3) Grey hydromorphic
4) Red-yellow podzol

Peat soils are generally classified in the Histosol category, as this is the category for organic soils that have greater than 20-30% organic matter by weight. Peat is additionally a type of histosol that is characterized by being completely water logged and having a extremely low oxidation potential resulted in the accumulation of undecomposed plant matter.

The hydromorphic soil listed would be one that developed under the presence and influence of a high amount of water, but that does not infer nor imply in any way that the soil would be a peat soil. Lithosol refers generally to a young soil that is thin, meaning shallow bedrock and podzols are well developed soils that show some aspects of the factors of formation, most likely rivers here. I have provided the auditor with a document that lists the soils and some background. Is is based on the same soil dataset as the soil layer in the Project Map.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.2", the audit team can confirm that a soil map is provided for the project accounting area in Appendix B. However, Section 4.2 of the PD continues to refer the reader to "Appendix E for a map showing the soil types present in the Project Area".

Had the information provided in response to this finding been included in Section 4.2 of the PD, and had a correct reference to the map in Appendix B been included in the same section, that would have been sufficient to fully comply with the requirements of PDR.2, which requires "Where applicability conditions apply, credible evidence in the forms of analysis, documentation or third-party reports to satisfy the condition". However, the supplementary information is not included in Section 4.2 and the reference to the soil map is incorrect, the discrepancy has not been fully resolved.
Project Personnel Response 2: We have corrected the Annex reference for the soil map in Section 4.2 Additionally, we have included the supplemental soil description provided in the above finding response to the text in Section 4.2.
Auditor Response 2: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.3", the audit team can confirm that the language in Section 4.2 now correctly references Appendix B as the location of the soil map. In addition, the information provided in response to the finding has been added to Section 4.2. The audit team agrees that the documentation included is sufficient to satisfy the requirements of Section 4.2, and that the non-conformity has been resolved.

NIR 16 Dated 9 Jan 2018
Standard Reference: VM0009 Methodology, version 3.0
Document Reference: Tumring REDD Project VCS_CCB PD v.3
Finding: The VM0009 methodology, Section 4 Applicability Conditions, number 9, states "As of the project start date, historic imagery of the Reference Area(s) exists with sufficient coverage to meet the requirements of Section 6.8.4 of the VM0009 methodology."

The PD, "Tumring REDD Project VCS_CCB PD v.3. pdf" , Section 4, lists Applicability Condition #9 and states "As of the start of the historic reference period there is sufficient historic imagery available to ensure that the reference areas have coverage that meets all requirements of section 6.8.4 of the methodology VM0009. Additionally, all of this imagery meets all minimum requirements for imagery in Section 6.8.4 in the methodology VM0009." In addition, Section 6.8.4 of the Methodology sets forth requirements for selecting historic imagery.

Please provide evidence that the condition is met. If such evidence already exists within the PD, please indicate where and how such evidence exists.
Project Personnel Response: The Project Proponent has submitted to the auditor guidance from VCS indicating that in projects validated and verified under VM0009 which choose to utilize a qualifying jurisdictional REL in place of the methodologies BEM process for determining a baseline, methodology requirements relating to the BEM process that do not apply to the use of a REL should be disregarded.
Auditor Response: The auditor reviewed the PDF document "VCS Guidance on FREL" which was provided in response to this finding. Said document contained an email exchange with Verra personnel in which Verra personnel stated, in an email sent 27 February 2018, "Where a project applies a jurisdictional baseline as allowed by a VCS methodology, the requirements within the methodology for determining the rate of deforestation must be disregarded as the project method baseline rate is superseded by the jurisdictional baseline rate." As the sole purpose of the acquisition of historical imagery for the reference region is the determination of the baseline rate of deforestation for the project area (following the guidance of Section 6.8 of the methodology), the audit team agrees that, per Verra guidance, the requirement in question must be disregarded. This finding is therefore withdrawn.

NIR 17 Dated 9 Jan 2018
Standard Reference: VM0009 Methodology, version 3.0
Document Reference: Tumring REDD Project VCS_CCB PD v.3
Finding: The VM0009 methodology, Section 4 Applicability Conditions, number 12, states "If logging is included in the baseline scenario and a market leakage area is required as per section 8.3, then the project proponent has access to (or monitoring data from) the market leakage area if measurement is needed (see section 8.3.3)."

The PD, "Tumring REDD Project VCS_CCB PD v.3. pdf" , Section 4, lists Applicability Condition #12 and states "The TRP does not include logging in the baseline scenario. This application condition is not applicable to the Project." While on the site visit, the audit team did see evidence of small-scale removal of trees by hand tractor. Please provide evidence/justification for the conclusion that the applicability condition is not applicable. If it already exists within the PD, please indicate where.
Project Personnel Response: The intent of VM0009 methodology applicability condition #12 is to ensure that the market effects of commercial logging in the Project Area can be accurately measured. Section 8.3.3 describes whether or not market leakage should be measured based on whether or not commodities – most likely timber or agricultural products – shifts elsewhere to make up for the lost supply resulting from project activities. The small-scale, ad-hoc, illegal logging performed by local community members in the case of the Tumring Project is not considered a commodity because the timber largely is not bought and sold on any kind of market, but is just used within the local system. The agents and drivers of deforestations' primary aim is to clear land for agriculture, not to extract resources such as timber and commoditize it. To attempt to measure indirect market effects of this activity would not only be pure conjecture on the part of the project proponent, but it would result in highly inaccurate results. Section 8.3.3. in VM0009 further states “when the agents and drivers of conversion only use land converted in the baseline for subsistence, no market leakage will occur as a result of the project, and potential leakage, if any, is restricted to the activity-shifting type.” The baseline scenario of the TRP is small-scale agriculture, which while not purely subsistence agriculture, is generally operated in a similar manner. The primary method of land clearing by the small-scale farmers is slash and burn, just as with subsistence agriculture, with a very small, unquantifiable amount of the wood removal for local use. We have therefore surmised that the measurement of activity-shifting leakage is the superior method of determining emissions from leakage from this logging activity.

There is additionally precedence for Cambodia REDD+ Projects in which small-scale logging activity has not been found to contribute to market leakage emissions, notably the Keo Siema REDD+ Project. This project, developed under VCS methodology VM0015 and validated by SCS, has very similar ecological and social conditions and was found not to contain market leakage due to small-scale logging in the Project area. Given the above points, we contend that market leakage from logging should not be included in the project, and as a result, applicability condition #12 would not apply.

Auditor Response: First, regarding the second paragraph of the response, the audit team wishes to highlight that validation of the named project was carried out against a different methodology with different requirements. Specifically, the referenced VM0015 methodology does not require accounting for market leakage. The audit team would therefore respectfully caution against inferring "precedence" in this case.

The audit team agrees, based on on-site observations, with the assertion in the findings response that "The small-scale, ad-hoc, illegal logging performed by local community members in the case of the Tumring Project is not considered a commodity". However, the PD states the following in Section 4.5.4: "The primary agent of deforestation for the TRP are in-migrants and outsiders. This refers to individuals or group of people who move to Kampong Thom Province and the TRP Project Area aim to claim for land either through legal or illegal claiming process." The applicability condition refers to whether "logging is included in the baseline scenario". If the primary agent of deforestation for the TRP are in-migrants and outsiders, as stated in the PD, then the matter of primary importance is not whether current community members engage in commodification of timber gathered from the project area, but rather whether in-migrants and outsiders would engage in such activity in the baseline scenario.

Therefore, please provide additional evidence/justification (ideally, including documentary evidence such as published literature or other external sources that can be cross-checked and confirmed by the audit team) for the conclusion that the applicability condition is not applicable.

Project Personnel Response 2: Logging in the baseline scenario is small-scale, with only a small amount sold in local markets to meet local requirements. The likely result of the Project therefore does not affect the market supply of the wood commodity. Rather, it meets the definition of subsistence activity, as the local extraction would only leak to the next available geographic region and thus be considered as activity-shifting leakage. The reduction in the supply of wood from the Project Area would in turn not result in a change to the Cambodian market timber commodity.
There is a paucity of literature and/or data sources concerning the status of logging in the Tumring REDD+ Project Area. Because the local wood extraction is both illegal and small-scale, it has traditionally not been a priority for either forestry or conservation research. However, the Prey Lang forest, which abuts the Project Area to the west, and contains similar attributes to the Tumring Project Area both physically and culturally (agents and drivers of deforestation), has attracted far more interest from researchers and NGOs, with most of reports in the region focusing on the Prey Lang forest.
The Report “Biodiversity Assessment of Prey Lang” published in 2015 jointly by the FA, USAID, CI and Winrock International characterizes the threats to the forest, based on interviews, research and observation in the Prey Lang forest. The report states “members of all the villages visited by the survey team are presently engaged in logging operations related to house construction and local market supply (pers obs.). Timber is cut and sawn into planks, square-shaped logs and poles by chainsaw, and then transported from the forest to the villages.“
Another report on the Prey Lang forest, published the Prey Lang Community Network states: “illegal logging in Prey Lang happens for different reasons: As an income source, clearing land for farming or planting, and housing to name a few. It was not only driven by a desire to make money by selling the quality timber products available for free to anyone with a chainsaw. People moving into villages needed space for houses, to grow their crops and to support their families, and in some cases, they were guilty of illegally clearing forestland.”
These reports support our assertion that most of the logging in Tumring has been carried out by local communities to supply their own needs for timber and additionally by in-migrants who are primarily driven by the need for land. These reports indicate that rather than operating as agents of an extractive logging industry, the in-migrants are shown to harvest insignificant amounts timber from the forest as an activity incidental to their primary goal of conversion to agricultural land. We have provided these 2 published reports to the auditor.

Auditor Response 2: The audit team reviewed the information provided. The audit team agrees that the two reports mentioned are valid sources of independent, documentary evidence with direct bearing on the questions at hand. However, the audit team has drawn a different conclusion from the evidence provided than has been drawn by the project team.

The audit team can confirm that the text from the "Biodiversity Assessment of Prey Lang" was correctly quoted. However, the reference to "local market supply" directly indicates a finding that local markets are being supplied by wood products harvested as part of logging operations. This is confirmed by the information in the report published by the Prey Lang Community Network--presumably, the only way for illegal logging to be "an income source" is if harvested material is sold in the marketplace.

The relevant text from Section 8.3.3 of the methodology states the following:

"The project proponent must account for this shift in production per current AFOLU Requirements and the flowchart provided in Figure 12. Apply sections 8.3.3.2, 8.3.3.3 and 8.3.3.4 of this methodology according to the flowchart."

For an unplanned baseline type, the referenced flowchart first inquires as to whether the project "Changes supply of market commodities". If the answer to that questions is "yes", then market leakage must be accounted for per Section 8.3.3.3 or 8.3.3.4. Nowhere is it indicated that consideration is to be given to the primary motivating factor for the supply of market commodities (i.e., whether individuals are supplying wood to the marketplace as a byproduct of land-clearing activities they would engage in anyway, or whether individuals would not otherwise be motivated to cut down trees but are doing so in order to sell wood in the marketplace). The question posed by the methodology is simply whether the project would change the supply of market commodities. It seems evident, based on the information provided, that implementation of the project activities within the project area will change the quantity of timber supplied to local markets from the project area. Given this, the audit team understands that accounting for market leakage is required in accordance with Section 8.3.3 of the methodology.

Because this finding was issued as a New Information Request, and because the audit team has received sufficient information to inform a determination on the matter, this finding will be closed and NCR 43 will be opened.

NCR 18 Dated 9 Jan 2018
Standard Reference: VCS Standard Section 3.5.1
Document Reference: Tumring REDD Project VCS_CCB PD v.3
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

The PD Requirement #36 states as follows:
"PDR.36 Maps or other evidence that the proxy area's site characteristics and landscape configuration is similar to its respective Project Accounting Area, including:
a. Vegetation;
b. Climatic conditions (e.g. mean temperature, rainfall, etc.);
c. Topographic constraints to conversion (slope, aspect, elevation);
d. Land use and/or land cover;
e. Soil map (if available) or other soil information;
f. Applicable infrastructure (e.g. water ways, roads, railroad, airports, provision of electricity, and other access points); and
g. Ownership/tenure boundaries that influence conversion (e.g. government holdings, private holdings and reserves)."

After listing PDR.36, in Section 4.5.7 Delineating Proxy Areas, the PD states "Please see Appendix C for the above maps." Appendix C contains a map of Proxy Area Infrastructure and Proxy Area Landover. However, several maps are missing. A map or "other evidence" that the proxy area's site characteristics and landscape configuration is similar to its respective Project Accounting Area in terms of vegetation and climatic conditions appears to be missing. In addition, a map or "other evidence" showing topographic constraints to conversion is missing. A map showing land use and/or land cover is provided, however it shows much of the project area and proxy area as "land concession" as discussed with the project team during the 12/11/17 quantitative session.

Please revise accordingly to ensure that PDR.36 is complied with in full.
Project Personnel Response: The PD has been revised to include maps or other evidence for all of the requirements listed in PDR 36. Please refer to PDR 36 in Section 4.5.7 to view these revisions. Additionally, please refer to the PD Appendix C "Documentation Required for the Proxy Area Selection" to view these maps. One note is that the wording for this PDR is unclear in regards to the requirements for the Proxy Area landcover. The VCS methodology VM0009 is very clear that the Proxy Area must demonstrate the landcover end-state as documented in the Project's baseline scenario. Therefore, the Proxy Area's landcover, including vegetation should not, and cannot be similar to that of the Project Accounting Area. This is the landcover state that is demonstrated in the referenced Proxy Area map in Appendix C.

Auditor Response: The audit team reviewed the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.2", to determine whether this finding could be closed. The audit team's comments regarding the extent to which information is currently provided to satisfy each requirement of PDR.36 are as follows:

- Regarding "Vegetation", the audit team agrees that, per Section 6.4 of the methodology, proxy areas "must represent areas already converted to the end land use (eg, non-forest or converted native grassland) in the baseline scenario as of the project start date". However, the same section also clearly states that "For each project accounting area, the proxy area must be similar to the corresponding project accounting area with respect to vegetation, landscape configuration and climatic conditions." The only interpretation of the latter statement that is consistent with the former statement is that the pre-deforestation vegetation within the proxy area must be similar to that in the corresponding project accounting area. The "Map of the Proxy Area Landcover" in Appendix C does not contain such evidence. In fact, the "Map of the Proxy Area Landcover" does not actually provide any information regarding the landcover or vegetation, pre- or post-deforestation, within the proxy areas.
- Regarding "Climatic conditions (e.g. mean temperature, rainfall, etc.)", the information provided in Section 4.5.7 is sufficient to satisfy the requirement.
- Regarding "Topographic constraints to conversion (slope, aspect, elevation)", the audit team agrees that the "Map of the Proxy Area Topographic Maps" in Appendix C provides information regarding the proxy area. However, as the referenced map does not simultaneously display the same information in respect of the project accounting area, the map does not provide the reader with a basis for comparison between the proxy areas and the project accounting area so as to visually confirm the similarity between the proxy area and the project accounting area.
- Regarding "Soil map (if available) or other soil information", the "Proxy Area Soil Class" map provides for a comparison between the proxy area and at least a portion of the project area. However, the tint that seems to be added to the proxy area feature in the map makes it unclear which soil types are included in the proxy area boundary and suggests that soil types differ between the proxy area and the immediately adjacent portions of the project area.
- Regarding "Applicable infrastructure (e.g. water ways, roads, railroad, airports, provision of electricity, and other access points)", the map provided in Appendix C demonstrates that infrastructure is similar between the project area and the proxy areas.
- Regarding "Ownership/tenure boundaries that influence conversion (e.g. government holdings, private holdings and reserves)", the audit team reviewed the "Map of the Proxy Area Landuse" to determine whether this is sufficient to satisfy the requirement. While the map provides information regarding ownership/tenure boundaries, rather than providing evidence of the similarity between the proxy area and the adjacent portions of the project area, the map appears to provide evidence to the contrary, as it shows that much of the project accounting area is comprised of community forests that are not present in the proxy areas. Additional evidence is needed of the similarity between the proxy area and project accounting area in this respect.

Therefore, the non-conformity has not been fully resolved.

Project Personnel Response 2: We are responding to each of the auditors points here below:
a) The map referenced by the auditor does in fact display the current landcover status of the proxy area, however by error the map's legend did not include the landcover class of "non-forest", so the map was unclear. We have revised the map legend to include all of the landcover classes shown on the map. This shows that the Proxy Area is consistent with the requirements of the methodology, which state that the proxy area must be representative of the end state of conversation as described by the project's baseline. We agree that the wording of PDR 36 is not clear on what is required of the proxy area's vegetation. However, as the authors of the methodology we can at that the intent was to have project developers submit sufficient evidence to the auditor for them to verify that the Proxy Area most likely was similar to the Project Area prior to conversion and that it meets the other requirements of the methodology, most notably being accessible to the agents and drivers of conversion and being in a converted state. In the case of this Project, the evidence shows that the Proxy Area is immediately adjacent to the Project Area, has very similar climatic conditions, elevation, slope, aspect and soil types. Therefore, we can assume with confidence that prior to conversion to non-forest the Proxy Area would have had a similar forest type to that which is present in the Project Area, and that it is in a converted state and is accessible to the same agents and drivers as those in the Project's baseline. We have corrected the referenced map to clearly state the non-forest landcover class in the map's legend. If the auditor would like to observe the historic vegetation cover in the Proxy Area to assess its similarity to the present landcover in the Project Area, a map has been added to the PD in response to another finding in Figure 10 showing the Project Area and the surrounding area, including the Proxy Area, 10 years prior to the project start date. In this map it can be seen that the Proxy Area was largely forested at this point, and in the imagery the vegetation cover is shown to be similar between the Project Area and Proxy Area at this point in time. We have also added a reference to Figure 10 in PDR 36.
b) We have revised the referenced map to remove the mask that covered the Project Area. This map now displays the topography information for the Proxy Area and the adjacent area's of the Project Area. This now shows in a single map that the Proxy Area is very similar to the Project Area in regards to the topography.
c) The auditor is correct that a tint was added over the areas of the map not in the Proxy Area. The purpose of the tint was to emphasize the Proxy Area, but we agree that instead it just caused confusion. We have revised the map to remove this tint.
d) The purpose of this requirement is to ensure that the proxy area was converted by the same agents and drivers, or the same class of agents and drivers, as is included in the Project's baseline. The referenced map indicates that there are not any social or economic land concessions present in the Proxy Area that were responsible for its conversion. Therefore, as the Proxy Area was not converted through planned deforestation, it shows that the Proxy Area was deforested in the same manner as is described in the Project's baseline, namely, unplanned, illegal slash and burn agriculture. The community forests do not cover the entire extent of the Project Area, but rather less than half. Additionally, the community forest designation does not convey or imply ownership or tenure of the forest, but instead the right of a community for sustainable use. The ownership and tenure of the land is held by the state, as was much of the land in the proxy area. However, after conversion to non-forest, the community members are able to obtain land tenure to their farms and households in the proxy area, leaving much of that area in private ownership now. But the community forest designation alone does not always result in protection of the forest area from conversion. This can be seen in the TRP Project Area Landuse map in Appendix B, where within the community forest areas that are observed within the Project Area, areas of non-forest can be observed. To be an effective forest protection program, community forests takes time, resources and organization, something that in the absence of funding from a REDD+ project or an NGO is not likely to occur. Therefore, working with Community Forests in the Project Area to strengthen their management and provide them with resources is an important Project Activity.

Auditor Response 2: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.3", the audit team can confirm that revised maps have been provided in Appendix C. The audit team has the following feedback:

- Regarding the vegetation map requirement, the statement that "the intent was to have project developers submit sufficient evidence to the auditor for them to verify that the Proxy Area most likely was similar to the Project Area prior to conversion" seems quite logical. The audit team agrees that the information provided in Figure 10 of the PD is sufficient to document that the proxy areas had similar vegetation to the project accounting area prior to conversion. In this case, given the proximity of the proxy areas to the project area and given how clearly forested these areas were 10 years prior to the project start date, the fact that the proxy areas are not specifically shown in Figure 10 should not prove a hindrance in allowing the reader to confirm the similarity of vegetation.
- Regarding topography, the revised map in Appendix C (removing the "mask" and specifically delineating the project accounting area and proxy areas) is sufficient to satisfy the requirement.
- Regarding the soil map requirement, the revised map in Appendix C (removing the tint over the the areas not in the proxy area) is sufficient to satisfy the requirement.
- Regarding "Ownership/tenure boundaries that influence conversion", the audit team notes that the information provided in response to the finding, if included in the PD, would be sufficient to provide the necessary evidence (noting that PDR.36 does not necessarily require "maps", but also allows for "other evidence"). However, as the information in question is not in the PD (and no other explanatory information has been added to the PD), the requirement of PDR.36 in respect of this category of information has not been satisfied.

Therefore, because information is still lacking regarding "Ownership/tenure boundaries that influence conversion", the non-conformity has not been fully resolved.
Project Personnel Response 3: We have included a narrative description to the PD's PDR.36 response that includes the text provided to the auditor in our previous response to this finding. It provides the "other evidence" as allowed by the Methodology to demonstrate the similarity of the Project Area to the Proxy Area in regards to the landuse.

Auditor Response 3: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.4", the audit team can confirm that a narrative description has been added, and that the additional text is sufficient to provide evidence of the similarity between the project accounting area and the proxy areas in respect of any ownership/tenure boundaries that influence conversion. Therefore, the non-conformity has been fully resolved.

NCR 19 Dated 19 Jan 2018
Standard Reference: VCS Standard, Section 3.5.1
Document Reference: VM0009 Methodology, version 3.0; Tumring REDD Project VCS_CCB PD v.3. pdf; Tumring REDD Project VCS_CCB PD v.3.2. pdf;
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.4 states that the project description must include the following:
A digital (GIS-based) map of the project area with at least the above minimum requirements for delineation of the geographic boundaries. The minimum requirements are: The geographic or physical boundaries of the project area must be clearly delineated using, at minimum, the following:
• Name of the project area (compartment or allotment number, local name)
• Digital maps of the area, including geographic coordinates of vertices
• Total land area
• Details of ownership, including user rights and/or land tenure information
• Topography
• Roads
• Major rivers and perennial streams
• Land use/vegetation type classification
The size of the project area cannot increase after the end of the first monitoring period.

The PD's Appendix B contains a map entitled 'Project Area Landuse' which shows the project area boundary, vegetation cover, community forest boundaries, and the areas of economic land concession, land concession and land tenure reform. The PD pg 12-13 defines economic land concession and social land concession, both of which are defined as State Private ownership. However, the referenced map shows that the project area is as partially within a land concession. The project area elsewhere in the PD is described to be under State Public ownership. As such, the maps and text appear to be in conflict regardgin of 'Details of ownership, including user rights and/or tenure information', a requirement of PDR.4. In addition, the PD Section 1.2.1 states that Appendix B contains a map of topography as required by PDR.4 but such a map does not appear to be contained in Appendix B.
Project Personnel Response: The referenced map contained outdated landuse information. The concessions that were shown on that map are no longer active. The auditor is correct that the entirety of the Project Area is under state control, and has been declared a protected forest under Cambodian law. This map has been updated with in consultation with the Project Proponent, the Cambodian FA, to ensure that the information shown is current and correct. Please view this revised map in Appendix B. Additionally, the map showing the Project Area topography has been added to Appendix B.
Auditor Response:

NCR 20 Dated 19 Jan 2018
Standard Reference: VCS Standard, Section 3.5.1
Document Reference: VM0009 Methodology, version 3.0; Tumring REDD Project VCS_CCB PD v.3.pdf
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.52 states that the project description must include the following:
Historic Imagery to Parameterize $\alpha\alpha$, $\beta\beta$ and $\theta\theta$: The PD must include the following- Quantification of "double coverage"(greater than 90%).

The PD states for PDR.53 "This PDR is not applicable to the TRP. Please see section 4.3 describing the deviation from the methodology that was made in the determination of the project baseline. As a result of this deviation this PDR is no longer relevant to the current methods being used." Section 4.3 states "The TRP has no deviations from the VCS methodology VM0009 v3."

The same applies to the following PDR's: PDR.54, PDR.57, PDR.58, PDR.63- PDR.67,
Project Personnel Response: For the Tumring REDD+ Project the project proponent has elected to utilize Cambodia's official Forest Reference Emission Level (FREL) as submitted to the UNFCCC for technical assessment. As stated in the response to NCR 12, in an earlier draft of the PD, the Project erroneously stated that using the jurisdictional FREL was a deviation from the methodology. The Project does not have any deviations from the methodology, and the use of the FREL is in full accordance of the VCS methodology VM0009 and meets the requirements per VCS guidance to the auditor.

When a project uses a jurisdictional FREL in place of the methodologies BEM process for the determination of a baseline it renders portions of the VCS methodology not applicable to the Project. This is because the methodology requirements listed by the auditor in the finding are related to BEM process and are used to ensure that the Project has implemented the BEM properly, and has used appropriate data sources. When a Project uses a jurisdictional FREL these requirements are not necessary as the FREL has been produced by an official entity and is has been submitted to an international body, such as the UNFCC or World bank, for technical assessment. As such the Project may not have access to the data required to demonstrate compliance with these requirements, but as well the data requested for these requirements may not even exist as the requirements are specific to the methodologies BEM process. VCS has provided guidance stating that "Where a project applies a jurisdictional baseline as allowed by a VCS methodology, the requirements within the methodology for determining the rate of deforestation must be disregarded as the project method baseline rate is superseded by the jurisdictional baseline rate. Additionally, to ensure projects crediting is in line with national accounting, the 10-year decay function for below-ground biomass as required by Section 4.5.3 of the AFOLU Requirements may be disregarded.",

Therefore these methodology PDRs are not applicable to this Project, and are noted as so in the PD for clarity and transparency.
Auditor Response: For the reasons described in detail in resolution to NCR 12, the audit team agrees that any requirements pertaining solely to determination of the baseline deforestation rate are not applicable to the project. As the PDRs referenced in the text of the finding pertain solely to determination of the baseline deforestation rate, the audit team agrees that they are not applicable to the project. Therefore, this finding is withdrawn.

NCR 21 Dated 19 Jan 2018
Standard Reference: VCS Standard, Section 3.5.1
Document Reference: VM0009 Methodology, version 3.0; Tumring REDD Project VCS_CCB PD v.3.pdf
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.106 states, the project description must include the following information with respect to the activity-shifting leakage area:
Maps of the landscape configuration, including:
Topography (elevation, slope, aspect);
Recent land use and land cover (either a thematic map created by the project proponent or publicly available map);
Access points;
Soil class maps (if available);
Locations of important markets;
Locations of important resources like waterways or roads; and
Land ownership/tenure boundaries.

The PD states for PDR.106: "Please see Appendix G 'Map of Activity-Shifting Leakage Area'." However, Appendix G seems to be missing from the PD. Appendix E contains a map of Leakage Area Landcover, Leakage Area Infrastructure, which includes roads and villages, and a Leakage Area Soil Map. Topography, access points, location of important markets, and land ownership/tenure boundaries with respect to the activity-shifting leakage area do not seem to be explicitly referenced in a map, as required by the PDR.
Project Personnel Response: The PD has been revised to include maps or other evidence for all of the requirements listed in PDR 106. Please refer to PDR 106 in Section 5.5.1.1 to view these revisions.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.2", the audit team can confirm that Appendix E, as referenced via Section 5.5.1.1, now provides information responsive to all requirements of PDR.105, as follows:
- A map of "Topography (elevation, slope, aspect)" is provided in the "Leakage Area Topographic Maps".
- A map of "Recent land use and land cover" is provided in the "Leakage Area Landuse" and "Leakage Area Landcover" maps, respectively.
- A map of "Access points" is provided in the "Leakage Area Infrastructure" map.
- Regarding "Soil class maps", a map is provided in the "Leakage Area Soil Class" map.
- Regarding "Locations of important resources like waterways or roads", maps are provided as "Leakage Area Rivers" and "Leakage Area Infrastructure", respectively.
Regarding "Land ownership/tenure boundaries", a map is provided in the "Leakage Area Landuse" map.
Therefore, the non-conformity has been resolved.

NIR 22 Dated 19 Jan 2018
Standard Reference: VCS Standard, Section 3.5.1
Document Reference: VM0009 Methodology, version 3.0; Tumring REDD Project VCS_CCB PD v.3.pdf
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.119 states "In the case when ex-ante estimates are used to prove the significance of emissions sources or estimate the quantity of NERs over the project crediting period, the project description must include the following: A narrative description of sources used to estimate the leakage rate and demonstration that the estimated rate is conservative."

While the PD does include ex-ante estimates of NERs over the project crediting period, the narrative description of sources used to estimate leakage rate and demonstration that the estimated rate is conservative does not appear to be provided in the PD.
Project Personnel Response: The PD has been revised to include a narrative description of the sources used to estimate the leakage rate. Please refer to PDR. 119 in Section 5.6.4 of the PD to see a narrative description of the sources used to estimate the activity shifting leakage and market leakage for the TRP.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.2", the audit team can confirm that Section 5.6.4 contains, in respect of activity-shifting leakage, an appropriately thorough narrative description of the sources used to estimate the leakage rate and demonstration that the rate used is conservative. The audit team agrees that, per Section 8.4.7 of the methodology, use of experience from past projects is appropriate to inform leakage estimates. In order to independently confirm the assertions made in Section 5.6.4 of the PD, the audit team reviewed the publically available monitoring reports for the "The Kasigau Corridor REDD Project - Phase II The Community Ranches" project, as obtained from http://www.vcsprojectdatabase.org/#/project_details/612 on 17 May 2018, for the following monitoring periods: 1 January 2011-31 December 2011, 1 January 2012-31 December 2012, 1 January 2013-31 December 2014. In each monitoring report, the reported leakage emissions were less than 10% of the gross emission reductions. Therefore, the audit team is assured of the accuracy of the information provided.

However, in respect of market leakage, the required information has not been provided. Section 5.6.4 states "The market leakage rate was determined using the process described in Section 5.5.2. This was done in accordance with the methodology VM0009 and VCS guidance using the VCS tool VMD0037 Global Commodity Leakage Module: Production Approach (LM-P)." Section 5.5.2 mentions that "The VCS Tool, VMD0037 Global Commodity Leakage Module: Production Approach (LM-P) was used to determine the market effects leakage resulting from the TRP" but does not contain information along the lines required under PDR.119.
Project Personnel Response 2: We have added a short narrative description to the PD about the data sources used to parameterize the VCS market leakage tool. Please see PD sections 5.5.2 and PDR.119 for this description. This provides a reader with sufficient description to understand and replicate the market leakage analysis, as the VCS tool VMD00037 is a publicly available tool with ample guidance available through the VCCS website. We have now provided the reader with the description of the data sources used to parameterize this tool.

Auditor Response 2: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.3", the audit team can confirm that information added to Sections 5.5.2 and 5.6.4 is sufficient to satisfy the requirement for "a narrative description of sources used to estimate the leakage rate", at least as it pertains to commodities other than wood products. (Per NCR 43, it will be necessary to estimate market leakage attributable to withheld wood products production as well, and to include documentation of such in response to PDR.119.) However, in respect of market leakage, "demonstration that the estimated rate is conservative" is still missing. From review of the worksheet "Tumring NERs" within the workbook "Tumring FREL v2", it appears there is an ex-ante assumption that market leakage will be equal to 0.5% of gross emission reductions. However, the conservativeness of this estimated rate is not documented in the PD. Therefore, the non-conformity has not been fully resolved.

Project Personnel Response 3: We have revised PDR.119 to include more information on the VCS tool utilized and specific discussion of how it meets the requirements of conservatism. We have additionally updated this section to include information on the inclusion of timber in the market leakage determination.

Auditor Response 3: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.4", the audit team can confirm that additional information has been added regarding the calculation of market leakage. Specifically, information has been added regarding the use of official government data and statistics, which can be presumed to be accurate, as well as certain conservative assumptions made in the calculation of volume that would be harvested from the project accounting area in the baseline. The audit team agrees that the conservativeness of the market leakage rate has now been adequately justified. Therefore, the non-conformity has been fully resolved.

NIR 23 Dated 19 Jan 2018
Standard Reference: VCS Standard, Section 3.5.1
Document Reference: VM0009 Methodology, version 3.0; Tumring REDD Project VCS_CCB PD v.3.pdf
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.120 states "In the case when ex-ante estimates are used to prove the significance of emissions sources or estimate the quantity of NERs over the project crediting period, the project description must include the following: If included in project activities, a description of procedures used to estimate the rate of biomass burning, charcoal production or logging and demonstration that these estimates are conservative."

While the PD does include ex-ante estimates of NERs over the project crediting period in Table 32, the description of procedures used to estimate the rate of biomass burning, charcoal production or logging and demonstration that these estimates are conservative do not appear to be provided.
Project Personnel Response: No Project Activity for the Project includes any burning of biomass from the Project Area, including the potential production of eco-charcoal. As in WWC's existing eco-charcoal project in Kenya, any biomass harvested to produce the charcoal would come from outside of the Project Area, and would be produced and harvested in a sustainable fashion, so that annual growth of the biomass was greater than the quantity of biomass harvested. Therefore, no emissions from these activities are included in the ex-ante NER estimates provided in the PD. The description of the eco-charcoal project activity in Section 2.2 of the PD has been updated to state this clearly. Section 5.4.2 of the PD also states this.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.2", the audit team can confirm that Section 2.2 contains the following clarifying language: "Biomass harvested to produce the eco-charcoal would come from outside of the Project Area, and would be produced and harvested in a sustainable fashion, so that annual growth of the biomass was greater than the quantity of biomass harvested."

Section 8.4.7 of the methodology contains the following guidance, which corresponds to PDR.120: "If project activities include woody biomass burning, controlled grassland burning, or the sustainable production of charcoal or logging, estimates of emissions due to these activities should be included in the ex-ante estimate of project benefits using the procedures in sections 8.4.1 and 8.4.3."

Sections 8.4.1 and 8.4.3 of the methodology only contain guidance for quantification of carbon stock changes within the boundaries of the project accounting area. Therefore, the audit team agrees that, if charcoal production is only planned to occur as a project activity outside the project accounting area, the carbon stock change attributable to such an activity would inherently be quantified as 0 tCO_2e following the guidance of Sections 8.4.1 and 8.4.3. However, PDR.120 remains technically applicable to the project, given that charcoal production is a planned project activity. As PDR.120 has not been included in the PD, the non-conformity has not been fully resolved.
Project Personnel Response 2: We have elected to remove the Project Activity of an Eco-Charcoal program from the Project. It appears to the Project Proponent that some aspects of this may have been misunderstood and we are not sure that we would be able to provide sufficient information to satisfy the finding. This program was not meant to be a major Project Activity, and due to the resulting data requirements discussed in this finding we believe that it would be more conservative to remove this activity.
Auditor Response 2: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.3", the audit team can confirm that all mentions of "eco-charcoal" as a project activity have been removed from the sections of the PD which formerly referenced that activity (Sections 2.2, 3.8 and 5.2.1). Given that eco-charcoal is no longer a project activity, the finding is no longer relevant, and will be withdrawn.

NCR 24 Dated 19 Jan 2018
Standard Reference: VCS Standard, Section 3.5.1
Document Reference: VM0009 Methodology, version 3.0; Tumring REDD Project VCS_CCB PD v.3.pdf
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.122 states "In the case when ex-ante estimates are used to prove the significance of emissions sources or estimate the quantity of NERs over the project crediting period, the project description must include the following: Summary of sampling procedures for the project accounting areas, with a copy of a sampling protocol used to carry out measurements."

As shown in Table 32 of the PD, ex-ante estimates were used to estimate the quantity of NER's over the project crediting period. The project description must therefore include the summary of sampling procedures for the project accounting areas, with a copy of a sampling protocol used to carry out measurements.
Project Personnel Response: We accept this finding. We have revised the PD to include PDR.122, and the text required to meet this requirement. Please refer to PDR.122 in section 5.4.1 in the document “Tumring REDD Project VCS_CCB v4” to see this addition.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.2", the audit team can confirm that Section 5.4.1 contains a thorough "Summary of sampling procedures for the project accounting areas". The only concern held by the audit team in respect of the summary is the statement that "Standing dead trees are included in the measurement, however lying dead trees are not". This information is not consistent with the guidance provided in "Standard Operating Procedure Tumring - Forest Inventory v4.3_20172908", which provides specification for the measurement of lying dead trees.

Section 5.4.1 notes the following: "The sampling procedures used in the TRP for measurement of the sample plots are described in detail in the document ‘Standard Operating Procedure Tumring - Forest Inventory v4.3_20172908’, located in Annex 5 of this document. This document has been provided to the auditor for review, however is not publically available due to the sensitive and proprietary information provided in it." The audit team has reviewed the referenced document and confirmed that it meets the definition of "commercially sensitive information" as provided in the VCS Program Definitions, v3.7, in that includes proprietary information that, if made publically available, would result in material financial loss to the project partner. Therefore, per Section 3.19.2 of the VCS Standard, such information may be protected as set out in VCS document Registration and Issuance Process. The audit team's validation report will note that a "private project description" should be uploaded to a VCS registry alongside a "public project description", with the "private project description" including the "Standard Operating Procedure Tumring - Forest Inventory v4.3_20172908’," document referred to in Section 5.4.1.

NCR 25 Dated 19 Jan 2018
Standard Reference: VCS Standard, Section 3.5.1
Document Reference: VM0009 Methodology, version 3.0; Tumring REDD Project VCS_CCB PD v.3.pdf
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.123 states "In the case when ex-ante estimates are used to prove the significance of emissions sources or estimate the quantity of NERs over the project crediting period, the project description must include the following: Summary of sampling procedures for the proxy areas, with a copy of a sampling protocol used to carry out measurements."
As shown in Table 32 of the PD, ex-ante estimates were used to estimate the quantity of NER's over the project crediting period. The project description must therefore include the summary of sampling procedures for the proxy areas, with a copy of a sampling protocol used to carry out measurements.

Project Personnel Response: We accept this finding. We have revised the PD to include PDR.123, and the text required to meet this requirement. Please refer to PDR.123 in section 4.5.7 in the document "Tumring REDD Project VCS_CCB v4" to see this addition.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.2", the audit team can confirm that Sections 4.5.7 and 5.4.1, together, contain a thorough "Summary of sampling procedures for the project accounting areas". The only concerns held by the audit team in respect of the summary are as follows:

1. Section 4.5.7 refers to "The sampling procedure... for the biomass sample plots". However, a specific reference to Section 5.4.1 of the PD is lacking, which may lead to confusion as to where the referenced information is provided.
2. It is stated in Section 5.4.1 that "Standing dead trees are included in the measurement, however lying dead trees are not". This information is not consistent with the guidance provided in "Annex 8 - Standard Operating Procedure Tumring - Proxy Area v1.1_20160725", which provides specification for the measurement of lying dead trees.

Section 5.4.1 notes the following: "The procedures used for locating and sampling the Proxy Area sample plots are found in the document Annex 8 – 'Standard Operating Procedure Tumring - Proxy Area v1.1_20160725'." The audit team has reviewed the referenced document and confirmed that it meets the definition of "commercially sensitive information" as provided in the VCS Program Definitions, v3.7, in that includes proprietary information that, if made publically available, would result in material financial loss to the project partner. Therefore, per Section 3.19.2 of the VCS Standard, such information may be protected as set out in VCS document Registration and Issuance Process. The audit team's validation report will note that a "private project description" should be uploaded to a VCS registry alongside a "public project description", with the "private project description" including the "Annex 8 - Standard Operating Procedure Tumring - Proxy Area v1.1_20160725'," document referred to in Section 4.5.7.

NCR 26 Dated 18 May 2018
Standard Reference: VM0009 Methodology, version 3.0, Section 8.3.2.1
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2; Tumring_ASLeakageArea_rvd
Finding: The methodology requires that "... the activity-shifting leakage area must be… no larger than the project accounting area". Section 5.5.1.1 of the PD states that "The leakage area is 41,196 ha, while the Project Accounting Area is 41,196 ha." However, the audit team's independent calculations show that, while the project accounting area is indeed 41,196 ha, the area of the activity-shifting leakage area, as delineated in the shapefile "Tumring_ASLeakageArea_rvd", is 41,347 ha.
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 a revised leakage area layer package, entitled "Tumring Leakage Area", along with the following explanation (both provided via email dated 18 May 2018):

"Please find attached the revised leakage area with the road excised using a 75m width buffer on either side of the road. The new leakage area is now 41,195.18 ha."

The audit team has independently confirmed, through spatial analysis, that the revised leakage area is 41,195 ha in size and, therefore, is not larger than the project accounting area. Therefore, the non-conformity has been resolved.

NIR 27 Dated 18 May 2018
Standard Reference: VM0009 Methodology, version 3.0, Section 8.3.2.1
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2; Tumring_ASLeakageArea_rvd
Finding: The methodology requires that "As of the project start date, the activity-shifting leakage area must be entirely unconverted (ie, in a forest or native grassland state...". As discussed with project personnel, there is a road running through the southern portion of the leakage area (as delineated in the shapefile "Tumring_ASLeakageArea_rvd") that is large enough to be seen on aerial imagery at a 1:100,000 scale. While the audit team understands that minor logging roads have not been cut out of the project accounting area or the activity-shifting leakage area, the road in question is clearly substantially larger than a logging road and has, in fact, been excised from the project accounting area. Please provide a justification for inclusion of the road in question in the activity-shifting leakage area in light of the requirement of the methodology that "the activity-shifting leakage area must be entirely unconverted".
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 a revised leakage area layer package, entitled "Tumring Leakage Area", along with the following explanation (both provided via email dated 18 May 2018):

"Please find attached the revised leakage area with the road excised using a 75m width buffer on either side of the road. The new leakage area is now 41,195.18 ha."

The audit team has independently confirmed, through spatial analysis, that the revised leakage area includes a 75-meter buffer along both sides of the road in question, along the entire length within which the road is readily visible via satellite imagery. The audit team agrees that a 75-meter buffer is appropriate and conservative (in terms of ensuring that non-forest area is not erroneously included in the leakage area). Therefore, as the road in question is no longer included in the leakage area, this finding is no longer relevant and is withdrawn.

NCR 28 Dated 18 May 2018
Standard Reference: VM0009 Methodology, version 3.0, Section 4 and Section 6.3.1
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2
Finding: Section 4 of the methodology requires that "In the case of baseline type F-U1, at least 25% of the project area boundary is within 120 meters of deforestation and at least 25% of the project area boundary is adjacent to the reference area (see section 6.3)." PDR.30 of the methodology requires the following: "If Type F-U1 is selected, a spatial analysis of the project area showing that at least 25% of the perimeter is within 120 meters of deforestation that occurred within 10 years prior to the project start date and showing that the reference area is adjacent to at least 25% of the project area."

The PD states, in Section 4.5.6.1, that "Edge analysis was performed per VM0009 and VCS AFOLU Guidance and the percentage of deforestation within a period 10 years prior to the Project start date and within 120m of the PA boundary was calculated as: 37.27%." In review of the notes of the analyst who conducted the analysis to calculate the percentage of 37.27% and correspondence with project personnel, the audit team understands that the analysis undertaken was performed as a good-faith effort to satisfy the requirements of option 2 of Section 6.17 of the methodology. However, as discussed in detail with project personnel, it is the understanding of the audit team that there are some salient distinctions between the procedures described in Section 6.17 of the methodology and the criteria described in Section 6.3.1 of the methodology. Evidence of an analysis specifically meeting the requirements of Section 6.3.1 has been provided directly to the audit team. However, PDR.30 requires that such analysis be documented in the PD.
Project Personnel Response: We have provided the auditor with shapefiles and other evidence that demonstrates that the analysis referenced in the finding had been completed, and that the Project met the required criteria. The percent of the Project perimeter within 120 m of deforestation was found to be 49.6%. PDR.30 has been revised to include a description of this analysis and the results of it.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.2", the audit team can confirm that Section 4.5.6.1 contains a description of the analysis referenced in PDR.30 as well as the result of that analysis. Therefore, the non-conformity has been resolved.

NCR 29 Dated 24 May 2018
Standard Reference: VM0009 Methodology, version 3.0
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2; Tumring FREL v1
Finding: As noted in resolution to NCR 12, the audit team understands that, given that a jurisdictional baseline has been applied, as stated in an email provided by Verra personnel on 27 February 2018, "Where a project applies a jurisdictional baseline as allowed by a VCS methodology, the requirements within the methodology for determining the rate of deforestation must be disregarded as the project method baseline rate is superseded by the jurisdictional baseline rate." Therefore, the audit team understands that any requirements in the methodology for determining the deforestation rate must be disregarded. However, the guidance provided by the methodology for determining the baseline rate of deforestation is at least somewhat distinct from the guidance for quantification of baseline emissions. Where requirements pertain to the ex-ante quantification of baseline emissions and do not pertain to determination of the baseline rate of deforestation, it is the audit team's understanding that those requirements must be adhered to.

Section 8.4.7 of the methodology states the following: "The most significant factor in estimating project carbon benefits is likely to be an estimate of avoided baseline emissions, which is derived from an estimate of carbon stocks and the baseline models. Estimates of ex-ante avoided baseline emissions can be made by assuming that the total carbon stock in the project area is equal to the initial carbon stock for each future monitoring period… The projected avoided baseline emissions are estimated by applying the baseline emissions models as described in sections 6 where monitoring period [m] always indicates the initial carbon stock or IPCC defaults… Using the assumptions outlined above, estimate the ex-ante NERs… for each monitoring period…"

Section 6.5.4 of the methodology states the following: "In baseline types F-P2, F-U1, F-U2, F-U3, G-P2, G-U1 and G-U2, below-ground biomass is assumed to be partially removed or to begin decay at the time of conversion (see section 8.1.4)." Section 8.1.4 states the following: "Calculate carbon in non-decayed BGB using [F.32]… The cumulative emissions… are calculated by [F.30] where cumulative emissions from biomass… are calculated in section 8.1.1 or 8.1.1.5."

One of the "baseline emissions models" required in the methodology is the decay emissions modeled given by Equation F.10, as described in Section 6.18. Equation F.10 is referenced in Equation F.32. The result of Equation F.32 is an input to Equation F.16, which calculates the cumulative baseline emissions. The chain of inputs leading to Equation F.32 is as follows: The result of Equation F.22 is an input to Equation F.30, which is an input to Equation F.31, which is an input to Equation F.32. Aside from Equation F.22, none of the above equations pertain to the baseline rate of deforestation or are dependent upon usage of the BEM.

The ex-ante NERs are provided in Table 30 in Section 5.6.4 of the PD. However, the calculations presented in the PD do not utilize the models identified above. Rather, as confirmed by the audit team through review of the workbook entitled "Tumring FREL v1", the difference between carbon stock (in all pools) in the project accounting area and the proxy area is used to calculate an "emission factor" of approximately 492.8 tCO2e/ha, in cell D30 of worksheet "Tumring FREL", and this quantity is effectively multiplied by the area assumed to be deforested each year in the baseline in cell C14 of the same worksheet. This approach effectively assumes immediate emission of carbon stock from the BGOT pool as a consequence of deforestation activities. Such an assumption is not permitted by the methodology or reflected in the biomass emission model utilized by the methodology.
Project Personnel Response: [A response to this finding was provided outside the cover of the findings workbook.]

Auditor Response: During a discussion held 24 May 2018, the attention of the audit team was drawn to the following paragraph of the 27 February 2018 email provided by Verra personnel:

"Additionally, to ensure projects crediting is in line with national accounting, the 10-year decay function for below-ground biomass as required by Section 4.5.3 of the AFOLU Requirements may be disregarded."

Therefore, the audit team agrees that the requirements of Section 6.5.4, Section 8.1.4 and the other sections referenced in the finding may be disregarded, as they pertain to the use of a 10-year decay function for below-ground biomass as required by Section 4.5.3 of the AFOLU Requirements. Therefore, this finding is not relevant to the validation engagement and is withdrawn.

NIR 30 Dated 24 May 2018
Standard Reference: VM0009 Methodology, version 3.0, Section 5.4
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2
Finding: This finding is a follow-up to NIR 17.

Section 5.4 of the methodology requires that "Project proponents must account for the required carbon pools and may additionally select from the optional pools listed in Table 3 for forested project accounting areas and Table 4 for grassland project accounting areas." Through review of the tables, it is clear that the reference to Table 3 "for forested project accounting areas " was mistaken and the correct reference is to Table 2. Through review of Table 2, the audit team has observed the following:

- AGMT is a required carbon pool "if baseline scenario or project activity (ies) include the harvest of long-lived wood products."
- DW is a required carbon pool "if AGMT is selected".
- WP is a required carbon pool "if AGMT is selected".

Of note is that the methodology defines "long-lived wood products" as "Products derived from the harvested wood of a merchantable tree such as sawn timber and plywood that are assumed to remain or decay during the project crediting period." The methodology defines "merchantable tree" as "A tree containing wood of commercial value, size, and desirable quality".

Table 18 of the PD indicates that the carbon pools identified above are not included in the project boundary. However, as documented in NIR 17, the audit team has observed evidence of removal of timber for wood products, which suggests that the baseline scenario includes the harvest of such wood products. If the end-use of such harvested material is in a product, such as sawn timber, that can be assumed to "remain or decay during the project crediting period", then it becomes relevant whether at least some of the trees that would be harvested for such products meet the definition of "merchantable tree". If such merchantable trees would be harvested in the baseline scenario for an end product that would remain or decay during the project crediting period, it is mandatory to include the pools identified above. Please provide further justification (ideally, including documentary evidence such as published literature or other external sources that can be cross-checked and confirmed by the audit team) for the conclusion that inclusion of the carbon pools identified above is not required by the methodology.

Project Personnel Response: [A response to this finding was provided outside the cover of the findings workbook.]
Auditor Response: During discussions held on 24-25 May 2018, it was explained to the audit team that the carbon pools AGMT, DW and WP had been excluded due to a desire for consistency with the jurisdictional baseline (as discussed in resolution to NCR 12). In review of the jurisdictional baseline documentation, the audit team agrees that wood products and dead wood are not included as carbon pools. In addition, the audit team agrees that the accounting of AGMT is so integrally linked to the accounting of WP that, in practice, the decision as to whether to include or exclude these pools should be made in concert. Based on the justification provided, the audit team agrees that it is not necessary to include the carbon pools AGMT, DW and WP in the project boundary, and this information request is satisfied.

NCR 31 Dated 24 May 2018
Standard Reference: VCS Standard, Section 3.5.1; VM0009 Methodology, version 3.0, Section 6.2
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.122 states "The project description must include the following... A digital (GIS-based) map of the project accounting areas, including aerial or satellite imagery showing that they are comprised of forest or native grassland as of the project start date and 10 years prior to the project start date."

A digital map of the project accounting area entitled "Project Accounting Area" is included in Appendix A. However, this map does not include "aerial or satellite imagery showing that [the project accounting area is] comprised of forest or native grassland as of the project start date and 10 years prior to the project start date".
Project Personnel Response: The map referenced by the auditor displays the Project Area 10 years prior to the start date with landcover data, derived from satellite imagery, demonstrating that the Project Area was forested at that time. This is a data set produced by the RGC and published with an accuracy assessment, ensuring that the underlying area has been classified into landcover types with a low degree of error. Additionally, we have added Figure 10 to the PD, which shows a satellite imagery for the project area from 10 years prior to the project start date, December 2004, to visually show that the project accounting area was forest at that time.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.3", the audit team can confirm that the added Figure 10 provides "A digital (GIS-based) map of the project accounting areas, including aerial or satellite imagery showing that they are comprised of forest... as of the project start date and 10 years prior to the project start date." While the delineated project accounting area is difficult to discern, given the small scale of the map, this seems to be a limitation inherent in the process of producing a map that can fit within an 8.5-inch by 11-inch sheet of paper. Regardless, the audit team agrees that the provided map is sufficient to demonstrate that the project accounting area was forested as of the project start date and 10 years prior to the project start date. Therefore, the non-conformity has been resolved.

NIR 32 Dated 24 May 2018
Standard Reference: VM0009 Methodology, version 3.0, Sections 5.3, 8.2.4 and 9.3
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2
Finding: Section 5.3 of the methodology requires that "Project proponents must account for significant sources of the following included greenhouse gases as specified in Table 2." Table 2 in Section 5.3 states that methane emissions from livestock are "A required source when emissions from grazing are not de minimis". Section 8.2.4 further states that "If grazing of livestock occurs within the project area during the current monitoring period, the project proponent must calculate greenhouse emissions as a result of grazing... In some projects, emissions from grazing may be deemed de minimis as per VCS requirements."

Section 4.2 of the PD states that "There may be small areas of animal grazing within the Project Area by local communities. These livestock grazing activities are not a component of the project, nor are they a project activity."

Note that methodology requires that "the project proponent must calculate greenhouse emissions as a result of grazing" under any conditions in which "grazing of livestock occurs within the project area during the current monitoring period"; the requirement to do so is not limited to the context in which grazing specifically occurs as a result or component of the project activities. Therefore, given that livestock grazing may occur within the project area, please provide a demonstration that such emissions can be "deemed de minimis as per VCS requirements".
Project Personnel Response: We have calculated the number of cattle that would be required to be present to create an emission that is above de minimis. Based on the IPCC default emissions for non-dairy cattle in asia from table 10.11 in the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, and other project specific data from the PD. These calculations have been provided to the auditor in the file Tumring_Cattle Emissions.xlsx. Based on these calculations there would have to be 128,620 head of cattle within the Project Area, with 4.84 cattle per HA in the non-forested areas of the Project Area to result in an emission that would be larger than 1 % of the total carbon stock of the Project. As the auditor witnessed during the field visit, while there may be a small number of cattle present in the Project Area being grazed by members of the local community, there could not possibly have been such a large number of cattle within the Project Area. Therefore, this demonstrates that the potential emission from livestock within the Project Area is de minimis.
Auditor Response: The audit team reviewed the information provided in the workbook "Tumring_Cattle Emission" and can confirm the validity of the information provided. The emission factor of 0.47 has been duly sourced from Table 10.11, Chapter 10, Volume 4 of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. While a threshold for "de minimis" is not specified, the audit team agrees that a value of 1% is appropriate as a threshold. However, in the judgment of the audit team, the more appropriate approach would be to divide the quantity of methane emissions per head per year by the expected quantity of annual GHG emission reductions (378,434 tCO2e), as reported in Section 5.1 of the PD. When this is done, the result indicates that there would need to be 3.49 head of cattle grazing per hectare per year within the nonforested portions of the project area in order to equal 1% of the estimated annual GHG emission reductions.

The audit team agrees, based on on-site observations, that the number of cattle being grazed within the nonforested portion of the project area as of the site visit was far fewer than 3.49 head per hectare. Therefore, the information provided is sufficient as a demonstration that methane emissions from grazing may be deemed de minimis, and the information request has been satisfied.

NCR 33 Dated 24 May 2018
Standard Reference: VM0009 Methodology, version 3.0, Section 5.4
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2
Finding: Section 5.4 of the methodology states that "Optional pools may be excluded if it can be demonstrated that it is conservative to do so (ie, exclusion of the pool will lead to fewer emission reductions). The project proponent must use ex-ante estimates (see section 8.4.7) to demonstrate conservative exclusion of optional pools."

The methodology indicates that the carbon pools BGMT, LD and SOC are optional and "May be conservatively excluded" under any circumstance. In addition, if AGMT is not a required pool per the methodology (as will be determined in resolution to NIR 30), then the methodology states that it is an optional pool.
PDR.12 requires that the methodology include "evidence for the conservative exclusion of any optional pools". The PD does not contain evidence (provided per the requirements of Sections 5.4 and 8.4.7 of the methodology) for the conservative exclusion of the carbon pools identified above.
Project Personnel Response: [A response to this finding was provided outside the cover of the findings workbook.]
Auditor Response: During discussions held on 24-25 May 2018, it was explained to the audit team that the selection of carbon pools was undertaken following the jurisdictional baseline (discussed in resolution to NCR 12). The jurisdictional baseline only includes the "Above Ground Biomass" and "Below Ground Biomass" pools (as identified in Table 4-1 of the May 2017 Initial Forest Reference Level document), which correspond to the AGOT and BGOT pools, respectively, as defined by the methodology. Given that the methodology states that "If a jurisdictional baseline has been established and is applicable to the project activity, it may be used per VCS requirements" and that a jurisdictional baseline includes the quantification of baseline emissions (as made clear through review of Section 3.11.9 of the Jurisdictional REDD+ Program and Nested Project Requirements V3.1), the audit team concludes that, when a jurisdictional baseline is used, the selection of carbon pools as set out in that jurisdictional baseline supersedes guidance provided in the methodology for selection of carbon pools. Therefore, the quoted requirements of Section 5.4 are not applicable, and the finding is withdrawn.

NCR 34 Dated 24 May 2018
Standard Reference: VM0009 Methodology, version 3.0, Section 5.4
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.13 requires that the PD include "The definition and evidence to support the definition of a merchantable tree if the baseline scenario or project activities include logging." As documented in NIR 17, the audit team's on-site observations suggest that the baseline scenario will include at least some logging, although it remains to be determined whether such logging would constitute the harvest of merchantable trees (as defined by the methodology; see NIR 30).

The PD is inconsistent regarding whether the baseline scenario would include logging. Section 1.1 of the PD identifies "Reducing... Logging by Local Communities" as one main type of intervention, which suggests that such logging can be expected to occur in the absence of the project activity. Section 1.2.1.2 of the PD states that "Illegal logging is also part of the local economy. In some cases villagers conduct it, but in most cases it is conducted by migrants, who are employed by powerful businessmen or military figures (Poffenberger, 2009)." Section 1.3.5 of the PD states that "Illegal charcoal production and logging in the Project Area is also a significant driver of deforestation... Trees are... selectively logged generally for sale in the local markets for building supplies. Trees are selected based on their species, sizes and form. The selective harvesting of trees acts to open up the forests, creating fragmentation and providing easier access into the forest for further deforestation activities." Additional instances in which it is suggested that logging would occur in the baseline scenario may be found through a search of the PD for the word "logging". However, the PD also states, regarding applicability condition 13 in Section 4.2, that "The TRP does not include logging in the baseline scenario". This statement appears to be at odds with the information provided in the remainder of the PD.

Given the above, the preponderance of evidence suggests that at least some logging, whether commercial or not, would occur in the baseline scenario. Therefore, PDR.13 requires that the PD include "definition and evidence to support the definition of a merchantable tree". Note that this requirement holds regardless of whether or not, as well be determined in resolution to NIR 30, the project accounting area includes any such merchantable trees. Furthermore, note that Section 5.4 of the methodology states that "Merchantable trees must be defined by expert knowledge, the PRA or third-party publications."
Project Personnel Response: [A response to this finding was provided outside the cover of the findings workbook.]
Auditor Response: During discussions held on 24-25 May 2018, it was explained to the audit team that the selection of carbon pools was undertaken following the jurisdictional baseline (discussed in resolution to NCR 12). The jurisdictional baseline only includes the "Above Ground Biomass" and "Below Ground Biomass" pools (as identified in Table 4-1 of the May 2017 Initial Forest Reference Level document), which correspond to the AGOT and BGOT pools, respectively, as defined by the methodology. Given that the methodology states that "If a jurisdictional baseline has been established and is applicable to the project activity, it may be used per VCS requirements" and that a jurisdictional baseline includes the quantification of baseline emissions (as made clear through review of Section 3.11.9 of the Jurisdictional REDD+ Program and Nested Project Requirements V3.1), the audit team concludes that, when a jurisdictional baseline is used, the selection of carbon pools as set out in that jurisdictional baseline supersedes guidance provided in the methodology for selection of carbon pools. Therefore, the quoted requirement of Section 5.4 is not applicable, and the finding is withdrawn.

NCR 35 Dated 24 May 2018
Standard Reference: VM0009 Methodology, version 3.0, Section 4
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2
Finding: This is a follow-up to NIR 17.

Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.1 requires that the PD include the following: "For each applicability condition, a statement of whether it applies to the project. If the applicability condition does not apply to the project, justification for this conclusion."

The PD states the following in Section 4.2, regarding applicability condition 12: "The TRP does not include logging in the baseline scenario. This application condition is not applicable to the Project."

As documented in NCR 34, the preponderance of evidence suggests that at least some logging, whether commercial or not, would occur in the baseline scenario. Therefore, the audit team does not agree with the conclusion that "The TRP does not include logging in the baseline scenario". While it may be true that a market leakage area is not "required as per section 8.3" (this is to be determined based on the resolution to NIR 17), if the applicability condition does not apply to the project, the PD must contain an accurate justification for such a conclusion (i.e., the PD must include a justification that correctly acknowledges that at least some logging would occur in the baseline scenario).
Project Personnel Response: We have revised Section 4.2, PDR.1 applicability condition number 12 to reflect the fact that logging has occurred in the baseline scenario.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.3", the audit team can confirm that a justification has been added that reflects the fact that logging would occur in the baseline scenario. While the audit team has arrived at the conclusion that market leakage must be accounted for (see NCR 43), the flowchart in Figure 12 indicates that this is to be done through production approach per Section 8.3.3.4 of the methodology and, as such, a market leakage area is not required. Therefore, the audit team agrees with the conclusion that a market leakage area is not required, but does not agree with the justification provided in Section 4.2 of the PD, since that justification suggests that market leakage does not need to be accounted for. Therefore, the non-conformity has not been completely resolved.
Project Personnel Response 2: The Project Proponent accepts the auditor's conclusion that market leakage from the forgone production of timber from the Project Area must be included. We have utilized the VCS Production Approach market leakage tool to determine a market leakage rate for timber. We have also updated the PD to reflect that the market leakage determination now includes timber along with the other commodities it had already included.
Auditor Response 2: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.4", the audit team can confirm that the following clarifying language has been added to Section 4.2: "A market leakage deduction has been calculated utilizing the VCS Production Approach market leakage tool (See Section 5.5.2 and 5.6.4)." Therefore, the non-conformity has been resolved.

NCR 36 Dated 24 May 2018
Standard Reference: VM0009 Methodology, version 3.0, Section 6
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.17 requires that "The project description must include the following with respect to the baseline scenario... Show that the identified baseline type is the most plausible baseline scenario identified in section 7."

The PD states the following in Section 4.5.1: "The identified baseline scenario is conversion of native ecosystems from a natural forested landcover to a non-forest or agricultural state. The baseline scenario outlined in the VCS Additionality Tool of Section 4.6 demonstrates that the entire Project Accounting Area would be converted to subsistence agricultural. Please refer to Section 4.6 the VCS Additionality Tool for more details."

The information provided does not specifically show that the identified baseline type (F-U1) is the most plausible among the alternative scenarios identified per Section 7 of the methodology and discussed in Section 4.6 of the PD.
Project Personnel Response: We have revised PDR.17 to include the identification of the baseline type F-U1, and further information on the identification of this baseline and justification of F-U1 being the most plausible baseline scenario.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.3", the audit team can confirm that Section 4.5.1 now explicitly references baseline type F-U1 and identifies how the characterization of this baseline type in the methodology (as pertaining to mosaic deforestation) is consistent with the identified baseline scenario as described under PDR.100 in Section 4.6 of the PD. Therefore, the requirement of PDR.17 has been satisfied.

NCR 37 Dated 24 May 2018
Standard Reference: VM0009 Methodology, version 3.0, Section 6.2
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.23 requires that "The project description must include the following... Justify the project accounting areas using the identified agents and drivers of conversion, constraints to conversion, and attributes listed above in section 6.2".

The PD includes a description of how the project accounting area was defined. However, it does not include a justification of the project accounting areas that specifically references (i.e., "uses") "the identified agents and drivers of conversion, constraints to conversion, and attributes listed above in section 6.2".
Project Personnel Response: We have revised Section 4.5.5 to include in PDR.23 a justification of the Project Accounting Area that references the specific constraints listed in section 6.2 of the methodology VM0009 to the identified agents and drivers of conversion.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.3", the audit team can confirm that Section 4.5.5 now includes a specific discussion of the proxy areas that references "the identified agents and drivers of conversion, constraints to conversion, and attributes listed above in section 6.2". The audit team agrees that the proxy areas are appropriately selected in light of the identified agents and drivers of conversion, constraints to conversion and geographic features, and that justification of this selection is appropriately provided in the PD. Therefore, the non-conformity has been resolved.

NCR 38 Dated 24 May 2018 **Standard Reference**: VM0009 Methodology, version 3.0, Section 7 **Document Reference**: Tumring REDD Project VCS_CCB PD.v3.2

Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.102 requires that "The project description must include the following... A common practice analysis including a list of project activities and the drivers of conversion that they address". Section 7 of the methodology requires that "The common practice must demonstrate that project activities will address at least one driver of conversion in such a way that the driver would not have been addressed had the project not been undertaken".

Section 2.4.2 of the VCS Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities ("the additionality tool") requires the following: "Provide an analysis to which extent similar activities to the one proposed as the VCS AFOLU project activity have been implemented previously or are currently underway. Similar activities are defined as that which are of similar scale, take place in a comparable environment, inter alia, with respect to the regulatory framework and are undertaken in the relevant geographical area, subject to further guidance by the underlying methodology. Other registered VCS AFOLU project activities shall not be included in this analysis. Provide documented evidence and, where relevant, quantitative information. Considerations shall be limited to the period beginning 10 years prior to the project start date."

Section 2.4.3 of the additionality tool requires the following: "If activities similar to the proposed VCS AFOLU project activity are identified, then compare the proposed project activity to the other similar activities and assess whether there are essential distinctions between them. Essential distinctions may include a fundamental and verifiable change in circumstances under which the proposed VCS AFOLU project activity will be implemented when compared to circumstances under which similar activities were carried out."

Section 4.6 of the PD includes, under Step 4, a common practice analysis. However, that analysis does not meet all the requirements identified above. The gaps identified by the audit team are detailed below.
1. The analysis does not specifically indicate "to which extent similar activities to the one proposed as the VCS AFOLU project activity have been implemented previously or are currently underway". It is not clear whether or not, in the analysis, the "forest patrols and protection... funded with the limited budget allocations from the FA" are consistently a "similar activity" (as defined in the additionality tool). Similarly, it is not clear whether or not, in the analysis, the "common practice to protect forests in Cambodia [that is] typically funded by governments or donor agencies" is considered a "similar activity". Finally, the "analysis to which extent similar activities to the one proposed as the VCS AFOLU project activity have been implemented previously or are currently underway" is not supported with "Provide documented evidence and, where relevant, quantitative information", as required by the additionality tool.
2. The analysis states that "There are 2 existing REDD+ projects in Cambodia, which are both operating on lands under the jurisdiction of the FA and operated by the FA". The additionality tool requires that "Other registered VCS AFOLU project activities shall not be included in this analysis."
3. Given that an analysis "to which extent similar activities to the one proposed as the VCS AFOLU project activity have been implemented previously or are currently underway" has not been provided, a comparison between the proposed project activity and "the other similar activities and assess whether there are essential distinctions between them" has likewise not been provided.
4. The requirement of PDR.102 to include "a list of project activities and the drivers of conversion that they address" has not been satisfied. The common practice analysis also does not specifically "demonstrate that project activities will address at least one driver of conversion in such a way that the driver would not have been addressed had the project not been undertaken", as required under Section 7 of the methodology.

Project Personnel Response: We have revised the section 4.6 step 4 to address the issue raised by the auditor in this finding. We have clarified the text to show the similarity between the activities. We have also removed references to other VCS AFOLU projects. We have clarified what the essential distinction is between the Project and other similar activities. Lastly, a table was added to PDR.120 to add a list of the project activities and the driver of deforestation that each addresses.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.3", the audit team can confirm that most of the information required has been provided. The audit team has the following comments regarding the extent to which the information requirements were satisfied:

In the second paragraph, the analysis does identify the protection of forest in the Southern Cardamom Mountains as an activity that is similar to the project area. The analysis includes a comparison between the proposed project activity and the activity in the Southern Cardamom Mountains to "assess whether there are essential distinctions between them".

However, it seems that the formal "analysis to which extent similar activities to the one proposed as the VCS AFOLU project activity have been implemented previously or are currently underway" is not still not provided and supported with "documented evidence and, where relevant, quantitative information", as required by the additionality tool. While the activity in the Southern Cardamom Mountains has been identified, there may be other similar activities that should be included in the analysis that have not been identified. Documented evidence of a comprehensive analysis has not been provided.

The requirement of PDR.102 to include "a list of project activities and the drivers of conversion that they address", and to "demonstrate that project activities will address at least one driver of conversion in such a way that the driver would not have been addressed had the project not been undertaken", has been satisfied in the added Table 26.

However, because a comprehensive "analysis to which extent similar activities to the one proposed as the VCS AFOLU project activity have been implemented previously or are currently underway" is not documented in the PD, the non-conformity has not been fully resolved.
Project Personnel Response 2: We have revised the common practice section based on the guidance of the VCS additionality tool to address the Auditor's concerns. We have added a more formal analysis of the only comparable Cambodian conservation projects and made clear distinctions on their differences to that of the TRP.
Auditor Response 2: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.4", the audit team can confirm that all requirements of Step 4 of the additionality tool are now satisfied. The analysis now clearly identifies the "similar activities" and also explicitly states four "essential distinctions" between the proposed project activity and the similar activities.

The audit team is aware of the distinctions mentioned in the analysis, and all of the assertions made appear reasonable. Sites that rely on donor funding often experience unreliable funding streams. It can also be difficult to draw funding in the absence of particular "charismatic" animal species or natural features. The audit team also understands the distinctions between drawn between other sites with a long-term INGO presence (and a commensurate "conservation ethos") and areas outside of these high-priority conservation sites.

Therefore, the audit team finds that the common practice analysis has been appropriately carried out and is well-documented in the PD. The non-conformity has been resolved.

NCR 39 Dated 24 May 2018
Standard Reference: VM0009 Methodology, version 3.0, Section 6.5.1
Document Reference: Tumring REDD Project VCS_CCB PD.v3.2
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.39 requires that "The project description must include the following... A qualitative description of the baseline scenario for each selected carbon pool".

Table 18 of the PD indicates that carbon pool SD is selected. However, a qualitative description of the baseline scenario for this pool is not provided in Section 4.5.9.1 of the PD.
Project Personnel Response: The project has elected to exclude the standing dead (SD) carbon pool from the project so as to maintain consistency with the carbon pools chosen by Cambodia in the national FRL. We believe that this the most conservative option for the project since we are utilizing the jurisdictional FRL is to ensure that there is consistency between the carbon pools selected in the Project. Please view the Project and Proxy Area Carbon models to see that SD has now been excluded from accounting.
Auditor Response: Given that the carbon pool SD is no longer included in the project boundary (per Section 4.4.2 of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.3"), this finding is no longer relevant, and will be withdrawn.

NCR 40 Dated 24 May 2018
Standard Reference:
Document Reference: Tumring REDD Project VCS_CCB PD v.3.2
Finding: This finding is a follow-up to NIR 19.

The Project Response states as follows: "the entirety of the Project Area is under state control, and has been declared a protected forest under Cambodian Law". This supports the statements made about ownership in other portions of the PD. However, the PD Section 2.3.1.3 states "the likelihood of such changes occurring is considered to be extremely small, especially given that half of the Project Area is currently under government ownership and a large proportion is technically under protective status...".
Project Personnel Response: We have corrected the text in section 2.3.1.3 to be consistent with the actual land ownership and tenure situation for the TRP. This text was entered in error and was an incorrect characterization of the Project Area ownership and tenure.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.3", the audit team can confirm that the text in question now reads, "That said, the likelihood of such changes occurring is considered to be extremely small, especially given that the entirety of the Project Area is currently under government ownership and is under a protective status (although in practice, prior to the REDD+ project much of the area was not physically protected)." The assertion that "the entirety of the Project Area is currently under government ownership" is consistent with other information provided to the audit team and documented in the PD. Therefore, the discrepancy has been resolved.

NIR 41 Dated 24 May 2018
Standard Reference: VCS Standard Section 3.11.1
Document Reference: Tumring REDD Project VCS_CCB PD v.3.2
Finding: Regarding evidence of project ownership, the VCS Standard Section 3.11.1 states "The project description shall be accompanied by one or more of the following types of evidence establishing project ownership accorded to the project proponent(s), or program ownership accorded to the jurisdictional proponent(s), as the case may be (see VCS document Program Definitions for definitions of project ownership and program ownership). To aid the readability of this section, the term project ownership is used below, but should be substituted by the term program ownership, as appropriate:
1) Project ownership arising or granted under statute, regulation or decree by a competent authority.
2) Project ownership arising under law.
3) Project ownership arising by virtue of a statutory, property or contractual right in the plant, equipment or process that generates GHG emission reductions and/or removals (where the project proponent has not been divested of such project ownership).
4) Project ownership arising by virtue of a statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions and/or removals (where the project proponent has not been divested of such project ownership).
5) An enforceable and irrevocable agreement with the holder of the statutory, property or contractual right in the plant, equipment or process that generates GHG emission reductions and/or removals which vests project ownership in the project proponent.
6) An enforceable and irrevocable agreement with the holder of the statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions or removals which vests project ownership in the project proponent.
7) Project ownership arising from the implementation or enforcement of laws, statutes or regulatory frameworks that require activities be undertaken or incentivize activities that generate GHG emission reductions or removals.

In addition, Section 3.18.2 of the VCS Standard states "3.18.2 For validation, the project proponent shall make available to the validation/verification body the project description, evidence of project ownership and any requested supporting information and data needed to support statements and data in the project description and evidence of project ownership.

Section 1.3.4 of the PD states that “the Land Law of 2002 classifies the different types of property and ownership rights in Cambodia: (i) State Public Property, (ii) State Private Property, and (ii) Private property, and that State Public Property: According to the Articles 15 & 16 of this law, State Public Property is land held by the State which carries a public interest use.” The PD Section 3.2 Evidence of Project Ownership (G5.2. & G5.8.) states that “the main evidence for right of use for the TRP is under law for state-owned forestland.” The section further elaborates that the state land has been designated under the mandate of the Ministry of Agriculture, Forestry and Fisheries (MAFF) through the Forestry Administration (FA), and that “it was first formally designated as Permanent Forest Estate in 1994, at which time it was implicitly classified as Production Forest. As stated in section 2.7.3 above sections of the Project Accounting Area are community forest and established between 2002 – 2008 and formally recognized by FA between 2008 – 2010. These areas are managed by Community Forest Groups but are still part of the Permanent Forest Estate and thus are State land and under the mandate of the Project Proponent FA.”

While the information above, as well as the submitted maps referenced in the NIR.19 Project Response, at to the ownership of the Tumring REDD+ Project area as RGC state-owned property, specific evidence (e.g. ideally a published decree with map or coordinates, or another document containing published map or coordinates) substantiating the project area as under the ownership status of state public property is requested.

Project Personnel Response: We updated the verbiage in PD Section 1.2 to indicate ownership of the PA by the RGC as follows: "The entirety of the Tumring REDD+ Project Area is declared Permanent Forest Reserve under the Cambodian Forestry Law of 2002. The Forestry Administration under the Ministry of Agriculture, Fisheries and Forestry for the Royal Government of Cambodia is the designated national agency that manages all permanent forest reserves and they maintain full ownership of the forests under this law."
We also have provided the auditor with an email from Mr. Chuhn Delux stating the above quote that the Project area is under full ownership of the Royal Government of Cambodia arising from the Cambodian Forestry Law of 2002.
Auditor Response: The project team has submitted a document entitled "NCR41 email from RGC FA.pdf" . The document contains the email from Mr Chhun Delux of the Forestry Administration, Royal Government of Cambodia. The letter states as follows "The Tumring REDD+ Project area is not a formally decreed area and thus there is no formal decree (or official map) associated with it. As is stated in the PD Section 1.2 page 15, "The entirety of the TRP Project Area is declared Permanent Forest Reserve under the Cambodian Forestry Law of 2002." I at that the FA is the designated national agency that manages all permanent forest reserves, including the entirety of the Tumring REDD+ Project Area, and maintains ownership of the forest under this law." The 14 community forests have maps associated with their respective areas. However, the TRP map included in the PD is the official map of the Project Area." The letter provides the evidence substantiating the project area as under the ownership status of state public property as requested.

In addition the audit team reviewed the revised PD Section 1.2 and confirms that it is revised to clarify the owner and ownership status of the project area, as stated within the supplied letter. The finding is closed.

NIR 42 Dated 25 May 2018
Standard Reference: VM0009 Methodology, version 3.0, Section 6
Document Reference: Tumring REDD Project VCS_CCB PD v.3.2, Section 4.4.2
Finding: During discussions held on 24-25 May 2018, it was explained to the audit team that the selection of carbon pools was undertaken following the jurisdictional baseline (discussed in resolution to NCR 12). As discussed in resolution to NCR 33 and NCR 34, the audit team agrees that this is an appropriate rationale for selection of carbon pools. However, the jurisdictional baseline only includes the "Above Ground Biomass" and "Below Ground Biomass" pools (as identified in Table 4-1 of the May 2017 Initial Forest Reference Level document), which correspond to the AGOT and BGOT pools, respectively, as defined by the methodology. As identified in Table 18 of the PD, the project boundary also includes the carbon pool SD. Through comparison between Table 4-1 of the Initial Forest Reference Level document and Table 1.1 of Chapter 1 of Volume 4 of the 2006 IPCC Guidelines for National Greenhouse Gas Inventories (which the audit team understands to be the source of identification of carbon pools in Table 4-1, given the reference to "five carbon pools as described per IPCC guidelines" in Section 4.2.2 of the same document), the audit team can confirm that the "Above Ground Biomass" and "Below Ground Biomass" pools only include "All biomass of living vegetation... above the soil" and "All biomass of live roots", respectively.
Given that dead wood was not included in the list of carbon pools selected under the jurisdictional baseline, please provide a justification for the selection of carbon pool SD as identified in the PD.
Project Personnel Response: The project has elected to exclude the standing dead (SD) carbon pool from the project so as to maintain consistency with the carbon pools chosen by Cambodia in the national FRL. We believe that this the most conservative option for the project since we are utilizing the jurisdictional FRL is to ensure that there is consistency between the carbon pools selected in the Project. Please view the Project and Proxy Area Carbon models to see that SD has now been excluded from accounting.
Auditor Response: Given that carbon pool SD is no longer included in the project boundary, this finding is no longer relevant, and will be withdrawn. The audit team performed a high-level check on the exclusion of SD from the project boundary by confirming that the quantity of 489.5 tCO2e/ha, as contained in cell D22 of worksheet "Tumring FREL" of workbook "Tumring FREL v2", is equivalent to the sum of values in cells K3, N3 and P3 in the worksheet "Analysis - Total" of workbook "Tumring REDD Carbon Inventory_revised PA v11", and that these values correspond to the AGOT, AGNT and BGOT carbon pools and do not include SD. A corresponding check was carried out to confirm that the quantity of 5.55 tCO2e/ha, as contained in cell D24 of worksheet "Tumring FREL" of workbook "Tumring FREL v2", is equivalent to the sum of values in cells K3, N3 and P3 in the worksheet "Analysis - Total" of workbook "Tumring REDD Proxy Area Inventory v3", and that these values correspond to the AGOT, AGNT and BGOT carbon pools and do not include SD.

NCR 43 Dated 14 Jun 2018
Standard Reference: VM0009 Methodology, version 3.0, Section 8.3.3
Document Reference: Tumring REDD Project VCS_CCB PD v.3.3, Section 5.5.2
Finding: This finding is a follow-up to NIR 17. Section 8.3.3 of the methodology requires the following:

"The project proponent must account for this shift in production per current AFOLU Requirements and the flowchart provided in Figure 12. Apply sections 8.3.3.2, 8.3.3.3 and 8.3.3.4 of this methodology according to the flowchart."

As documented within the resolution of that finding, it is the understanding of the audit team that, according to Figure 12, market leakage related to withheld timber supply must be accounted for because the project "Changes supply of market commodities". Because, as documented in Section 5.5.2 of the PD, market leakage in respect of other commodities (additional to wood products) will occur, Figure 12 requires that the production approach must be implemented per Section 8.3.3.4. As documented in Section 5.5.2 of the PD, the production approach is already being used, but the PD does not acknowledge that market leakage in respect of changes in supply of wood products is being accounted for.
Project Personnel Response: We have updated the market leakage calculations using the VCS Production Approach to include the effects of the forgone timber supply. We have provided the auditor with these calculations in a file named “Tumring_JNR Leakage Tool v10_v3.xlsx”. This file shows all of the calculations, following the procedures described in the VCS tool Production Approach, to determine the market leakage effect of the forgone production of agricultural commodities and timber supply under the Project. Due to the small amount of timber present in the Project Area and its limited potential effect on the national timber market, after its inclusion in the Production Approach tool the calculated rate of market leakage did not change from the previously calculated 0.5%. The PD has been updated to include the addition of timber to the market leakage determinations.
Auditor Response: Through preliminary review of the workbook "Tumring_JNR Leakage Tool v10_v3", the audit team understands that this tool has been used to provide a conservative estimate of overall market leakage, and use of the "VCS tool VMD0037 Global Commodity Leakage Module: Production Approach (LM-P)" for this purpose has been well-documented in Section 5.6.4 of the revised PD ("Tumring REDD Project VCS_CCB PD.v3.4"). As a commitment to account for market leakage attributable to withheld timber production has been made, and as an ex-ante estimate of such is duly reported in the PD, the non-conformity has been resolved.

NCR 44 Dated 14 Jun 2018
Standard Reference: VCS Standard, Section 3.5.1; VM0009 Methodology, version 3.0, Section 6.2
Document Reference: Tumring REDD Project VCS_CCB PD.v3.3
Finding: Per the VCS Standard, Section 3.5.1, PDRs do not fall within the scope of aspects of a methodology that can be deviated from. Per the VM0009 methodology, each PDR must be included in the PD.

PDR.109 states "The project description must include the following... Results of a spatial analysis to demonstrate the activity-shifting leakage area is no larger than the project accounting area.."

Results of a spatial analysis are provided in Table 30. However, in that table, the leakage area is reported as being larger than the project accounting area. The reported areas are inconsistent with the text above, and also inconsistent with the audit team's independent calculations.
Project Personnel Response: The value for the size of the Activity shifting leakage area and the Project Accounting Area were inadvertently reversed due to an error. This has been corrected. Table 30 now displays the correct sizes for these areas, and shows the PAA to be larger in size than the Activity-Shifting Leakage Area in accordance with PDR.109.
Auditor Response: Through review of the revised PD, entitled "Tumring REDD Project VCS_CCB PD.v3.4", the audit team can confirm that the reported areas in Table 30 have been corrected. Therefore, the non-conformity has been resolved.

NIR 45 Dated 20 Jun 2018
Standard Reference: AFOLU Requirements Section 3.2.1
Document Reference: Tumring REDD Project VCS_CCB PD.v3.3
Finding: The initiation of project activities to denote a project start date is permitted by Section 3.2.1 of the AFOLU Requirements, which states the following: “As set out in the VCS Standard, the project start date of an AFOLU project shall be the date on which activities that lead to the generation of GHG emission reductions or removals are implemented. Such activities may include… implementing management or protection plans.”

Section 1.6 of the PD states that “The project start date for the TRP is January 1st, 2015. This date when the Tumring REDD+ Project planning and activities were first initiated.”

Please submit documentary evidence of the project start date

Project Personnel Response:
Auditor Response: Outside the cover of the findings workbook, the project team submitted and the audit team reviewed a document entitled “Progress report Q1_Y1_2015”. The document is a progress report written by the Royal Government of Cambodia's Forest Administration for the Korea-Cambodia REDD+ Joint Project, which details the activity in the First Quarterly Report, listed as January to March 2015. The document lists the REDD+ project being conducted in Kampong Thom province. The document also states that the FA signed an MOU with Korea Forest Service on 10 December 2014 to implement the project. Given that the documented first quarterly report begins January 1 2015, the audit team confirms the project start date. The finding is closed.

NCR 46 Dated 20 Jun 2018
Standard Reference: AFOLU Non-Permanence Risk Tool v 3.3
Document Reference: "Tumring REDD Project Non-Permanence Risk Report template v3.2 v1.7.pdf"
Finding: Section 2.2.2 (3) of the AFOLU Non-Permanence Risk Tool v 3.3 states 'the percentage of needed funding secured shall be calculated by adding up all funding and revenue already secured and diving this by the total cash out up to and including the year the project reaches breakeven.'

For Table 2: Financial Viability in the document "Tumring REDD Project Non-Permanence Risk Report template v3.2 v1.7.pdf", the project team currently claims the risk score stating that the percentage of funding secured is between 40 and 80%. The project team submitted the project's 30 year budget and work plan "Final_Tumring REDD-30 Budget and Work Plan.xls" to the audit team. In the 'Breakeven Analysis' tab, the audit team saw that cash before breakeven is calculated only including the year prior to when the project reaches breakeven. When the year when the project reach breakeven is included, the percentage of funding secured drops below 40%. The project is currently out of compliance.

Project Personnel Response:
Auditor Response: Outside the cover of this workbook, the project team submitted a revised Non-Permanence Risk Report entitled "Tumring REDD Project Non-Permanence Risk Report template v3.2 v1.8.doc" in which the risk score for Financial Viability has been revised. The new risk score chosen f), states "the Project has secured 15% to less than 40% of funding needed to cover the total cash out required before the project reaches breakeven." The finding is closed.

NCR 47 Dated 26 Jun 2018
Standard Reference: VCS Standard
Document Reference: “Tumring REDD Project VCS_CCB PD.v3.3”
Finding: The VCS standard states "The project description describes the project’s GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template."

Additionally the PD template states "Instructions for completing this joint VCS & CCB Standards template can be found under each section heading in blue or green italicized text. The blue text represents guidance for the carbon component of the project description that must follow VCS project-level requirements and the applied VCS methodology. The green text represents guidance for the community and biodiversity components of the project description that must follow CCB Standards requirements and includes a cross reference to the relevant CCB Standards criteria. This template must be completed in accordance with both standards, and the preparer will need to refer to the relevant VCS and CCB program documents and the methodology in order to complete the template. It is also expected that relevant guidance, as it relates to the project and methodology, is followed. Note that the instructions in this template are intended to serve as a guide and do not necessarily represent an exhaustive list of the information the preparer should provide under each section of the template.

Section 2.8 of the PD template states "Indicate whether any commercially sensitive information has been excluded from the public version of the project description and briefly describe the items to which such information pertains.
Note - Information related to the determination of the baseline scenario, demonstration of additionality, and estimation and monitoring of GHG emission reductions and removals (including operational and capital expenditures) cannot be considered to be commercially sensitive and must be provided in the public versions of the project documents."
Section 2.8 of the client supplied PD provided language stating that there are sensitive documents not included in the PD, but does not " briefly describe the items to which such information pertains."
Project Personnel Response:
Auditor Response: Outside the cover of this workbook, the project team submitted a revised PD entitled “Tumring REDD Project VCS_CCB PD.v4.0” in which the Section 2.8 was revised to provide language describing the items that are considered Commercially Sensitive Information. The finding is closed.

NCR 48 Dated 26 Jun 2018
Standard Reference: VCS Standard
Document Reference: “Tumring REDD Project VCS_CCB PD.v3.3”
Finding: The VCS standard states "The project description describes the project’s GHG emission reduction or removal activities. The project proponent shall use the VCS Project Description Template, VCS Joint Project Description & Monitoring Report Template, VCS & CCB Project Description Template, VCS+SOCIALCARBON Project Description Template or approved GHG program project description template where the project is registered under an approved GHG program, as appropriate, and adhere to all instructional text within the template."

Additionally the PD template states "Instructions for completing this joint VCS & CCB Standards template can be found under each section heading in blue or green italicized text. The blue text represents guidance for the carbon component of the project description that must follow VCS project-level requirements and the applied VCS methodology. The green text represents guidance for the community and biodiversity components of the project description that must follow CCB Standards requirements and includes a cross reference to the relevant CCB Standards criteria. This template must be completed in accordance with both standards, and the preparer will need to refer to the

relevant VCS and CCB program documents and the methodology in order to complete the template. It is also expected that relevant guidance, as it relates to the project and methodology, is followed. Note that the instructions in this template are intended to serve as a guide and do not necessarily represent an exhaustive list of the information the preparer should provide under each section of the template.

The title page of the PD states that the gold level criteria is not applicable, however section 3.5 of the PD states "The TRP will also be validated under the Climate, Community, and Biodiversity (CCB) standards (Third Edition, Gold Level)." In addition, the section itself is a CCB and VCS indicator, so it leads the user to believe this section is asking for forms of environmental credit other than VCS or CCB.
Project Personnel Response:
Auditor Response: Outside the cover of this workbook, the project team submitted a revised PD entitled “Tumring REDD Project VCS_CCB PD.v4.0” in which the Section 3.5 was revised to state that “the TRP has not and will not in the future seek any other forms of environmental credit”. As such, the finding is closed.