

VERIFICATION REPORT

SUMATRA MERANG PEATLAND PROJECT (SMPP)



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Summary

AENOR has carried out the verification of the Sumatra Merang Peatland Project (SMPP) under the VCS and CCB Programs. The project is a combination of Afforestation, Reforestation and Revegetation (ARR) project and Wetlands Restoration and Conservation (WRC) project implemented in South Sumatra province, Sumatra, Republic of Indonesia. The project aims to protect and restore 22,922 ha of peatland ecosystem, while building strong and supportive relationships with the broad range of stakeholders within the landscape. Project activities include forest patrolling, fire prevention and monitoring, canal blocking and hydrology management, reforestation and assisted natural regeneration, as well as development activities for communities neighboring the project area, such as education and health support or provision of access to clean water.

The project start date is 1 January 2016 and will be operational until 31 December 2062. The estimated net GHG emissions reductions and removals at validation for the 47-year project span were 62,912,755 tCO₂e, at an average of 1,338,569 tCO₂e/yr. The emissions reduction for the current monitoring period (01-January-2020 to 31-December-2020) is 1,025,971 tCO₂e. This is not a grouped project.

The purpose of the verification was to determine the conformance of the project with respect to the VCS Version 4 and CCB Third Edition and the validated PD, and the assessment of the ex-post monitored anthropogenic GHG emissions reductions and/or removals that have occurred as a result of the project's activities. The scope of the verification was to assess the conformance of validated project, once implemented, with the VCS and CCB requirements and requirements in the validated PD. The process was performed through a combination of desk review, interviews, and communications with relevant personnel. This is the third verification event, corresponding to the monitoring period from 1 January 2020 to 31 December 2020.

During the verification 2 CLs and 3 CARs were raised for VCS and 6 CLs and 3 CARs for CCB. All these issues were appropriately closed by means of corrections, more clear explanations, and other supporting documents.

Once all issued detected were appropriately resolved, AENOR carried out this final verification report and deems with reasonable level of assurance that the project complies with all of the verification criteria. The assessment team has no restrictions or uncertainties with respect to the compliance of the project with the verification criteria, hence, the audit team concludes that the cumulative net GHG emissions reductions or removals of 1,025,971 tCO₂e over the monitoring period has been quantified in accordance with VCS rules. A buffer discount rate of 14% was applied, resulting 882,336 VCUs eligible for issuance. AENOR confirms that the project has achieved the Climate Gold and Biodiversity Gold distinctions for the verified monitoring period in accordance with the Third Edition CCB Standards.

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1 INTRODUCTION

1.1 Objective

The objective of the verification audit was to conduct an independent assessment of the project to determine:

- The extent to which methods and procedures, including monitoring procedures, have been implemented in accordance with the validated project description, including the monitoring plan.
- The extent to which GHG emission reductions and removals reported in the monitoring report are materially accurate.

1.2 Scope and Criteria

The scope of the verification included the review of the GHG project and implementation; physical infrastructure, activities, technologies and processes of the GHG project; GHG sources, sinks and/or reservoirs; types of GHG's; and time periods covered. The project follows the framework an Agriculture, Forestry, and Other Land-Use (AFOLU) project. Project activities are categorized as a combination of Afforestation, Reforestation and Revegetation (ARR) and Wetlands Restoration and Conservation (WRC). Under the WRC component, the project activities relate to both the Conservation of Undrained and Partially Drained Peatland (CUPP) and Rewetting of Drained Peatland (RDP). The geographic verification scope is defined by the project boundary, the carbon reservoir types, management activities, inventory program, and contract periods.

The monitoring period for this verification is from 01 January 2020 to 31 December 2020.

The scope of this audit included a verification of the projects calculated reductions and removals with the Verified Carbon Standard requirements. In addition, the audit assessed the project with respect to the validated baseline scenarios presented in the PD and the fulfilment of the climate, community, and biodiversity criteria against the CCB Standard.

Standard criteria: Criteria from the following documents were used to assess this project:

- VCS Standard v4.1
- VCS Program Guide v4.0
- VCS AFOLU Non-Permanence Risk Tool v 4.0
- CCB Program Rules v 3.1
- Third edition CCB Standard v3.1

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

1.3 Level of Assurance

The assessment was conducted to provide a reasonable level of assurance of conformance against the defined audit criteria and materiality thresholds within the audit scope. Based on the audit findings, a positive evaluation statement reasonably assures that the project GHG assertion is materially correct and is a fair representation of the GHG data and information.

The threshold for materiality with respect to the aggregate of errors, omissions, and misrepresentations relative to the total reported GHG emission reductions/removals was one percent (1%), as established for large projects by the VCS Standard.

All the revisions of the verification report before being submitted to the client were subjected to an independent internal technical review to confirm that all verification activities had been completed according to the pertinent AENOR instructions required. The technical review was performed by a technical reviewer(s) qualified in accordance with AENOR's qualification scheme for CDM/VCS validation and verification.

1.4 Summary Description of the Project

The project is an ARR and WRC project implemented in the implemented in South Sumatra province, Sumatra, Republic of Indonesia. It aims to protect and restore 22,922 ha of peatland ecosystem, while building strong and supportive relationships with the broad range of stakeholders within the landscape. Project activities include forest patrolling, fire prevention and monitoring, canal blocking and hydrology management, reforestation and assisted natural regeneration, as well as community development sub-activities. The Project Objective is to restore the ecological functions of the Merang peatland through the use of sustainable land-use models that benefit critically endangered biodiversity and provide benefits for local communities. The specific objectives are:

- Climate Objectives
 - Credibly avoid peatland emissions through the protection and rehabilitation of the project site.
 - Restore the variety, integrity, and extent of forest types to their original pre-2007 fire state to rejuvenate the presence of valuable ecosystem services and peatland habitats.
 - Restore the hydrological integrity of the peatlands.
 - Prevent fires and ensure the safety of local people through forest fire training, monitoring, and prevention procedures.
- Community Objectives
 - Introduce economic opportunities and sustainable livelihood opportunities, focused on community-directed investments with both immediate, short-term, and long-term strategies in the SMPP's neighboring communities.
 - Build stronger communities.
 - Ensure continued access and sustainable use of natural resources by communities and local stakeholders.

- Biodiversity Objectives
 - Increase populations of critically endangered flora and fauna by eliminating the causes of deforestation and degradation in the project site.
 - Establish ecological integrity with long-term ecosystem restoration.

The project start date is 1 January 2016 and will be operational until 31 December 2062. The estimated net GHG emissions reductions and removals at validation for the 47-year project span were 62,912,755 tCO₂e, at an average of 1,338,569 tCO₂e/yr. The emissions reduction for the current monitoring period (01-January-2020 to 31-December-2020) is 1,025,971 tCO₂e. This is not a grouped project.

2 VERIFICATION PROCESS

2.1 Audit Team Composition (*Rules 4.3.1*)

Name	Position in the team
Juan Carlos Gómez	Lead auditor
José Luis Fuentes	Technical Reviewer

Juan Carlos Gómez has more than 6 years of professional experience in climate change. He is a Forestry Engineer and holds Master in Sustainable Development and Corporate. He has developed his entire career in the field of climate change. He is an expert in the development of climate change mitigation and adaptation policies and has worked in LATAM countries and Africa, auditing REDD+ under VCS and CCB, and forestry projects under the CDM and JI.

José Luis Fuentes is the manager of the Climate Change Unit of AENOR. He is a Forestry Engineer and has a Master in Business Administration and a Post-Graduate in Environmental Management. He has more than 15 years of experience in auditing, consulting, and training activities related to environmental and carbon management projects. Jose Luis has actively participated in the audit of international sustainable development projects in several carbon schemes, such as the Clean Development Mechanisms (CDM), Verified Carbon Standard (VCS), Climate, Community and Biodiversity Standards (CCB), Gold Standard (GS) and carbon footprints (ISO 14067 and ISO 14064).

The following table summarizes the experience of the team members in the assessment of climate, community development and biodiversity in similar projects.

Country	Project	Standard	Team member/ Role
Colombia	Bajo Calima y Bahía Málaga (BCBM) REDD+ Project	VCS&CCB	Jose Luis Fuentes/ Team leader and auditor Juan Carlos Gómez/ Auditor
Colombia	Cajambre REDD+ Project	VCS&CCB	Jose Luis Fuentes/ Team leader and auditor Juan Carlos Gómez/ Auditor
Colombia	Mutató REDD+ Project	VCS&CCB	Jose Luis Fuentes/ Team leader and auditor Juan Carlos Gómez/ Auditor
Colombia	Concosta REDD+ Project	VCS&CCB	Jose Luis Fuentes/ Team leader and auditor Juan Carlos Gómez/ Auditor
Colombia	Sivirú, Usaragá, Pizarro y Pilizá (SUPP) REDD+ Project	VCS&CCB	Jose Luis Fuentes/ Team leader and auditor Juan Carlos Gómez/ Auditor

Country	Project	Standard	Team member/ Role
Colombia	Carmen del Darién (CDD) REDD+ Project	VCS&CCB	Jose Luis Fuentes/ Team leader and auditor Juan Carlos Gómez/ Auditor
Colombia	Rio Pepe y ACABA REDD+ Project	VCS&CCB	Jose Luis Fuentes/ Team leader and auditor Juan Carlos Gómez/ Auditor
Colombia	Acapa – Bajo Mira y Frontera (ACAPA-BMF) REDD+ Project	VCS&CCB	Jose Luis Fuentes/ Team leader and auditor Juan Carlos Gómez/ Auditor
Colombia	Proyecto de compensación de emisiones Conservación del bosque Galilea Amé.	NTC 6082/ Guía ES-I-CC-002	Juan Carlos Gómez/ Team leader and auditor
Colombia	Proyecto de Mitigación Forestal Bonanza Verde	NTC 6082/ Guía ES-I-CC-002	Juan Carlos Gómez/ Team leader and auditor
Colombia	Bonos Verdes Colombia Grupo Custodiar S.A.	NTC 6082/ Guía ES-I-CC-002	Juan Carlos Gómez/ Technical reviewer
Colombia	Recuperación de suelos degradados con el uso de incentivos financieros en el Centro y Oriente de Colombia	NTC 6082/ Guía ES-I-CC-002	Juan Carlos Gómez/ Auditor Jose Luis Fuentes/ Technical reviewer
Colombia	Proyecto de Conservación PALAMEKU KUWEI REDD+	NTC 6082/ Guía ES-I-CC-002	Juan Carlos Gómez/ Team leader and auditor
Colombia	Proyecto de Conservación Tángara REDD+	NTC 6082/ Guía ES-I-CC-002	Juan Carlos Gómez/ Auditor
Colombia	Reforestación de suelos degradados por la ganadería y la agricultura en Antioquia.	NTC 6082/ Guía ES-I-CC-002	Juan Carlos Gómez/ Auditor Jose Luis Fuentes/ Technical reviewer
Colombia	Mitigación de Cambio Climático en áreas degradadas por ganadería “Fincas La Clara y Suebrá”.	NTC 6082/ Guía ES-I-CC-002	Juan Carlos Gómez/ Technical reviewer
Colombia	Proyecto de Mitigación Forestal Resguardo Indígena Tikuna, Cocama y Yagua (TICOYA)	NTC 6082/ Guía ES-I-CC-002	Juan Carlos Gómez/ Auditor
Guatemala	REDD+ Project for Caribbean Guatemala: The Conservation Coast	VCS & CCB	Jose Luis Fuentes/ Project manager Juan Carlos Gómez/ Team leader and auditor
Indonesia	Indonesia - Norway Verification of reduced emissions from deforestation and forest degradation	FREL	Jose Luis Fuentes/ Project manager Juan Carlos Gómez/ Auditor
Indonesia	Rimba Raya Biodiversity Reserve Project	VCS & CCB & SD VISTA	Jose Luis Fuentes/ Project manager Juan Carlos Gómez/ Team leader and auditor
Indonesia	Sumatra Merang Peatland Project (SMPP)	VCS & CCB	Jose Luis Fuentes/ Project manager Juan Carlos Gómez/ Team leader and auditor
Kenya	TIST Program in Kenya, CCB-001	VCS & CCB	Juan Carlos Gómez/ Team leader and auditor

Country	Project	Standard	Team member/ Role
Kenya	TIST Program in Kenya, VCS-005	VCS & CCB	Juan Carlos Gómez/ Team leader and auditor
Kenya	TIST Program in Kenya, VCS-006	VCS & CCB	Juan Carlos Gómez/ Team leader and auditor
Kenya	TIST Program in Kenya, VCS-009	VCS & CCB	Juan Carlos Gómez/ Team leader and auditor
Mozambique	Revegetation with fruit Trees in North Manica Province, Mozambique	VCS	Juan Carlos Gómez/ Team leader and auditor Jose Luis Fuentes/ Technical reviewer
Peru	Reduction of Deforestation and Degradation of Tropical Dry Forest in Piura and Lambayeque	VCS & CCB	Jose Luis Fuentes/ Team leader and auditor
Peru	Cordillera Azul National Park (PNCAZ) REDD+ Project	VCS & CCB	Jose Luis Fuentes/ Team leader and auditor
Peru	Reduction of deforestation and degradation in Tambopata National Reserve and Bahuaja-Sonene National Park within the area of Madre de Dios region – Peru	VCS & CCB	Juan Carlos Gómez/ Auditor Jose Luis Fuentes/ Technical reviewer
Peru	REDD+ Project in the Alto Huayabamba Conservation Concession (CAAH)	VCS & CCB	Juan Carlos Gómez/ Auditor Jose Luis Fuentes/ Technical reviewer
Peru	Forest Management to reduce deforestation and degradation in Shipibo Conibo and Cacataibo indigenous communities of Ucayali region	VCS & CCB	Juan Carlos Gómez/ Auditor
Uganda	TIST Program in Uganda, VCS-CCB 010	VCS & CCB	Juan Carlos Gómez/ Team leader and auditor
Uganda	TIST Program in Uganda, VCS-CCB 011	VCS & CCB	Juan Carlos Gómez/ Auditor Jose Luis Fuentes/ Technical reviewer
Zambia	Lower Zambezi REDD+ Project	VCS	Juan Carlos Gómez / Auditor
Zambia	Luangwa Community Forests Project	VCS	Juan Carlos Gómez/ Team leader and auditor

2.2 Method and Criteria

The verification 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 project was 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 that the project was in full conformance to all requirements.

A project specific Verification and Sampling Plan was developed to guide the verification auditing process to ensure efficiency and effectiveness. The purpose of the Verification and Sampling Plan was to present a risk assessment for determining the nature and extent of verification procedures necessary to ensure the risk of auditing error was reduced to a reasonable level. The Verification & Sampling Plan methodology was derived from all items in our verification process stated above. Specifically, the sampling plan utilized

the VCS guidance documents and ISO 14064-3. Any modifications applied to the Verification and Sampling plan were made based upon the conditions observed for monitoring in order to detect the processes with highest risk of material discrepancy.

The verification activities in which risks were assessed were the evaluations of the monitoring system (data flow, data control procedures, etc.) but mainly the quality of raw data as well as sources and the spreadsheet calculations. AENOR reproduced and verified 100% of sheets in the *MR_Tables_2020_20210524* and the other spreadsheets for the monitoring period 01 January 2020 – 31 December 2020 for the project area. The project boundary and land cover changes in the project area for the monitoring period were 100% checked using the GIS database.

The carbon stock changes, and the land used classes in the project area were also 100% verified and crosschecked with validated values. For data provided for the reference region, AENOR carried out onsite samples of at least 5% of data since they had already been previously validated and posed a lower risk to the emissions reductions achieved by the project.

AENOR carried out a deep and meticulous review of the spreadsheets in order to verify the correct application of the methodology (formulae, equations.) and checked that data required for calculating the GHG removals and reductions were appropriately provided. Based on the assessment carried out, AENOR confirms with a reasonable level of assurance that the claimed emission reductions and removals are free from material errors, omissions, or misstatements.

AENOR confirms that sufficient evidence was presented for the reported net anthropogenic GHG emission reductions and removals and that there is a clear audit trail that contains the evidence and records that validate the stated figure in this verification report since:

- Sufficient evidence available: The project participant has provided the 100% of data used in the calculations to achieve the final amount of GHG emission reductions and removals reported.
- Nature of evidence: The raw data were collected from reliable sources. They are detailed in the project documents and have been provided to the verification team and were checked during the interviews.
- Cross-checked evidence: AENOR cross-checked the collected information through interviews with stakeholders and reproducing calculations.

Hence, AENOR confirms that the stated figures in the monitoring report are correct and confirms that is able to certify net anthropogenic GHG reductions and removals based on verifiable and reliable evidence.

2.3 Document Review

A detailed review of all project documentation was conducted to ensure consistency with, and identify any deviation from VCS program requirements, CCB program requirements, the methodology (VM0007, v1.5), and the validated PD. Initial review focused on the Monitoring Report (MR) and included an examination of the project details, implementation status, data and parameters, and quantification of GHG emission reductions and removals. Documents reviewed included data from monitoring, economic analysis, maps and aerial images, fire specific monitoring data, deforestation and field reports, community development

activity reports, SOPs, biomass and carbon calculation spreadsheets, and responses to Corrective Action Requests (CARs) and Clarifications (CLs).

The verification included a review of the validated PD and MR, relative to the field conditions and interviews with project management staff, stakeholders and beneficiaries. Modifications to the Verification and Sampling plan were made based upon the conditions observed for monitoring in order to detect the processes with highest risk of material discrepancy.

The VCS AFOLU Non-Permanence Risk Tool was used by the Project Proponent to assess overall project risk. The VVB reviewed the Non-Permanence Risk Report provided with the verification supporting documentation and confirmed that the Project adheres to the requirements set out in the VCS AFOLU Non-Permanence Risk Tool. Each risk factor was thoroughly assessed for conformance. The final score was calculated to be 14%.

For a listing of all documents received from the client for this verification, please see Appendix 1.

2.4 Interviews

Interviews were performed as part of the overall verification process which was additional to that provided in the project description, monitoring report and any supporting documents (see Appendix 1). The AENOR verification team met with individuals with various roles in the project. This included a series of interviews with in-country staff that support the mission of the project. In addition, interviews discussions were conducted with project members, beneficiaries, and leaders of the local communities.

Due to the COVID-19 pandemic situation, interviews were carried out through a combination of live videoconferences, video recordings and written testimonies, as explained in Section 2.5. The videoconference interviews were carried on August 27th, 2021. Questionnaires were provided to several stakeholders that for logistical reasons were unable to participate on videoconferences. The answers to the questionnaires were video recorded or written. Video recordings and written testimonies were gathered between July 12th and August 27th, 2021. See Appendix 2 for the complete list of stakeholders interviewed.

Interviewees were asked specific questions regarding the impact of the Project to the community and biodiversity as to cross-check with the information reported on the MR. Additionally, the personal opinion regarding the Project was asked to all interviewees, expressing all of them their positive impression. As for biodiversity trends, specific questions were made in terms of number and species spotted by the interviewees that access the forest regularly. All interviewees asked confirmed the positive trend reported on the MR and stated their positive opinion regarding the impact on the biodiversity and ecosystems of the project area.

2.5 Site Inspections

Due to the exceptional situation caused by the COVID-19 crisis and the travel restrictions established by governments for safety reasons, it was not possible to carry out a site visit as part of the verification process of the project.

In accordance with VERRA's COVID-19 Travel Guidance for Projects (dated 18 March 2020), an exemption of the site visit was requested on the ground of the crisis situation and considering that a reasonable level

of assurance was achievable by other means. AENOR as VVB proposed to carry out a remote verification audit that ensured the achievement of the assurance level required by both the CCB and VCS programs.

The remote audit was based on the following auditing techniques:

- Document review and cross checks between the information provided in the in the MR, the PD and supporting information and evidence provided by the project proponent (PP), emissions calculations, GIS database, and supporting information and evidence provided.
- Review, based on the selected methodologies, tools and the other applied methodological regulatory documents, of the appropriateness of formulae and accuracy of calculations.
- Telephone, teleconference and/or e-mail interviews for the implementation of project activities and the elaboration of project's documents.

2.6 Resolution of Findings

All documentation provided by the PP was assessed against the applicable version of the relevant VCS and CCB guidance document. Several clarification requests (CL) and corrective action requests (CAR) were raised and submitted to the PP, which addressed them either by providing to the audit team the requested information or by making the appropriate corrections. Updated versions of the documentation were submitted by the PP and the audit team reassessed them against the guidance documentation. This process was repeated iteratively until all CL and CAR were fully closed. Specifically, 2 CLs and 3 CARs were raised for VCS and 6 CLs and 3 CARs for CCB.

All findings issued by the AENOR audit team during the verification process have been closed. In accordance with Section 4.1.13 of the VCS Standard, all findings issued during the verification process and the inputs for their closure are described in Appendix 3 of this report.

2.6.1 Forward Action Requests

No forward action requests (FARs) were raised to the PP during the current verification process. No FARs were pending from the previous verification.

2.7 Eligibility for Validation Activities

AENOR holds accreditation for validation for the relevant sectorial scope 14 under which this project activity is classified.

3 VALIDATION FINDINGS

3.1 Participation under Other GHG Programs

The verification team is not aware of project involvement in other forms of environmental credits from its activities. The project has not been registered, and is not seeking registration, under any other GHG programs.

3.2 Methodology Deviations

No new methodology deviations were applied during the monitoring and quantification of VCUs for this monitoring period.

One methodology deviation validated in the PD still applies:

- Module BL-ARR of VM0007 and Methodology extension AR-ACM0003 do not include specific requirements for the justification of the plantation establishment rate. To justify the conservative baseline conversion/plantation establishment rate (which is not deforestation) and to calculate leakage with a baseline deforestation rate, the PP followed Module BL-PL. The conservative approaches of BL-PL provided an analytical basis for the plantation establishment rate.

AENOR deems that the deviation meets with the criteria and specifications for permitted methodology deviations and does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals.

3.3 Project Description Deviations (*Rules 3.5.7 – 3.5.10*)

No new PD deviations occurred during the current monitoring period.

One PD deviation validated in a previous verification still applies:

- The deviation was a change in the procedures for measurement and monitoring. The Ministry of Environment and Forestry (MoEF) statistics of total area (ha) of licensed Industrial Plantation Forests (Hutan Tanaman Industri or HTI) in the country is not yet available for 2020. In order to complete the initial non-spatial assessment of the government data compared to the PD estimates, the PP used the more conservative value from 2019.

AENOR deems that this deviation has no impact on the applicability of the methodology, the additionality of the project nor the appropriateness of the baseline scenario. Therefore, no actions in conformance are required.

3.4 Minor Changes to Project Description (*Rules 3.5.6*)

There have been minor changes to PD which apply to the current monitoring period. The biodiversity monitoring plan has been expanded with the addition of SOPs on data collection, camera trap surveying and the use of SMART software.

These changes have no impact on carbon quantification since it relates to biodiversity monitoring. None of the changes made had any effect on the project's design or compliance with CCB requirements. Thus, AENOR deems that after all changes the project remains in conformance with the CCB Standards criteria and indicators and the project's validated design.

3.5 Grouped Project (*G1.13 – G1.15, G4.1*)

This is not a grouped project.

4 VERIFICATION FINDINGS

4.1 Public Comments (*Rules 4.6*)

The MR and its summary were subjected to a 30-day public comment period from 13-May-2021 to 12-June-2021. No comments were received during the public comment period.

4.2 Summary of Project Benefits

Section 1 of the MR provides information about the project benefits. Achievements for the current monitoring period and for the project lifetime are detailed with specific data per categories.

Data are supported with evidence and records checked through interviews to relevant stakeholders and desk review. The section has been completed appropriately with data from the sources provided such as GIS data, records of trainings activities, stakeholders' engagement reports, employees etc.

As specific and remarkable achievements for the current monitoring period the MR in its section 1.1 states i) the hydrological function restoration by constructing 91 dams for blocking manmade canals and the installation of 66 dip well sensors to measure water table levels; ii) the fire prevention and fire threat reduction through forest patrols and firefighting teams deployments, fire safety trainings, the signing of a new MoU with the neighboring concession PT RHM to establish a mandate to collaborate on fire prevention and control, and reduction of human activity in the project area.

In addition, the project reports in section 1.2 of MR standardized benefits related to i) GHG emission reductions, ii) training of community members, iii) employment creation, iv) improvement of livelihoods, v) health services improvement, vi) improvement of access and quality of education, vii) clean water access improvement, viii) well-being improvement, and ix) biodiversity conservation.

In opinion of AENOR, the project benefits are credible based on the supporting documents provided by PP and evidence received during the AENOR interviews to stakeholders, records checked and field records.

4.3 General

4.3.1 Implementation Status (*G1.9*)

Section 2.1.1 of the MR provides the objective to be achieved by the project activities and the main tasks carried out for the monitoring period. The information is supported with additional documents, such as community impacts reports and biodiversity monitoring records, that give a complete information about the achievements.

In this monitoring period, the project has supported a daily forest patrol system on the ground in the project area, along with daily weather monitoring. Project activities combined forest protection through patrols to prevent logging and other illegal activities with fire monitoring and prevention.

The PP has monitored the forest in this period using remote satellite imagery of the project area to detect any land cover change. Results of the monitoring were provided in the GIS package where the changes occurred during the monitoring period can be found. In addition, hotspot remote sensing data and forest patrols were used to monitor emissions from peat and biomass burning. Ecological leakage was monitored

at 22 transects outside the project boundary at the main outflows and included in the hydrological modeling that extended 1 km outside the project area. 66 internet-connected dip well sensors to measure water table level in near real-time were installed, bringing the total to 74. The project also installed 12 new camera traps for increased scope in monitoring biodiversity.

The community-oriented project activities implemented during the past monitoring period include education support through the Open University (*Universitas Terbuka*) for school teaches, after school programs for elementary school children and education for employees who do not hold a high school diploma and enrichment and maintenance of school libraries. Also, the project has supported health through anti-stunting socialization and training programs. Clean water access has improved through the installation of rainwater catchment systems on 50 households and on Kepayang elementary school and on Muara Merang village health facility.

Regarding communities' issues, AENOR verified during the interviews that the technical teams of the PP in the project zone included local people speaking the local languages and they are used to translate the project information to them in a form they understand. Interviewing to the communities and individuals added to the project, AENOR verified their knowledge about the risks and benefits of the project and how their opinions are collected to be considered in the project decisions and planning. Section 2.3 of the MR provides further information about the measures for the participation of stakeholders in the decision making and the procedures for the grievances and conflicts.

Project activities designed to bring about benefits to biodiversity overlap quite with climate. It is expected that through long-term project activities, the project will protect and improve the quality of biodiversity and biodiversity-related HCVs in the project area. These activities include the restoration of water table levels, through the construction of blocking dams (91 during the monitoring period, totaling 188 since project start), and prevention of further deforestation through forest patrols and fire monitoring (carried out on a regular basis during the monitoring period).

The PP monitors and catalog species within the project zone. Section 5 of the MR shows the biodiversity monitoring results and an assessment of net positive biodiversity impacts for this monitoring period.

The project has been registered in Indonesia's National Registration System on Climate Change (SRN PPI), as described in section 2.1.9 and 2.3.16 of MR. This register does not issue any form of environmental credit. The project is no part of an emissions trading program or any other mechanism that includes GHG allowance trading.

Section 2.1.10 of the MR describes the contribution of the project to sustainable development goals of the Republic of Indonesia. The project activities implemented during the monitoring period have a direct impact on economic growth and development, poverty and inequality reduction, education access improvement, sustainable forest and land use and climate change mitigation and adaptation.

The implementation plan for the phased project activities has been also provided to the AENOR team along with the budget and implementation schedule. The project has achieved its objectives in Climate, Community and Biodiversity by implementing project activities in every program area as results confirm.

Section 3 of this verification report contains an exhaustive list of all deviations or changes applied to the project, including methodology deviations, project description deviations, and minor changes to the project description, validated in previous monitoring periods. AENOR deems that all deviations and changes are

appropriately described, justified and supported documentation and that the project remains in compliance with the VCS and CCB rules.

In conclusion, during this verification process, AENOR has not detected project changes in regards of the project title, its purposes and objectives. As such, the project activity accurately reflects the proposed project which is mainly focused in the following program areas: forest protection and fire prevention, community development and peat forest ecosystem restoration. Through interviews with key staff, the auditor team confirms the main objectives of the project activity.

AENOR checked the monitoring plan contained in the validated PD and compared it with the monitoring report to verify whether there was any difference that would cause an overestimation of the GHG emission reductions in the current monitoring period. AENOR has confirmed that there are no material discrepancies between the actual monitoring system, and the monitoring plan set out in the PD and the applied methodology, except to the project deviations and changes already commented and assessed in the MR and this verification report. Also, the PP effectively monitors the required parameters to determine the project's removals by sinks and emissions by sources as required by the monitoring plan and the applicable methodology.

The parameters reported, including source, frequency and review criteria as indicated in the monitoring plan were verified to be correct and in line with the revised monitoring plan of the validated PD. Necessary management system procedures including responsibility and authority of monitoring activities have been verified to be consistent with the PD. Knowledge of personnel associated with the project activity was also found to be satisfactory. For this monitoring period there are not remaining issues from previous verification.

The project has not participated nor been rejected under any other GHG programs. GHG emission reductions or removals generated by the project are not included in an emission trading program or any other mechanism that includes GHG allowance trading. The project has not received or sought any other form of environmental credit. Neither has become eligible to do so since previous verification, this is the first one.

Hence, after a complete review of the different documents provided and the interviews carried out, AENOR is able to confirm that the project implementation is in accordance with the project description contained in the PD and the implementation status described in the MR. There are not material discrepancies between project implementation and the project description.

4.3.2 Risks to the Community and Biodiversity Benefits (G1.10)

Section 2.2.6 of the MR addresses the risks to the project benefits, which are extensible described in Annex 1. The PP has identified natural and human-induced risks. Among the first is the geological risk of earthquakes. All staff are trained in emergency response, evacuation and first aid measures in the event of a significant geological event. The risk of naturally induce fires and other risks, such as pests, extreme weather events, all of them considered as low risks for the project.

The major risks for the project are the human-induced, including conversion of the project area to industrial forest plantations, human-induced fires, small-scale illegal extraction, and agricultural expansion. The concession license secured by the PP and the existence of the project itself prevents the conversion of the project area into industrial plantations. The main project activities, i.e. forest patrols, fire monitoring and community engagement tackles the rest of the human-induced risks.

In addition, the PP has developed Non-Permanence Risk Reports to estimate the risks on Climate benefits in accordance with the VCS AFOLU Non-Permanence Risk Tool v 4.0.

AENOR deems that the PP correctly identified the risks to the project benefits but the most important is that created, and it is implementing actions to reduce or diminish the negative impacts of these risks in the benefits on the climate, community and biodiversity.

4.3.3 Community and Biodiversity Benefit Permanence (G1.11)

Due to the nature of the project and its remoteness from population centers, the PP does not anticipate any negative socio-economic impacts nor negative environmental impacts. The project has a 25-year IUP PAN/RAP carbon storage and sequestration license that is extendable up to 50 years.

Community development activities are designed to increase family incomes by creating opportunities for education and employment. The project is also making investments into small businesses and supporting an increase in education levels among residents in nearby settlements. By investing in the human capital of the region, the PP expects to create more possibilities for formal employment with more reliable and higher wages. The project will also promote the importance of conservation and hydrology management to nearby villages as a way build local stewardship for the landscape. Youth will be targeted to promote a shift away from exploitative land-use practices to activities in the formal economy.

Regarding biodiversity benefits permanence, the project is rewetting the peatlands through the construction of permanent canal blocks to restore the hydrology of this degraded area, which will reduce the risk of fire in the landscape allowing the natural vegetation to be restored over the life of the project.

AENOR has verified these activities through the desk review and during the interviews and considers the activities correct to enhance project benefits beyond the project lifetime.

4.3.4 Stakeholder Access to Information (G3.1- G3.3)

Access to project information and project documents for stakeholder engagement is in the SMPP Field Office, in which there are printed versions of the PD and MR and associated annexes in English, as well as executive summaries in English and in Bahasa Indonesia, for public viewing. The summary in Bahasa was also provided to community leaders to make available in public places in the surrounding villages. Also, additional material is distributed in form of brochures and the SMPP community development representative serves as a focal point for community inquiries and questions on the project, along with the many other staff that are actively employed in the project.

The audit team verified and confirmed through interviews to different stakeholders that they have appropriate knowledge of the project and that they have been provided with access to the project information, including MR summaries and bulletins regarding project implementation.

4.3.5 Stakeholder Consultation (G3.4 – G3.5)

The veracity of the local stakeholder consultation was verified during the interviews. AENOR checked the evidence of the different meetings about the project as well as the reports of the FPIC, the communication plan, etc. Evidence confirms that information provided by the PP is credible and consistent.

During the monitoring period, project staff carried out 7 engagements with community fishermen, 2 engagements with community farmers, 32 engagements with school groups or other education facilitators, 19 engagements with village officials, 3 engagements with managers from nearby concessions, 41 engagements with local women's groups, and 411 engagements with village residents in the Muara Merang and Kepayang villages and other nearby settlements. A summary of these meetings was provided and reviewed by the audit team.

AENOR deems that the stakeholder consultation practices carried out by the PP during the monitoring period ensures the participation of all community groups and other stakeholders in the design and implementation of the project, respecting their values, customs, and institution, as well as optimizing community benefits. Based on the evidence provided and the testimonies of community members and representatives directly consulted by the audit team, AENOR considers that continuous communication with stakeholders has been properly carried out throughout the monitoring period, directly with communities and other stakeholders or through their legitimate representatives, and that this communication has been effective in allowing stakeholders to influence the project implementation. The stakeholder input has been properly documented and it is appropriately reflected in the project's documents.

4.3.6 Stakeholder Participation in Decision-making and Implementation (G3.6)

The stakeholder involvement in project design as well as the stakeholder communication system is described in the validated PD and the MR. The audit team was able to verify the stakeholder's involvement through the different interviews and meetings conducted and through records of different meetings and workshops, and engagements. Community members demonstrated awareness and consent of the project's activities. In opinion of AENOR, the communication and consultation plan is being implemented as described in the project design document.

The PP has put a special emphasis in communication and engagement with fishermen and farmer communities adjacent to the project area that derive their livelihoods from within the project area. Feedback provided by the stakeholders has been used to better design and implement the community development program.

4.3.7 Anti-discrimination (G3.7)

The PP, in addition to enforcing all relevant anti-discrimination Indonesian laws and regulations, has developed and is implementing an equal opportunity policy in order to ensure compliance with CCB Standards and to avoid discrimination or harassment based on gender, race, religion, and sexual orientation. This policy is enforced through grievance system in place that provides all project employees, identified community members, and other stakeholders with a quick-response system in the event that any discriminatory actions or sexual harassment does occur, as described in section 2.3.11 of the MR.

During the process of the verification, the audit team did not find any evidence that the project is engaging in any form of discrimination. AENOR checked and confirms that the PP has developed specific measures to prevent discrimination and to guarantee equal opportunities for community members, including women and vulnerable and/or marginalized people.

4.3.8 Stakeholder Feedback and Grievance Redress Procedure (G3.8)

The PP has established a grievance redress procedure, described in the document Sumatra Merang Peatland Project (SMPP) Grievance Redress Mechanism. The procedure is differentiated depending whether the grievance is raised by a community member or other stakeholder or by project staff or contractor. In both cases, a Grievance Response Team (GRT) would be assembled with the aim to solve the grievance within two weeks from its first communication. If a grievance is not amicably resolved after this process, it would be submitted to an unbiased third party for a formal mediation and arbitration process.

AENOR held interviews with a broad range of stakeholders and confirmed that the grievance redress procedure described has been implemented in the past and that no grievances were raised during the monitoring period. The PP was able to evidence how it considered the comments, desires, and needs from local communities in the project's programs.

4.3.9 Worker Relations (G3.9 – G3.12)

The PP provides staff with an orientation program which includes overviews of the project's SOPs and policies with specific attention to health and safety policies, as part of the on-boarding process. The employees also receive training in the use of technology such as GPS units, computers, solar energy, IoT sensors and firefighting equipment.

The MR section 2.3.14 describes the policy for employment opportunities. The project has an equal opportunity employment policy and is committed to engage with the identified community groups and local stakeholders on employment opportunities. To achieve this, the project has a policy to hire 80% of its staff from local areas as a way to increase community and stakeholder benefits. Further, the project has a target to have 25% of its work force be women to ensure greater gender balance in fields traditionally dominated by men. During this monitoring period, the project directly employed 13 women as project staff (21%). Job opportunities are publicly advertised in community sign boards and announcements via community leaders. Meetings are convened within project stakeholder villages and settlements as part of the recruitment process in order to spread the word and attract candidates.

The rights and obligations of workers are observed and enforced in accordance with Law No. 13/2003 regarding Manpower. This is an umbrella law on labor relationship in Indonesia, which stipulates the working conditions and rights and obligations of the employees and companies. In addition, the project has its own human resource policies containing the details of employment practices that are followed. These policies are explained to all staff during their orientation program and are available for review in the project's field office and posted at all forest patrol offices.

In relation to occupational risks, the PP has developed a Health, Safety, Security and Environment (HSSE) Policy and Procedures, a Drugs and Alcohol Policy, and an Emergency Evacuation Protocol. In these three documents potential occupational risks are identified and measures and procedures are defined to eliminate or minimize them. In case of accident, the response procedures are clearly defined.

AENOR did not detect incompliance while checking the documents provided and interviewing the workers. Thus, the audit team deems that the project fulfills with CCB requirements related to labor relations.

4.3.10 Management Capacity (G4.2 – G4.3)

The MR shows (2.4.1 Required Technical Skills and Expertise) that the technical skills of the PP and other partner organizations were maintained and that project activities were implemented successfully. Both PPs, PT GAL and Forest Carbon, have proven experience and capacity in the development and management of AFOLU project, including experience in other VCS/CCB projects.

In addition to the technical skills provided by the PP, the project has partnered with Mirova Natural Capital (previously known as Althelia Climate Fund), which supports project investments and VCUs marketing.

CVs from key personal were provided to the audit team. It is the opinion of the audit team that they have the suitable and appropriate technical and management capacity to develop the project.

The MR states that both PP, PT GAL and Forest Carbon, are financially stable companies, capable of implementing and maintaining a project of the scale of the project. Additionally, the initial project activities are fully supported by an investment from Althelia Climate Fund. The verifiers were able to confirm these statements with the updated budget and cash flow worksheet and financial statements provided by the PP. The project's breakeven point is confirmed to have been reached in 2020.

The PP states to be committed to upholding a high level of integrity and professionalism throughout all aspects of project design and implementation and that the project is fully compliant with the US Foreign Corruption Practice Act (FCPA). No evidence of any form of corruption or illegality was found during the review of the provided evidence and the interviews by the audit team.

4.3.11 Commercially Sensitive Information (Rules 3.5.13 – 3.5.14)

The following documents and information are commercially sensitive and not publicly available:

- Forest Carbon and PT GAL Financial Report 2020
- Financial SOPs
- Cash flow and NPV Analysis
- Financial viability supporting documents
- Agreements and contracts between project proponents, other project entities, and stakeholder groups – regarding implementation of project activities.

AENOR has checked the information and is able to confirm that it meets the VCS Program definition of commercially sensitive information and that it is not related to the determination of the baseline scenario, demonstration of additionality, and estimation and monitoring of GHG emission reductions and removals of the project.

4.3.12 Rights Protection and Free, Prior and Informed Consent (G5.1-G5.5)

The PP holds a concession licenses for the project area. There are no permanent inhabitants of the project area. Two small farms overlap with the project license area and a small number of fishermen that fish inside or near the project area. According to the MR, the project was specifically designed, following the identification of these customary rights holders, to ensure that no impingement upon these land rights holders or their livelihoods will occur.

Based on the information provided in the monitoring report and gathered from authorities and the PP, AENOR can confirm that the project does not lead to the involuntary removal or relocation or property rights holders from their lands or territories and that the project protects the rights of indigenous peoples, communities and other stakeholders in accordance with the Climate, Community & Biodiversity Standards and the validated project design.

In section 2.5.4 of the MR, the PP identifies the illegal activities that have historically occurred within the project area and described the actions taken to reduce them. These actions are aligned with the project activities and their implementation have been confirmed by the evidence provided by the PP and the stakeholders consulted by the audit team. The Project does not and has not benefited from any illegal activity.

4.3.13 Legal Status (G5.6)

The MR lists all the relevant national and local laws and regulations in section 2.5.6. Evidence of its fulfilment is considered complete. AENOR did not detect during the verification process any incompliance related to laws and regulations.

4.4 Climate

4.4.1 Accuracy of GHG Emission Reduction and Removal Calculations

Procedures for quantifying the GHG emission reductions were conducted in accordance with the methodology VM0007 version 1.5. The verification team performed an intensive review of all input data, parameters, formulas, calculations, conversions, statistics and resulting uncertainties and output data to ensure consistency with the VCS documentation, methodology and associated tools, and the PD. Further, the validation team reproduced calculations for selected samples to ensure accuracy of the results. Conversion factors, formulas, and calculations were provided by the PP in spreadsheet format to ensure all formulas were accessible for review. The verification team recalculated subsets of the analysis to confirm correctness. Where applicable, references for analysis methods or default values were checked against relevant scientific literature for best practice.

Baseline emissions

Section 3.2 of the MR and the calculation spreadsheets submitted to AENOR provide information related to the baseline emissions calculations.

AENOR has checked the calculations provided and confirms that emissions in the baseline scenario are consistent with the validated PD.

Baseline emissions and removals estimates have not changed from the validated PD. Baseline emissions, which include emissions from peat microbial decomposition, uncontrolled peat burning and water bodies in the project area under the baseline scenario, were estimated in 1,085,934 tCO₂e for the monitoring period. Baseline net emission removals under the ARR baseline scenario within the project period were estimated in 25,430 tCO₂e for the monitoring period.

The resulting net GHG emissions in the project area in the baseline scenario for the monitoring period account for a total of **1,060,503 tCO₂e**.

Calculation Project Emissions

Calculation of emissions from project activities has been determined following the monitoring plan, the methodology and the PD. The project scenario accounts the following emissions and removals:

1. Above-ground biomass (AGB) stock changes due to ARR activities (The first AGB inventory was conducted in 2020. The second AGB inventory will be conducted in 2021, and as such, 2021 will represent the first year from which actual gains will be monitored and accounted for);
2. Peat microbial decomposition; and
3. Water table level changes due to WRC activities.

Remote satellite data analysis shows four land cover classes in the project area: 1) 73.32% Open canopy tree/shrub/herbaceous mix, 2) 23.56% Close canopy tree/shrub/herbaceous mix, 3) 1.26% Dense forest, and 4) 1.86% Water/swamp mix. This classification achieved 91.7% overall accuracy. The known canals and rivers which often did not appear in the image due to the image resolution, were added to the final classification by overlaying with GIS canal/river network layer with buffer value derived from field and remote sensing observations. Further, Water/swamp mix class were later reclassified as Open canopy tree/shrub/herbaceous mix after consideration that this class covers mostly inundated shrub area and is not considered to be a water body. This resulted in a final map showing 74.92%, 23.52%, 1.26%, 0.30% of the project area were 1) Open canopy tree/shrub/herbaceous mix, 2) Closed canopy tree/shrub/herbaceous mix, 3) Secondary forest, and 4) Water bodies, respectively.

Remote sensing data and ground fire patrols were used for hotspot and fire occurrence screening. No fires were detected within the project area during the monitoring period.

The general equation used by the PP for the estimation of the total net GHG project emissions was:

$$GHG_{WPS-WRC} = \sum_{t=1}^{t^*} \sum_{i=1}^M (E_{peatsoil-WPS,i,t} + E_{peatburn-WPS,i,t} + E_{peatditch-WPS,i,t})$$

Where:

$GHG_{WPS-WRC}$	Net CO ₂ equivalent peat GHG emissions in the project scenario up to year t^* (t CO ₂ -e)
$E_{peatsoil-WPS,i,t}$	GHG emissions from microbial decomposition of the peat soil within the project boundary in the project scenario in stratum i in year t (t CO ₂ -e yr ⁻¹)
$E_{peatburn-WPS,i,t}$	GHG emissions due to peat burning under project scenario in stratum i in year t of each GHG (CO ₂ , CH ₄) (t CO ₂ -e yr ⁻¹)
$E_{peatditch-WPS,i,t}$	GHG emissions from water bodies within the project boundary in the project scenario in stratum i in year t (t CO ₂ -e yr ⁻¹)
i	1, 2, 3, ... M strata
t	1, 2, 3, ... t^* time elapsed since the start of the project activity (years)

The procedures for quantifying the dynamics of carbon stock and peat losses are similar to those applied in the baseline scenario and are consistent with the estimations in the validated PD. Since not enough ARR monitoring has been carried out yet for quantification, ARR GHG removals are not considered for the current monitoring period.

The summary of the project emissions for the monitoring period are shown in the table below.

Year	CO ₂ from peat microbial decomposition (tCO ₂ e)	CH ₄ from peat microbial decomposition (tCO ₂ e)	Emissions (CO ₂ and CH ₄) from uncontrolled burning (tCO ₂ e)	CO ₂ -e from DOC (tCO ₂ e)	Total (tCO ₂ e)
2020	2,333	31,999	0	200	34,532

The total project emissions for the monitoring period in the project area were **34,532 tCO₂e**.

Calculations and GIS files were provided to AENOR. A complete description of the process, assumptions and assessments carried out by proponents is provided in the MR.

Calculation of Leakage

The PP uses the modules of VM007 for leakage estimation applicable to the project. These include leakage i) from activity shifting for avoiding planned deforestation and planned degradation, ii) from displacement of pre-project agricultural activities and iii) emissions from ecological leakage.

For leakage from activity shifting for avoiding planned deforestation and planned degradation, the analysis of the PP described in the MR demonstrates that there was no leakage throughout the monitoring period (since all values of $LKA_{planned,i,t}$ are negative).

The areas identified for ARR activities inside the project area did not have any pre-project agricultural activities taking place. Therefore, in accordance with Module LK-ARR and the CDM tool *Estimation of the increase in GHG emissions attributable to displacement of pre-project agricultural activities in A/R CDM project activity*, leakage from displacement of pre-project agricultural activities is considered 0.

Finally, during this monitoring period the project implemented rewetting activities. The hydrological model results of the mean annual water table levels in a 1 km buffer around the project area were significantly different in the year 2019, before the canal blocking and in 2020 after the canal were blocked, with a difference in water table levels of 3 cm. At the same time precipitation between 2019 and 2020 was significantly different. As the water table levels are highly dependent on the available precipitation, the difference in water table levels between the years are highly likely due to the difference in precipitation between the same years. Therefore, the ecological leakage (LK-ECO) is considered to be 0.

Hence, the total leakage emissions for the monitoring period are 0.

Net GHG Emission Reductions and Removals

Calculation of emission reductions has been provided. Audit team has found the calculation traceable and in accordance with the applied methodology and its deviations, described in section 3.2 of this report.

The following table summarizes the estimated baseline, project and leakage and the estimated net GHG emission reductions and removals.

Year	Estimated Baseline Emissions (tCO ₂ e)	Estimated Project Emissions (tCO ₂ e)	Estimated Leakage Emissions (tCO ₂ e)	Estimated NET GHG Emission Reductions (tCO ₂ e)
2020	1,060,503	34,532	-	1,025,971

Therefore, the project achieved a net GHG emission reductions and removals of **1,025,971 tCO₂e** during the current monitoring period.

Finally, VCUs are calculated by removing the buffer credits. The non-permanence risk rating for this project is 14%. Therefore, during this monitoring period (01-January-2020 to 31-December-2020), the project generated **882,336 VCUs for issuance and 143,635 buffer credits**.

AENOR reproduced the calculations to achieve the same results and deems they are depicted clearly and correctly in the provided sheets. The AENOR verification team was able to trace them directly from the data sources. Formulae used are in compliance with monitoring plan, PD, and methodology, as well as the default values used to determine the parameters. Thus, the net amount of VCUs to be issued is accurate and realistic. Assumptions used by PP at verification were appropriately cross-checked and assessed with requested evidence.

In order to calculate the above terms, the monitoring report details the data and parameters used during the verification process. For each of them, AENOR checked its accuracy, consistency and reliability by reproducing the spreadsheets calculations, verifying the correctness of formulae and methods used and crosschecking the data values with sources (Appendix 1).

AENOR carried out a deep review of the technical annex and the calculations and others provided by the PP that feed data values shown in the *MR_Tables_2020_20210524* (see appendix 1).

AENOR verified the consistency and accuracy of each parameter detailed in sections 3.1.1 and 3.1.2 of the MR by crosschecking the information with the information in section 3.3 of the PD as well as checking values and reproducing the calculations in the spreadsheets and GIS package (see appendix 1) and did not find inconsistencies between them after the closing of CARs and CLs requested. Therefore, AENOR deems that values reported for the parameters are accurate and consistent. Information was deemed accurate and consistent taking into account sources used. Other default values used are from sources well accredited and validated at validation stage.

AENOR verified the list of parameter available at validation reported in the monitoring report and values applied (if applicable) or the references to the documents. The list is complete and in compliance with the methodology and the PD.

The data and parameters monitored and used to determine the emission reductions of the project are also detailed in section 3.1.2 of the MR. AENOR verified that list is complete and in compliance with the applicable methodology and the PD. For each parameter, the references to the tables where they are used are provided.

The parameters monitored are the following: $\Delta C_{WPS-ARR}$; ΔC_{LK-ARR} ; $GHG_{WPS-WRC}$; GHG_{LK-ECO} ; $E_{peatburn-WPS,i,t}$; $E_{proxy-CO2,i,t}$; $E_{proxy-CH4,i,t}$; A_i ; $E_{peatditch-CO2,i,t}$; $A_{ditch-WPS,i,t}$; $A_{DefPA,i,u,t}$; $C_{BSL,i}$; and $A_{RRL,forest,t}$.

In order to verify the accuracy and consistency of parameters monitored and used to calculate the avoided emissions reductions achieved for the monitoring period, the AENOR verification team reproduced table by table using the sequence established in the methodology, checking the correctness of the formulae applied and assumptions used, when applicable and that values used matched with data sources. At the same time, the verification team had to check the set of other spreadsheets (see appendix 1) that feed the *MR_Tables_2020_20210524* calculation spreadsheet and show data inputs for calculating the terms listed above. In addition, the whole set of spreadsheets are fed from other sources, like the GIS package and other sources/reports.

After a deep and thorough review and reproduction of calculations of tables from VM0007 and samples to the tracks to the other spreadsheets, AENOR deems the parameters monitored and available at validation are correct, reliable, and consistent. Information in the monitoring report is in compliance with the PD, the calculations provided and the applicable methodology. Then, the results showed in the MR are reliable, consistent, and accurate.

4.4.2 Quality of Evidence to Determine GHG Emission Reductions and Removals

The data and parameters used to determine GHG emission reductions and removals are listed in section 3.1 of the MR.

The PP has standardized data collection and processing through SOPs and perform multiple quality assurance and quality control (QA/QC) assessments. All data collected, recorded, stored, and reported are subject to review and approval by data analysts, data managers, the technical project lead, and the project team leader with reference to each level of data management. In order to ensure the security and traceability of data entry and QA/QC, all data in raw, intermediate, and final stages have access levels pre-defined for different types of users, as defined in the monitoring plan.

The PP uses a remote sensing for land cover changes and fire detection in the project area, in combination with onsite inspections through forest patrols. The monitoring report describes the steps followed to analyze the information.

AENOR has verified that the monitoring plan is being implemented as the described in the project description. AENOR checked that key workers are fully involved in monitoring events (training, measuring, archiving, reporting, quality control, etc.). QA/QC procedures are considered strict at identifying, reviewing, and handling inconsistencies found in order to improve the management of the project.

Roles and responsibilities along with data management and archival system are also detailed in the monitoring report and other supported documents. The PP performs internal audits of the financial, environmental, and social elements of the project each year. On environmental and social issues, any variance from the project-specific environmental and social management plans are highlighted to management and a plan to take corrective action is developed. In the event issues arise, these are noted and documented by the project management board. The board authorizes a continuous improvement plan and progress is monitored against the plan by the project management board on all identified issues.

Interviews with the project staff and inspection of data and results demonstrated that the PP possess all of the competencies required for reporting of GHG emissions reductions on accurate way.

Data presented to the audit team were clear and coherent and processing steps could be traced to the corresponding sections of the methodology and monitoring plan with transparency.

The monitoring plan provides means for internal data review and quality control, and the data presented by the PP included the results of these internal assessments. AENOR considers that information provided is sufficiency and the quality of that information is appropriate to determine the GHG removals.

4.4.3 Non-Permanence Risk Analysis

The project utilized the non-permanence risk analysis tool, AFOLU Non-Permanence Risk Tool 4.0, to assess risk according to internal risk, external risk, natural risk, and mitigation measures for minimizing risk. The verification team reviewed the Non-Permanence Risk Report following VCS Standard v4.1 Section 3.2.9 and confirmed that the project adheres to the requirements set out in the VCS AFOLU Non-Permanence Risk Tool.

At all levels, the verification team evaluated the rationale, appropriateness, and justifications of risk ratings chosen by the project proponent. Each risk factor was thoroughly assessed for conformance. A brief review of each factor is shown in the table below.

Risk factor	Risk Rating	Assessment
Internal Risks		
Project Management: It is assessed using table 1 of the VCS AFOLU Risk Tool.	-4 (total may be less than zero)	a) The project will only plant native trees that are adapted to peatland ecosystems. Risk rating=0 is justified. b) The project works to reduce the threat of possible encroachment by local people. The majority of the project's carbon stocks are in the peat soils. Only an industrial commercial entity would be able to achieve this. However commercial entities would have no legal right to do so and would be stopped by government authorities. Since the project has started there has been no encroachment in the project area. Risk rating=0 is justified. c) Management team includes individuals with significant experience in all skills necessary to successfully undertake project activities Risk rating=0 is justified. d) Management team maintains a presence in-country and less than one travel day from project site. Risk rating=0 is justified. e) The management team has extensive experience in AFOLU project design and carbon accounting under the VCS program. Risk rating=-2 is justified. f) The project has adopted an adaptive management plan that relies on a principle in

Risk factor	Risk Rating	Assessment
		making decisions and adjustments in response to new information and outputs of the monitoring system as the result of past management actions to improve future planning and management. Risk rating=-2 is justified.
Financial viability: It is assessed using table 2 of the VCS AFOLU Risk Tool.	0 (total may not be less than zero)	a)-d) The project will reach breakeven point in less than 4 years. Risk rating=0 is justified. e)-h) The project has secured more than 80% of funding needed to cover the total cash out before the project reaches breakeven. Financial documentation demonstrating this was provided to the audit team. Risk rating=0 is justified. i) Financial resources are available and have been secured and set aside. Financial documentation demonstrating this was provided to the audit team. Risk rating=-2 is justified.
Opportunity Cost: It is assessed using table 3 of the VCS AFOLU Risk Tool.	0 (total may be less than zero)	a)-f) The project conducted an NPV analysis for its operations covering the 47-year crediting period and compared this to an NPV analysis of the establishment of an Industrial paper pulp plantation. The project was deemed to have a higher NPV. Risk rating=0 is justified. g)-j) Not applicable
Project Longevity: It is assessed using table 4 of the VCS AFOLU Risk Tool.	15 (total may not be less than zero)	a) Not applicable b) The project holds a concession license for the entire project area. This is valid for 25 years and is renewable. Project longevity is determined as 47 years since concession issuance was in 2013 and the project start date is 2016 with a 25 additional period granted after renewal. Risk rating=15 is justified.
Total internal risk=11 (total may not be less than zero)		
External Risks		
Land Tenure and resources access/impact: It shall be assessed using table 6 of the Risk Tool.	2 (total may not be less than zero)	a) Not applicable. b) The land ownership and resource access/use rights are held by different entities as the land is owned by the government with the project having right of use. Risk rating=2 is justified. c)-d) There are no disputes over land tenure or ownership of the project area in more than 5 % of the project area nor disputes over access/use rights (or overlapping rights). Risk rating=0 is justified.

Risk factor	Risk Rating	Assessment
		e) No disputes exist over access or use rights. Risk rating=0 is justified. f)-g) Not applicable.
Community engagement: It shall be assessed using table 7 of the Risk Tool.	-5 (total may be less than zero)	a) There are no households within the project area. Risk rating=0 is justified. b) There are 18 households who derive at least a portion of their livelihoods from the project area and live within 20km from the project boundary. More than 20% of this group have been consulted through one-on-one meetings and group discussions. Risk rating=0 is justified. c) The project generates net positive impacts on social and economic well-being of local communities is validated under the CCB Standards Risk rating=-5 is justified.
Political Risks: It shall be assessed using table 8 of the Risk Tool.	0 (total may not be less than zero)	a-e) Indonesia presents a score of -0.19 according to the World Bank Institute's Worldwide Governance Indicators. AENOR verified the value and reliability of source. Risk rating=2 is justified. f) The country is implementing REDD+ Readiness activities. Risk rating=-2 is justified.
Total external risks=0 (Total may not be less than zero)		
Natural risks		
Fire Risk: It shall be assessed using table 10 of the Risk Tool.	LS*M=1	The likelihood of a natural fire is less than 10 years, being insignificant to carbon stocks. This project is also implementing significant fire mitigation activities such as hydrology management, forest patrols, and early warning fire detection systems. Thus LS= 2 is reasonable. Mitigation (M) measures: 0.5
Pest and disease outbreaks: It shall be assessed using table 10 of the Risk tool.	LS*M=0	A pest or disease outbreak would only impact above ground carbon stock and not the peat layer. Since the project's carbon stocks are primarily from the peat layer, which is the major carbon pool, this risk would not have a significant impact on the project's overall carbon stocks. The likelihood of non-permanence from pests and diseases is low, as there has never been any report of a disease or pest outbreak event in any peatland forest area in Indonesia. Thus LS= 0 is reasonable. Mitigation (M) measures: Not applicable.

Risk factor	Risk Rating	Assessment
Extreme weather: It shall be assessed using table 10 of the Risk tool.	LS*M=0	Droughts and floods may occur less than every ten years. Flooding is not considered a significant risk since peatland vegetation are naturally adapted to waterlogged conditions. Drop in the water table during long droughts does not lead to tree mortality but ferns and non-tree vegetation can die. However, ferns and non-tree vegetation is a very small carbon pool and is therefore not significant. Thus LS= 0 is reasonable. Mitigation (M) measures: Not applicable.
Geological risks: It shall be assessed using table 10 of the Risk Tool.	LS*M=2	There isn't a significant risk from geological events on the project area's carbon stocks. Within the past 100 years 24 earthquakes with a magnitude of 4.5 or higher have been recorded within 200km of the project area. Thus LS= 2 is reasonable. Mitigation (M) measures: Not applicable
Total natural risks=3		
OVERALL RISK RATING=11+0+3=14. Then an overall risk rating of 14% is considered.		

AENOR has checked that information provided in the NPRR for the monitoring period is consistent with supporting documents provided. The assumptions and justifications provided to determine the risk rating of each risk factor are elaborated and they are based on provided documents using conservative assessments. AENOR deems that information provided is consistent and appropriate from reliable sources. Thus, the overall risk rating of 14% is credible and realistic.

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

The climate monitoring plan is available for public review at the project office. The PP provided printed summaries of the monitoring reports to project community members, other stakeholders, and beneficiaries of project activities, and provided printed copies to local government officials and posted them in community center locations and at all patrol post in the project area. The project also publicized a variety of informational materials in both Bahasa Indonesia and English through the use of a combination of promotional materials such as letters, signs, banners, and announcement at community meetings and workshops.

This was verified by the audit team during stakeholder interviews, in which interviewees confirmed that they were aware of the results of the monitoring results and that the PP shares them on a regular basis.

4.4.5 Optional Gold Level: Climate Change Adaptation Measures (GL1.3)

According to the reports and studies cited in the validated PD, the geographic region of the project zone is likely to exhibit various effects of climate change with greater weather anomalies. Temperatures will increase consistently with increased duration of heat waves and dry spells. There will be a considerable shift in precipitation patterns. There will be increased frequency and intensity of heavy rainfall events.

The region is vulnerable to other weather-related disasters and climate hazards such as forest and land fires, storms, and drought that damage infrastructure and degrade ecosystems, leading to loss of life,

property, ecosystem services, and livelihoods. Accordingly, longer dry season and a more intense rainy season will result in prolonged drought and more intense flooding.

Changes in land-use, temperature, and precipitation may caused widespread wildfires in the project zone. Altered biophysical features, as well as vegetation composition and structure impact biodiversity and ecosystem services functioning. Climate change would exacerbate this problem. Climate change has food security and economic growth implications. Changing precipitation patterns, evaporation, run-off, and soil moisture would all impact agricultural production levels. In addition, reduced availability of freshwater will have implications for health and economic production processes.

The PP has design and is implementing a set of project activities that will contribute directly or indirectly to climate change adaptation. Section 3.3 of the MR lists this activities, their details, the achievements during the monitoring period and the adaptation benefits.

Due to the specific nature of the activities, their direct impacts and results are obvious. Furthermore, all the stakeholders asked by the audit team during the interviews were well aware of the adverse effects of climate change and the contribution of project activities to reduce these effects. All interviews mentioned primarily the effectiveness of fire prevention and how the adverse effects of fire (destruction of the forest and harmful smoke clouds) have been minimized since the project started, reporting no fires during the monitoring period.

Based on the evidence and testimonies, it is the opinion of the audit team that the activities implemented by the project deliver the intended impacts on climate change adaptation.

4.4.6 Optional Gold Level: Climate Change Adaptation Benefits (GL1.4)

The MR lists the following project activities and their expected adaptation benefits:

- Forest patrolling:
 - The activity reduces fire risk, which is heightened by longer dry seasons and hot windy conditions, to surrounding ecosystems and speeds fire response time to mitigate fires before they spread by having a dedicated patrol staff.
 - The activity provides mechanisms for prevention, monitoring, reporting and response to minimize risks and damage caused by climate change.
 - The risk minimization enhances resilience to potential climate change impacts.
- Fire Prevention and Monitoring:
 - Fire prevention is critical to maintain and improve the health of the watershed, particularly for direct community members that source fresh water for agriculture and fishing from within the SMPP. These community members would otherwise have their livelihoods adversely impacted by climate change.
 - The activity provides mechanisms for prevention, monitoring, and rapid response to minimize fire risks and damage exacerbated by climate change.
 - The risk minimization enables healthy conditions to maintain biodiversity and ecosystem functioning, hence enhances resilience to potential climate change impacts.
- Canal Blocking and Hydrology Management:
 - The activity provides robust, replicable mechanisms to combat degradation of water resources and elongated dry seasons by preventing water subsidence from canal drainage and improving soil and water quality, to strengthens biodiversity and ecosystem services features.

- The biophysical improvement prepares the site facing climate change, hence generates resilience to potential impacts.
- Reforestation and Assisted Natural Regeneration (ANR):
 - The activity conserves genetic diversity that could be threatened by climate change, supports assisted gene flow especially for more resilient locally adapted species, and raises awareness in the communities.
 - Knowledge transfer also supports community forests.
 - The activity also promotes habitat regeneration for important species affected negatively by forest conversion, frequent wildfires and loss of habitat connectivity.
- Community Development:
 - The activity diversifies communities' opportunities for livelihoods and employment, and thereby generating resilience to challenges brought by climate change.
 - The improved sanitation and water usage also enhance the well-being and community health.
 - Project hydrological interventions also improve water quality and quantity for the fisherman and farmers that rely on the project area for their livelihoods, reducing the risk of watershed degradation caused by climate change.
 - Project investments in the community health center promote greater community resilience to climate-related health crises, such as respiratory issues linked to wildfire smoke. The activity also strengthens the community response to the global pandemic which can be linked to human pressure on ecosystems and thus some of the core drivers of climate change.
- Biodiversity Management and Monitoring:
 - The activity establishes a data-driven, traceable system to monitor changes in biodiversity features in response to climate change.
 - The system provides basis for predicting climate change impact on biodiversity and for developing conservation planning adjusted to address the impacts.
 - The system also monitors the occurrence of key prey for the Sumatran Tiger which has been documented at the site. Hunting grounds for the Sumatran Tiger are increasingly threatened by climate-caused wildfires and the project increases the availability of food for this trigger species.
- Cross-cutting (Adaptive management, Effective administration and human resources, Financial management, Legal compliance):
 - The activity ensures that the decision-making process to address climate change impacts is backed by sustainable business management and operations.
 - Therefore, a mechanism to generate business resilience to climate change is in place.

The audit team reviewed the evidence provided by the PP and was able to identify positive trends in terms of adaptation to climate change as result of the implementation of project activities. Regular patrols provided direct information of onsite situation and events that may took place on the project area. As for fire events, the remote data, patrol reports and general perception of community members interviewed shown an important reduction on their frequency and intensity. As for adaptation of the neighboring communities, all members interviewed shown considerable knowledge about climate change and its adverse effects, knowledge they claimed to be acquired in sensitization sessions of the project. Regarding biodiversity, the results of the monitoring show positive trends.

Based on this information, the audit team deems that activities implemented assist communities and biodiversity to adapt to the probable impacts of climate change.

4.5 Community

4.5.1 Community Impacts (CM2.1)

Since there are no permanent communities within the project area, only two groups of users of the project area were identified in the validated PD as community groups. The MR states in section 4.1.1 the community impacts achieved by the project during the monitoring period for those two groups:

- Fishermen and their families:
 - Reduced fires in the region.
 - Protection of and access to fishing grounds; and
 - Improved water quality within the project area will benefit fish stocks long-term.
- Small-scale farmers and their families:
 - Reduced fires in the region reduces risk of farm destruction.
 - Long-term livelihood security as the SMPP and farmers have an agreement to ensure the farmers can maintain access to their existing plots of land that overlap with the project area.
 - Provision of farming equipment.

All impacts were confirmed by interviewed community members. In opinion of AENOR, the assessment of impacts is accurate and reflects faithfully the project benefits in communities.

4.5.2 Negative Community Impact Mitigation (CM2.2)

The PP identified potential negative impacts listed below and took measures to mitigate these impacts so that the project has had a net positive impact on communities.

As biodiversity returns to the project area as result of project activities, it is possible that daily activities of fishermen and farmer communities may be impacted by large wildlife such as sun bears or tigers. The PP has developed a wildlife human conflict reduction strategy and will train community members on how to reduce this risk. As confirmed by community members interviewed, no encounter of risk with wildlife has taken place for the moment.

Increased water levels from canal blocking and other peat rewetting strategies could potentially impact farmer productivity, but through in-person interviews our farmer community members have expressed a sentiment that the decreased risk from fire from mitigation activities by the project outweighs any inconvenience caused by higher water levels. The biggest risk to smallholder farming assets is from wildfires, which could completely wipe out their investment. This has been confirmed by the interviewed community members.

Regular engagement and communication with fishermen and farmers have been confirmed by the evidence provided and the interviews.

In accordance with the reported information, the project does not result in net negative impacts on the wellbeing of the community groups. Assessment by the audit team concluded that the likelihood of net negative impacts on the well-being of the community groups is adequately addressed in the monitoring report. Mitigation actions are implemented, and negative impacts are reduced to the minimum.

4.5.3 Net Positive Community Well-being (CM2.3)

The project was design to generate significant net positive impacts for the fishing and farming communities within the project area. PP respects the right of access and use of the fishing grounds and buys fish to support the fishermen' livelihoods. Better hydrology management is expected to improve the water quality in the project area which will create more abundant and protected fishing grounds. As for farmers, the PP has guaranteed the land tenure for their existing plots within the concession license and removed them from the project area as regards of carbon accounting. The project also helps reducing fires throughout the wider project landscape, by deploying a fully equipped fire-fighting team and early warning system (EWS) for fires. These efforts also protect fishing grounds or farms from being destroyed.

Additionally, community development activities directed to communities of surrounding villages and settlements outside the project area (Other stakeholders), including education, health, and access to clean water programs, also benefit farmers and fishermen, since they are part of these communities as well.

The project has assisted communities to adapt to climate change, which can be seen through the improved hydrological and fire risk management. Rewetting of peat areas reduces heat stress on forests and maintains ecosystem function on which the community relies. It also acts to mitigate the severity of flooding events in the catchment.

The interviews with community members demonstrated that fishermen and farmer communities were receiving benefits they would not otherwise have received in the absence of the project. In opinion of AENOR, the claim of net positive stakeholder well-being impacts during the monitoring period is supported by evidence, is credible and reflects faithfully the project benefits to these communities. According to AENOR observations, the net impacts of the project activities are positive for both stakeholder groups.

4.5.4 Protection of High Conservation Values (CM2.4)

Section 4.1.4 of the MR describes the measures applied to maintenance of the high conservation value attributes related with community. The identified communities that interact with the project rely heavily on the protection of the HCV 5 areas for fishing and small-scale farming. The other stakeholders in nearby villages benefit from the protection of the peat swamp forest and other areas within the project area for overall improved water quality.

The goal of the project is to protect and restore the project area and most of its activities are design to directly contribute to the achievement of this goal. In opinion of AENOR, none of the project activities have had, nor are likely to have, a negative impact on community-related HCVs. They are designed to either protect or enhance existing HCVs, as was verified by AENOR during the verification process.

4.5.5 Other Stakeholder Impacts (CM3.2-CM3.3)

Section 4.2 of the MR gathered information about the positive and potential negative impacts in the offsite stakeholders. Due to the fact that there are not permanent inhabitants of the project area, all community groups of the neighboring area are classified as Other stakeholders.

The majority of the project's community development activities are directly focus on these other stakeholders. The majority of the livelihoods of these community members do not derive from the project area, so there is no negative impact as result of project activities on the project area. On the contrary,

AENOR could verify that net positive community impacts from the project activities within the project area have also positively affected stakeholders not directly impacted by these activities, as is the case with health related to fires on the project area.

Among the community development activities, the audit team was able to verify, through documental evidence review and interviews to community stakeholders, the implementation and positive impacts of the following:

- Education support through continued education opportunities for local teachers through Open University (*Universitas Terbuka*), after school programs for elementary school children, adult education for employees who do not hold a high school diploma, improvement of elementary and middle school sanitation facilities, and enrichment and maintenance of school libraries.
- Improved livelihoods and quality of life through local food sourcing for project employees and training for craftsmen/women, as well as investments in women's groups in both Muara Merang and Kepayang villages and support to community health programs.
- Health support through the launch of an anti-stunting socialization and training programs in both Muara Merang and Kepayang villages with a collaboration with 1000 Days Fund. In addition to this, as a wider COVID-19 pandemic response the project provided support to the local health facilities.
- Youth and local employment to increase the number project field staff recruited locally in addition to the creation of educational development and capacity building opportunities for employees.
- Providing access to clean water through the installation of 50 units of household rainwater catchment system in both Muara Merang and Kepayang villages, one unit in Kepayang elementary school and one unit in Muara Merang village health facility.

These stakeholders include government institutions, municipalities, and other organized groups that are not community groups. Some offsite stakeholders identified such as the cattle ranchers could be negatively impacted by the project due to reduced land for pasture expansion. However according to results of the monitoring their average incomes remain high for the area and there has been no evidence of them being harmed by the project.

Assessment by the audit team concluded that the likelihood of net negative impacts on the well-being of other stakeholder groups is adequately addressed in the monitoring report. As described in section 4.5.2, the only potential negative impact identified is the risk of harmful encounters with large wildlife once the ecosystem of the project area is fully recovered. Up to date, the audit team found no evidence of any such encounter taking place. To mitigate this potential risk, the PP has developed a comprehensive wildlife human conflict reduction strategy.

In opinion of AENOR, the claim of net positive other stakeholder well-being impacts during the monitoring period is supported by evidence, is credible and reflects faithfully the project benefits on these communities. According to AENOR observations, the net impacts of the project activities are positive for each stakeholder group.

4.5.6 Community Monitoring Plan (CM4.1, CM4.2, GL2.2, GL2.3, GL2.5)

A plan for monitoring community was developed early in the project lifetime and successfully validated. Community monitoring plan, including the focal issue, key results, indicator or variable, data collection method, targeted community, monitored impacts, frequency of monitoring and results of the most recent

monitoring, is included in section 4.3.1 of the MR. Through document review AENOR confirmed the monitoring plan is in place and monitoring is going on.

The PP has demonstrated that monitoring is be able to identify positive and negative impacts on the more vulnerable people in the communities. Regular communication is kept between project staff and community stakeholder as to get feedback regarding their attitudes and expectations toward the project and other aspects of life in the community.

AENOR confirms dates, frequency and sampling methods used are in accordance with the validated PD and with the procedures and systematics used in the verification event. AENOR confirms that community monitoring plan is implemented as the monitoring report and the validated PD.

4.5.7 Community Monitoring Plan Dissemination (CM4.3)

The community monitoring plan is available for public review at the project office. The PP provided printed summaries of the monitoring reports to project community members, other stakeholders and beneficiaries of project activities, and provided printed copies to local government officials and posted them in community center locations and at all patrol post in the project area. The project also publicized a variety of informational materials in both Bahasa Indonesia and English through the use of a combination of promotional materials such as letters, signs, banners, and announcement at community meetings and workshops.

This was verified by the audit team during stakeholder interviews, in which interviewees confirmed that they were aware of the results of the monitoring results and that the PP shares them on a regular basis.

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

Not applicable. The project is not seeking Community Gold Level validation or verification at this time.

4.5.9 Optional Gold Level: Smallholder/community member Risks (GL2.3)

Not applicable. The project is not seeking Community Gold Level validation or verification at this time.

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

Not applicable. The project is not seeking Community Gold Level validation or verification at this time.

4.5.11 Optional Gold Level: Net Impacts on Women (GL2.5)

Not applicable. The project is not seeking Community Gold Level validation or verification at this time.

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

Not applicable. The project is not seeking Community Gold Level validation or verification at this time.

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

Not applicable. The project is not seeking Community Gold Level validation or verification at this time.

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

Not applicable. The project is not seeking Community Gold Level validation or verification at this time.

4.6 Biodiversity

4.6.1 Biodiversity Changes (B2.1)

The MR states in section 5.1.1 the biodiversity changes achieved by the project during the monitoring period, considering this changes as positive for biodiversity conservation. The reported trends are the following:

- Increased number of both floral and faunal species identified in the project area (compared to previous monitoring period):
 - 27 mammals (increase of 9 species from previous monitoring report)
 - 102 birds (increase of 32 species)
 - 21 reptiles (increase of 5 species)
 - 11 amphibians (no increase; not surveyed)
 - 2 fish (no increase; not surveyed)
 - 39 arthropods (dragonflies and damselflies) (no increase; not surveyed)
 - 101 plant species (63 of which are trees) (increase of 46 species)
- Increased mammal diversity and abundance: 18 mammal species were recorded during this monitoring period (9 of which were recorded for the first time this year)
- Increased apex predator populations: two different male Sumatran tigers surveyed with camera traps.
- Maintenance of secondary forest land cover, closed canopy land cover, and open canopy land cover:
 - Enhanced secondary forest cover (2016 = 259.64 ha; 2019 = 259.64 ha; 2020 = 287.84 ha)
 - Enhanced closed canopy cover (2016 = 330.2 ha; 2019 = 330.2 ha; 2020 = 5,391.75ha)
 - Decreased open canopy cover (2016 = 21,986.95 ha; 2019 = 21,986.95 ha; 2020 = 17,173.38 ha)

The results of the project activities on biodiversity are positive, showing increase in the variety of identified species and the preservation of the forest cover since project start.

In opinion of AENOR, information about benefits on biodiversity from project activities is accurate since is based on record taken from project stakeholders and PP, based on sources reliable and appropriate and the attribution of biodiversity changes to the project's activities is well justified.

4.6.2 Mitigation Actions (B2.3)

No negative impacts are expected to biodiversity as consequence of the project activities. The project is focused on restoring the degraded natural peatland ecosystems and is designed to deliver positive impacts within the project area and the wider landscape in the process. Nonetheless, the PP has adopted an adaptive management plan that relies on a principle in making decisions and adjustments in response to new information and outputs of the monitoring system as the result of past management actions to improve future planning and management. The PP will make sure that all possible threats are observed and monitored to ensure they do not negatively impact the project.

4.6.3 Net Positive Biodiversity Impacts (B2.2)

The demonstration of a net-positive biodiversity impact over the project lifetime has been done by comparing the biodiversity baseline scenario, an Acacia plantation, with the project's current biodiversity conditions.

The main project activities that produce biodiversity impacts are i) canal blocking, ii) reforestation and assisted natural regeneration, iii) fire management and iv) increased monitoring and enforcement. Many of these project activities that are effectively maintaining and supporting biodiversity in the project area are bringing about climate and community benefits as well.

The project has created benefits within the project zone that are unparalleled in comparison with the biodiversity baseline scenario. The benefits which exist within the project zone greatly outweigh the impacts of any potential unmitigated negative offsite action. Because of the project and its implemented project activities, the net effect of the project on biodiversity in and around the project zone is positive as it was demonstrated to AENOR.

4.6.4 High Conservation Values Protected (B2.4)

The project is dedicated to maintaining and enhancing biodiversity HCVs through numerous targeted project activities. The following biodiversity HCVs were identified in the project:

- HCV 1: Species diversity, i.e. Concentrations of biological diversity including endemic, rare, endangered, or threatened species that are significant at the global, regional and national levels.
- HCV 3: Ecosystems and habitats, i.e., Rare, Threatened, or Endangered ecosystems, habitats or refugia
- HCV 4: Ecosystem services, i.e. Basic ecosystem services in critical situations, including protection of water catchments and the control of fires.

As indicated in the MR, all project activities are aimed to protect and enhance those HCVs. Based on the evidence provided by the PP and the opinion of the stakeholders consulted by the audit team, AENOR deems that no HCV is negatively affected by the project. Furthermore, the project is actively working on protecting these HCVs.

4.6.5 Invasive Species (B2.5)

The project only uses species native of the project area. No invasive species have been introduced.

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

The project only uses species native of the project area. No non-native species have been introduced.

4.6.7 GMO Exclusion (B2.7)

The project did not introduce any GMO species to the project area during this monitoring period.

4.6.8 Inputs Justification (B2.8)

The project does not use any agricultural inputs, including fertilizers, chemical pesticides, or biological control agents.

4.6.9 Negative Offsite Biodiversity Impacts (B3.1) and Mitigation Actions (B3.2)

The PP has identified a potential negative offsite biodiversity impact during the current monitoring period. Certain populations of fish now living in man-made canals may have their lifecycles, feeding strategies, mating strategies negatively affected, and their canal habitats fragmented by canal dam construction. As stated in the MR, their ecology is poorly understood, so taking mitigation measures against the potential negative impacts of canal dam construction on these species is difficult. However, these canals are not a natural ecosystem. Any potential net negative impact of the canal-living fish species is more than offset by the benefits of blocking the canals for the wider peatland ecosystem (particularly terrestrial species), meaning that project activities should result in clear net biodiversity benefits, both onsite and offsite.

4.6.10 Net Offsite Biodiversity Benefits (B3.3)

The project has created benefits within the project zone that are unparalleled in comparison with the baseline scenario had the project not been present. The benefits which exist within the project zone greatly outweigh the impacts of any potential unmitigated negative offsite action. Because of the project and its implemented project activities, the net effect of the project on biodiversity in and around the project zone is positive as it was demonstrated to AENOR.

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

A plan for biodiversity monitoring was developed early in the project lifetime and successfully validated. Through document review AENOR confirmed the monitoring plan is in place and monitoring is going on.

The PP has demonstrated that monitoring is be able to identify positive and negative impacts on the biodiversity. Surveys and inventories results were provided to verifiers.

AENOR confirms dates, frequency and sampling methods used are in accordance with the validated PD and its validated minor changes and with the procedures and systematics used in the verification event. AENOR confirms that biodiversity monitoring plan is implemented as the MR and the validated PD.

4.6.12 Biodiversity Monitoring Plan Dissemination (B4.3)

Each MR is made available online through the VCS Project Database. Both an English and Bahasa Indonesia versions of the Executive summary of the PD (which includes details of the biodiversity monitoring plan) are distributed to project community members. The Executive Summary of each MR is

translated into Bahasa Indonesia and given to all relevant stakeholders (including local community leaders in the project zone, adjacent concessions, and local authorities).

This was verified by the audit team during stakeholder interviews, in which interviewees confirmed that they were aware of the results of the monitoring results and that the PP shares them on a regular basis.

4.6.13 Optional Gold Level: Trigger Species Population Trends (GL3.3)

The project area and project zone have a number of endangered and critically endangered trigger species within it that qualify this project for exceptional biodiversity benefits under the CCB Standard version 3. The project area qualifies as providing exceptional biodiversity benefits by meeting the vulnerability criteria (a), which requires the regular occurrence of at least a single individual critically endangered or endangered species. 77 trigger species have been actively surveyed and identified as being present in the project area during the current monitoring period, including mammals (18), birds (35), plants (24).

Without the presence of the project, it is highly likely that species diversity would be negatively affected by increasing development and land-use change within the project area. Even though currently it is unlikely that the project area holds resident individuals. Rather, it is more likely that the project area is being utilized as a corridor between other land-uses in the landscape. As project activities are developed further on, the ability for these areas to support biodiversity will be strengthened and these areas will be protected. Increased forest cover, planting of tree species that are important in the lifecycle of these species, and the rewetting of drained peat areas will likely encourage population growth.

AENOR verified, based on the documentation provided by the PP and the information gathered during the interviews, that the activities developed by the project are contributing in the protection of the natural habitat of the trigger species, which result in the maintenance and improvement of the population status.

4.6.14 Optional Gold Level: Effectiveness of Threat Reduction Actions (GL3.4)

Although it is early on the project lifetime for population trends of species to show improvement, there have been a considerable increase in the number of species identified since the previous monitoring period. It is the opinion of the audit team that the main threats to biodiversity are being properly tackled by project activities. Habitat loss caused both for land use change and fires has been effectively reduced, as demonstrated by the data provided by the PP. The construction of canal blocking dams will contribute to the restoration of the original ecosystem by rewetting drained peatlands. In addition, some of the community members and project staff that regularly access the project area reported during the interviews their perception of a higher presence of wildlife in comparison with the past, including birds, snakes, monkeys and bears.

In opinion of AENOR, the PP is taking measures that are effective at maintaining or enhancing the population status of trigger species.

4.7 Additional Project Implementation Information

There is no more additional information.

4.8 Additional Project Impact Information

There is no more additional information.

5 VERIFICATION CONCLUSION

After review of all project information, procedures, calculations, and supporting documentation and the interview process, AENOR confirms that the monitoring conducted by the Project Proponent, along with the supporting Monitoring Report, are accurate and consistent with all aforementioned VCS Version 4 and CCB Third Edition criteria, the validated PD, and the selected methodology (VM0007 v1.5). AENOR confirms that the Sumatra Merang Peatland Project (SMPP), Monitoring Report (Version 1.4 dated 21 December 2021) has been implemented in accordance with the validated PD including any validated changes as applicable.

AENOR confirms all verification activities, including objectives, scope and criteria, level of assurance, monitoring and project documentation adherence to VCS Version 4 (and all associated updates), and CCB Project Design Standards (Third Edition), as documented in this report are complete. AENOR concludes without any qualifications or limiting conditions that the Sumatra Merang Peatland Project (SMPP) meets the requirements of VCS Version 4 (and all associated updates) and CCB Standards Third Edition for the monitoring period (01-January-2020 to 31-December-2020).

The project is achieving the climate, community, and biodiversity benefits, including Gold Level Exceptional Climate and Gold Level Exceptional Biodiversity Benefits as described in the Monitoring Report.

The GHG assertion provided by the project proponent and verified by AENOR has resulted in a total net GHG Emission Reductions and Removals of 1,025,971 tCO₂e by the project during the monitoring period (01-January-2020 to 31-December-2020). Considering 14% of buffer withholding based on the VCS Non-Permanence Risk Assessment Tool v4.0, which means a buffer allocation of 143,635 tCO₂e, the Verified Carbon Units (VCU) to be issued are 882,336 tCO₂e.

For this period there is no release of buffer credits following VCS Registration and Issuance Process Document 19 September 2019, v4.0.

Verification/monitoring period: From 01-January-2020 to 31-December-2020.

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

Year	Baseline emissions or removals (tCO ₂ e)	Project emissions or removals (tCO ₂ e)	Leakage emissions (tCO ₂ e)	Net GHG emission reductions or removals (tCO ₂ e)
2020	1,060,503	34,532	-	1,025,971

Overall non-permanence risk rating: 14%
VCUs buffer to be deposited: 143,635 tCO₂e.
Total VCUs to be issued: 882,336 tCO₂e.

Year	Net GHG emission reductions or removals (tCO ₂ e)	Buffer pool allocation	VCUs eligible for issuance
2020	1,025,971	143,635	882,336

Madrid, 21 December 2021



Juan Carlos Gómez
Lead auditor

APPENDIX 1: LIST OF EVIDENCE PROVIDED

General documents
Monitoring report: - Final version: 2020 SMPP VCS-CCB MR v1.4 ACCURACY ASSESSMENT EDIT 20211221b - 2020 SMPP VCS-CCB MR v1.2 AUDIT EDIT 20210605 - 2020 SMPP VCS-CCB MR v1.1 AUDIT EDIT 20210528 - 2020 SMPP VCS-CCB MR 20210329b Monitoring report annexes: - Final version: 2020 SMPP Annexes Monitoring Report AUDIT EDIT 20210524 - 2020 SMPP Annexes Monitoring Report 20210331 Monitoring report public summary (English): - Final version: 2020 SMPP Summary Monitoring Report v1.2 English AUDIT EDIT 20210525 - 2020 SMPP Summary Monitoring Report English 20210329 Monitoring report public summary (Bahasa): - Final version: 2020 SMPP Summary Monitoring Report v1.2 Indonesian AUDIT EDIT 20210525 - 2020 SMPP Summary Monitoring Report Indonesian 20210329 Non-Permanence Risk Report: - 2020 SMPP-MR-VCS-Non-Permanence-Risk-Report-v4.0 v1.1 20210605 - 2020 SMPP-MR-VCS-Non-Permanence-Risk-Report-v4.0 20210331 - 2020 SMPP-VCS-Risk-Report-Calculation-Tool-v4.0 20201207 - World Bank Governance Indicators Indonesia 2015 – 2019
Project activities
- Canal Block Completion Report 20210524 - Fishpond Construction Report 20212705 - School Libraries Renovation 20210527 - SMPP Rainwater Catchment System Report 20210527 - Nursery Seedlings - 2020 Anti Stunting Program - 2020 Community Health Center Support
Biodiversity
- SMPP 2020 Species Inventory - SMPP Biodiversity Monitoring Plan 20191002 - Human-wildlife Strategy - Human Wildlife Conflict training - SMPP Camera Trap Survey Guideline_ID_20210525
Climate
Carbon Accounting: - Emission Factors_20191101 - MR_Tables_2020_20210524 - Spreadsheet for ARR calculations_20190924 - Spreadsheet for MR Table 14 (burn_LUC_end_summary_area)_20200519 - Strata Change Summary, v9A - Uncertainty_20210534 - R script

Leakage: - Environment and Forestry Geospatial Database 2020 (MoEF) - Leakage Data Sources - 01. HTI-Wood Fiber 2019 - 02. Vectorized 2020 GLAD Alerts - 03. Union of HTI-Wood Fiber and GLAD Alerts - Summary
Community - 2020 No Grievance Statement - Fish Farmer Group Establishment Letter - 20200102 Catatan Pak Sangkut - 20200128 Scan Surat Pernyataan_Pak Sangkut - Engagement records - Feedback records
Project start date - Carbon Storage and Sequestration License 2013 - KLHK-Pengendalian Kebakaran Hutan - Laporan Semester PT. GAL periode Januari - Juni 2016 - Laporan Tahunan PT. GAL periode Januari - Desember 2016 - Laporan Triwulan PT. GAL periode Januari - Maret 2017 - Laporan Triwulan PT. GAL periode Juli - September 2016 - Penyampaian laporan GAL 20161010 - Penyampaian laporan GAL 20170403 - Start Date Overview
Project location - SMPP_Project_Area.kml
Financial - SMPP Financial Statements YA2020 - Equator Group Althelia - Standard Operating Procedure - Equator Group Althelia - Recording and Reporting Funds Usage in QB - Fund investment agreements - SMPP NPV Analysis
Project longevity - P 36 Menhut-II 2009 Article 19 – Bilingual - P.36_Menhut-II_2009 bn128-2009
Project management - Equator Group Pte Gender Equality Policy 20200717 - Forest Carbon Anti Sexual Harrassment Policy 20190923 - ACF_ESG Standards_v1.4current - Althelia Standard Requirements - Althelia-Ecosphere-ESG-Policy - Company New Hire Policy - SOP Canal Blocks 2019 - SOP Dip Well Preparation and Installation 20191015

- SOP First Aid in the Camp
- SOP Forest Fire Prevention and Control
- SOP Forest Protection and Security
- SOP Lightweight Fire Extinguisher
- Company HSSE Policy Final Signed
- Company Drugs and Alcohol Policy
- SMPP Emergency Evacuation Protocol 20200117
- Grievance Redressal Mechanism – EN
- Grievance Redressal Mechanism – ID
- Business License Recommendation Governor of South Sumatra
- Carbon Storage and Sequestration License
- Permanent Concession Boundary Marking 2018
- Technical Recommendation Musi Banyuasin District
- MoU Fire Fighting with PT RHM

APPENDIX 2: STAKEHOLDERS INTERVIEWED

No.	Name	Mean	Community/ Location	Role/Relation to the project
1	Marzuki	Video recording	Tebing Harapan	Fishermen in the project area
2	Herman	Written testimony	Kepayang	
3	Cikman	Written testimony	Kepayang	
4	Nisi	Written testimony	Kepayang	
5	Sasmidi Rais	Written testimony	Kepayang	
6	Rojik	Written testimony	Kepayang	
7	Kuncit	Written testimony	Kepayang	
8	Jon	Written testimony	Buring	
9	Sedi	Written testimony	Buring	
10	Muslim	Written testimony	Buring	
11	Romli	Written testimony	Buring	
12	Hakim	Written testimony	Buring	
13	Tojeng	Written testimony	Buring	
14	Iko	Written testimony	Buring	
15	Matnur	Video recording	Project area boundary	Farmer near the project area
16	Wiwin Tumirah	Live videoconference	Muara Merang	Beneficiaries of education support programs
17	Wellyanti	Live videoconference	Kepayang	
18	Manda Wahyuli	Live videoconference	Kepayang / Base camp	
19	Mariya	Written testimony	Muara Merang	
20	Deti Kurnia	Written testimony	Kepayang	
21	Tita Rosita	Written testimony	Kepayang	
22	Kristiawan	Written testimony	Tembesudaro	
23	Jodi	Written testimony	Muara Merang	
24	Bobi	Written testimony	Kepayang	
25	Darmanto	Written testimony	Muara Merang	
26	Riki	Written testimony	Muara Merang	
27	Ernilasari	Written testimony	Muara Merang	
28	Laila Suhat	Written testimony	Kepayang	
29	Tedi	Written testimony	Kepayang	
30	Timan	Written testimony	Kepayang	
31	Eka Novitasari	Written testimony	Muara Merang	
32	Dewi Sartika	Written testimony	Muara Merang	
33	Misrani	Written testimony	Muara Merang	
34	Ranti	Written testimony	Muara Merang	

No.	Name	Mean	Community/ Location	Role/Relation to the project
35	Yusmawati	Written testimony	Muara Merang	Beneficiaries of education support programs
36	Ruaida	Written testimony	Muara Merang	
37	Ronisa	Written testimony	Muara Merang	
38	Riduan	Written testimony	Muara Merang	
39	Suwandi	Written testimony	Muara Merang	
40	Suka Dianto	Written testimony	Muara Merang	
41	Fitri Yanti	Written testimony	Muara Merang	
42	Edi Setyawan	Written testimony	Muara Merang	
43	Sahwan	Written testimony	Muara Merang	
44	Deri	Written testimony	Kepayang	
45	Amrullah	Written testimony	Muara Merang	
46	Amran	Written testimony	Muara Merang	
47	Diana	Written testimony	Muara Merang	
48	Yusniah	Written testimony	Muara Merang	
49	Rikah	Written testimony	Muara Merang	
50	Sahrul	Written testimony	Muara Merang	
51	Anggun Permatasari	Written testimony	Muara Merang	
52	Alvin Putra	Written testimony	Muara Merang	
53	Amir Hamzah	Written testimony	Kepayang	
54	Kitri Febri	Written testimony	Muara Merang	
55	Yusuf	Written testimony	Muara Merang	
56	Gunadi	Written testimony	Muara Merang	
57	Ervin Susilowati	Written testimony	Muara Merang	
58	Nur Rini	Written testimony	Muara Merang	
59	Rohimin	Written testimony	Muara Merang	
60	Herli Agustin	Written testimony	Muara Merang	
61	Nur Ripa	Written testimony	Muara Merang	
62	Hendri Irawan	Written testimony	Muara Merang	
63	Permasdi Ripan Saputra	Written testimony	Muara Merang	
64	Heri	Written testimony	Muara Merang	
65	Badariah	Written testimony	Muara Merang	
66	Agus Salim	Written testimony	Muara Merang	
67	Sapuan	Written testimony	Muara Merang	
68	Andika	Written testimony	Muara Merang	
69	Susanto	Written testimony	Muara Merang	
70	Sangkut Sunardi	Written testimony	Muara Merang	

No.	Name	Mean	Community/ Location	Role/Relation to the project
71	Aryati	Live videoconference	Muara Merang	Beneficiaries of anti-stunting programs
72	Nita	Written testimony	Kepayang	
73	Bunga	Written testimony	Muara Merang	
74	Yessi	Live videoconference	Kepayang	
75	Rampeli	Video recording	Kepayang	Beneficiaries of trainings and co-financing for the construction of Household Rainwater Catchment Systems
76	Rohina	Written testimony	Kepayang	
77	Jenni	Written testimony	Muara Merang	
78	Sapril	Written testimony	Muara Merang	
79	Nurjanah	Written testimony	Kepayang	
80	Munik	Written testimony	Kepayang	
81	Bagong / Sumaryono	Written testimony	Kepayang	
82	Zulaika	Written testimony	Kepayang	
83	M Teguh	Written testimony	Kepayang	
84	Nanang	Written testimony	Kepayang	
85	Rohimah	Written testimony	Kepayang	
86	Karya	Written testimony	Kepayang	
87	Anjas	Written testimony	Kepayang	Members of Women's groups
88	Nafa Anisra	Written testimony	Kepayang	
89	Natasya	Written testimony	Kepayang	
90	Diana	Written testimony	Muara Merang	Village local leaders
91	Supriadi	Video recording	Kepayang	
92	Ema Octavia	Video recording	Muara Merang	Forest patrol staff
93	Inzar Mulkano	Live videoconference	Kepayang/ Base camp	
94	Bobi	Live videoconference	Kepayang/ Base camp	

APPENDIX 3: CORRECTIVE ACTIONS AND CLARIFICATIONS REQUESTS

VCS Clarification Requests (CLs)

VCS CAR ID	01	Date: 18/05/2021
Description		
The project was validated under the VCS Methodology VM0007 version 1.5. Section 2.1.8 of the MR states that the project is applying the latest version of the methodology (version 1.6). However, the switch to the latest version of the methodology has not been described as a Project Description Deviation, as required by section 3.18.2 of the VCS Standard v4.1		
Project proponent response		Date: 28/05/2021
<i>The methodology version was revised to version 1.5, therefore not additional Project Description Deviation was necessary.</i>		
Documentation provided by Project proponent		
-		
VVB Assessment		Date: 04/06/2021
The PP has confirmed that there has not been change in the version of the methodology used for the current monitoring period. No project description deviation is required. CAR closed.		

VCS CAR ID	02	Date: 18/05/2021
Description		
The values of data and parameters of section 3.1.2 of the MR have not been updated for the current monitoring period.		
Project proponent response		Date: 28/05/2021
<i>The values for GHG_(WPS-WRC), E_(proxy-CO2,i,t), E_(proxy-CH4,i,t), E_(peatditch-CO2,i,t), and A_(ditch-WPS,i,t) are now updated.</i>		
Documentation provided by Project proponent		
-		
VVB Assessment		Date: 04/06/2021
The PP has made the adequate corrections. CAR closed.		

VCS CAR ID	03	Date: 18/05/2021
Description		
The value reported in table 27 of the MR for GHG emissions from Dissolved Organic Carbon in water bodies in the project scenario in 2020 does not match with spreadsheet <i>MR_Tables_2020_20210316</i> .		
Project proponent response		Date: 28/05/2021
<i>The value was corrected.</i>		
Documentation provided by Project proponent		
File under folder "1. VCS": └─ MR_Tables_2020_20210524.xlsx		
VVB Assessment		Date: 04/06/2021
The PP has made the adequate corrections. CAR closed.		

VCS Clarification Requests (CLs)

VCS CL ID	01	Date: 18/05/2021
Description		
In section 2.1.1 of the MR, as required by the template, describe how leakage is being monitored and managed.		
Project proponent response		Date: 28/05/2021
<i>An additional sentence was included in paragraph 2 of section 2.1.1 to address ecological leakage.</i>		
Documentation provided by Project proponent		
-		
VVB Assessment		Date: 04/06/2021
The PP has provided the requested information. CL closed.		

VCS CL ID	02	Date: 18/05/2021
Description		
The value stated in table 18 of the MR does not match the value stated for GHG emissions from Dissolved Organic Carbon in water bodies in the baseline scenario of table 35 of the validated PD for year 2020. Calculations of spreadsheet <i>MR_Tables_2020_20210316</i> tab 'Table 18' are not considering the area of initial Secondary Canal and Initial Tertiary Canal of spreadsheet <i>Strata Change Summary</i>, v9A tab 'Annual Water Bodies Change'. Both in previous monitoring periods and PD, these areas were considered in the calculations. Provide clarification for the change of criterion.		
Project proponent response		Date: 28/05/2021
<i>Indeed the initial secondary canal and tertiary canal area were missing in the 2020 MR calculations, but have since been included. However, this resulted in a cascading effect, in which not only the value in table 18 had to be adjusted, but also in tables 13, 32, 34, 35, and 36. The revised spreadsheet was made available as "MR_Tables_2020_20210524.xlsx", where the tabs are highlighted in orange.</i> <i>Further the file "Uncertainty_20210534.xlsx", tab "WPS_Uncertainty", Cell "B72" was corrected, and subsequently the tabs "Annex Table 39" and "Annex Table 40" in file "MR_Tables_2020_20210524.xlsx", also highlighted in orange.</i>		
Documentation provided by Project proponent		
Files under folder "1. VCS": └─ Hydrological Modeling Results Analysis script_20210524.R └─ MR_Tables_2020_20210524.xlsx └─ Uncertainty_20210534.xlsx └─ wtl_20210316.csv		
VVB Assessment		Date: 04/06/2021
The PP has clarified that there was an error on the functions of the spreadsheet and updated the reported figures on the MR with the correct values. However, there are still missing some values to be updated on the MR: • Section 1.2 Net estimated emission reductions in the project area, measured against the without-project scenario. • Table 13. • Table 18. CL still open.		

Project proponent response	Date: 05/06/2021
<i>The value "Achievements during the Monitoring Period" in Section 1.2 under Net estimated emission reductions in the project area, measured against the without-project scenario was updated, as well as the values for "CO2 from DOC" and "Total" in table 13, and "CO2 from DOC" in Table 18.</i>	
Documentation provided by Project proponent	
└─ 2020 SMPP VCS-CCB MR v1.2 AUDIT EDIT 20210605.docx └─ 2020 SMPP-MR-VCS-Non-Permanence-Risk-Report-v4.0 v1.1 20210605.docx	
VVB Assessment	Date: 07/06/2021
The PP has made the adequate corrections. CL closed.	

CCB Corrective Actions Requests (CARs)

CCB CAR ID	01	Date: 18/05/2021
Description		
Section 2.3.13 of the MR states: “The SMPP has a target to have 80% of its field staff comprised of residents of nearby villages and settlements and has achieved 71.5%” However, according to section 4.3.1, there are 62 employees of which 30 are from nearby villages and settlements (48% of total staff).		
Project proponent response		Date: 28/05/2021
<i>The number represents the employees of SMPP who are residents of nearby villages and settlements (30 person) compared to the total of its field staff (42 out of 62 total employees). Section 2.3.13 and section 4.3.1 is revised to clarify this. A complete list of SMPP employees in 2020 is also made available to the auditor.</i>		
Documentation provided by Project proponent		
File under folder “2. CCB/CAR 01 - HR Overview”: └─ 2020 SMPP HR Overview 20210524.xlsx		
VVB Assessment		Date: 04/06/2021
The PP has provided adequate clarification. CAR closed.		

CCB CAR ID	02	Date: 18/05/2021
Description		
Section 3.3 of the MR does not follow the last available version of the combined CCB&VCS Monitoring Report template.		
Project proponent response		Date: 28/05/2021
<i>The previous sections for "3.4.1 Regional Climate Change Scenarios (GL1.1)" and "3.4.2 Climate Change Impacts (GL1.2)" were removed and subsection heading changed from "3.4.3 Measures Needed and Designed for Adaptation (GL1.3)" to "3.3.1 Activities and/or processes implemented for Adaptation (GL1.3)". Section 3.3. now follows the CCB&VCS template.</i>		
Documentation provided by Project proponent		
-		
VVB Assessment		Date: 04/06/2021
The PP has made the adequate corrections. CAR closed.		

CCB CAR ID	03	Date: 18/05/2021
Description		
In section 5.1.1 of the MR, according to the template, impacts must include all those identified in the project description and any other unplanned impacts. However, some impacts included in the validated PD are missing: • Increased aquatic species abundance and diversity. • Increased mammal diversity and abundance. • Increased predator Apex predator populations. • Increased invertebrate diversity and abundance.		
Project proponent response		Date: 28/05/2021
<i>Additional sections were added to table 40 to reflect the impact descriptions for the missing items.</i>		
Documentation provided by Project proponent		
File under folder "0. MR Edits": └─ 2020 SMPP VCS-CCB MR v1.1 AUDIT EDIT 20210528.docx		
VVB Assessment		Date: 04/06/2021
The PP has made the adequate corrections and provided the requested information. CAR closed.		

CCB Clarification Requests (CLs)

CCB CL ID	01	Date: 18/05/2021
Description		
Provide the following evidence/documents: a) MoU with the neighboring concession PT RHM. b) Renovation of health facilities. c) Camara trap implementation guideline. d) Engagements listed in section 2.3.7 of the MR. e) Feedback documented from meetings and engagements described in section 2.3.8 of the MR. f) Financial statements. g) Construction of dams. h) Construction of fishponds. i) Renovation and equipping of two elementary school libraries. j) Installation of 52 rainwater catchment systems. k) Registration of 28 individuals into Indonesia's national healthcare system. l) Planting of 3,240 nursery seedlings in project area. m) Human-wildlife conflict training for project staff. n) Biodiversity monitoring records.		
Project proponent response		Date: 28/05/2021
<i>All evidence/documents have been provided in their respective folder.</i> <i>Item 'k' has been revised to 27 individuals registered, instead of 28, due to error in double counting from the previous year. Respective section in the MR has been updated.</i>		
Documentation provided by Project proponent		

Files under folder "2. CCB/CL 01 - Documents and Evidences":

- | — a. MoU with PT RHM
 - | — MoU Fire Fighting with PT RHM.pdf
- | — b. Health Facility Support
 - | — 2020 Anti Stunting Program.docx
 - | — 2020 Community Health Center Support.docx
- | — c. Camera Trap Guideline
 - | — SMPP Camera Trap Survey Guideline_EN_20210524.docx
 - | — SMPP Camera Trap Survey Guideline_EN_20210524.pdf
 - | — SMPP Camera Trap Survey Guideline_ID_20210525.docx
 - | — SMPP Camera Trap Survey Guideline_ID_20210525.pdf
- | — d. Engagement documentations 2020
 - | — 01 January
 - | — 20200102 Catatan Pak Sangkut.docx
 - | — 20200103 Catatan Pak Sangkut 2.docx
 - | — 20200106 Catatan Nelayan Pak Ripin.docx
 - | — 20200110 - PKBM Hidayah.docx
 - | — 20200127 - Pustu Merang.docx
 - | — MoM-Comdev Coordination 20200213.docx
 - | — 02 February
 - | — 20200210 - Puskesmas Bayung Lencir.docx
 - | — 20200212 - PKBM Hidayah.docx
 - | — 20200216 - SDN Kepayang Pagar.docx
 - | — 20200217 - MoM Rapat CSR Desa Kepayang.docx
 - | — 20200227 - KTI Sumber Makmur.docx
 - | — TimePhoto_20200217_145340.jpg
 - | — TimePhoto_20200217_145350.jpg
 - | — 03 March
 - | — 20200302 - KTI Sumber Makmur.docx
 - | — 20200318 MoM-Comdev Coordination .docx
 - | — 04 April
 - | — 20200413 - MoM Pustu Muara Merang Covid.docx
 - | — 05 May
 - | — 20200513 MoM_Comdev Coordination.docx

			20200515 - MoM TPA selama Pandemi.docx
			20200518 - MoM Ujian Semester Paket B & C.docx
			20200528 MoM_Comdev Coordination.docx
			20200530 - MoM Followup School Libraries Kepayang.docx
			06 June
			20200621 - MoM Followup School Libraries Muara Merang.docx
			20200621- MoM Koordinasi Sekdes Merang.docx
			20200621- MoM PKBM Hidayah.docx
			07 July
			20200725 - KTI Sumber Makmur.docx
			08 Aug
			20200806 - MoM Tindak Lanjut Pustu.docx
			20200818 - KTI Sumber Makmur.docx
			09 September
			20200916 MoM Koordinasi Kades Kepayang.docx
			20200922 Assessment TKS Merang.docx
			10 October
			20201012 PAH KEPAYANG VILLAGE.docx
			20201204 PAH MERANG VILLAGE.docx
			rev 20201012 PAH KEPAYANG VILLAGE.docx
			11 November
			20201127 MoM SDN Kepayang.docx
			12 December
			20201201 MoM Library Project Merang.docx
			20201202 MoM Library Project Kepayang.docx
			20201203 MoM Library Project Merang.docx
			20201204 MoM Library Project Kepayang.docx
			20201229 MoM Matnur.docx
			e. Feedback documentations
			20200127 - Pustu Merang.docx
			20200413 - MoM Pustu Muara Merang Covid.docx
			20200530 - MoM Followup School Libraries Kepayang.docx
			20200806 - MoM Tindak Lanjut Pustu.docx
			f. Financial statements [CONFIDENTIAL]

└─ SMPP Financial Statements YA2020.pdf └─ g. Construction of dams └─ Canal Block Completion Report 20210524.pdf └─ h. Construction of fishponds └─ Fishpond Construction Report 20212705.pdf └─ i. School libraries └─ School Libraries Renovation 20210527.pdf └─ j. Rainwater Catchment System └─ SMPP Rainwater Catchment System Report 20210527.pdf └─ k. National Healthcare System └─ BPJS GAL 2020.xlsx └─ l. Nursery Seedlings └─ Scan Laporan Penanaman Feb 2020 - 1243.pdf └─ Scan Laporan Penanaman Mar 2020 - 1597.pdf └─ Scan Laporan Penanaman Sep 2020 - 400.pdf └─ m. Human Wildlife Conflict training └─ Draft SOP HWTC id 20200921.docx └─ Laporan pelatihan mitigasi konflik satwaliar dan manusia.docx └─ n. Biodiversity Monitoring Records └─ SMPP 2020 Species Inventory.xlsx └─ SMPP Biodiversity Monitoring Plan 20191002.docx	
VVB Assessment	Date: 04/06/2021
The PP has provided the request evidence/documents and made adequate corrections. CL closed.	

CCB CL ID	02	Date: 18/05/2021
Description		
In section 2.3.7 of the MR, as required by the template, describe how communities, including all community groups and other stakeholders, have influenced project implementation.		
Project proponent response		Date: 28/05/2021
<i>Section 2.3.7 has been updated with a paragraph that describes how community and stakeholder consultations have been a deciding factor for the project to implement programs that are based on their needs.</i>		
Documentation provided by Project proponent		
File under folder "0. MR Edits": └─ 2020 SMPP VCS-CCB MR v1.1 AUDIT EDIT 20210528.docx		
VVB Assessment		Date: 04/06/2021
The PP has provided the requested information. CL closed.		

CCB CL ID	03	Date: 18/05/2021
Description		
In section 4.1.1 of the MR, as required by the template, explain how the affected groups have participated in the evaluation of impacts.		
Project proponent response		Date: 28/05/2021
<i>Section 4.1.1 has been updated with a paragraph that describes the affected groups have participated in the evaluation of impacts through dialogues.</i>		
Documentation provided by Project proponent		
File under folder "0. MR Edits": └─ 2020 SMPP VCS-CCB MR v1.1 AUDIT EDIT 20210528.docx		
VVB Assessment		Date: 04/06/2021
The PP has provided the requested information. CL closed.		

CCB CL ID	04	Date: 18/05/2021
Description		
In section 4.1.3 of the MR, as required by the template for projects validated at the Gold Level for climate change adaptation benefits, demonstrate how the project activities have assisted communities to adapt to the probable impacts of climate change.		
Project proponent response		Date: 28/05/2021
<i>Section 4.1.3 has been updated to explicitly mention that project efforts have assisted communities to adapt to the impacts of climate change.</i>		
Documentation provided by Project proponent		
File under folder "0. MR Edits": └─ 2020 SMPP VCS-CCB MR v1.1 AUDIT EDIT 20210528.docx		
VVB Assessment		Date: 04/06/2021
The PP has provided the requested information. CL closed.		

CCB CL ID	05	Date: 18/05/2021
Description		
In section 4.3.1 of the MR, as required by the template, provide evaluations of the results by the affected communities.		
Project proponent response		Date: 28/05/2021
<i>Section 4.3.1 has been updated with a paragraph describing the evaluation of the monitoring plan.</i>		
Documentation provided by Project proponent		
File under folder "0. MR Edits": └─ 2020 SMPP VCS-CCB MR v1.1 AUDIT EDIT 20210528.docx		
VVB Assessment		Date: DD/MM/YYYY
The PP has provided the requested information. CL closed.		

CCB CL ID	06	Date: 18/05/2021
Description		
In section 4.1.1 of the MR, it is stated that SMPP interacts with 22 fishermen. However, section 1.2 states that there are 16 fishermen in the project area and 1 fisherman has move out, while section 4.3.1 states that 16 fishermen have been identified and 5 have move out or are working on something else. Clarify the actual number of fishermen that remain in the project area and the number that have move out.		
Project proponent response		Date: 28/05/2021
<i>Section 4.1.1 has been revised to state the number of fishermen whom the SMPP interacted during 2020. Up to the end of 2020, the project has been interacted with a total of 22 fishermen, of which 16 person are still identified to remain in the project zone, 1 person deceased in 2019, 5 person no longer fishes due to moving out or working on something else. The detailed list of the fishermen identified is provided to the auditor.</i>		
Documentation provided by Project proponent		
File under folder "2. CCB/CL 06 - Fishermen": └─ 20210525 Fishermen.xlsx		
VVB Assessment		Date: 04/06/2021
The PP has provided the requested information and made the adequate corrections. CL closed.		