



**Verified Carbon  
Standard**

VALIDATION REPORT FOR  
“**RIAU ECOSYSTEM RESTORATION  
CARBON PROJECT**”



Document Prepared by Earthood Services Pvt. Ltd.

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|----------------------|-------------------------------------------------|
| <b>Project Title</b> | RIAU ECOSYSTEM RESTORATION CARBON PROJECT (RER) |
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| <b>Report Title</b>  | Validation Report for ‘RIAU ECOSYSTEM RESTORATION CARBON PROJECT (RER)’ |
| <b>Client</b>        | Himpanzee Pte Ltd                                                       |
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## Summary:

Earthood Services Pvt. Ltd. (ESPL) was commissioned by Himpanzee Pte Ltd to validate the project activity “RIAU Ecosystem Restoration (RER) Carbon Project” in Indonesia (Project ID: 2403).

This assignment is an independent assessment by a Third Party (ESPL) of the proposed RER Project against all defined criteria set for the registration under the VCS Standard v4. Validation is conducted using ESPL procedures which are developed in line with the requirements specified in the VCS Validation and Verification Manual v3.2. The purpose of the Validation is to confirm that ‘RER Project’ and all related project documentation are in accordance with all rules and requirements of the VCS Standard v4, VCS Methodology Requirements, v4, the applied GHG methodology “REDD+ Methodology Framework (REDD+ MF) (VM0007)” version 1.6 and its associated tools and modules as well as the VCS Non- Permanence Risk Tool, v4, and Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities (T-ADD) v1.

The proposed Project main objective is to seeks to protect and restore 130,090 ha of peatland ecosystem located in the Republic of Indonesia while at the same time preserving biodiversity and enhancing local livelihoods. The Project will avoid 78,425 ha of forest clearing and conversion to an industrial forestry plantation. The Project at its heart is tasked with demonstrating how peat landscapes can be responsibly managed to protect biodiversity and enhance local communities. Forest protection preservation is augmented by the ring of Acacia plantations that surrounds the Project and which acts as a natural buffer to the Project Area.

During the validation process 08 clarifications, 23 corrective actions and 0 forward action request concerning validation were raised.

There were no uncertainties associated with the validation process.

In conclusion, it is ESPL's opinion that the project activity “The RER Project” in Indonesia, meets all relevant requirements for VCS standard and guidelines, and correctly applies the methodology VCS VM0007 v1.6 for the calculation of baseline, for determining additionality and to monitor emission reductions through its entire crediting period which starts from 17 June 2016 and ends on 23 July 2072.

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# 1 INTRODUCTION

## 1.1 Objective

- ESPL was contracted by Himpanzee Pte Ltd to undertake the validation of the project activity “The RER Project” in Indonesia” (which is under the VCS pipeline with ID 2403).
- The objective of the validation is to undertake an independent third-party assessment and to approve that ‘RER Project’ and all related project documentation and supporting documents are in accordance with all rules and requirements of the VCS Standard v4
- Especially that the project's baseline, monitoring plan, and the quantification of emission reduction and removal is in line with relevant VCS requirements and host Country criteria are validated in order to confirm that the project design, as documented, is comprehensive and practical and meets the identified criteria. Independent third-party validation is a requirement for all VCS projects and is mandatory to provide assurance to the VCS and other stakeholders of the quality of the project and its projected Verified Carbon Units (VCUs) generation.

## 1.2 Scope and Criteria

- The validation scope is given as an independent and objective review of the project design, the project’s baseline study, projected emissions reduction and removals quantification and monitoring plan which is included in the VCS PD and other relevant supporting documents.
- The scope of work covered in the validation is described below:
- To validate whether the project activity meets the requirements of VCS Standard v4.0, VCS Validation, VCS program guide v4.0 & VCS Methodology Requirements v4.0
- To evaluate whether the baseline and monitoring plan are in conformance with the applied methodology from the VCS
- To confirm that the information presented are completed, consistent, transparent and free of omission or material error
- Background investigation and follow up interviews and site visit
- Issuance of draft validation report with CARs, CRs & FARs, if any
- Final validation opinion

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- ESPL has performed validation based on a risk-based approach focusing mainly on the significant risks to meet the qualification criteria and the ability to generate VCUs.
  - The validation is not meant to provide any consulting towards the client. However, stated request for clarifications and/or corrective actions may provide input for improvement of the project design.

### 1.3 Level of Assurance

- In accordance with Section 4.1.2 of the VCS Standard v4, the level of assurance of this validation report is reasonable.

### 1.4 Summary Description of the Project

- The Riau Ecosystem Restoration Carbon Project (“RER Project”) seeks to protect and restore 130,090 ha of peatland ecosystem located in the Republic of Indonesia while at the same time preserving biodiversity and enhancing local livelihoods. The Project will avoid 78,425 ha of forest clearing and conversion to an industrial forestry plantation. The Project is on the island of Sumatra and in the Province of Riau. Specifically, it is located on the Kampar Peninsula, which is a rain-fed domed peatland forest made up of four former logging concessions.
- The four concessions that make up the Project area are PT. Gemilang Cipta Nusantara (20,123 ha), PT. The Best One Unitimber (40,666 ha), PT. Sinar Mutiara Nusantra (32,776 ha) and PT. Global Alam Nusantara (36,525 ha). All have long been gazetted as part of the Forest Production Estate (Hutan Produksi) by the Indonesian Ministry of Environment and Forestry.
- On four Production Forest concessions, the RER project design includes the installation of three following Project activities:
  1. Avoiding the development of 78,425 ha of natural forest into Acacia crassicaarpa plantations; and,
  2. Avoiding the planned draining, degradation and subsidence of 78,425 ha of peat swamp forest through the drainage activity required for a commercial scale Acacia crassicaarpa plantation.
  3. Rewetting 9,106 ha of the landscape through the damming and subsequent blocking of 146 km of legacy canals located in the Project Area.
- The Project, over its crediting period of 57 years will avoid 343,160,779 tCO<sub>2</sub>e, (i.e. 6,020,365 tCO<sub>2</sub>e per annum) from being emitted. The Project will ensure carbon remains locked in the environment and that the biodiversity conservation of this unique lowland domed peat swamp forest of Riau can be preserved for generations to come.
- The biodiversity of the Kampar Peninsula has been recognised by Birdlife International, The International Union for Conservation of Nature (IUCN), the Wildlife

Conservation Society (WCS) and World Wildlife Fund (WWF) as an “Important Bird Area” (2004), a “Key Biodiversity Area” (2006), and a “Tiger Conservation Area”(2007). Globally threatened species such as the Sumatran Tiger, Sunda Pangolin, Storm’s Stork, Flat-head Cat, and Malaysian Sun Bear are known to exist in the Project Area.

- The project also aims to develop livelihood options and improve socio-economic conditions of the people (appx. 17,000 people living just outside the RER concession areas) residing adjacent to the project area.

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## 2 VALIDATION PROCESS

### 2.1 Method and Criteria

- Validation was conducted using ESPL procedures in line with the requirements specified in the VCS Standard v4.0, VCS Methodology Requirements v4.0, the applied GHG methodology “REDD+ Methodology Framework (REDD+ MF) (VM0007)”, v1.6 and its associated modules and tools as well as applying standard auditing techniques and Validation and Verification Manual v3.2.
- The validation process is undertaken by validation team that involves the following:
- The desk review of documents and evidences submitted by the project proponent in context of the reference VCS rules and guidelines,
- Undertaking site visit, interview or interactions with the representative of the project proponent, project employees and local stakeholders,
- Reporting audit findings with respect to clarifications and non-conformities and the closure of the findings, as appropriate and
- Preparing a draft validation report
- Resolution of outstanding issues and the issuance of final validation report and opinion
- To ensure the risk of auditing error is minimized to a reasonable level and ensure effectiveness & efficiency, a project specific validation and sampling plan was developed to guide the validation process. The methodology of the validation and sampling plan is based on the VCS guidance documents and ISO 14064-3:2006. Any modifications applied to the plan were made based upon the conditions observed for monitoring to detect the processes with highest risk of material discrepancy. The samples were observed and validated in selected sample plots through on-site assessment and satellite imageries analysis.

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- Site inspections were carried out including the re-measurement of some sub-set of the permanent sample plots (PSPs) assessed as part of the PP's monitoring procedures. The samples were also verified through remote sensing analysis of the PSPs. To have a reasonable level of assurance 27,5% of PSPs i.e. 11 out of 40 PSPs were validated. For peat depth, 28% of sample were validated through assessing the initial RER \_Plot inventory data with the modelled peat depth information and 11% of the peat depth plot were re-validated during the site visit. The canal and dam intervention were also identified and verified using high resolution sentinel images, along with field-based reporting. The ground and spatial analysis confirms all the samples selected for validation are accurate for AGB, peat depth, soil and location of canal and dam from main river areas. Also, to establish a reasonable level of assurance and verify the validated data for historical land use analysis and ERs, extensive review of all remote sensing (RS) data was undertaken. VVB team used acceptance sampling approach to verify the parameters.
  - To ensure the risk of auditing error is minimized to a reasonable level and ensure effectiveness & efficiency, a project specific validation and sampling plan was developed to guide the validation process. Field sampling and techniques were based on the best professional judgment of the VVB to meet a reasonable level of assurance. The VVB ensured that the data samples must be representative of the whole project area. The methodology of the validation and sampling plan is based on the VCS guidance documents and ISO 14064-3:2006. Any modifications applied to the plan were made based upon the conditions observed for monitoring to detect the processes with highest risk of material discrepancy. VVB along with onsite observation, objective evidence collections, data generation and recording analysis also considered the views obtained in these interviews while arriving at validation opinion.

## 2.2 Document Review

- The VCS Project Design (PD) submitted by Himpanzee Pte Ltd and additional background documents related to the project design and baseline (i.e. VCS Project Description Template, Approved VCS methodology, Validation Requirements) as well as scientific literature and country law were reviewed in the light of VCS Standard v4.0.
- All documents reviewed are referenced throughout the validation report as well as in validation findings in Appendix 1.

## 2.3 Interviews

- The interviews were carried out with the PP, communities and the other relevant stakeholders in the visit to the PA: 9<sup>th</sup> March 2021 to 17<sup>th</sup> March 2021. Audit team also visited the PPs office during the site visit period. Below is a list of people interviewed

| Date      | Name                | Designation and Organization                                                                     | Assessment Topic                                                                                                                                                             |
|-----------|---------------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10/3/2021 | Lucita Jasmin       | Director for Sustainability & External Affairs, ASIA PACIFIC RESOURCES INTERNATIONAL LTD (APRIL) | Assessment of project development and design, implementation and operation as per the PD, land ownerships and agreements with the land owners, and environmental Licenses    |
| 10/3/2021 | Bradford M. Sanders | Head of operations, RIAU ECOSYSTEM RESTORATION                                                   | Assessment of project development and design, implementation and operation as per the PD, environmental licenses, Stakeholders engagement, monitoring, sampling design, etc. |
| 10/3/2021 | Dian Novarina       | Director, PT. GEMILANG CIPTA NUSANTARA                                                           | Assessment of project development and design, implementation and operation as per the PD, and environmental Licenses                                                         |
| 10/3/2021 | Bambang Prayitno    | Director, PT. THE BEST ONE UNITIMBER                                                             | Assessment of project development and design, implementation and operation as per the PD, land ownerships and environmental Licenses                                         |
| 10/3/2021 | Ikhsan Gosli        | Director, PT. GLOBAL ALAM NUSANTARA                                                              | Assessment of project development and design, implementation and operation as per the PD, land ownerships and environmental Licenses                                         |
| 10/3/2021 | Rudi Hartono        | Director, PT. SINAR MUTIARA NUSANTARA                                                            | Assessment of project development and design, implementation and operation as per the PD, land ownerships and environmental Licenses                                         |
| 10/3/2021 | Ralph J. Strebel    | Project Developer, Himpanzee Pte Ltd                                                             | Assessment of project development and design, implementation and operation as per the PD, land ownerships and environmental Licenses                                         |

|           |                   |                                                    |                                                                                                                                                                                                                   |
|-----------|-------------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10/3/2021 | George Kuru       | Assistant Project Developers, Ata Marie Group Ltd. | Assessment related to spatial analysis, sampling, carbon stock estimates: Sampling strategy (classes/types of forest) and level of accuracy used for carbon stock estimates in the PD, baseline development, etc. |
| 8/3/2021  | Catur K           | PSP analyst April Group                            | Assessment related to carbon inventory and sampling strategy.                                                                                                                                                     |
| 10/3/2021 | Hartjahyo Ariawan | Community Development RER                          | Related to stakeholder engagement and community consultations                                                                                                                                                     |
| 10/3/2021 | Harun Pardede     | Community Development RER                          | Related to stakeholder engagement and community consultations                                                                                                                                                     |
| 10/3/2021 | Kuswondo          | Carbon Analyst RER                                 | Assessment related to carbon inventory and sampling strategy.                                                                                                                                                     |
| 11/3/2021 | Juni              | GIS Analyst RER                                    | Assessment related to spatial analysis, sampling, carbon stock estimates: Sampling strategy (classes/types of forest) and level of accuracy used for carbon stock estimates in the PD                             |
| 11/3/2021 | Diby K            | Estate Manager PT GCN                              | Project boundary assessment and management of the area                                                                                                                                                            |
| 11/3/2021 | Royni L S         | Forest Protection PT GCN                           | Project boundary assessment and management of the area                                                                                                                                                            |
| 12/3/2021 | Saroji            | Yayasan Bidara                                     | Community engagement and consultations                                                                                                                                                                            |
| 12/3/2021 | Supriyanto        | Yayasan Bidara                                     | Community engagement and consultations                                                                                                                                                                            |
| 12/3/2021 | Suherman          | Crew Leader Teluk Meranti                          | Project boundary assessment and management of the area                                                                                                                                                            |
| 12/3/2021 | Ernawati          | Teluk Meranti (community representative)           | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits                                                                                           |

|           |              |                                          |                                                                                                                         |
|-----------|--------------|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| 12/3/2021 | Minur N      | Teluk Meranti (community representative) | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 12/3/2021 | Meri Erianti | Teluk Meranti (community representative) | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 12/3/2021 | Fitri Yanti  | Patondaaan (community representative)    | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 12/3/2021 | Syahril      | Kuala Panduk (community representative)  | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 12/3/2021 | Arizal       | Kuala Panduk (community representative)  | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 12/3/2021 | Andrizal S   | Petondaaan (community representative)    | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 12/3/2021 | Jasman       | Segamai (community representative)       | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 12/3/2021 | Sukri        | Segamai (community representative)       | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 12/3/2021 | Wan M Ali    | Pulau Muda (community representative)    | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 13/3/2021 | Anton S      | Babinsa (Indonesia Army)                 | Stakeholder interview to know the project background, level of their                                                    |

|           |                |                                               |                                                                                                                         |
|-----------|----------------|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
|           |                |                                               | involvement and related issues, risks and benefits                                                                      |
| 13/3/2021 | H. Simanjuntak | Polsek Teluk Meranti                          | Project management                                                                                                      |
| 12/3/2021 | Syukri D       | Teluk Binjai (community representative)       | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 12/3/2021 | Junaidi        | Teluk Binjai (community representative)       | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 12/3/2021 | Jumaidi        | Teluk Meranti (community representative)      | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 12/3/2021 | Joni           | Teluk Meranti (community representative)      | Stakeholder interview to know the project background, level of their involvement and related issues, risks and benefits |
| 14/3/2021 | Zakirman       | Camat Teluk Meranti                           | Project management                                                                                                      |
| 14/3/2021 | Aceng          | Safety Officer                                | Project management, monitoring, and reporting                                                                           |
| 14/3/2021 | Wahyudi        | Security Ranger-Sangar Post Guard (PT SEN)    | Project management, monitoring, and reporting                                                                           |
| 14/3/2021 | Arfan          | Security Tangerang-Serkap Post Guard (PT SEN) | Project management, monitoring, and reporting                                                                           |
| 14/3/2021 | M. Iqbal       | Environment officer PT GCN                    | Project management, monitoring, and reporting                                                                           |
| 14/3/2021 | Cembri         | Document Control RER                          | Document management, data sharing and data control.<br>Knowledge sharing and outreach.                                  |

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## 2.4 Site Inspections

- Site inspection was conducted from 9<sup>th</sup> March 2021 to 17<sup>th</sup> March 2021. Activities performed on site are as follows:

- 
- The interactions include assessment of project development and design, implementation and operation as per the PD.
  - The onsite visit (through a local representative) was performed in order:
    - To understand and evaluate the project area/boundary, proxy area, leakage belt and leakage management area
    - Interviews with relevant personnel to confirm that the operational and data collection procedures are implemented in accordance with the Monitoring Plan
    - To validate the above ground biomass (AGB) and peat soil organic carbon (SOC) in the chosen sample
    - To interact with the communities directly and indirectly dependent/impacting/impacted by the project and understand the socioeconomic dimension of the project
    - To understand the biodiversity dimension of the project
    - To check the project management, meet the management team, check the monitoring plan and its on ground implementation practices
    - To check the forest types and concessions area as defined and mentioned in the PD
    - Review the financials audits and fund flow

## 2.5 Resolution of Findings

- As an outcome of the validation process, the audit team can raise different types of findings:
- A Clarification Request (CL) is raised if information is insufficient or not clear enough to determine whether the applicable VCS requirements have been met
- Where a non-conformance arises the team leader shall raise a Corrective Action Request (CAR). A CAR is issued, where:
  - The project participants have made mistakes that will influence the ability of the project activity to achieve real, measurable additional emission reductions;
  - The VCS standard, methodology and modules requirements have not been met;
  - There is a risk that emission reductions cannot be monitored or calculated.
- The validation process may be halted until this information has been made available to the team leader's satisfaction. Information or clarifications provided as a result of a CL may also lead to a CAR.
- During the validation process, total 23 CARs and 8 CLs were raised and resolved satisfactorily. The list of CARs/CLs raised and the response provided, the mean of validation, reasons for their closure and references to correction in the relevant documents are provided in Appendix 2 of this report.

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### 2.5.1 Forward Action Requests

A Forward Action Request (FAR) is raised during validation to highlight issues related to project implementation that require review during the first verification of the project activity. FARs shall not relate to the VCS requirements for registration.

No FAR has been raised during the validation of this project activity.

## 3 VALIDATION FINDINGS

### 3.1 Project Details

#### **Project type**

The sectoral scope of the project is Agriculture, Forestry and Other Land Use (AFOLU). The Project falls in two AFOLU project categories 1) Reducing Emissions from Deforestation and Degradation (REDD), and 2) Wetlands Restoration and Conservation (WRC). The project types are a) Avoided Planned Deforestation (APD), b) Restoring Wetland Ecosystems (RWE), and c) Conservation of Intact Wetlands (CIW) through Avoiding Planned Wetland Degradation (APWD).

#### **Technologies implemented**

The project benefits and details are listed and described in section 1.1 of the PD/11/. Through the REDD+ process of APD and wetlands restoration and conservation WRC, the Project will be preserving the remaining peat swamp forests by preventing their conversion to industrial acacia plantations.

The project aims to protect and restore 130,090 ha of peatland ecosystem located in the Republic of Indonesia while at the same time preserving biodiversity and enhancing local livelihoods. The Project will avoid 78,425 ha from the risk of forest clearing and conversion to an industrial forestry plantation.

The Project will ensure the delicate domed peat landscape remains intact, is not converted to industrial plantations and undergoes rehabilitation (both natural and human-assisted). The landscape will be rehabilitated further by blocking the legacy drainage canals from past commercial selective so that the landscape is rewetted. The Project will ensure carbon remains locked in the environment and that the biodiversity conservation of this unique lowland domed peat swamp forest of Riau can be preserved for generations to come.

The project is protecting habitat for countless fauna and flora, reducing peatland emissions and improving livelihood of the communities residing adjacent to the project area.

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Validation team finds the information in the sections 1.1 of the PD /11/ is consistent with the observation of audit team and outcome of the interviews with local communities and Project Proponent (PP) during the on-site visit.

### **Eligibility of the project**

The VALIDATION has validated the eligibility criteria (as mentioned in section 1.3 of the PD/11/) and confirms that the project activities are in line with the following:

- AFOLU specific requirements of Section 3.1 and Section 3.2 of the VCS Standard v4
- The Project falls under the REDD and WRC categories in accordance to Section 3.2.1, Section 3.2.8, Section 3.5.1, and Appendix point numbers A1.8 & A1.15 of the VCS Standard, v4
- This baseline conforms to the methodological requirements and Section 3.12.1 of the VCS Standard, v4
- The project crediting period chosen is as per Section 3.8.3 of the VCS Standard, v4
- The project validation is according to Section 3.7.3 VCS Standard, v4
- The Project has used a current and valid, approved, and up-to-date methodology to calculate its greenhouse gas emissions (GHG) reductions and removals in a conservative manner including the full application of any tools or modules referred to by a methodology as required by Section 3.1.1 & 3.1.2 of the VCS Standard, v4
- The Project has demonstrated its additionality requirements as set forth in section 3.13.1(1) of the VCS Standard, v4

The project is not a grouped project.

### **Project Proponent**

The Project Proponents (PPs) for the project are as follows:

- ASIA PACIFIC RESOURCES INTERNATIONAL LTD (APRIL)
- RIAU ECOSYSTEM RESTORATION
- PT. GEMILANG CIPTA NUSANTARA
- PT. THE BEST ONE UNITIMBER

- 
- PT. GLOBAL ALAM NUSANTARA
  - PT. SINAR MUTIARA NUSANTARA

### **Ownership**

RER is in compliance with the ownership requirements of the VCS Standards v4 as fully set forth in Section 3.6.1(1) "Project ownership arising or granted under statute, regulation or degree by a competent authority" and Section 3.6.1(4) "Project ownership arising by virtue of a statutory, property or contractual right in the land, vegetation or conservation or management process that generates GHG emission reductions and/or removals".

The Project has acquired the appropriate approvals from the relevant national, provincial and regency authorities to develop and implement the project activities in the four concessions /20/ that make up the Project Area. The project ownership details are mentioned in section 1.7 of the PD /11/ and ownership proofs /20/ are provided in Appendix 1 of the PD. The validation team has confirmed this through interviews and legal ownership documents /20/ provided and is found to be in line with VCS requirements and National regulations and requirements.

The validation team has checked and assessed land and partnership records /20/ and /56/. It is concluded that all property rights are recognized, respected and supported. All properties involved in the project have property titles and proper documents to certify and assure rights over the land. Within the project area, there are no communities of Indonesia or indigenous heritage with collective property titles.

### **Project start date**

17<sup>th</sup> June 2016 as the Project Start Date (on this date one of the project activities i.e. the WRC activity began that led to the construction of canal blocking dams /48/).

### **Crediting Period**

The Project Crediting Period will be 56 years, 6 months and 23 days (for averaging annual emission removals and reductions the project will have a 57-years period).

### **Project Scale**

The project is a large-scale project. The estimated emission reduction through the project crediting period is 343,160,779 tCO<sub>2</sub>e and annual average emission reduction is 6,020,365 tCO<sub>2</sub>e /12/.

### **Project Location**

The project is located in the Republic of Indonesia, Province of Riau in the Kabupaten or "Regency" of Pelalawan located adjacent to the Strait of Malacca. The Project Areas is 130,090 ha and is made up of four individual former industrial selective logging concessions.

PT. Global Alam Nusantara (GAN) with 36,525 ha is located in the northwest, PT. Sinar Mutiara Nusantara (SMN) with 32,776 ha lies in the northeast, PT. Gemilang Cipta Nusantara (GCN), the smallest of the four concessions with 20,123 ha, is situated in the southeast and the largest, PT. The Best One Unitimber (TBOT) with 40,666 ha is located in the southwest. The details are mentioned in section 1.12 of the PD/11/.

The projects geographical coordinates are as indicated below:

Northernmost point: 0° 36' 26.95" N 102° 37' 07.98" E

Easternmost point: 0° 28' 11.24" N 103° 00' 29.10" E

Southernmost point: 0° 18' 12.28" N 102° 25' 17.42" E

Westernmost point: 0° 19' 59.92" N 102° 23' 03.75" E

The validation team crosschecked the references such as KML files for coordinates/21/ of the PA and found the details provided in the PD /11/ are correct.

### **Conditions prior to project initiation**

The condition prior to the project initiation is similar as explained in section 3.4 And 3.5 of the PD/11/. The baseline (continuation of BAU) for the project has been developed as instructed in the methodology VM0007 v1.6 /8/ and the applied tool "Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities (T-ADD) /9/". As mentioned in section 3.4 and 3.5 of the PD/11/, in the absence of the project activity there is risk that the project area will be developed in a planned way for an industrial plantation. In the baseline scenario the project area was under threat due to industrial Acacia plantation, industrial oil palm plantation, commercial selective logging, smallholder agriculture, and mineral or fossil fuel extraction. The most likely land-use scenario is industrial acacia plantation activities as are practiced in reference areas.

The detailed description of environmental and biodiversity condition of the project area is mentioned in Sections 1.13.1 and 1.13.2 of the PD/11/.

The audit team crosschecked the references such as Wantzen, KM et al. 2008, Whitten T, Damanik SJ, Anwar J, Hisyam N. 2000., Whitten, A., Damanik, S. J., Anwar, J. & Hisyam, N., 1997. , Whitten, T. & Laumonier, Y. 1997., Anderson, J., 1963., Page, S. E., Rieley, J. O., Shoty, O. W. & Weiss, D., 1999. /22/ for the physical and climatic parameters of the project area (PA) and found the details provided in the PD /11/ are correct. For biodiversity details audit team cross checked the RER Project Standard Operating Procedures (SOPs) for Biodiversity Survey and Monitoring, Flora Survey, Fauna Survey and RER-ENV-003-PR Sumatran tiger management in the RER concession area /75/, lists of flora and fauna found in the project area /76/ and tally with IUCN Red Lists /77/ and found that the information mentioned in the PD is correct.

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Validation team finds the information in the PD /11/ is consistent with the observation of audit team and outcome of the interviews with local communities during the on-site visit.

- Project compliance with applicable laws, statutes and other regulatory frameworks

RER complies with the legal compliance requirements of the VCS Standards v4 Section 3.1.3, which states, "Projects and the implementation of project activities shall not lead to the violation of any applicable law, regardless of whether or not that law is enforced."

The Project has been designed and implemented to comply with the applicable national laws and regulations of the Republic of Indonesia. The Project is also in compliance with applicable laws and regulations of the Province of Riau and the Regency of Pelalawan. This also includes the laws, decrees, and regulations concerning relevant aspects of carbon emission and carbon offsetting. Furthermore, the project has harmonized itself with the REDD+ National Strategy developed by the government of the Republic of Indonesia.

The details are provided in section 1.14 of the validated PD /11/ and it states that the project meets all the applicable laws and regulations. To confirm the same, treaties, (mentioned in section 1.14.1), Laws Regulations & Decrees of the Republic of Indonesia, (mentioned in section 1.14.2), Laws, Regulations, and Decrees Related to Ecosystem Restoration Concessions and Management of Carbon Sequestration Activities (mentioned in section 1.14.4 of validated PD), and Ministerial Regulations and Decrees (mentioned in section 1.14.3 of the validated PD) and has also demonstrated compliance of the project with all and any relevant laws (mentioned in section 1.14 of validated PD) /42/.

Hence, it has been concluded that the project is implemented and adhere to the respective laws and regulations of the project area. Hence, it was concluded that the project is in line with the section 3.1.3 of the VCS Standard v4.

- Participation under other GHG programs:
- The RER Project has not sought to generate any other type of GHG emission reductions other than VCUs and has never received any other form of GHG-related environmental credit (mentioned in section 1.15.1), and has not applied for validation under any other GHG programme, nor has it been rejected for by any other GHG programmes (mentioned in section 1.15.2). Additionally, the project is not generating emission reduction credits in a country or region with any type of compliance mechanism (mentioned in section 1.16.1) and has not sought any other type of environmental credit and does not anticipate doing so in the future (mentioned in section 1.16.2)
- The details are mentioned in section 1.5 and 1.16 of the PD/11/. The PP has also submitted declarations /57/ to confirm the above statements. The validation body has crosschecked the documents and declarations and found that the claim is in line with the Sections 3.19 and 3.20 of VCS Standards v4

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- Additional information relevant to the project, including:
  - ***Leakage Management***
  - The details of the leakage management plan and implementation of leakage and risk mitigation measures is given in section 1.17.1 and section 4.3 of the PD/11/. Any actual or potential threat of leakage will be mitigated by the RER Project by taking active steps to reduce and remove the threat of leakage from the displacement of planned deforestation activities and ecological leakage. The PP have been engaging the government of Indonesia, as well as key industry players, to assist with a systemic change in industrial land-use for Acacia plantations across the country and to modify land-use practices to ensure greater sustainability.

Validation team finds the information in the sections 1.17.1 and 4.3 of the PD /11/ is consistent with the observation of audit team and outcome of the interviews with local communities and PP during the site visit.

- ***Commercially sensitive information***
- The following commercially sensitive information was not made public but was shared with the validation team during the project validation process:
  - Financial Projections and Analysis related to long term Project implementation
  - Digital Shape Files of project area, proxy areas and any other GIS shape files used to delineate any areas in or around or impacting the Project
  - Classified Satellite Images purchased or otherwise acquired and then processed for any Project Purpose
  - Original Biomass Inventories including filed notes, hardcopies, digital copies, etc.
  - Original Community and Social Surveys including filed notes, hardcopies, digital copies, etc.
  - Legal Agreements between implementing partners, technical partners, communities, government
  - Project Models used to generate carbon emission reductions and removals, including any relevant field data, remote sensing data, etc.
  - Project Budgets and Workplans
  - Project methods and SOPs

Information related to the determination of the baseline scenario, demonstration of additionality, and estimation and monitoring of GHG emission reductions and removals (including operational and capital expenditures) have been provided in the public versions of the project documents.

### **Sustainable development contributions**

- In section 1.17.3 of the PD/11/, the PP has provided the sustainable development contributions /35/ of the project. PP claims the following sustainable development contributions:
- Government of Indonesia (GOI) SDG Goal 13 -Climate Action notes that deforestation contributed to 30% of GOI emissions and indicates a desire to reduce BAU emissions.
- GOI indicates a Policy Direction for 2020-2030 in regard to Forest, Land and Peat that would see a “returning the function of the ecosystem and environmental services of forestry, maintaining and increasing land cover.”
- SDG Goal 15 – Life on Land – Forest Protection which has as its goal of
  - a. preventing a higher rate of forest degradation and
  - b. incorporating private and public participation in conservation programmes.
- The GOI indicated two policy directions in SDG Goal 15 for 2020-2024 and 2025-2030. Both included a goal of “decreasing Deforestation” and “continuing the peat protection policy.”
- Although the RER Project does undertake monitoring of its activities, none of the Project’s monitoring is directly linked to the GOI SDG programme, and there are neither any requirements to monitor and report to the SDG programme, nor are there any plans to report the activity to the GOI SDG programme.

Validation team finds the information in the sections 1.17.3 of the PD /11/ is consistent with the observation of audit team and outcome of the interviews with local communities and PP during the site visit.

The description provided by PP in Section 1 of the PD is accurate, complete, and provides an understanding of the nature of the project. Validation team also confirms that all activities reported in the PD are substantiated with information provided in the project design document.

CL 3, 4 and 5, CAR 1, 2, 3, 4, 5 and 25 are raised and were resolved successfully. Refer Appendix 2 for details. Documents referred /8//9//11/12//48//20//57//42//75//76//77/ .

## **3.2 Safeguards**

### **3.2.1 No Net Harm**

- As described in section 2.1 of the PD/11/, the project does not expect any negative environmental impacts. The project aims to maintain the existing natural forest that faces the risk of being utilized for Acacia plantation development, there are no changes to the environment other than naturally occurring forest growth and the limited rehydration of approximately seven per cent of the landscape by the blocking

of legacy canals. The Project will have positive outcomes for both climate change mitigation through carbon storage and the prevention of oxidation of the peat soils that would have otherwise occurred in the baseline scenario. Further, there will be positive impacts on biodiversity conservation through the preservation of critical habitats of the endemic and endangered flora and fauna. There is no negative impacts on community groups and for maintenance or enhancement of HCV attributes related to community well-being.

- The only risk identified by the PP is worker safety as fieldwork in the tropical peat swamp forest and surrounding area is potentially hazardous. To mitigate the risk APRIL/RER have robust worker safety systems in place, both for APRIL and RER employees. This was also assessed during the site visit interviews conducted by the audit team. There are SOPs /83/ in place for many work activities. Maintaining the safety of RER employees when in the field is a legal requirement and an obligation by RER and APRIL. The company also undertake training and capacity building programs to ensure that proper operational procedures are followed. The PPs management and operations are regularly reviewed, and management strategies are revised as per the requirements. This adaptive management system is an inherent part of APRIL's PEFC, Singapore Green and ISO certification /32/ both of which have requirements for ensuring occupational health and safety. The robust health and safety protocols followed by the PP was also evident during the site visit. During the site visit it was witnessed by the audit team that day to day ground operations follows the safety SOPs and includes safety briefings in the field, prior to boarding a boat or helicopter. Safety officers were present on project site.
- The Validation team on the basis of site visit and interviews with local stakeholders and PP concluded that there is no negative impact of project activities on the environment and the communities. The validation body finds that it will provide positive environmental, social, and biodiversity benefits and hence is in accordance with section 3.16.1 of the VCS Standard v4.

### 3.2.2 Local Stakeholder Consultation

- This is explained in section 2.2 of the validated PD/11/. The PP carried out the consultations with the stakeholders in 2015 and 2016. The PP has conducted a number of stakeholder engagement and consultation meetings with identified project communities and other stakeholders from the nearby villages and settlements. Though none of the communities reside within the project boundary and are not directly impacted by the project, still PP have gone to considerable lengths to consult with local stakeholders and engage them in the project during the project development and implementation process.
- The meetings reports, minutes of meetings, attendance sheets and photographs of the consultations with the comments from stakeholders were provided to the validation team. The comments raised during the consultations were addressed by the PP. Also, all the reports of PRA's /30/ and socioeconomic surveys /29/ conducted so far were assessed. The SOPs for community engagement, meetings, monitoring

and livelihood assessment are also developed by the PP and were assessed by the audit team /78/.

- RER has dedicated community communication teams and a dedicated Community Relations Department. Regular "town hall" style meetings are held every month. This allows an ongoing connection with community members, village leaders, religious leaders, local NGOs', women's groups, school groups, teachers, and health professionals. The BIDARA is one of the project developers and responsible for community engagement. The BIDARA employees are locals from two of the communities residing adjacent to the project area. Hence, BIDARA makes a robust channel for community outreach and engagement since local people trusts BIDARA and are confident about the project implementation and benefits.
- All the RER project related documents like on implementation issues, costs, community benefits, legal issues and risks through the RER website and through the published annual reports that are also available on the website. As part of the ongoing outreach, the Project maintains, in addition to village specific WhatsApp group chats and have also different social media accounts to further engage with stakeholders. Relevant Labour laws and the associated rights of workers in the host country applicable for the project has been listed in the PD. The same has been communicated to the local communities./81//82/. PP has followed proper strategy and engagement process with the stakeholders and has clearly communicated the requirement and process of project validation and verification requirements. Detailed process followed for communicating the project validation and verification and the third part site visit information to the stakeholders has been mentioned in the section.
- While checking all documents and proofs provided and interviews conducted during site visit, it is confirmed that all the stakeholders agreed to the implementation of the project and are very optimistic for the initiative and the project adhere to section 3.16.2, 3.16.3 and 3.16.4 of the VCS Standard v4. All the stakeholders interviewed during the site visit gave positive response about the project.
- CAR 6 and 7 are raised and were resolved successfully. Refer Appendix 2 for details. Documents referred /11//23/39/.

### 3.2.3 Environmental Impact

- This is described in detail in section 2.3 of the PD/11/. Since. there is no anticipated negative environmental impacts of the project. Hence no environmental impact assessment was undertaken by the project. Also, the planned changes to be made in the project area do not have any foreseeable negative environmental or socioeconomic impacts that would permit any activities impacting the environment negatively.

Validation team finds the information in the sections 2.3 of the PD /11/ is consistent with the observation of audit team and outcome of the interviews with local communities and PP during the site visit.

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### 3.2.4 Public Comments

- In accordance with the requirement in clause 3.16.5 of the VCS standard v4 “The PP listed their project activity in the VCS pipeline for 30 days from 13/01/2021 to 13/02/2021 (<https://registry.verra.org/app/projectDetail/VCS/2403> )/13/ for public comments. The project ID is 2403.
- No comments were received during the commenting period, as evident from the VCS pipeline in the web interface
- This was validated and the team finds the information in the sections 2.4 of the PD /11/ is consistent 3.16.5, 3.16.6, 3.16.7 and 3.16.8 of the VCS Standard v4.
- CAR 8 was raised and resolved successfully. Refer Appendix 2 for details. Document referred/13/.

### 3.2.5 AFOLU-Specific Safeguards

- NA.
- PP is exempted from these as they contracted ESPL before the 19 March 2020 deadline for the AFOLU Safeguards to be applicable. Minor updates have nonetheless been made to the section in an effort to remain transparent in section 2.5 of the PD/11/.
- This was validated and the team finds the information in the sections 2.5 of the PD /11/ is consistent with overview of substantive updates to program rules & requirements.<sup>1</sup>
- CAR 9 was raised and resolved successfully.

## 3.3 Application of Methodology

### 3.3.1 Title and Reference

- The project has applied the latest version of VM0007 - REDD+ Methodology Framework (REDD+ MF) v1.6, including all applicable modules as mentioned in methodology sections:
  - 4.3.1 - All REDD Activity Types,
  - 4.3.3 - Planned Deforestation/ Degradation,
  - 4.5.1 All WRC Activity Types,

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<sup>1</sup> Effective immediately for AFOLU projects, unless evidence of contracting for validation prior to 19 March 2020 is provided.  
<https://verra.org/wp-content/uploads/2019/09/VCS-V4-Summary-of-Effective-Dates.pdf>

- 4.5.2 RWE Project Activities, and
- 4.5.3 CIW Project Activities.
- The below table lists all tools used to develop the project (as instructed in the methodology VM0007):

| No.             | Doc ID            | Version | Issue Date | Documents Name                                                                                                                                          | Abbreviation |
|-----------------|-------------------|---------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1               | VMD0015           | 2.2     | 8-Sep-20   | Methods for monitoring of GHG emissions and removals in REDD and CIW projects                                                                           | M-REDD       |
| 2               | VMD0016           | 1.2     | 8-Sep-20   | Methods for Stratification of the Project Area                                                                                                          | X-STR        |
| 3               | VMD0017           | 2.2     | 8-Sep-20   | Estimation of Uncertainty for REDD+ Project Activities                                                                                                  | X-UNC        |
| 4               | VMD0046           | 1.1     | 8-Sep-20   | Methods for monitoring of soil carbon stock changes and greenhouse gas emissions and removals in peatland rewetting and conservation project activities | M-PEAT       |
| 5               | EB 31<br>Annex 16 | 1.0     | 4-May-07   | CDM Tool for testing significance of GHG emissions in A/R CDM project activities                                                                        | T-SIG        |
| 6               | EB 35<br>Annex 19 | 1.0     | 19-Oct-07  | CDM Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities                                         | T-ADD        |
| 7               |                   | 4.0     | 19-Sep-19  | VCS AFOLU Non-Permanence Risk Tool                                                                                                                      | T-BAR        |
| <b>BASELINE</b> |                   |         |            |                                                                                                                                                         |              |
| 9               | VMD0006           | 1.3     | 8-Sep-20   | Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation  | BL-PL        |
| 10              | VMD0042           | 1.1     | 8-Sep-20   | Estimation of baseline soil carbon stock changes and greenhouse gas emissions in peatland rewetting and conservation project activities                 | BL-PEAT      |
| <b>LEAKAGE</b>  |                   |         |            |                                                                                                                                                         |              |
| 11              | VMD0009           | 1.3     | 8-Sep-20   | Estimation of emissions from activity shifting for avoiding planned deforestation/forest                                                                | LK-ASP       |

|                     |                   |     |           |                                                                                                   |        |
|---------------------|-------------------|-----|-----------|---------------------------------------------------------------------------------------------------|--------|
|                     |                   |     |           | degradation and avoiding planned wetland degradation                                              |        |
| 12                  | VMD0044           | 1.1 | 8-Sep-20  | Estimation of emissions from ecological leakage                                                   | LK-ECO |
| <b>CARBON POOLS</b> |                   |     |           |                                                                                                   |        |
| 13                  | VMD0001           | 1.1 | 11-Oct-13 | Estimation of carbon stocks in the above- and belowground biomass in live tree and non-tree pools | CP-AB  |
| <b>EMISSIONS</b>    |                   |     |           |                                                                                                   |        |
| 14                  | EB 33<br>Annex 16 | 1.0 | 27-Jul-07 | Estimation of direct nitrous oxide emission from nitrogen fertilization                           | E-NA   |
| 15                  | VMD0013           | 1.2 | 8-Sep-20  | Estimation of greenhouse gas emissions from biomass and peat burning                              | E-BPB  |

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- The validation team confirms that the methodology and tools, and the specific versions of them applied by the project, were valid at the time of validation.

### 3.3.2 Applicability

- The RER project complies with each applicability condition of the methodology and associated modules and tools. The same has been justified in the table below:

| Module                             | Condition                                                                                                                                                                                                                                                                                                                                                                     | Applicability                                                                                                                                                                                                                               | Audit Assessment                                                                                                                                                                              |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| VM0007<br>REDD+ MF,<br>4.1 General | This REDD+ Methodology Framework is a compilation of modules and tools that together define the project activity and necessary methodological steps. By choosing the appropriate modules, a project-specific methodology can be constructed. The justification of the choice of modules and why they are applicable to the proposed project activity must be given in the PD. | Condition Met: The Project has used the decision tree in section 2 of REDD+MF, specifically tables 1 & 2 to determine project activity type and tables 3 & 4 to determine which modules/tools to use in the application of the methodology. | The tools applicable is selected and justification of the choice of modules have also been mentioned and described clearly. This was confirmed during the desk review by the validation team. |
| VM0007                             | Specific applicability conditions exist for each module and must                                                                                                                                                                                                                                                                                                              | Condition Met: The Project has reviewed each of the                                                                                                                                                                                         | It has been assessed by the                                                                                                                                                                   |

| Module                                            | Condition                                                                                                                                                                                                                                       | Applicability                                                                                                                                                                                                                                                                          | Audit Assessment                                                                                                                                                                        |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REDD+ MF,<br>4.1 General                          | be met for the module to be used.                                                                                                                                                                                                               | specific applicability conditions in the methodology VM0007 and all of it associated modules. The Project has reviewed, analyzed and commented on how each condition is applicable and. All conditions have been justified and met.                                                    | validation team that all the project meets the applicability conditions of all the modules and tools applied,                                                                           |
| VM0007<br>REDD+ MF,<br>4.1 General                | This methodology includes unplanned forest degradation caused only by extraction of wood for fuel. No modules are included for activities to reduce emissions from forest degradation caused by illegal harvesting of trees for timber          | Condition Met: The Project does not include any activities “to reduce emissions from forest degradation caused by illegal harvesting of trees for timber.”                                                                                                                             | The Project did not include unplanned degradation. This condition was confirmed during the site visits ,land management plan /33//41/ and other documents /24//25/ submitted by the PP. |
| VM0007<br>REDD+ MF,<br>4.1 All Project Activities | Use of this methodology is subject to the following applicability conditions, noting the project must also comply with the applicability conditions of the applied modules and tools.                                                           | Condition Met: The Project has reviewed each of the specific applicability conditions in the methodology VM0007 and all of it associated modules. The Project has reviewed, analyzed and commented on how each condition is applicable and. All conditions have been justified and met | It has been assessed by the validation team that all the project meets the applicability conditions of all the modules and tools applied                                                |
| VM0007<br>REDD+ MF,<br>4.2 All Project Activities | All land areas registered under the CDM or under any other GHG program (both voluntary and compliance-oriented) must be transparently reported and excluded from the project area. The exclusion of land in the project area from any other GHG | Condition met, no part of the Project Area is under any CDM or any other GHG program (either voluntary or compliance-oriented).                                                                                                                                                        | This was confirmed during the site visit and assessment of documents and proofs /38//57/ provided by the PP.                                                                            |

| Module                                                       | Condition                                                                                                                                                                                                     | Applicability                                                                                                                                                                                                                            | Audit Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                              | program must be monitored over time and reported in the monitoring reports.                                                                                                                                   |                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| VM0007<br>REDD+-MF,<br>4.3.1 - All<br>REDD Activity<br>Types | Land in the project area has qualified as forest (following the definition used by VCS; in addition, see Section 5.1.2) for at least the 10 years prior to the project start date.                            | Condition met. Land-use records indicate that all land subject to REDD project activities in the project area is covered by tropical forest on peatland and has qualified as such under the applicable definition for at least 10 years. | Landsat TM images /58/ from more than 10 years before the Project start date have been analyzed to identify the forest area of the project as per the Indonesia's definition of forest. This was assessed and validated from the 10 year historical land use analysis from 2006 to 2015 and site visit investigation.<br><br>Land-use records (10 years prior to the project start date) indicate that all land subject to REDD project activities in the project area is covered by tropical forest on peatland. |
| VM0007<br>REDD+ MF,<br>4.3.1 - All<br>REDD Activity<br>Types | If land within the project area is peatland or tidal wetlands and emissions from the SOC pool is deemed significant, the relevant WRC modules (see Table 3) must be applied alongside other relevant modules. | Condition met. All relevant WRC modules have been applied to estimate emissions from peat soils.                                                                                                                                         | All the relevant WRC modules were applied by the PP (as instructed in the applied methodology). This has been                                                                                                                                                                                                                                                                                                                                                                                                     |

| Module                                                                                 | Condition                                                                                                                                                                                                                                                                                                                      | Applicability                                                                                                                                                                                                                                                                                                                                                                       | Audit Assessment                                                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                        |                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                     | validated and confirmed.                                                                                                                                                                                                                |
| VM0007<br>REDD+ MF,<br>4.3.1 - All<br>REDD Activity<br>Types                           | Baseline deforestation and forest degradation in the project area fall within one or more of the following categories: Unplanned deforestation (VCS category AUDD) Planned deforestation/degradation (VCS category APD) Degradation through extraction of wood for fuel (fuelwood and charcoal production) (VCS category AUDD) | Condition met. Baseline deforestation falls in the category of APD. See section 2.2.1. The project area does not include any significant unplanned deforestation or forest degradation and is not modelled in either the baseline of the project scenario.                                                                                                                          | The baseline activities include planned development of Acacia Plantation. This was confirmed during the site visits and satellite images provided by the PP.                                                                            |
| VM0007<br>REDD+ MF,<br>4.3.1 - All<br>REDD Activity<br>Types                           | Leakage avoidance activities must not include: Agricultural lands that are flooded to increase production (e.g., rice paddy) Intensifying livestock production through use of feed-lots <sup>10</sup> and/or manure lagoons.                                                                                                   | Condition met. The Project does not promote either establishment of agriculture on flooded land or intensification of livestock production. See section 2.2.1                                                                                                                                                                                                                       | The Project does not promote either establishment of agriculture on flooded land or intensification of livestock production. This was confirmed during the site visits and satellite images provided by the PP.                         |
| VM0007<br>REDD+ MF,<br>4.3.3 -<br>Avoiding<br>Planned<br>Deforestation/<br>Degradation | Avoiding planned deforestation/degradation activities are applicable under the following condition: Where conversion of forest lands to a deforested condition must be legally permitted.                                                                                                                                      | Condition met. All The Project land is all designated "Production Forest" or Hutan Produksi or Production KPH (see Govt. Reg P.6/2007, Chapter 2, Article 5(1), article 9(1)(a), Chapter IV, Part One, Article 17 and as such is legally eligible for conversion to non-forest land such as would occur through selective logging or clear felling for plantation forestry activity | The project area was legally designated as production forest, hence was eligible for plantation development. This was confirmed during the site visits, land management plan /33//41/ and other documents /24//25/ submitted by the PP. |

| Module                                                      | Condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Applicability                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Audit Assessment                                                                                                                                              |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | (HTI). See also Chapter IV, Part four, Paragraph 5, Articles 37-39 of Govt. reg P. 6/2007.                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                               |
| VM0007<br>REDD+-MF,<br>4.5.1 - All<br>WRC Activity<br>Types | <p>WRC activities are not eligible under the following conditions: Project activities lower the water table, unless the project converts open water to tidal wetlands, or improves the hydrological connection to impounded waters.</p> <p>Changes in hydrology do not result in the accumulation or maintenance of SOC stock, noting that a) this pertains to projects that intend to sequester carbon through sedimentation and/or vegetation development and b) this does not pertain to projects that increase salinity to reduce CH<sub>4</sub> emissions. Projects that aim to decrease CH<sub>4</sub> emissions through increased salinity must account for any changes in SOC stocks.</p> <p>Hydrological connectivity of the project area with adjacent areas leads to a significant increase in GHG emissions outside the project area.</p> <p>Project activities include the burning of organic soil.</p> <p>Nitrogen fertilizer(s), such as chemical fertilizer or manure, are applied in the project area during the project crediting period.</p> | Condition met. The project activities do not lower the water table (see section 1.11.2.2 & section 1.11.2.3), hydrological connection of the peatland does not lead to increase of emissions outside of the Project Area (see section 4.3.4) and do not include burning of organic soil (see section 4.2.1., section 4.2.1.2, section 4.2.3.2, section 4.2.4.2 & section 4.2.4.5) and does not include the use of fertilizers (see sections 1.11.3.1-4, 2.3, 4.1.2 .and 4.1.4.3). | This was confirmed during the site visit and with the plantation records, related standard operating procedures (SOPs) /28/ & monitoring plan submitted /50/. |
| VM0007<br>REDD+-MF,<br>4.5.2 RWE                            | For RWE project activities, prior to the project start date, the project area must meet the following conditions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Condition met. The project will continue at a similar or greater level of service or production during the project crediting period as                                                                                                                                                                                                                                                                                                                                            | Was discussed and confirmed during the site visit. The concessions                                                                                            |

| Module                        | Condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Applicability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Audit Assessment                                                                                 |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Project Activities<br>General | <p>a) The area is free of any land use that could be displaced outside the project area, as demonstrated by at least one of the following, where relevant:</p> <ul style="list-style-type: none"> <li>The project area has been abandoned for two or more years prior to the project start date; or</li> <li>Use of the project area for commercial purposes (i.e., trade) is not profitable as a result of salinity intrusion, market forces, or other factors. In addition, timber harvesting in the baseline scenario within the project area does not occur; or</li> <li>Degradation of additional wetlands for new agricultural/aquacultural sites within the country will not occur or is prohibited by enforced law.</li> </ul> <p>OR</p> <p>b) The area is under a land use that could be displaced outside the project area, although in such case, baseline emissions from this land use must not be accounted for, and where degradation of additional wetlands for new agricultural/aquacultural sites within the country will not occur or is prohibited by enforced law.</p> <p>OR</p> | <p>all concessions that make up the Project Area are under a IUPHHK-RE License, i.e., Ecosystem Restoration License, see section 1.7.2. The license are valid until the end of the Project Crediting Period, and each concession has a long term and annual management plan (RKU/RKT) that is approved by the Indonesian Ministry of Environment and Forestry which approved activity includes restoration of the wetland ecosystem that makes up the Project Area, see section 1.7.2 &amp; 1.9 and Appendix 1 – Copies of the Legal Documents for the four RE concessions (Licenses and Management Plans (RKU/RKT)</p> | <p>licenses /20/ and related national laws /40/ were also cross checked to confirm the same.</p> |

| Module                                                                                 | Condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Applicability                                                                                                                                                                                                                                                                                                                                     | Audit Assessment                                                 |
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|                                                                                        | c) The area is under a land use that will continue at a similar or greater level of service or production during the project crediting period (e.g., reed or hay harvesting, collection of fuelwood, subsistence harvesting, commercial fishing).                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                   |                                                                  |
| VM0007<br>REDD+-MF,<br>4.5.2 RWE<br>Project<br>Activities<br><br>Peatland<br>Rewetting | This methodology is applicable to rewetting drained peatland (RDP) activities on project areas that meet the VCS definition for peatland (see VCS Program Definitions).                                                                                                                                                                                                                                                                                                                                                                                                                          | Condition met. The project will conduct rewetting drained peatland (RDP) activities on project areas that meet the VCS definition for peatland, see sections 1.13.1.7 and 3.3.4.2.                                                                                                                                                                | This was discussed, assessed and confirmed during the site visit |
| VM0007<br>REDD+ MF,<br>4.5.3 CIW<br>Project<br>Activities                              | <p>This methodology is applicable to conservation of undrained and partially drained peatland (CUPP) activities on project areas that meet the VCS definition for peatland (see VCS Program Definitions).</p> <p>Project activities conserving tidal wetlands may include:</p> <ol style="list-style-type: none"> <li>1. Protecting at-risk wetlands (e.g., establishing conservation easements, establishing community supported management agreements, establishing protective government regulations, and preventing disruption of water and/ or sediment supply to wetland areas)</li> </ol> | <p>Condition met. The module is applied applicable because the Project has both undrained peatlands and partially drained peatlands that meet the VCS definition, see section 3.3.1.4.</p> <p>In regard to conserving tidal wetlands, the Project has no tidal wetlands and so this portion of the applicability condition is not applicable.</p> | This was discussed, assessed and confirmed during the site visit |

| Module                                                                         | Condition                                                                                                                                                                                                                                                                                                                             | Applicability                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Audit Assessment                                                                                                                                                                                                                 |
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|                                                                                | <ul style="list-style-type: none"> <li>2. Improving water management on drained wetlands</li> <li>3. Maintaining or improving water quality for seagrass meadows</li> <li>4. Recharging sediment to avoid drowning of coastal wetlands</li> <li>5. Creating accommodation space for wetlands migrating with sea-level rise</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                  |
| VM0007<br>REDD+ MF,<br>Avoiding<br>Planned<br>Wetland<br>Degradation<br>(APWD) | Avoiding planned wetland degradation activities are eligible under the following condition: Conversion of intact or partially altered wetlands to a degraded condition must be legally permitted.                                                                                                                                     | Condition met. All The Project land is all designated “Production Forest” or Hutan Produksi or Production KPH (see Govt. Reg P.6/2007, Chapter 2, Article 5(1), article 9(1)(a), Chapter IV, Part One, Article 17 and as such is legally eligible for conversion to non-forest land such as would occur through selective logging or clear felling for plantation forestry activity (HTI). See also Chapter IV, Part four, Paragraph 5, Articles 37-39 of Govt. reg P. 6/2007. | The project area was designated as production forest, hence, was eligible for plantation development. This was confirmed during the site visits, land management plan /33//41/ and other documents /24//25/ submitted by the PP. |
| VMD0001<br>CP-AB                                                               | This module is applicable to all forest types and age classes. Inclusion of the above-ground tree biomass pool as part of the project boundary is mandatory as per the framework module REDD-MF.                                                                                                                                      | Condition met. The module is applied per the requirement.                                                                                                                                                                                                                                                                                                                                                                                                                      | This was assessed and confirmed during the site visit                                                                                                                                                                            |
| VMD0001<br>CP-AB                                                               | Non-tree aboveground biomass must be included as part of the project boundary if the following                                                                                                                                                                                                                                        | Condition met. Non-tree above-ground biomass is excluded because it is                                                                                                                                                                                                                                                                                                                                                                                                         | This was assessed and                                                                                                                                                                                                            |

| Module | Condition                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Applicability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Audit Assessment                       |
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|        | <p>applicability criteria are met (per framework module REDD-MF):</p> <ul style="list-style-type: none"> <li>Stocks of non-tree aboveground biomass are greater in the baseline than in the project scenario, and</li> <li>Non-tree aboveground biomass is determined to be significant (using the T-SIG module).</li> </ul> <p>Belowground (tree and non-tree) biomass are not required for inclusion in the project boundary because omission is conservative.</p> | <p>greater in the project scenario than in the baseline scenario, and</p> <p>Non tree biomass was not determined to be significant. The baseline scenario assumes that all-natural forest biomass will be cleared for the establishment of forest plantations and this will logically reduce baseline biomass to zero including Non-tree above-ground biomass to zero and significantly less than in the project scenario. Furthermore, the tier 2 emission factors<sup>2</sup> ) for understory is between 3.30% to 4.94% of AGB which is significantly less than the estimates of total tree biomass used in the baseline and project scenarios.</p> <p>Belowground tree biomass (tree roots) is included because it is allowed.</p> <p>Below ground non- tree biomass organic soil) is included as it is allowed.</p> <p>Belowground non-tree biomass (organic soil) is included because it covers the entirety of the Project Area and is allowed</p> | <p>confirmed during the site visit</p> |

<sup>2</sup> Krisnawati et al. (2015) *Standard Model for estimating GreenHouse Gas Emissions from Forests and Peatlands in Indonesia* (version 2) Table 2-3. Indonesian National Carbon Accounting System

| Module            | Condition                                                                                                                                                                                                                                                                                                                                                                                                | Applicability                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Audit Assessment                                                                                                                                                                                                                         |
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| VMD0006<br>BL-PL  | The module is applicable for estimating the baseline emissions on forest lands (usually privately or government owned) that are legally authorized and documented to be converted to non-forest land.                                                                                                                                                                                                    | Condition met. The Project land is all designated "Production Forest" or Hutan Produksi or Production KPH (see Govt. Reg P.6/2007, Chapter 2, Article 5(1), article 9(1)(a), Chapter IV, Part One, Article 17 and as such is legally eligible for conversion to non-forest land such as would occur through selective logging or clear felling for plantation forestry activity (HTI). See also Chapter IV, Part four, Paragraph 5, Articles 37-39 of Govt. reg P. 6/2007. | The project area was legally designated as production forest, hence, was eligible for plantation development. This was confirmed during the site visits, land management plan /33//41/ and other documents /24//25/ submitted by the PP. |
| VMD0006<br>BL-PL  | Where, pre-project, unsustainable fuelwood collection is occurring within the project boundaries Modules BL-DFW and LK-DFW must be used to determine potential leakage.                                                                                                                                                                                                                                  | Condition not applicable. There is no history of fuelwood collection in the project area and this activity is excluded from the baseline and project scenarios. The Project does not avoid unsustainable fuelwood collection.                                                                                                                                                                                                                                              | This was assessed and confirmed during the site visit                                                                                                                                                                                    |
| VMD0009<br>LK-ASP | The module is applicable for estimating the leakage emissions due to activity shifting from forest lands that are legally authorised and documented to be converted to non-forest land, including activity shifting to forested peatland that is drained as a consequence of project implementation. Under these situations, displacement of baseline activities can be controlled and measured directly | Condition met. See section 5.5 Leakage Monitoring.                                                                                                                                                                                                                                                                                                                                                                                                                         | The project area was legally designated as production forest, hence was eligible for plantation development. This was confirmed during the site visits, land management plan /33//41/ and other documents                                |

| Module            | Condition                                                                                                                                                                                                                                                                        | Applicability                                                                                                                                                                                                                                                                                                                                                                          | Audit Assessment                                                                                                                                                                                                                         |
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|                   | by monitoring the baseline deforestation agents or class of agents.                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                        | /24//25/ submitted by the PP.                                                                                                                                                                                                            |
| VMD0009<br>LK-ASP | This tool must be used for projects in areas where planned deforestation happens on forested peatlands, regardless of the absence of peatland within the project boundaries.                                                                                                     | Condition met - The Project has used module BL-PL and per this table complies with all associated applicability conditions                                                                                                                                                                                                                                                             | Via checking the satellite images and on-site investigation, it is validated that the project area is a peatland. This was also validated through Government peatland maps and multiple peat surveys that have been conducted by the PP. |
| VMD0009<br>LK-ASP | The module is mandatory if module BL-PL has been used to define the baseline, and the applicability conditions in module BL-PL must be complied with in full.                                                                                                                    | Condition met. The Project has used module BL-PL and complied to BL-PL in full.                                                                                                                                                                                                                                                                                                        | The module BL-PL has been applied and hence confirms the applicability of the tool.                                                                                                                                                      |
| VMD0013<br>E-BPB  | This module is applicable to REDD project activities with emissions from biomass burning and REDD-WRC project activities with emissions from biomass and/or peat burning. This module is also applicable to RWE and ARR-RWE project activities with emissions from peat burning. | Condition met. RER does not have any fire in its baseline because there is no significant anthropogenic burning occurring in the Project Area in the baseline as there are have been no communities that live in or adjacent to the Project Area.<br><br>Nature fire risk is virtually absent in the peat swamp, as it is far too wet for lightning strikes, even in the "dry season". | This was validated using the satellite imageries /74/ and site visit interviews with the company employees and local stakeholders that there is no fire incidence after the project has started.                                         |

| Module            | Condition                                                                                                                                                                                                                                                                                                                                                                  | Applicability                                                                                                                                                                                                                                                                                                            | Audit Assessment                                                                                                                                                    |
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|                   |                                                                                                                                                                                                                                                                                                                                                                            | The Project has not had any peat or biomass fires in the Project Area since the Project Start date so far. The Project commits to accounting all anthropogenic fire that might occur in the future with E-BPB, as required.                                                                                              |                                                                                                                                                                     |
| VMD0015<br>M-REDD | Strata as defined in the relevant baseline modules are fixed and may not be changed without baseline revision.                                                                                                                                                                                                                                                             | Condition met. Strata are fixed according to section 3.3.1.2. Strata may be revised upon baseline adjustment at year 10.                                                                                                                                                                                                 | This was confirmed during the site visit. The strata selected were validated on site as well as through satellite imageries /79/ provided by the PP.                |
| VMD0015<br>M-REDD | The module is mandatory for REDD, CIW-REDD, RWE-REDD and stand-alone CIW project activities.                                                                                                                                                                                                                                                                               | Condition met. The Project has applied all relevant aspects of VM0015 M-REDD in its monitoring approach as the Project falls under four categories of REDD, CIW-REDD, RWE-REDD and stand-alone CIW project activities.                                                                                                   | This was confirmed with the project design and satellite imageries /16//25/, as well as during the site visit and discussions with the PP.                          |
| VMD0015<br>M-REDD | Where selective logging is taking place in the project case:<br><br>Emissions from logging may be omitted if it can be demonstrated the emissions are de minimis using Tool T-SIG.<br><br>If emissions from logging are not omitted as de minimis, logging may only take place within forest management areas that possess and maintain a Forest Stewardship Council (FSC) | Condition not applicable. The Project does not involve selective logging or any timber harvesting because the current legal licenses for each of the areas is IUPHHK-RE License, i.e., Ecosystem Restoration License, see section 1.7.2. For selective logging to occur the, concessions would have to have a license to | This was confirmed with the APRIL's management plan /33//41/ and project area concessions license /20/ submitted by the PP and also during the discussions with PP. |

| Module           | Condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Applicability                                                                                                                                                                                                                                          | Audit Assessment                                                                                                   |
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|                  | <p>certificate for the years when the selective logging occurs.</p> <p>Logging operations may only conduct selective logging that maintains a land cover that meets the definition of forest within the project boundary.</p> <p>All trees cut for timber extraction during logging operations must have a DBH greater than 30 cm.</p> <p>During logging operations, only the bole/log of the felled tree may be removed. The top/crown of the tree must remain within the forested area.</p> <p>The logging practices cannot include the piling and/or burning of logging slash</p> <p>Volume of timber harvested must be measured and monitored.</p> | selectively harvest timber, this would be a IUPHHK-HTR license.                                                                                                                                                                                        |                                                                                                                    |
| VMD0016<br>X-STR | In case of REDD, above-ground biomass stratification is only used for pre-deforestation forest classes, and strata are the same in the baseline and the project scenario. Post-deforestation land uses are not stratified. Instead, average post-deforestation stock values (e.g. simple or historical area-weighted approaches are used, as per module BL-UP).                                                                                                                                                                                                                                                                                        | Condition met. Above-ground biomass stratification is only used for pre-deforestation forest classes, and strata are the same in the baseline and the project scenario. Post-deforestation areas are classified simply as "plantation/infrastructure". | This was confirmed by the satellite imageries provided /25//79/ by the client.                                     |
| VMD0016<br>X-STR | For peatland rewetting and conservation project activities this module must be used to delineate non-peat versus peat and to stratify the peat according to peat depth and soil emission characteristics unless it can be demonstrated that the expected                                                                                                                                                                                                                                                                                                                                                                                               | Condition met. See application of X-STR in section 3.3.4.2 and 3.3.4.3.                                                                                                                                                                                | The complete project area is a peatland forest. The RWE project design has considered emissions from peat and soil |

| Module           | Condition                                                                                                                                                                                                                                                                                                                                                                                                                 | Applicability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Audit Assessment                                                                                                                       |
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|                  | emissions from the soil organic carbon pool or change in the soil organic carbon pool in the project scenario are <i>de minimis</i>                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | depth as the basis of stratification. This was assessed with the satellite imageries /16//25/, project design/11/, ER excel sheet/12/. |
| VMD0016<br>X-STR | In the case of WRC project activities, the project boundary must be designed such that the negative effect of drainage activities that occur outside the project area on the project GHG benefits are minimized.                                                                                                                                                                                                          | Condition met. The Project is taking significant steps to maintain the intactness of hydrology in the project area and to restore hydrology in areas which have been disturbed by existing drainage. The Project is monitoring areas outside the Project area which could be under threat of disturbance in order to minimize potential impacts in terms of drainage. See section 5.3.2.1 (2c) Ground Water Table & Subsidence Monitoring, (2e) Dam & Canal Monitoring and (3) Leakage Monitoring. | This was confirmed by the site visit assessment.                                                                                       |
| VMD0017<br>X-UNC | <p>The module is mandatory when using VCS methodology VM0007. It is applicable for estimating the uncertainty of estimates of emissions and removals of CO<sub>2</sub>-e generated from REDD and WRC project activities. The module focuses on the following sources of uncertainty:</p> <p>Determination of rates of deforestation and degradation</p> <p>Uncertainty associated with estimation of stocks in carbon</p> | Condition met. X-UNC has been used throughout to estimate uncertainties associated with this Project. See section 5.6 Uncertainty Monitoring.                                                                                                                                                                                                                                                                                                                                                      | This was confirmed during the validation and the client has analyzed the project uncertainty on the basis of the tool.                 |

| Module             | Condition                                                                                                                                                                                                                                                                                                                                                   | Applicability                                                                                                                                                                                                                                          | Audit Assessment                                                                                                                                                                                            |
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|                    | <p>pools and changes in carbon stocks</p> <p>Uncertainty associated with estimation of peat emissions</p> <p>Uncertainty in assessment of project emissions</p>                                                                                                                                                                                             |                                                                                                                                                                                                                                                        |                                                                                                                                                                                                             |
| VMD0017<br>X-UNC   | Where an uncertainty value is not known or cannot be simply calculated, then a project must justify that it is using an indisputably conservative number and an uncertainty of 0% may be used for this component.                                                                                                                                           | Condition met. In all cases where an uncertainty value is not known or cannot be simply calculated, the Project provides a justification that the value used is an indisputably conservative number (or an IPCC default value as instructed by VM0007. | This was confirmed during the validation and the client has analyzed the project uncertainty on the basis of the tool.                                                                                      |
| VMD0017<br>X-UNC   | Guidance on uncertainty – a precision target of a 95% confidence interval half-width equal to or less than 15% of the recorded value shall be targeted. This is especially important in terms of project planning for measurement of carbon stocks; enough measurement plots should be included to achieve this precision level across the measured stocks. | Condition met. Uncertainty requirements have been taken into account in project planning and carbon stock calculations as per See section 5.6 Uncertainty Monitoring.                                                                                  | The level of uncertainty was found to be 8.6% which is as per the requirements of VSC methodology VM0007 and the applied uncertainty module. This was confirmed through ER excel sheets/12/ and the PD/11/. |
| VMD0042<br>BL-PEAT | This module is applicable to RDP and CUPP activities on project areas that meet the VCS definition for peatland. The scope of this module is limited to domed peatlands in the tropical climate zone.                                                                                                                                                       | Condition met. See #8 above.                                                                                                                                                                                                                           | The project area is made up of a complete peat dome formation. This is confirmed by the Government peatland maps, multiple peat                                                                             |

| Module             | Condition                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Applicability                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Audit Assessment                                                                                                                                                                                                                                                                                                                                                                          |
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|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | surveys that have been conducted, satellite imageries /25//80/ and site visit conducted.                                                                                                                                                                                                                                                                                                  |
| VMD0042<br>BL-PEAT | It must be demonstrated by using the latest version of the CDM A/R methodological tool: "Tool for testing significance of GHG emissions in A/R CDM project activities" (T-SIG) that N <sub>2</sub> O emissions in the project scenario are not significant, or it must be demonstrated that N <sub>2</sub> O emissions will not increase in the project scenario compared to the baseline scenario, and therefore N <sub>2</sub> O emissions need not be accounted for. | Condition met. GHG emissions (specifically N <sub>2</sub> O) are excluded from the baseline and project scenarios. The potential emissions sources are fire and nitrogenous fertilizer applications, which are both assumed to be absent in both the baseline and project scenarios.<br><br>Therefore, the net GHG emissions from both the baseline and project scenarios are estimated to be zero which is less than 5% of the total decreases in carbon pools and increases in emissions and less than 5% of net anthropogenic removals by sinks. | This was validated using the satellite imageries /74/ and site visit interviews with the company employees and local stakeholders that there is no fire incidence after the project has started.<br><br>The plantation records and plans /64/ also confirms that the project scenario excluded all plantation development and result in the elimination of all N <sub>2</sub> O emissions |
| VMD0042<br>BL-PEAT | In the baseline scenario, the peatland must be (partially) drained. At project start, the peatland may still be undrained                                                                                                                                                                                                                                                                                                                                               | Condition met. The baseline scenario is of industrial pulpwood plantation in peatsoil that requires substantial water table management (i.e. lowering). At the start of the project the vast majority of the Project Area remained undrained. See section 3.4 baseline scenario.                                                                                                                                                                                                                                                                    | Not all the Project Area are drained peatlands, but partially drained. This was validated during the site visit and the satellite imageries /16//25//80/. Canals are visible from satellite images /25/, and these were verified during site visit as well.                                                                                                                               |

| Module            | Condition                                                                                                                                                                  | Applicability                                                                                                                                                                                                                                                                                                                                   | Audit Assessment                                                                                                                                                                                                       |
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| VMD0044<br>LK-ECO | Leakage caused by hydrological connectivity is avoided by project design and site selection, as outlined in Chapter 5 (Procedures of VMD0044).                             | Condition met. Ecological Leakage does not occur in the Project. See application of LK-ECO in section 4.3.4 Estimation of Emissions from Ecological Leakage.                                                                                                                                                                                    | This was validated and confirmed during the site visit.                                                                                                                                                                |
| VMD0046<br>M-PEAT | This module is applicable to RDP and CUPP activities as defined in VCS AFOLU Requirements.                                                                                 | Condition met: The Project is one where some peatlands are rewetted, i.e. Restoration of Drained Peatlands a.k.a. Restoring Wetlands Ecosystems (RWE). The Project is one where the partially drained peatland is preserved i.e., Conservation of undrained and partially drained peatlands (CUPP) a.k.a. Conservation of Intact Wetlands (CIW) | This was validated during the site visit and accessing the remote sensing data.                                                                                                                                        |
| VMD0046<br>M-PEAT | The project area must meet the VCS definition for peatland. This module is limited to domed peatlands in the tropical climate zone.                                        | This project area is located in an area with layering of naturally accumulating organic matter (peat). The Project is located in a tropical climate zone and on a wetlands forest peat dome system.                                                                                                                                             | The project area is made up of a complete peat dome formation. This is confirmed by the Government peatland maps, data of multiple peat surveys that have been conducted, satellite imageries /16//80/ and site visit. |
| VMD0046<br>M-PEAT | Furthermore, the following applicability conditions apply:<br><br>It must be demonstrated using tool T-SIG that N <sub>2</sub> O emissions in the project scenario are not | The baseline and project scenarios exclude emissions from fire and so N <sub>2</sub> O emissions from fire are not calculated. Furthermore, N <sub>2</sub> O                                                                                                                                                                                    | There is no fire incidence after the project has started.                                                                                                                                                              |

| Module            | Condition                                                                                                                                                                                                                | Applicability                                                                                                                                                                                                                            | Audit Assessment                                                                                                                                                                                                                       |
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|                   | significant, or it must be demonstrated that N <sub>2</sub> O emissions will not increase in the project scenario compared to the baseline scenario, and therefore N <sub>2</sub> O emissions need not be accounted for. | emissions in the baseline assessment are entirely the result of the application of fertilizers to plantations. The project scenario excluded all plantation development and result in the elimination of all N <sub>2</sub> O emissions. | Also, in the project scenario fertilizers is will not be used.<br><br>This was validated using the satellite imageries /74/, plantation records /64/, SOPs and site visit interviews with the company employees and local stakeholders |
| VMD0046<br>M-PEAT | In the baseline scenario the peatland must be drained or partially drained.                                                                                                                                              | Condition Met: Under the baseline scenario, the peatland area would have been drained for Acacia plantation activity.                                                                                                                    | This is confirmed by the Government peatland maps, data of multiple peat surveys that have been conducted, with management plan of APRIL and interviews conducted during site visit.                                                   |
| VMD0046<br>M-PEAT | At project start the peatland may still be undrained.                                                                                                                                                                    | Condition met: at the project start date the project area was not drained for industrial plantation activity and was only partially drained in less than 10,000 ha of the Project Area. See section 4.1.5.1                              | This is confirmed by the Government peatland maps, data of multiple peat surveys that have been conducted, satellite imageries /16//80/ and site visit.                                                                                |
| VMD0046<br>M-PEAT | It must be demonstrated using Module LK-ECO that ecological leakage must not occur                                                                                                                                       | Condition Met: Per section 4.3.4, Ecological Leakage does not occur in this                                                                                                                                                              | No ecological leakage occurs because of the                                                                                                                                                                                            |

| Module         | Condition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Applicability                                                                               | Audit Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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|                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Project and all measures have been taken to ensure Ecological Leakage remains = 0. [LK-ECO] | project activity and was confirmed during the site visit assessment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| T-SIG<br>EB 31 | <p>The tool shall be used in the application of an A/R CDM approved methodology to an A/R CDM project activity:</p> <p>To determine which decreases in carbon pools and increases in emissions of the greenhouse gases measured in CO<sub>2</sub> equivalents that result from the implementation of the A/R project activity, are insignificant and can be neglected.</p> <p>b) To ensure that it is valid to neglect decreases in carbon pools and increases in GHG emissions by sources stated as being insignificant in the applicability conditions of an A/R CDM methodology.</p> | Condition met. T-Sig was used to guide the selection of GHG emissions and carbon pools.     | <p>No significance tests were necessary because, all carbon pools not included in the baseline and project scenario . this carbon pools are either shown increasing or decreasing in the Project relative to the baseline scenario or in the alternative, they have been conservatively excluded.</p> <p>By checking the information and evidences/27//28/ and /37/ available during on-site observation and by the physical site, the validation team confirms that the appropriate carbon pools have been considered and the description in the PD is accurate and complete, and also the selected carbon pools are justified for the</p> |

| Module                     | Condition                                                                                                                                                                                                                  | Applicability                                                                                                                                                                     | Audit Assessment                                                                                                                                                                                                                                                                     |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                            |                                                                                                                                                                                                                            |                                                                                                                                                                                   | proposed project activity.                                                                                                                                                                                                                                                           |
| T-ADD<br>EB 35<br>Annex 19 | Forestation of the land within the proposed project boundary performed with or without being registered as the A/R CDM project activity shall not lead to violation of any applicable law even if the law is not enforced. | Condition Met – The Project included “Step 0” of the Tool as an additional procedure as part of the stepwise additionality analysis mandated by T-ADD as set forth in section 3.6 | From the site visit assessment and the documents and reference provided it has been concluded that the project is implemented and adhere to the respective laws and regulations of the project area /42/. Hence, it was concluded that the project is in line with the applied tool. |
| T-ADD<br>EB 35<br>Annex 19 | This tool is not applicable to small - scale afforestation and reforestation project activities.                                                                                                                           | Condition not applicable                                                                                                                                                          | The project is a large-scale project and this was confirmed with the project boundary areas/16/, kml files/21/ and the ER calculation sheets /12/.                                                                                                                                   |

- CAR 10 was raised and resolved successfully. Please refer appendix 2 for the same. Documents referred /11//12//8//16//25//9//21//74//33//

### 3.3.3 Project Boundary

- Geographical Boundaries
- The total land area is 130,090 hectares and includes areas encompassed within the legal boundaries of the following four concessions which are cumulatively referred to as Riau Ecosystem Restoration Carbon Project (RER):
  1. PT. Gemilang Cipta Nusantara (20,123 ha),
  2. PT. The Best One Unitimber (40,666 ha)
  3. PT. Sinar Mutiara Nusantra (32,776 ha)

- 4. PT. Global Alam Nusantara (36,525 ha)
- The project only includes Avoiding Planned Deforestation (APD) and applies to all forested land within the plantation development ("development area") within the geographical boundaries of the project.

The development area is 78,425 ha, of which 78,396 ha was covered in forest for the 10-year period prior to commencement of the project.

| REDD and Non-REDD Areas within Plantation Development Area |           |               |               |
|------------------------------------------------------------|-----------|---------------|---------------|
| Block                                                      | Non-REDD  | REDD          | Total         |
| PT GAN                                                     | 0         | 6,480         | 6,480         |
| PT GCN                                                     | 24        | 17,516        | 17,541        |
| PT SMN                                                     | 2         | 21,234        | 21,236        |
| PT TBOT                                                    | 3         | 33,166        | 33,169        |
| <b>Total</b>                                               | <b>29</b> | <b>78,396</b> | <b>78,425</b> |

Table- REDD and Non-REDD Areas within Plantation Development Area

- REDD:** The Total Area of Deforestation,  $A_{\text{planned},i}$  (BL-PL), from Avoiding Planned Deforestation (APD) under the project is estimated to be 78,396 ha

**WRC:** The WRC activities include:

- Rewetting / restoration of all areas drained by legacy canals.
- Avoided peatland drainage associated with avoided planned plantation development.

| WRC category         | Area (ha)        |
|----------------------|------------------|
| RWE                  | 2,478.6          |
| RWE+REDD             | 6,627.8          |
| CIW                  | 5.1              |
| CIW+REDD             | 71,768.1         |
| Not eligible for WRC | 49,210.4         |
| <b>Total</b>         | <b>130,090.0</b> |

- Table: WRC and REDD project area (ha)

- The area within the geographic boundaries consists entirely of lands that are permanently saturated in their natural state. The soil within the Project boundary are peatlands, which are organic soil greater than 50cm in depth.
- Temporal Boundaries

The temporal boundaries of the RER Project are as follows.

- 10-year Historical reference period: 01 January 2006 to 31 December 2015
- 57-year Project crediting period: 17 June 2016 to 23 July 2072
- Baseline update period: Every 10 years
- Duration of Monitoring Periods: Monitoring will occur at least every five years but may occur as frequently as annually. The actual validation monitoring periods will however always be in annual increments but may be pro-rated (by month or day) depending on what part of the year the actual monitoring for verification takes place.

The Carbon Pools included in the Project are mentioned in the table below:

| Carbon Pool                   | In/excluded | Justification                                                                                                                                                                                                  |
|-------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Above-ground tree biomass     | Included    | Mandatory pool in REDD project activities                                                                                                                                                                      |
| Above-ground non-tree biomass | Excluded    | Non-tree biomass carbon pool is expected to increase in the project scenario compared to the baseline, and therefore can be conservatively omitted.                                                            |
| Belowground biomass           | Included    | Carbon stock in this pool is expected to increase in the project scenario compared to the baseline.                                                                                                            |
| Litter on mineral soil        | Excluded    | It is conservatively excluded. However, litter carbon pools and their stock changes may be monitored in the future.                                                                                            |
| Litter on peatland            | Excluded    | This pool is not mandatory for peatland. As the litter carbon pool is expected to increase in the project scenario compared to the baseline, it is therefore conservatively omitted.                           |
| Dead wood                     | Excluded    | This pool is not mandatory for either mineral soil or peatland. As the dead wood carbon pool is expected to increase in the project scenario compared to the baseline, it is therefore conservatively omitted. |
| Mineral soil carbon pool      | Excluded    | Carbon stock in this pool is expected to increase more or decrease less due to the implementation of project                                                                                                   |

|                  |          |                                                                                                                   |
|------------------|----------|-------------------------------------------------------------------------------------------------------------------|
|                  |          | activities relative to the baseline, and thus conservatively omitted.                                             |
| Peat carbon pool | Included | Carbon stock in this pool is expected to increase in the project scenario compared to the baseline.               |
| Wood products    | Excluded | This pool is mandatory only where the process of deforestation involves timber harvesting for commercial markets. |

GHG emissions sources included in the RER Project.

| Source            |                            | Gas              | Included? | Justification/explanation                                                                                                                            |
|-------------------|----------------------------|------------------|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Baseline scenario | Deforestation              | CO <sub>2</sub>  | Yes       | Above-ground biomass losses as a result of deforestation are included                                                                                |
|                   | Forest degradation         | CO <sub>2</sub>  | Yes       | If forest degradation occurs in the project scenario, it will be accounted for. Values will be calculated using forest degradation emission factors. |
|                   | Biomass burning            | CO <sub>2</sub>  | No        | Above-ground biomass losses as a result of fire are conservatively assumed zero                                                                      |
|                   |                            | CH <sub>4</sub>  | No        | Above-ground biomass losses as a result of fire are conservatively assumed zero                                                                      |
|                   |                            | N <sub>2</sub> O | No        | Above ground biomass losses as a result of fire are conservatively assumed zero                                                                      |
|                   | Combustion of fossil fuels | CO <sub>2</sub>  | No        | Combustion of fossil fuels is not included                                                                                                           |
|                   |                            | CH <sub>4</sub>  | No        | Combustion of fossil fuels is not included                                                                                                           |
|                   |                            | N <sub>2</sub> O | No        | Combustion of fossil fuels is not included                                                                                                           |
|                   | Use of fertilizers         | CO <sub>2</sub>  | No        | Fertilizer application is higher in the baseline scenario compared to the project scenario. Therefore, it is conservatively omitted.                 |
|                   |                            | CH <sub>4</sub>  | No        | Fertiliser application is higher in the baseline scenario compared to the project scenario. Therefore, it is conservatively omitted.                 |
|                   |                            | N <sub>2</sub> O | Yes       | Use of fertilisers is considered in the baseline N <sub>2</sub> O emissions calculations, but no fertilisers were used in the project scenario.      |

| Source           |                         | Gas              | Included? | Justification/explanation                                                                                                                                                                                                                                |
|------------------|-------------------------|------------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  | Microbial decomposition | CO <sub>2</sub>  | Yes       | Initially, IPCC default factors will be used for the baseline and Project to estimate emissions, later in the project measurements will be performed to develop site-specific emission models, and if needed, in the reference regions for the baseline. |
|                  |                         | CH <sub>4</sub>  | Yes       | They are required unless <i>de minimis</i> or conservatively omitted. In this Project, IPCC default factors will be used to estimate CH <sub>4</sub> emissions in the baseline and Project.                                                              |
|                  |                         | N <sub>2</sub> O | No        | Excluded as per applicability condition in module BL-PEAT                                                                                                                                                                                                |
|                  | Water bodies            | CO <sub>2</sub>  | No        | All organic carbon lost in waterways is recorded as DOC.                                                                                                                                                                                                 |
|                  |                         | DOC              | Yes       | DOC values for 'drained' and 'undrained' peatlands (IPCC) are used to calculate the differences in carbon losses between baseline and Project.                                                                                                           |
|                  |                         | CH <sub>4</sub>  | No        | CH <sub>4</sub> emissions from water bodies are included                                                                                                                                                                                                 |
|                  |                         | N <sub>2</sub> O | No        | N <sub>2</sub> O emissions from water bodies are included                                                                                                                                                                                                |
|                  | Peat combustion         | CO <sub>2</sub>  | Yes       | Procedures provided in module E-BPB using IPCC combustion factors for both baseline and project scenario. If peat combustion occurs in the project scenario, it will be accounted for.                                                                   |
|                  |                         | CH <sub>4</sub>  | Yes       | Procedures provided in module E-BPB, using IPCC combustion factors for both baseline and project scenario. If peat combustion occurs in the project scenario, it will be accounted for.                                                                  |
|                  |                         | N <sub>2</sub> O | Yes       | Procedures provided in module E-BPB, using IPCC combustion factors for both baseline and project scenario. If peat combustion occurs in the project scenario, it will be accounted for.                                                                  |
| Project scenario | Deforestation           | CO <sub>2</sub>  | Yes       | If deforestation occurs in the project scenario, it will be accounted for. Values will be calculated using deforestation emission factors.                                                                                                               |
|                  | Forest degradation      | CO <sub>2</sub>  | Yes       | If forest degradation occurs in the project scenario, it will be accounted for. Values will be calculated using forest degradation emission factors.                                                                                                     |

| Source |                            | Gas              | Included? | Justification/explanation                                                                                                                                                                                                                                |
|--------|----------------------------|------------------|-----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        | Biomass burning            | CO <sub>2</sub>  | No        | Burning does not occur in the project scenario. CO <sub>2</sub> emissions from biomass burning are excluded.                                                                                                                                             |
|        |                            | CH <sub>4</sub>  | No        | Burning does not occur in the project scenario. CH <sub>4</sub> emissions from biomass burning are excluded.                                                                                                                                             |
|        |                            | N <sub>2</sub> O | No        | Burning does not occur in the project scenario. N <sub>2</sub> O emissions from biomass burning are excluded.                                                                                                                                            |
|        | Combustion of fossil fuels | CO <sub>2</sub>  | No        | Combustion of fossil fuels is excluded                                                                                                                                                                                                                   |
|        |                            | CH <sub>4</sub>  | No        | Combustion of fossil fuels is excluded                                                                                                                                                                                                                   |
|        |                            | N <sub>2</sub> O | No        | Combustion of fossil fuels is excluded                                                                                                                                                                                                                   |
|        | Use of fertilisers         | CO <sub>2</sub>  | No        | Use of fertilisers is not included                                                                                                                                                                                                                       |
|        |                            | CH <sub>4</sub>  | No        | Use of fertilisers is not included                                                                                                                                                                                                                       |
|        |                            | N <sub>2</sub> O | Yes       | Use of fertilisers is considered in the project N <sub>2</sub> O emissions calculations, but no fertilisers were used in the project scenario.                                                                                                           |
|        | Microbial decomposition    | CO <sub>2</sub>  | Yes       | Initially, IPCC default factors will be used for the baseline and Project to estimate emissions, later in the project measurements will be performed to develop site-specific emission models, and if needed, in the reference regions for the baseline. |
|        |                            | CH <sub>4</sub>  | Yes       | They are required unless <i>de minimis</i> or conservatively omitted. In this Project, IPCC default factors will be used to estimate CH <sub>4</sub> emissions in the baseline and Project.                                                              |
|        |                            | N <sub>2</sub> O | No        | Excluded as per applicability condition in module BL-PEAT                                                                                                                                                                                                |
|        | Water bodies               | CO <sub>2</sub>  | No        | All organic carbon lost in waterways is recorded as DOC.                                                                                                                                                                                                 |
|        |                            | DOC              | Yes       | DOC values for 'drained' and 'undrained' peatlands (IPCC) are used to calculate the differences in carbon losses between baseline and Project.                                                                                                           |
|        |                            | CH <sub>4</sub>  | No        | CH <sub>4</sub> emissions from water bodies are included                                                                                                                                                                                                 |
|        |                            | N <sub>2</sub> O | No        | N <sub>2</sub> O emissions from water bodies are included                                                                                                                                                                                                |
|        | Peat combustion            | CO <sub>2</sub>  | Yes       | Procedures provided in module E-BPB using IPCC combustion factors for both baseline and project                                                                                                                                                          |

| Source | Gas              | Included? | Justification/explanation                                                                                                                                                               |
|--------|------------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|        |                  |           | scenario. If peat combustion occurs in the project scenario, it will be accounted for.                                                                                                  |
|        | CH <sub>4</sub>  | Yes       | Procedures provided in module E-BPB, using IPCC combustion factors for both baseline and project scenario. If peat combustion occurs in the project scenario, it will be accounted for. |
|        | N <sub>2</sub> O | Yes       | Procedures provided in module E-BPB, using IPCC combustion factors for both baseline and project scenario. If peat combustion occurs in the project scenario, it will be accounted for. |

By checking the information and evidences available /4//11//16//25//21// and /74/ during on-site observation and by the supporting documents submitted by the PP, the audit team concluded that the appropriate carbon pools and GHG emissions sources have been considered and the description in the PD is accurate and complete, and also the selected carbon pools are justified for the proposed project activity.

CAR 12 was raised and resolved successfully. Refer Appendix 2 for the same. Documents referred /4//11//16//25//21// and /73//74//79/ and /80/.

### 3.3.4 Baseline Scenario

- The PP, for the baseline scenario assessment has used the most recent version of the CDM A/R Methodological Tool, "Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities" T-ADD, v1,. From the tool's step 1a and 1b, the PP has identified and defined the alternative land use scenarios which could occur in the absence of the RER project activity (details are mentioned in sections 3.5 and 3.4 of the validated PD /11/ and in section 3.3.5 of this report). PP identified the following six alternative land use scenarios from the outcome of sub-step 1a:
  1. Industrial Acacia plantation,
  2. Industrial oil palm plantation,
  3. Commercial selective logging,
  4. Protected forest without the benefit of carbon finance ( i.e. National Park or other protected areas),
  5. Smallholder Oil Palm Plantations, and
  6. Mining and fossil fuel extraction.
- From the overall analysis by applying the said tool, Industrial Acacia plantations is a very commercially viable land use activity in the Kampar Peninsula, primarily because there are, as noted above, three large scale pulp and paper mills that create

large scale demand for feedstock. Industrial acacia plantation activity, unlike other alternatives during the baseline period, did not have the barriers associated with the other alternatives that would have prevented them from being undertaken in the four concessions. All of the other potential activities face numerous technological, financial, legal and structural barriers. The baseline scenario of the RER-Carbon Project, its justification and key assumptions are mentioned in detail in section 3.5 of the PD and 3.3.5 of this report. The satellite imageries used for historical analysis (from 2006 – 2015) used to assess the baseline scenario was validated. Also, satellite data of the Kampar Peninsula before 2006 were also assessed and it was found that there was large scale development of Acacia Plantations.

- It was also found that the Project Area is surrounded by similar Acacia plantations and large-scale industrial plantation development land-use is the most common activity on the Kampar Peninsula. The four concessions that make up the Project Area were all Hak Pengusahaan Hutan (HPH - Natural Forest Management Permit – i.e. a licence to utilize production forest covering activities connected with cutting, transporting, planting, maintaining, securing, processing and marketing forest products) or selective logging concessions in the past. These types of concessions, in peatlands, after they have been logged over and depleted of commercial stems, are often converted to Hutan Tanaman Industri (HTI) or industrial timber plantation activity. That is the case for all of the current HTI concessions in the region surrounding the Project. Prior to the existence of the IUPHHK-RE license -the ecosystem restoration license, the only legal option for Hutan Produksi was to maintain selective logging (HPH) or conduct forestry plantation (HTI) activity. Through the interviews and checking the secondary data available, the audit team also assessed that during the baseline timeframe (2006-2015), there was intense competitive pressure on the forests to convert unproductive logging concessions to industrial plantations. During the validation process it was also found that it is reasonable to assume that without the four Ecosystem Restoration (ER) licenses, all four concessions would face risk of being developed for acacia plantation activity.
- From 2007, including the baseline period of 2006-2015, expansion of industrial plantation by 77% took place on peatlands in Riau<sup>3</sup>, primarily on what was legally considered as secondary forest. By the time Presidential Instruction 10/2011 to limit the development of new plantation concession on peatland was instituted, the momentum of plantation development activity was already in existence. Critiques arose as a result of issues such as the status of secondary forest and downward revisions after the policy was introduced<sup>4</sup>.

<sup>3</sup> Miettinen J, et al, (2016) Land cover distribution in the peatland of Peninsular Malaysia, Sumatra and Borneo in 2015 with changes since 1990, *Global Ecology & Conservation*, 67-78, p73.

<sup>4</sup> Murdiyarso D, et al. (2011) Indonesia's Forest moratorium: A Stepping Stone to Better Forest Governance?, Working Paper 76. (CIFOR, Bogor, Indonesia)

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- Overall, the procedures for identifying the baseline scenario have been correctly followed and the identified without project scenario is reasonably expected to occur. For REDD pre-deforestation forest classes using remote sensing are used to estimate AGB, and strata are the same in the baseline and the project scenario. For peatland to determine the carbon stock change between the baseline and project scenario at  $t=100$ , PP has used equations 5 – 9 of VMD0016 v1.2. on the basis of calculation of peat carbon stock difference eligible area for WRC activities was finalized. The audit team with the provided data (ER sheets, spatial/ remote sensing data and land records) and assumptions concludes that the identification of the baseline scenario are justified appropriately, supported by evidence and can be deemed reasonable. The procedures for identifying the baseline scenario have been correctly followed and the identified scenario reasonably represents what would have occurred in the absence of the project. Relevant national and/or sectoral policies and circumstances have been considered and are listed in the project description (section 1.14 of the validated PD /11/). The audit team concludes that procedures for determining the baseline are appropriate, adequate, and in compliance with Section 3.12 of VCS standard v4 and Section 6 of the applied methodology VM0007 v1.6.
  - The documentary/data evidence used in determining the baseline scenario is relevant, and correctly quoted and interpreted in the project description and all relevant national and/or sectoral policies and circumstances have been considered and are listed in the project description.
  - CAR 12 was raised and resolved successfully. Refer Appendix 2 for the same. Documents referred /11//21//42//74/ and /20/

### 3.3.5 Additionality

- The PP, for the additionality analysis the most recent version of the CDM A/R Methodological Tool, "Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities", is used.
- Following steps were followed:
- STEP 0. Preliminary screening based on the starting date of the A/R project activity
- With the documents submitted to prove the start date of the project and concession licences /20/ it is evident that the starting date of the project activity was after 31 December 1999. Also, the evidence that the incentive from the planned sale of emission reductions were seriously considered in the decision to proceed with the project activity is proved by the Ownership documents and in the concession licenses (acquired in 2012 & 2014) explicitly allow for the capture and sale of carbon. Further, the Project Owner entered into contractual arrangements before the Project start date to undertake carbon development activities including a carbon assessment report with the four land owners /20/. The planning of the assessment began in Q4 2014 and preliminary field surveys were conducted during the months of April-December 2015

- 
- STEP 1. Identification of alternative scenarios to the project activity
  - Sub-step 1a. Identify credible alternative land use scenarios to the proposed CDM project activity
  - This step includes identifying the credible land-use scenarios for the Project Area and assessing the consistency of each scenario based on local regulations. Six scenarios were analysed
    1. Industrial Acacia plantation,
    2. Industrial oil palm plantation,
    3. Commercial selective logging,
    4. Protected forest without the benefit of carbon finance ( i.e. National Park or other protected areas),
    5. Smallholder Oil Palm Plantations, and
    6. Mining and fossil fuel extraction.
  - **Outcome:** The analysis shows apart from mining all the other 6 alternative land use scenarios are feasible.
  - In the case for fossil fuel extraction continues to take place in Kampar and is a credible alternative from a land-use perspective. Mining, however, on an industrial scale is absent from the Kampar Peninsula, and although common in Riau Province, is not a credible alternative land-use in the Project Area.
  - Also, from 2007, including the baseline period of 2006-2015, there was 77% increase of new plantations on peatlands in Riau province<sup>i</sup>, primarily on what was legally considered as secondary forest. By the time Presidential Instruction 10/2011 to limit the development of new plantation concession on peatland was instituted, the momentum of plantation development activity was already in existence. Critiques arose as a result of issues such as the status of secondary forest and downward revisions after the policy was introduced<sup>ii</sup>. It is also reported that the surge in the demand of pulp and paper industries may drive deforestation in the region.<sup>5</sup> .
  - Sub-step 1b. Consistency of credible land use scenarios with enforced mandatory applicable laws and regulations
  - This step is to demonstrate that all land use scenarios identified in the sub-step 1a: are in compliance with all mandatory applicable legal and regulatory requirements.
  - **Outcome:** from the analysis it was found that Industrial Acacia Plantation, Commercial Selective Logging, Protected Forests Without Carbon Crediting and Fossil Fuel Extraction alternative land use scenarios are in compliance with

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<sup>5</sup> <https://news.mongabay.com/2021/03/indonesia-pulp-paper-new-investment-demand-deforestation/>

mandatory legislation and regulations taking into account their enforcement in the region. Alternative Industrial Oil Palm Plantation and four would violate applicable enforced mandatory legislation and regulations; and hence, these two alternatives were excluded from further analysis.

- STEP 2. Barrier analysis
- This step is to identify barriers and to assess which of the land use scenarios identified in the sub-step 1b are not prevented by the identified barriers
- Sub-step 2a: Identification of barriers that would prevent the implementation of at least one alternative land use scenarios.
- The project identified five main barriers that would have prevented the project activity that was present when the project was initially considered as a carbon project (before the start date) and at the time when the Project Owner was working to acquire the newly created IUPHHKE-RE license for the four concessions. The following are the five main barriers identified:
  1. Investment barrier
  2. Institutional barrier
  3. Technological barrier
  4. Barriers related to local conditions, and
  5. Barriers due to prevailing practices
- Sub-step 2b: Elimination of land use scenarios that are prevented by the identified barriers
- This step is to determine which land use scenarios identified in the Sub-step 1b are prevented by at least one of the barriers listed in sub-step 2a.
- From the analysis done by the PP it has been proved that Commercial Selective Logging faces an inability to acquire capital, regulatory barriers, but most importantly, barriers based on local conditions, i.e. commercial timber of insufficient quantity and located on deep peat. It is therefore not a credible alternative land-use scenario. Protected forest without the benefit of carbon finance ( i.e. National Park or other protected areas), faces barriers such as lack of funding, lack of local community support, and a strong likelihood of encroachment. Hence, this land-use scenario is deemed not credible. Fossil Fuel Extraction faces lack of a license and no proven fossil fuel reserves in the Project Area. Hence, this land-use scenario is deemed not credible as well. Only Industrial Acacia Plantation faces no barriers identified in sub-step 2a and hence is the only alternative land use scenario which is possible in the BAU scenario.
- Sub-Step 2c. Determination of baseline scenario (if allowed by the barrier analysis)
- The decision to determine the outcome of the step is as follows:

- 
- Is forestation without being registered as carbon project activity included in the list of land use scenarios that are not prevented by any barrier? → No. The alternative baseline scenario of Protected Forests (without the benefit of carbon financing) is included in list from Sub-step 2a, but it is prevented by the identified barriers. Subsequent to the analysis of Sub-step 2b, there is only one remaining land use scenario, that of industrial Acacia plantation activity.
  - If no, then continue with Step 3: Investment analysis. -
  - If NO then: Does the list contain only one land use scenario? → YES
  - if YES, then the remaining land use is the baseline scenario. Continue with Step 4: Common practice test (Because a single credible land use scenario was identified through the analytical steps described above, a detailed investment analysis is not required by the A/R tool.)
  - STEP 4. Common practice analysis
  - The project activity, alternative 4 (listed in section 1a), involving sufficient financing and effective implementation of RER project is not common practice. The PP has clearly-demonstrated financial and other barriers in step 2 above. The investment analysis was prepared by the PP and the results was audited during the validation. The results support the identification of industrial Acacia plantation (alternative 1) as being the most likely and most profitable use on the areas legally classified as production forest.
  - Also, the only APD / WRC projects that are comparable is the Sumatra Merang Peatland Project in South Sumatra, however at 22,000 ha, the RER Project is 83% larger and covers a more complex landscape. The only comparable project to the RER Project in all of Indonesia is the Katingan Peatland Restoration & Conservation Project, a VCS APD project in Central Kalimantan. There are no other avoided deforestation projects that have succeeded in Indonesia. The RER Project based on its scope and scale is not a common project activity.
  - All the steps are explained in detail in section 3.5 of the validated PD.
  - From the above analysis it is concluded that the project is not viable in BAU scenario, and additional financial support is required to develop, implement and sustain the project.
  - CAR 13 was raised and resolved successfully. Refer appendix 2 for the same. Documents referred /11//21//9//42//74/ and /20/.

### 3.3.6 `Quantification of GHG Emission Reductions and Removals

- Baseline emissions
- The Projects baseline emissions and carbon stock assumptions were assessed based on an analysis of the likeliest baseline scenario. Accounted emissions resulted from the following:

- 
- - Avoided deforestation
    - Avoided microbial peat decomposition
    - Avoided organic carbon dissolved from water bodies
  - The Project assumes that no non-human-induced rewetting of the peatland would have occurred under the baseline scenario. Examples of such rewetting includes:
    - Avoided wetland degradation through avoided drainage and avoided plantation development.
    - Dike or canal collapses, which would have closed naturally over time, and
    - Any progressive subsidence resulting in a raising of relative depths in the water table, increasingly thinner aerobic layers, and reduced CO2 emission rates.
  - The audit team checked the assumptions made by the PP and found that they are based on verifiable scientific experience for the local area and published scientific documentation. All such assumptions and calculations were made on a conservative basis.
  - The Project will undertake the following activities
    - **RWE – Restoration of drained peatland with no avoiding planned deforestation** - The RWE activity encompasses landscapes that have been drained by legacy canals and which will be rewetted by a program of canal blocking. There is no planned deforestation under this scenario because the areas are either in non-forest or are forested without any planned deforestation.
    - **RWE+REDD - Restoration of drained peatland with avoiding planned deforestation** - The RWE+REDD activity encompasses landscapes that have been drained by legacy canals and which will be rewetted by a program of canal blocking. 100% of the RWE+REDD area will have planned deforestation under this scenario.
    - **CIW – Avoiding wetland degradation with no avoiding planned deforestation** - The CIW activity encompasses landscapes that are undrained, and which will be avoiding drainage under the project. The area has no forest cover and is therefore ineligible for REDD.
    - **CIW+REDD - Avoiding wetland degradation with avoiding planned deforestation** - The CIW+REDD activity encompasses landscapes that are undrained and which 100% of the area will be avoiding wetland drainage and avoiding deforestation under the project.
    - The remote sensing data of all the areas falling under the above four categories in the project area concessions were validated /73//80//16// and /17/ and it was confirmed that the land use and respective activities selected are correct and as per the standard practice and guidelines.
    - Under methodology VM0007 /8/, modules BL-PL v1.3 /66/ and BL-PEAT v1.1 /70/ GHG emissions reductions and removals are quantified using a series of several steps: identification of spatial and temporal boundaries, estimation of annual areas

of planned deforestation and estimation of carbon stock changes and GHG emissions.

- The project boundaries selected are discussed in section 3.3.3 above and in section 3.3 of the validated PD /11/.
- For historical analysis PP has used remote sensing and GIS data from the year 2006-2015. For the historical analysis cloud free Landsat images were used. The land cover class analysis was conducted using supervised classification with training points using 169 inventory plots. The data acquisition, pre-processing, classification and accuracy assessment methods followed the steps outlined in selection of proxy areas (in section 4 of the validated PD /11/).
- The Project has appropriately included baseline emissions calculations in the PD Section 4. The Project has used VM0007 (REDD-MF), VMD0006 (BL-PL) and VMD0042 (BL-PEAT) to assess the Project's baseline. Data and parameters selected for spatial and temporal boundaries were found to be properly selected and calculated accurately from verifiable sources. The audit team checked all processes for estimation of projected baseline emissions following BL-PL and BL-PEAT and confirmed the accuracy of remote sensing analysis.
- Selection of proxy areas
- The project does not have a government approved verifiable plan for the rate of deforestation; therefore, module BL-PL was followed to determine deforestation and to calculate leakage with a baseline deforestation rate. Six proxy areas were selected to determine the rate of deforestation. BL-PEAT also requires the use of a proxy analysis. The following criteria for applicability of proxy areas for determination of deforestation rate was confirmed by the validation team.

| • Criteria                                                                                                                  | • Audit finding                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land conversion practices must be the same as those used by the baseline agent or class of agent                            | <ul style="list-style-type: none"> <li>• The validation team reviewed proxy areas selected by the project and confirmed that land conversion practices include industrial acacia plantation. And hence, proved that land conversion practices must be the same as those used by the baseline agent</li> </ul> |
| The post-deforestation land use must be the same in the proxy areas as expected in the project area under business as usual | <ul style="list-style-type: none"> <li>• The validation team reviewed proxy areas and confirmed using remotely sensed imagery /17/ that the post land uses are the same.</li> </ul>                                                                                                                           |
| The proxy areas must have the same management and land use rights type as the                                               | <ul style="list-style-type: none"> <li>• The proxy areas were reviewed, and the validation team confirmed that the same management /39/ and</li> </ul>                                                                                                                                                        |

|                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>proposed project area under business as usual</p>                                                                                                                                                                                                                                                                                                 | <p>land use rights type as the proposed project area under business as usual. All the proxy areas are operated by APRIL Group. Also, under the Indonesian legal requirements, concession holders are required to have a financial and management plan for the concession specific land use type and would be granted for a specific land use type, ensuring the same management and land use rights type as the proposed project area under business as usual.</p>                                                                                                                             |
| <p>If suitable sites exist they must be in the immediate area of the project; if an insufficient number of sites exists in the immediate area of the project, sites must be identified elsewhere in the same country as the project; if an insufficient number of sites exists in the country, sites must be identified in neighboring countries</p> | <ul style="list-style-type: none"> <li>The validation team reviewed the selected proxy areas during site visit and through satellite imageries /17/. The proxy areas selected were all concessions operated by APRIL Group, which were located on the Kampar Peninsula immediately adjacent to and surrounding the RER Project Area. The PP a similarity analysis using multiple reputable datasets which were examined and confirmed by the validation team.</li> </ul>                                                                                                                       |
| <p>Agents of deforestation in proxy areas must have deforested their land under the same criteria that the project lands must follow (legally permissible and suitable for conversion—see section 1.1 above).</p>                                                                                                                                    | <ul style="list-style-type: none"> <li>The proxy areas are all pulp and paper concessions in Indonesia whose licenses were granted between 2000 and 2010. The proxy areas selected were all concessions operated by APRIL Group, which were located on the Kampar Peninsula immediately adjacent to and surrounding the RER Project Area. The proxy areas were selected as per the requirement of the module BL-PL v1.3. To determine the remaining concessions met the forest type and forest cover percentage criteria as mentioned in the applied methodology, medium-resolution</li> </ul> |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | satellite imagery was used. Remote sensing data analysis and quantification of emission reductions shows that conservative approach was considered for selection of proxy areas. It was validated and confirmed during the site visit that agents of deforestation in proxy areas have deforested their land under the same criteria that the project lands must follow (legally permissible and suitable for conversion).                                                                                                                                                                                                                                                                                                                                                                                                                    |              |                              |                    |                             |           |                   |                                  |                                                        |                                                   |                                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------|--------------------|-----------------------------|-----------|-------------------|----------------------------------|--------------------------------------------------------|---------------------------------------------------|----------------------------------------------------|
| Deforestation in the proxy area must have occurred within the 10 years prior to the baseline period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <ul style="list-style-type: none"> <li>The validation team reviewed proxy area data and confirmed against the available data that the proxy areas converted to industrial acacia production forest within the ten years prior to the start date.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                              |                    |                             |           |                   |                                  |                                                        |                                                   |                                                    |
| <p>The three following conditions must be met:</p> <p>The forest types surrounding the proxy area or in the proxy area prior to deforestation must be in the same proportion as in the project area (<math>\pm 20\%</math>).</p> <p>Soil types that are suitable for the land-use practice used by the agent of deforestation in the project area must be present in the proxy area in the same proportion as the project area (<math>\pm 20\%</math>). The ratio of slope classes “gentle” (slope <math>&lt;15\%</math>) to “steep” (slope <math>\geq 15\%</math>) in the proxy areas must be (<math>\pm 20\%</math>) the same of the ratio in the project area.</p> <p>Elevation classes (500m classes) in the proxy area must be in the same proportion as in the project area (<math>\pm 20\%</math>).</p> | <p>The audit team confirmed through remote sensing and GIS data and conforms that the project meets the module’s requirement.</p> <table border="1"> <thead> <tr> <th>Project area</th><th>Reference region Requirement</th></tr> </thead> <tbody> <tr> <td>89.8% forest cover</td><td>At least 79.1% forest cover</td></tr> <tr> <td>100% peat</td><td>At least 80% peat</td></tr> <tr> <td>100% of area in the 0-500m class</td><td>At least 80% of the area must fall in the 0-500m class</td></tr> <tr> <td>100% of area has “gentle” (slope <math>&lt;15\%</math>) slopes</td><td>At least 80% of the area must have “gentle” slopes</td></tr> </tbody> </table> <p>In addition, the audit team cross checked the results against the available online data /24//25//73/ and /74/ which corroborated the results reported in the PD.</p> | Project area | Reference region Requirement | 89.8% forest cover | At least 79.1% forest cover | 100% peat | At least 80% peat | 100% of area in the 0-500m class | At least 80% of the area must fall in the 0-500m class | 100% of area has “gentle” (slope $<15\%$ ) slopes | At least 80% of the area must have “gentle” slopes |
| Project area                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Reference region Requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |              |                              |                    |                             |           |                   |                                  |                                                        |                                                   |                                                    |
| 89.8% forest cover                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | At least 79.1% forest cover                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |              |                              |                    |                             |           |                   |                                  |                                                        |                                                   |                                                    |
| 100% peat                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | At least 80% peat                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |              |                              |                    |                             |           |                   |                                  |                                                        |                                                   |                                                    |
| 100% of area in the 0-500m class                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | At least 80% of the area must fall in the 0-500m class                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |              |                              |                    |                             |           |                   |                                  |                                                        |                                                   |                                                    |
| 100% of area has “gentle” (slope $<15\%$ ) slopes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | At least 80% of the area must have “gentle” slopes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |                              |                    |                             |           |                   |                                  |                                                        |                                                   |                                                    |

- In determining the conformance to the above criteria, the audit team performed an assessment of the remote sensing analysis to ensure best practices were followed as described IPCC GPG 2006. The audit team observed the replication of the process for preparing imagery for analysis and were able to confirm that best

practices were followed, as all Landsat imagery was appropriately downloaded from USGS, and met best practice accuracy requirements.

- The audit team selected one proxy area (PT. Essa Indah Timber (Serapung)) for an independent analysis. Using online resources /73//74/ the audit team was able to confirm that project meet all the criteria of proxy area selection as mentioned in BL-PL module v1.3. In addition, the audit team used the Ministry of Forestry concession database to calculate soil characteristics.
- The deforestation agents in this case are the forest plantation companies in Indonesia who manage IUPHHK-HT licenses for the development of plantations. There are numerous companies of this type in Sumatra, Kalimantan and Papua. In Riau Province alone there are 54 companies operating IUPHHK-HT licenses (mentioned in table 59 of the PD/11/).
- The baseline planned deforestation was calculated in the six proxy areas selected using the equation number 4 of module VMD0006 BL-PL. The average projected annual proportion of land that will be deforested in the proxy areas is 8.46% (which is between the range of deforestation rates of the 6 proxy areas (weighted average of all of the proxy areas divided by the number of years))
- The proxy areas selected were all concessions operated by APRIL Group, which were located on the Kampar Peninsula immediately adjacent to and surrounding the RER Project Area. Since all plantation concessions are designated as production forest, are under the management of the APRIL Group for the entire duration of the concession license, the likelihood of plantation development (L-Di) is assumed to be equal to 100%. Audit team has checked the ownership and other legal and management documents of the proprietary concession and hence concluded that the likelihood is correctly mentioned in the PD.
- All the 6 proxy (criteria outlined in Part 1 step 1.5 of module BL-PL VMD0006 v1.3) areas showed clear signs of continued deforestation and plantation activities for all three time-steps. Furthermore, APRIL has “directly applicable existing data” generated from its own and its supply partner’s operating records that show that none of the proxy areas have been abandoned. The audit team checked remote sensing data and verified management, operational and financial records of APRIL group which shows there is no risk of abandonment.
- The annual area of deforestation in the RER Project baseline is 8.2% over 7 years. Although the annual deforestation in the baseline plan varies year on year to accommodate practical considerations of plantation development and on the ground constraints.
- The baseline emissions from WRC activities were estimated as per the applied methodology and module BL-PEAT. The IPCC default values used (for CO<sub>2</sub>, CH<sub>4</sub> and dissolved organic carbon (DOC)) to calculate emissions from drained peat soil and equations and calculations were reviewed and checked. And the audit team confirmed that the default values considered and approach followed are in

conformance with the applied methodology, guidelines and modules. Emissions from peat burning is not included as it is considered optional and also as there is no significant history or threat of peat or biomass burning in the baseline period.

- Baseline carbon stock change estimation was done as per the process mentioned in VMD0006 (BL-PL) module v1.3. Stock changes in each carbon pools selected where done. The PP has provided clear and step wise approach as per the methodology and the applied tool to calculate the baseline carbon stock change. For the project activity AGB, BGB and peat carbon pools were considered. PP has used equations 6, 8 and 14 to calculate the carbon stock change in the baseline. For stratification VMD0016 (X-STR) v1.2 has been applied.
- **AGB** - Above ground biomass was sampled using 169 sampling plots distributed across the project area. For the purposes of AGB stratification, PP has combined Peat Dome Forest, Dense Swamp Forest, Medium Swamp Forest, and Sparse Swamp Forest into a single class called Swamp Forest Vegetation. Non-Forest and Water Bodies have been combined into the classification of "Non-forest vegetation". The suitability of the classification was assessed using standard ANOVA and Scheffé's method. The ANOVA indicates that the model (stratification) was significant at 95% confidence level. The Scheffé analysis demonstrated that all post hoc differences between means were significant at 95% confidence level. The result conforms to VM0007 methodology and module VMD0015 (M-REDD) which requires a 90% map accuracy in the classification of forest and non-forest categories. Equation 1 of module VMD0001 CP-AB has been used to calculate the AGB.
- The AGB carbon stock of the Project Area was found to be 7,768,160 tC for the forest stratum. No above-ground forest-related carbon for the non-forest stratum was assumed.
- The audit team assessed some samples during site visit and also through remote sensing procedures for determining land use classes and confirmed the accuracy for forest through reviewing the process. Through the validation of selected samples, the audit team confirms that the data are consistent with the results reported in the mentioned in the PD /11/ and excel sheets /12/. The uncertainty value was also recalculated and confirmed.
- **BGB** - For BGB assessment 443 plots were assessed through three peatland surveys. To create a surface elevation map (Digital Elevation Model, DEM), LiDAR data was used. Peat thickness was then modelled based on spatial interpolation (Kriging method) of inputs from peat thickness points. The ANOVA indicates that the regression model (stratification) was significant at 95% confidence level. The coefficient estimate was significant at 95% confidence level. The peat depth model and the regression parameters are significant at 95% confidence level and provide an accurate and precise predictor of peat soil depth in accordance with X-UNC.
- This sampling design selected fulfils the requirements described in the VCS methodology VM0007 modules VMD0042 (M-PEAT) and VMD0016 (X-STR).

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- **PDT** - The peat depletion time (PDT) was analysed and it was assessed that 0% of the peatland in the project area are expected to deplete before reaching the end of the 57-year crediting period, 100% are likely to exceed the peat depletion time of 100 years.
  - **Identification of drained and non-drained peatland** - Satellite imagery and ground-truthing activity in the RER Project Area has shown that there are 146 km of legacy canals from prior selective logging operations. Both legal and illegal logging activities took place on the Kampar and in the RER Project area. This was validated and verified during the site visit and analysis of remote sensing and GIS data by the audit team.
  - The audit team reviewed the delineation of drained and non-drained was reviewed who confirmed that the approach taken by PP is consistent with the applied methodology and module. The audit team further validated the boundaries through an independent sampling of peat in the field and also through the remote sensing analysis. Also, peat thickness was determined by field sampling and remote sensing analysis exercise across the dome and confirmed the results mentioned by the PP in PD /11/ and ER sheets /12/ is accurate for the sampling points
  - The locations of dams were checked during the site visits and through remote sensing and GIS data submitted by the PP. the validation conforms that the locations is correctly mentioned in the PD /11/.
  - **Peat carbon stock** - PP has used equation from Warren (2017) to calculate carbon stock in peat (C peat
  - $C_{peat} = V * C_d$  (Source: Warren et al. 2017)

$C_d$  for Riau = 52.08 Kg C m<sup>-3</sup>

- The biomass calculated in the three peat strata was calculated is 566,986,235 tC (mentioned in table 45 and 48 of the validated PD /11/).
- The combined carbon stock of the Project Area for above ground biomass from trees and below ground carbon stock from peat is estimated to be 574,754,394 tonnes of carbon.
- - Carbon fraction of tree biomass CF = 0.47 t C taken from IPCC 2006 (doc. Ref. 65);
- - Ratio CO<sub>2</sub>/C = 44/12,
- All GHG other than CO<sub>2</sub> were excluded from the estimations for conservativeness. Stock changes in above ground biomass are emitted at the time of deforestation. Following deforestation, emissions from below ground biomass are calculated as being emitted at an annual rate of 10% of stock change for 10 years. Equation 13 is used for REDD baseline emission of VMD0006 BL-PL
- This was validated and verified during the site visit and analysis of remote sensing and GIS data by the audit team.

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- The audit team recalculated the uncertainty analysis for each selected carbon pool and confirmed the calculations are correct and in line with the methodology and associated modules. The audit team confirms that for measurement of carbon stocks; sufficient measurement plots has been included to achieve this precision of 95% level across the measured stocks.
  - Apart from the field surveys during site visit, the forest biomass and carbon plots estimate were also verified using high resolution Sentinel-2 L2A canopy density information derived using NDVI, under Dense, Moderate, Sparse, Open and no-vegetation categories. Hence, overall based on the analysis it is verified the baseline information used on forest carbon and health were precise. The canal and dam intervention were also identified and verified using high resolution sentinel images, along with field-based reporting. The spatial analysis confirms all the samples selected for validation are accurate showing location of canal and dam from main river areas.
  - Project emissions

The ex-ante and ex-post emissions calculation are similar and almost same steps are followed. The stratification follows the same procedures and was recalculated by the audit team to confirm the strata areas reported by in the validated PD /11/. The PP has appropriately included project emissions calculations in the PD as per VM0007 Project scenario emissions accounted for AGB stock changes due to REDD, and water table changes and microbial peat decompositions due to WRC.

Planned Project Activities in relation to climate were:

1. Drained peatland rewetting,
2. Existing undrained peatland conservation,
3. Revegetation,
4. Deforestation and forest degradation avoidance, and
5. Fire control and prevention for nil burning.

- The ex-ante project emissions parameters and calculation is in line with the monitoring modules mentioned in the applied methodology and checked as accurate. Data and parameters for calculating and reporting project scenario ex-ante values were individually confirmed to be correct for project area concessions boundaries. The audit team reviewed a sample of project data for each of the emissions reported in the PD and confirmed that the emissions have been calculated accurately and the inputs used are consistent with those verified in the baseline scenario. The audit team confirms with a reasonable level of assurance that the ex-ante emissions have been reported accurately.
- 
- Leakage Emissions

- Leakage due to project activities is calculated as per module VMD0009 LK-ASP v1.3 (as the Project may cause activity shifting of avoided planned deforestation) and module VMD0044 LK-ECO v1.1 (The Project is categorized as WRC and may cause ecological leakage).
- The audit team reviewed the rationale mentioned in the PD /11/ and calculation done in the excel sheets /12/ and steps taken and confirmed that the project reported leakage value is correct. The annual ex-ante leakage due planned conversion to industrial Acacia plantations may cause to activity shifting leakage and resulting peatland drainage may cause ecological drainage were individually checked for correctness and found to be accurate.
- The total baseline, project and leakage emissions estimated during the project lifetime are mentioned in the table below:

| • Total baseline emissions | • Total project emissions | • Total leakage emissions |
|----------------------------|---------------------------|---------------------------|
| • tCO <sub>2</sub> e       | • tCO <sub>2</sub> e      | • tCO <sub>2</sub> e      |
| • 347,584,166              | • 17,99,282               | • 0                       |

- 
- Net emission reductions and removals (NERs)
- The NER is calculated as per the applied methodology VM0007 REDD+MF v1.6. The audit team confirmed that NER have been estimated in accordance with steps and equations mentioned in section 8.4 of the latest version of the applied methodology. The calculation were carefully analysed for accuracy according to the methodology.
- **Uncertainty** - The level of uncertainty was found to be 8.6% which in line with the requirements of VSC methodology VM0007 and module VMD0017 (X-UNC). Since, the project level uncertainty falls below the 15% uncertainty threshold, so no VCU deductions were made due to uncertainty are due which is in line with requirement of Part 6 of X-UNC module.
- **Pooled Buffer** – The audit team checked and recalculated the buffer estimated for the project activities. The audit team confirms that the calculation is as per section 8.4.5 of the applied methodology VM0007+MF v1.6. AFOLU Non-Permanence Risk Tool v4 has been used to assess the non-permanence risk buffer. The assessment determined that the combined non-permanence risk rating for the project is 10%.
- **VCUs** - The estimated GHG credits eligible for issuance as VCUs has been calculated in line with section 8.4.7 of the latest version of the applied methodology VM0007. The project has used proper parameters and resulted in an accurate estimate of ex-ante total emissions reductions.

The excel sheet submitted by the PP was evaluated and found to appropriate and in line with the applied methodology.

|                | <b>Ex ante net anthropogenic GHG emission reductions</b><br>tCO2e                          | <b>Ex ante VCUs tradable</b><br>tCO2e | <b>Ex ante buffer credits</b><br>tCO2e |
|----------------|--------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------------|
| <b>Total</b>   | 345,784,883<br>(With net emissions adjustment factor as per the start date is 343,160,779) | 307,122,766                           | 34,578,488                             |
| <b>Average</b> | 60,20,365                                                                                  | 53,88,119                             | 6,06,640                               |

- 
- Overall, the PP has followed the exact steps mentioned in the latest version of the applied methodology and modules. The steps have been applied correctly to calculate baseline emissions, project emissions, leakage and net GHG emission reductions and removals for the baseline period. The quantification of related emissions are described in detail in section 4 of the validated PD /12/.
- The audit team can confirm that the PD /11/ and the ER excel sheets /12/ contains a very high level of detail regarding the calculation of GHG emission reductions, such that the following are true:
  - All relevant assumptions and data are listed in the project description, including their references and sources
  - All estimates of the baseline emissions, project emissions, leakage and net emissions reduction calculation (NERs) are clearly stated in the PD.
- CAR 14, 16, 17, 18 and 19 were raised and are resolved successfully. Refer appendix 2 for the same. Documents referred /11//12//16//17//18//19//25//27//28//27//58//74//73//79/ and /80/.

### 3.3.7 Methodology Deviations

- The PD has two deviations from the applied methodology.
- First Deviation - The deviation only relates to the procedure for measurements of the peat depth and does not relate to any other part of the methodology. The RER Project has temporarily deviated from the peat depth measurement requirements of

VMD0016 – Methods for Stratification of the Project Area (X-STR) v1.2 because it was not available at the time the Project undertook its peat depth sampling efforts.

- The temporary deviation is also appropriate as it is not reasonable to have the Project reassess its peat map where it is clear that such a re-assessment will have no impact whatsoever on the GHG emission reductions or removals.
- Second Deviation - The Project has opted to exclude a number of emissions from the Baseline and the Project. Each exclusion are explained in sub-section 3.6.2 of the PD. These omissions might be considered deviations/alterations from the methodology. VM0007 and its modules allow for the exclusions, however, for transparency purposes, the Project has opted to include these exclusions in this section. All of the exclusions are conservative and only relate to the measurement of emissions, they do not relate to any other aspect of the methodology.
- The Project has not undertaken any other deviations from the VM0007 methodology or any of the related modules relating to the criteria and procedures for monitoring or measurement. It was concluded by the audit team that the methodology deviation is appropriate and the deviation will achieve the same level of accuracy or is more conservative than what is set out in the methodology. Methodology deviations does not negatively impact the conservativeness of the quantification of emissions and emissions reductions.
- CAR 15 was raised and resolved successfully. Documents referred /2/.

### 3.3.8 Monitoring Plan

The audit team checked all parameters presented in the monitoring plan against the requirements of the methodology and was found okay.

The monitoring plan in section 5.3.1 of the validate PD /11/ is confirmed as designed according to the methodology and applicable tool. APRIL activity in Riau Province being PEFC certified, has in situ, a set of procedures and systems in place (verified annually during the PEFC verification audits) that regulate the management of documents, the procedures for verification and validation, etc. The RER and APRIL management staff are responsible for the monitoring of project. The quality assurance and quality control (QA/QC) systems already in place and was checked by the audit team.

The monitoring responsibilities and competencies of each technical staff is mentioned in section 5.3.6 of the PD /11/. To increase the effectiveness and efficiency of the monitoring practices the monitoring plan incorporates the latest scientific findings and new technologies as they become available. The details of monitoring plan /59/ and frequency of project activities is mentioned in section 5.3 of the validated PD/11/ which is also in line with the latest version 1.6 of the applied methodology.

The Project therefore aims to achieve a target precision level for its monitoring at a 95% confidence interval, +/- 10%. In the case where monitoring not achieve the target precision requirements, then PP will conduct additional monitoring until the targets are met.

An identification of the parameters to be monitored, and a description of the steps taken to validate the correctness of monitoring procedures, is provided below.

| Sl. No. | Data/Parameter                     | Unit                | Description                                                                                                 | Determination method                                                                                                |
|---------|------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| 1       | N                                  | Dimensionless       | Number of sample points                                                                                     | Measured and calculated as per the requirements of CP-AB Module v1.1                                                |
| 2       | DBH                                | cm                  | Diameter at breast height of a tree in cm                                                                   | Measured and calculated as per the requirements of CP-AB Module v1.1                                                |
| 3       | H                                  | m                   | Total height of tree                                                                                        | Measured and calculated as per the requirements of CP-AB Module v1.1                                                |
| 4       | $\Delta C_{WPS-REDD}$              | t CO <sub>2</sub> e | Net GHG emissions in the REDD project scenario up to year t                                                 | Calculated according to requirements of the M-REDD Module v2.2                                                      |
| 5       | $\Delta C_{LK-AS,planned}$         | t CO <sub>2</sub> e | Net greenhouse gas emissions due to activity shifting leakage for projects preventing planned deforestation | Calculated according to requirements of the LK-ASP Module v1.3                                                      |
| 6       | $GHG_{WPS-WRC}$                    | t CO <sub>2</sub> e | Net GHG emissions in the WRC project scenario up to year t                                                  | Calculated according to requirements M-PEAT Module v1.1                                                             |
| 7       | $GHG_{LK-ECO}$                     | t CO <sub>2</sub> e | Net GHG emissions due to ecological leakage from the WRC project activity up to year t                      | NA. No ecological leakage found due to project activity. This will be re-assessed at the time of baseline updation. |
| 8       | $C_{ABtree,Dense\ swamp\ forest}$  | t C                 | Carbon stock in aboveground biomass of trees in plot sp. in stratum i                                       | Calculated according to requirements CP-AB Module v1.1                                                              |
| 9       | $C_{ABtree,Medium\ swamp\ forest}$ | t C                 | Carbon stock in aboveground biomass of trees in plot sp in stratum i                                        | Calculated according to requirements CP-AB Module v1.1                                                              |
| 102     | $C_{ABtree,Sparse\ swamp\ forest}$ | t C                 | Carbon stock in aboveground biomass of trees in plot sp in stratum i                                        | Calculated according to requirements CP-AB Module v1.1                                                              |

|    |                                     |                                     |                                                                                                                                                                                                                                               |                                                                                                                                                     |
|----|-------------------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| 11 | $C_{ABtree,peat\ dome\ forest}$     | t C                                 | Carbon stock in aboveground biomass of trees in plot sp in stratum i                                                                                                                                                                          | Calculated according to requirements CP-AB Module v1.1                                                                                              |
| 12 | $A_{planned,i}$                     | Ha                                  | Total area of planned deforestation over the entire project lifetime for stratum i                                                                                                                                                            | Data sources or own measurements. Calculated according to requirements of the LK-ASP Module v1.3                                                    |
| 13 | $\Delta C_{BSL,i}$                  | t CO <sub>2e</sub> ha <sup>-1</sup> | Net carbon stock changes in all pools in the baseline stratum i                                                                                                                                                                               | Calculated according to requirements of the BL-PL module v1.3                                                                                       |
| 14 | Project Forest Cover Monitoring Map | Dimensionless                       | Map showing the location of forest land within the project area at the beginning of each monitoring period. If within the Project Area some forest land is cleared, the benchmark map must show the deforested areas at each monitoring event | Calculated according to requirements M-REDD Module v2.2                                                                                             |
| 15 | $A_{DefPA,i,u,t}$                   | Ha                                  | Area of recorded deforestation in the project area in stratum i converted to land use u at time t                                                                                                                                             | Remote sensing imagery, Calculated according to requirements M-REDD Module v2.2                                                                     |
| 16 | $F_{LU}$                            | Dimensionless                       | Land use factor before or after conversion                                                                                                                                                                                                    | Stock Change Factors are provided in Tables 5.5, 5.10, and 6.2 of the IPCC 2006GL Volume 4, Calculated according to requirements M-REDD Module v2.2 |
| 17 | $F_{MG}$                            | Dimensionless                       | Management factor before or after conversion                                                                                                                                                                                                  | Stock Change Factors are provided in Tables 5.5, 5.10, and 6.2 of the IPCC 2006GL Volume 4, Calculated according to requirements M-REDD Module v2.2 |
| 18 | $F_I$                               | Dimensionless                       | Input factor before or after conversion                                                                                                                                                                                                       | Stock Change Factors are provided in Tables 5.5, 5.10, and 6.2 of the IPCC 2006GL Volume 4. Calculated according to requirements M-REDD Module v2.2 |

|    |                                                     |                                                |                                                                                                                                                                                                                                             |                                                                                                                                                                                                   |
|----|-----------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 19 | $\text{Rate}_{\text{peatloss-WPS},i,t}$             | $\text{m yr}^{-1}$                             | Rate of peat loss due to subsidence and fire in the project scenario in stratum $i$ in year $t$                                                                                                                                             | Calculated according to requirements M-PEAT Module v1.1                                                                                                                                           |
| 20 | $\text{AWPS},i,t$ or $\text{Ai},t$                  | Ha                                             | Area of project stratum $i$ in year $t$                                                                                                                                                                                                     | Own assessment, GIS coverages, ground survey data and/or remote imagery (satellite or aerial photographs).<br><br>Calculated according to requirements M-PEAT Module v1.1 and BL-PEAT Module v1.1 |
| 21 | $\text{UREDD},\text{WPS},\text{SS},i,\text{pool}\#$ | %                                              | Percentage uncertainty (expressed as 95% confidence interval as a percentage of the mean where appropriate) for carbon stocks and greenhouse gas sources in the project case (1, 2...n represent different carbon pools and/or GHG sources) | Calculated according to requirements X-UNC Module v2.2                                                                                                                                            |
| 22 | $\text{GHG}_{\text{peat burn-WPS},i,t}$             | $\text{t CO}_2\text{e ha}^{-1} \text{ y}^{-1}$ | CO <sub>2</sub> emissions from burning of peat within the project boundary in the project scenario in stratum $i$ in year $t$                                                                                                               | Calculated according to requirements BL-PEAT Module v1.1                                                                                                                                          |
| 23 | $\text{GHG}_{\text{proxy-CO}_2,i,t}$                | $\text{t CO}_2\text{e ha}^{-1} \text{ y}^{-1}$ | Soil emission of CO <sub>2</sub> as per the chosen proxy in stratum $i$ at year $t$                                                                                                                                                         | The estimation of GHG emissions in rewetted (for RPD projects) or undrained or partially drained (for CUPP projects) peat follows similar procedures as described in Module <i>BL-PEAT V1.1</i> . |
| 24 | $\text{GHG}_{\text{proxy-CH}_4,i,t}$                | $\text{t CH}_4 \text{ ha}^{-1} \text{ y}^{-1}$ | Soil emission of CH <sub>4</sub> as per the chosen proxy in stratum $i$ at year $t$                                                                                                                                                         | (IPCC) default factors, literature values or direct measurements. Calculated according to requirements BL-PEAT Module v1.1                                                                        |
| 25 | $\text{GHG}_{\text{peatditch-CO}_2,i,t}$            | $\text{CO}_2\text{e ha}^{-1} \text{ y}^{-1}$   | Emission of CO <sub>2</sub> from ditch and open water stratum $i$ at year $t$                                                                                                                                                               | Project-specific values; appropriate literature sources, Calculated                                                                                                                               |

|    |                                                      |                                                    |                                                                                                                                                                                                          |                                                                                                                  |
|----|------------------------------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
|    |                                                      |                                                    |                                                                                                                                                                                                          | according to requirements M-PEAT Module v1.1                                                                     |
| 26 | GHG <sub>peatditch-CH<sub>4</sub>,i,t</sub>          | CO <sub>2</sub> e ha <sup>-1</sup> y <sup>-1</sup> | Emission of CH <sub>4</sub> from ditch and open water stratum i at year t                                                                                                                                | Project-specific values; appropriate literature sources, Calculated according to requirements M-PEAT Module v1.1 |
| 27 | A <sub>peatsoil-WPS,i,t</sub>                        | Ha                                                 | Area of peatland (not open water, not burnt) in stratum i in year t in the project scenario                                                                                                              | Calculated according to requirements of the X-STR Module v1.2                                                    |
| 28 | A <sub>ditch-WPS,i,t</sub>                           | Ha                                                 | Total area of ditch and other open water stratum i in year t in the baseline scenario                                                                                                                    | Calculated according to requirements of the X-STR Module v1.2                                                    |
| 29 | A <sub>peatburn-BSL,i,t</sub>                        | Ha                                                 | Area of peat burnt in stratum i in year t in the project scenario                                                                                                                                        | Calculated according to requirements of the X-STR Module v1.2                                                    |
| 30 | GHG <sub>peatsoil,CO<sub>2</sub>,i,t</sub>           | t CO <sub>2</sub> e yr <sup>-1</sup>               | GHG emissions from microbial decomposition of the peat soil in stratum i in year t                                                                                                                       | Calculated according to requirements BL-PEAT Module v1.1                                                         |
| 31 | EREDD, WPS,SS,i, Pool#                               | %                                                  | Percentage of uncertainty of Carbon stock or GHG sources (eg, trees, down dead wood, soil organic carbon, emission from fertilizer addition, emission from biomass burning etc.) in the project scenario | Calculated according to requirements X-UNC Module v2.2                                                           |
| 32 | Ecological leakage process as described in Table 5.1 | N/A                                                | Ecological leakage due to the project activity                                                                                                                                                           | See Module LK-ECO for process – not calculations                                                                 |

CAR 20 was raised and resolved successfully. Refer appendix 2 for the same. Documents referred /11/26/28/32/50/14/ and /15/.

### 3.4 Non-Permanence Risk Analysis

The non-permanence risk report and risk calculation Sheet are provided by PP, the risk assessment was conducted according to the VCS “AFOLU Non-Permanence Risk Tool” v4.

Each risk category was calculated based on the VCS guidance. The information was validated and cross-checked through document review, onsite visits of the project area and interviews conducted. Details of the assessment are provided as follow.

| Internal risk           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project management risk | <p>RER and APRIL maintain management teams located less than 1 day of travel from the Project Area. APRIL's nearby management and concessions allow constant and regular oversight of the Project Area. APRIL also has a helicopter that can allow access to the Project Area in less than an hour.</p> <p>The PPs APRIL and RER maintains an adaptive and flexible management approach to its activities such that its operations are regularly reviewed, and management strategies are revised. This adaptive management system is an inherent part of APRIL's PEFC, Singapore Green and ISO certification /32/.</p> <p>The PP has sufficient expertise to develop and implement AFOLU projects including forest management and planning monitoring of ecosystems, protection of forest areas, carbon project development, quality assurance and quality control systems, financial management, community engagement, etc. the PP is also experienced in successfully getting VCS and other GHG programs registered and verified.</p> <p>There is a specific mitigation plan /50/ made by project proponent for potential risks to the project, which has been verified in the monitoring plan.</p> <p>Hence, the total score of the risk is -4</p> |
| Financial Viability     | <p>Project Cash flow breakeven period is less than 4 years from the current risk assessment. The Project Proponent, APRIL, is a leading global producer of pulp and paper products and has substantial cash reserves as well as debt facilities.</p> <p>The project Proponent APRIL has secured cash assets far in excess of 80% of the funding needed to cover the total cash out prior to reaching the Project breakeven point.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         | <p>The Project Proponent has callable cash and short deposit reserves, substantial sums, secured receivables, readily available debt facilities and excess available liquidity. Proponent APRIL has adequate callable financial resources to cover more than 50% of the total cash outlay needed for the Project prior to it reaching a breakeven point.</p> <p>Hence the total score of the risk is 0</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Opportunity cost                        | <p>It is the current opinion of the Project that the net present value from harvesting, the most profitable alternative land use activity, is one hundred percent (100%) more profitable than from Project activities. Therefore this mitigation is scored as 8.</p> <p>The Project is subject to a legally binding agreement (concession licenses) with the Republic of Indonesia's Ministry of Environment and Forestry to continue management practices that protect the carbon stocks and restore the ecosystem balance of the forest over the life span of the Project and subject to approved annual as well as 10-year management plans. The mitigation score is -2.</p> <p>The Project will continue management practices that protect the credited carbon stocks until at least 2072 in line with its Ecosystem Restoration concession license.</p> <p>Hence the total score of the risk is 6</p> |
| Project longevity                       | <p>The project crediting period is appx. 57 years.</p> <p>Agreements between the landowner and the project owner are available defining the validity and the land used. The right of forest planting and management within the project boundary during the project crediting period as verified by checking the project agreement is with the PP.</p> <p>This mitigation is scored as 1.5</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Total internal risk</b>              | <b>3.5</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>External risk</b>                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Land Tenure and Resource Access/Impacts | <p>Project area is protected by legally binding commitment (eg, a conservation easement or protected area) to continue management practices that protect carbon stocks over the</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | <p>length of the project crediting period. Land tenure in the Project Area is held by the Republic of Indonesia. The RER Project, through its subsidiary companies, PT GSN. PT. SMN, PT GAN and PT TBOT are all private entities that are subsidiaries of APRIL, which holds for each of the four areas a 60-year Ecosystem Restoration license from the Indonesian Ministry of Environment and Forestry. Currently, the Project is unaware of any legally valid claims for disputes with the local communities related to the RER Project Area. The Project Area is nonetheless accessible by community members for the collection of Non-Timber Forest Products (NTFP).</p> <p>The project does not anticipate potential upstream and sea impacts that could undermine credits in the next 10 years as the entire project area is located on a peat dome with higher areas in the central portion of the Project Area.</p> <p>The land tenure is safe because the land concession license is for the duration of the complete Project Crediting Period.</p> <p>Therefore, this mitigation is scored as 0.</p> |
| Community Engagement | <p>No community lives inside the project area and are not reliant on the project area. However, still the communities living adjacent to the project boundary are consulted and were involved during the project development and implementation process.</p> <p>The Project's positive benefits, among other things, include local employment within the RER program (security Rangers, restoration staff and contract labor supply), a forest honey program, a no-burn vegetable garden program, a sustainable fisheries program, etc. the mitigation score is - 5</p> <p>Therefore, this mitigation is scored as -5.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Political Risk       | <p>The mean of the Governance Score across the six indicators of the World Bank Institute's Worldwide Governance Indicators (WGI) averaged over the most recent five years of available data provide a score of -0.13. Therefore, this mitigation is scored as 2.</p> <p>The project is located in Indonesia and . Indonesia is implementing REDD+ Readiness under the World Bank Forest Carbon Partnership Facility, via the UN-REDD Program, through the FAO, under UNDP and UNEP.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                      | Through these programs (and others), the Government of Indonesia has been implementing a REDD+ policy framework covering key components such as GHG credit ownership, clear REDD+ policies, a national MRV program, a national forest reference emission level (FREL), and a host of other multi-stakeholder REDD implementation activities. Therefore, this mitigation is scored as -2.<br><br>Hence, this mitigation is scored as 0 |
| <b>Total external risk</b>                                           | <b>0</b>                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Natural Risk</b>                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Natural Risk (eg, Fire, Pest and Disease outbreaks, Extreme Weather) | Major :<br>Fire (F) 0.5<br>Pest and Disease Outbreaks (PD) 0<br>Extreme Weather (W) 0<br>Geological Risk (G) 0<br>Other natural risk (ON) NA<br>Therefore, this mitigation is scored as 0.5                                                                                                                                                                                                                                           |
| <b>Total natural risk</b>                                            | <b>0.5</b>                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Overall risk rating</b>                                           | <b>3.5+0+0.5 = 4</b>                                                                                                                                                                                                                                                                                                                                                                                                                  |

The calculation has been validated as per the VCS tool applied for the non-permanence risk calculation and it concluded to be appropriate. Overall rating calculated was 4%, however risk value considered is 10%. since the AFOLU Non-Permanence Risk Tool /7/ requires a minimum risk rating of 10%. Hence, the value considered is as per the applicable tool and a conservative value has been considered for the project. The calculation of total tradable VCUs is done by multiplying the risk factor with the calculated net emission reductions as per the excel calculation sheets. The risk rating should not be used for any other purpose than reserving buffer credits and calculation of VCUs according to the VCS permanence rules. The risk will be reassessed at time of the next verification (section 3.2.13 of VCS Standard v4 /2/) as the risk rating may change.

CAR 21 was raised and resolved successfully. Refer appendix 2 for the same. Documents referred /11/ and /47/.

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## 4 VALIDATION CONCLUSION

ESPL was contracted by Himpanzee Pte Ltd to validate the project activity “RIAU Ecosystem Restoration Carbon Project (RER)” in Indonesia (Project ID: 2403) with regards to the VCS Standard v4 requirements and the information provided by the project proponent related to the project design and emission reduction calculation spreadsheets.

A risk-based approach has been followed to perform this validation. In the course of the validation 23 Corrective Action Requests (CARs), 08 Clarification requests (CLs) were raised and successfully closed. The review of the revised PD versions, the supporting documents and subsequent follow-up discussions provided adequate evidences to conclude the closure of specified CARs and CLs. No Forward Action Request has been raised in the validation.

No limitations or doubts were identified related to the validation of the project. The conservative approach and methodological choices used in the project design make it very likely that the RER project will meet the projected emissions reduction target.

ESPL has reviewed the project description documents and subsequently carried out site visit interviews to confirm the fulfilment of stated criteria.

The project activity has correctly applied the baseline and monitoring methodology “REDD+ Methodology Framework (REDD+ MF) VM0007, v1.6 which is an approved methodology under the VCS programme and is acceptable under VCS Version 4. The baseline has been determined in accordance with the stated approved baseline methodology.

As summary the validation team able to conclude that:

- The project is in line with all relevant host country criteria (Indonesia) and all relevant VCS version 4 program guidelines requirements.
- The project additionality is sufficiently justified in the VCS PD.
- The monitoring plan is transparent and adequate and in line with applied baseline and monitoring methodology of VM0007, version 1.6 and all the related modules and tools.
- The calculation formulae and use of parameter for the project emission reductions estimation are transparent and in line with the requirement of the applied methodology. The ex-ante projection of emission reductions given is found to be appropriate, conservative and in line with the requirement. The estimated Emission Reductions during the crediting period by the Project is expected to be 343,160,779 tCO<sub>2</sub>e over the 57 year project lifetime.
- The conclusions of this report show, that the project, as it was described in the project documentation, is in line with all criteria applicable for the validation as outlined under VCS Standard v4

ESPL here concluded that the RER PD and its estimated emissions reduction calculations are in with all criteria applicable for the validation against the VCS standard v4. The Project activity is found to be eligible under Sectoral Scope 14. Therefore, ESPL is able to certify that the project meets all relevant requirements of the above-defined criteria and recommend registration of the project activity.

**Approved by**

**Dr. Kaviraj Singh**

**Date: 05/01/2022**

**Place: Gurugram, Haryana**

**Managing Director**

**Earthood Services Privated Limited**

# APPENDIX I: LIST OF DOCUMENTS REFERRED

| Ref. No | Title of Document                                                                                                                                                      | Version | Date                               |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|------------------------------------|
| 1       | VCS Program Guide                                                                                                                                                      | 4.0     | 19/09/2019                         |
| 2       | VCS Standard                                                                                                                                                           | 4.0     | 19/09/2019<br>(updated 09/03/2020) |
| 3       | VCS Validation and Verification Manual                                                                                                                                 | 3.2     | 19/10/2016                         |
| 4       | VMD0016 X-STR                                                                                                                                                          | 1.2     | 08/09/2020                         |
| 5       | VMD0017 X-UNC                                                                                                                                                          | 2.2     | 08/09/2020                         |
| 6       | VCS Project Development Process                                                                                                                                        | 3.0     | 26/11/2012                         |
| 7       | AFOLU Non-Permanence Risk Tool                                                                                                                                         | 4.0     | 19/09/2019                         |
| 8       | VM0007 REDD+MF                                                                                                                                                         | 1.6     | 08/09/2020                         |
| 9       | T-ADD EB 35 Annex 19                                                                                                                                                   |         | -                                  |
| 10      | VCS Project Description Template                                                                                                                                       | 4       | -                                  |
| 11      | Project Description (PD)                                                                                                                                               | 12.3g   | 26/10/2021                         |
| 12      | Emission Reductions Calculation Spread sheet – CIW 25 Total v4                                                                                                         | 5.2     | 12/07/2021                         |
| 13      | VERRA webpage with global consultation ( <a href="https://registry.terra.org/app/projectDetail/VCS/2403/">https://registry.terra.org/app/projectDetail/VCS/2403/</a> ) |         | 13/01/2021 to 13/02/2021           |
| 14      | SOP - Peat survey MRV                                                                                                                                                  | -       | -                                  |
| 15      | SOP - Carbon stock MRV                                                                                                                                                 | -       | March 2017                         |
| 16      | Shape files – Project Area                                                                                                                                             | -       | -                                  |
| 17      | Model 25 - RWE                                                                                                                                                         | -       | -                                  |
| 18      | Model 25 - CIW                                                                                                                                                         | -       | -                                  |

|    |                                                                                                                                                                                                                                                                                                  |     |                       |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----------------------|
| 19 | Model 25 – CIW + REDD                                                                                                                                                                                                                                                                            | -   | -                     |
| 20 | License and project ownership documents<br><br>Ownership document - PT. GLOBAL ALAM NUSANTARA, 2014<br><br>Ownership document - PT. GEMILANG CIPTA NUSANTARA, 2012<br><br>Ownership document - PT. SINAR MUTIARA NUSANTARA, 2014<br><br>Ownership document - PT. THE BEST ONE UNITIMBER, 2014    | -   |                       |
| 21 | Kml file of geographical coordinates                                                                                                                                                                                                                                                             | -   | -                     |
| 22 | <i>Research papers - Wantzen, KM et al. 2008, Whitten T, Damanik SJ, Anwar J, Hisyam N. 2000., Whitten, A., Damanik, S. J., Anwar, J. &amp; Hisyam, N., 1997. , Whitten, T. &amp; Laumonier, Y. 1997., Anderson, J., 1963., Page, S. E., Rieley, J. O., Shotyk, O. W. &amp; Weiss, D., 1999.</i> | -   | -                     |
| 23 | Maps showing location of communities and villages                                                                                                                                                                                                                                                | -   | -                     |
| 24 | Deforestation Rate Estimation of Proxy Areas                                                                                                                                                                                                                                                     | -   | 31/08/2020            |
| 25 | Sentinel images - USGS <a href="http://www.usgs.gov">www.usgs.gov</a>                                                                                                                                                                                                                            | -   | -                     |
| 26 | SOP – Weather Monitoring                                                                                                                                                                                                                                                                         | -   | -                     |
| 27 | Methods of AGB Inventory                                                                                                                                                                                                                                                                         | -   | 14/10/2020            |
| 28 | SOP - Hydrology MRV                                                                                                                                                                                                                                                                              | -   | -                     |
| 29 | RER Ethnographic Survey                                                                                                                                                                                                                                                                          | -   | -                     |
| 30 | Participatory Rural Appraisal (PRA) reports                                                                                                                                                                                                                                                      |     | 05/01/2016            |
| 31 | Mapping Potential and Conflict Resolution report                                                                                                                                                                                                                                                 | -   | April 2017            |
| 32 | APRIL's PEFC, Singapore Green Certification                                                                                                                                                                                                                                                      | -   | 2/3/2018 – 17/01/2021 |
| 33 | Documents proving that the project area is legally authorized and documented to be converted to non-forest land'                                                                                                                                                                                 | -   |                       |
| 34 | VCS AFOLU Requirements                                                                                                                                                                                                                                                                           | 3.6 | 21/06/2017            |

|    |                                                                                                                                                                    |   |            |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------------|
| 35 | Website - UN Sustainable Development Goals (www.undp.org)                                                                                                          | - | -          |
| 36 | CIW 25 – RWE+REDD                                                                                                                                                  | - | 25/06/2016 |
| 37 | Methods Peat Land Identification and Peat Thickness Measurement                                                                                                    | - | 14/10/2020 |
| 38 | Undertakings for not participating into another GHG programmes and credit mechanisms                                                                               | - | 26/01/2021 |
| 39 | 2015 MoU Kelurahan Teluk Meranti<br>2016 MoU Kelurahan Teluk Meranti<br>2017 Desa Bagan Melibur<br>2018 Desa Bagan Melibur<br>2019 MOU Reward Desa Pangkalan Terap | - | -          |
| 40 | Government Regulation: Forest Management and Exploitation Plan                                                                                                     | - | 08/01/2007 |
| 41 | Approval of converting the project area legally to non-forest land (in BAU)                                                                                        | - | April 2011 |
| 42 | Laws and regulations related to forestry and ecosystem restoration relevant to the project                                                                         | - |            |
| 43 | Transition to timber plantation based forestry in Indonesia: towards a feasible new policy                                                                         | - | 2009       |
| 44 | RER company details                                                                                                                                                | - | -          |
| 45 | RER Project Financial Excel sheet                                                                                                                                  | - | -          |
| 46 | Policies, Drivers and Land-Use Trends In Industrial Forest Plantation Development In Indonesia                                                                     | - | -          |
| 47 | Non Permanence Risk Analysis Report_RER                                                                                                                            | - | -          |
| 48 | Purchase order and Reciept of GeoReinfox material                                                                                                                  | - | 01/05/2016 |
| 49 | RER - Grievance Policy                                                                                                                                             | - | 26/08/2016 |
| 50 | Monitoring, Reporting and Verification (MRV) Plan for the Riau Ecosystem Restoration Carbon Project                                                                | - | -          |
| 51 | Deforestation Rate Estimation of Proxy Areas for RER project                                                                                                       | - | 31/08/2020 |
| 52 | APRIL's ISO certification                                                                                                                                          | - | 2015       |

|    |                                                                                                                                                                                                                                   |     |            |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------|
| 53 | Report Mapping Potential and Conflict Resolution in the RER Project area                                                                                                                                                          | -   | 2017       |
| 54 | Household survey report                                                                                                                                                                                                           | -   | 2016       |
| 55 | RER – Annual financial audit reports                                                                                                                                                                                              | -   | -          |
| 56 | RER Partnership Agreement                                                                                                                                                                                                         |     | 24/03/2021 |
| 57 | RER Declaration letter – Management of double counting                                                                                                                                                                            |     | 26/01/2021 |
| 58 | Landsat TM images                                                                                                                                                                                                                 | -   | -          |
| 59 | RER MRV Plan                                                                                                                                                                                                                      | -   | -          |
| 60 | IPCC GPG LULUCF                                                                                                                                                                                                                   | -   | 26/01/2021 |
| 64 | RER - Plantation records                                                                                                                                                                                                          | -   | -          |
| 65 | VMD0001 CP-AB                                                                                                                                                                                                                     | 1.1 | 11/10/2013 |
| 66 | VMD0006 BL-PL                                                                                                                                                                                                                     | 1.3 | 08/09/2020 |
| 67 | VMD0009 LK-ASP                                                                                                                                                                                                                    | 1.3 | 08/09/2020 |
| 68 | VMD0013 E-BPB                                                                                                                                                                                                                     | 1.2 | 08/09/2020 |
| 69 | VMD0015 M-REDD                                                                                                                                                                                                                    | 2.2 | 08/09/2020 |
| 70 | VMD0042 BL-PEAT                                                                                                                                                                                                                   | 1.1 | 08/09/2020 |
| 71 | VMD0046 M-PEAT                                                                                                                                                                                                                    | 1.1 | 08/09/2020 |
| 72 | T-SIG EB 31                                                                                                                                                                                                                       | -   | -          |
| 73 | Global forestwatch data - Proxy Data <a href="http://commodities.globalforestwatch.org">http://commodities.globalforestwatch.org</a>                                                                                              | -   | -          |
| 74 | Google earth - <a href="https://www.google.com/earth">https://www.google.com/earth</a>                                                                                                                                            |     |            |
| 75 | SOPs: <ul style="list-style-type: none"> <li>• Biodiversity Survey and Monitoring,</li> <li>• Flora Survey,</li> <li>• Fauna Survey and</li> <li>• RER-ENV-003-PR Sumatran tiger management in the RER concession area</li> </ul> | -   | -          |
| 76 | Recorded flora and fauna list in the PA                                                                                                                                                                                           | -   | -          |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |   |      |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|------|
| 77 | IUCN Red List of Threatened Species -<br><a href="https://www.iucnredlist.org/">https://www.iucnredlist.org/</a>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | - | -    |
| 78 | SOPs<br>Community Meeting<br>Community Mapping<br>Village Monitoring<br>Livelihood Assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | - | -    |
| 79 | RER - Shapefiles of PSPs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | - | -    |
| 80 | Peatland surveys and shapefiles                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | - | -    |
| 81 | Law No. 1/1970 regarding Work Safety, (Articles: 3,9,12-14)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | - | 1970 |
| 82 | Law No. 13/2003 regarding Labour, (Articles: 86 & 87)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | - | 2003 |
| 83 | RER SOPs related to worker safety<br>1. RER-IMS-004- PR Regulatory Monitoring, Analysis and Compliance (Dual Language) rev 00<br>2. RER-IMS-009- PR Accidents, Incidents, Nonconformity, Corrective, and Preventive (Dual Language) rev<br>3. RER-IMS-008- PR Objective Target Programme (Dual Language) rev 00<br>4. RER-IMS-007- PR Hazard Identification, Risk Assessment and Determination of Control Measures rev 00<br>5. RER-FSS-011- PR Emergency First Aid<br>6. RER-FSS-008- PR Investigation and Occupational Incident Reporting<br>7. RER-FSS-002- PR FIRE HANDLING CRISIS POSTS (Dual Language) rev 00 |   | -    |

## APPENDIX II: LIST OF FINDINGS

CAR: Corrective Action Request

CL: Clarification Request

FAR: Forward Action Request

**Table 1. Remaining FAR from validation and/or previous verification**

| FAR ID                                               | NA | Section no. |  | Date:        |
|------------------------------------------------------|----|-------------|--|--------------|
| <b>Description of FAR</b>                            |    |             |  |              |
| NA                                                   |    |             |  |              |
| <b>Project participant response</b>                  |    |             |  | <b>Date:</b> |
| NA                                                   |    |             |  |              |
| <b>Documentation provided by project participant</b> |    |             |  |              |
| NA                                                   |    |             |  |              |
| <b>DOE assessment</b>                                |    |             |  | <b>Date:</b> |
| NA                                                   |    |             |  |              |

**Table 2. CL from this verification**

| CL ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 01 | Section no. | PD | Date: 23/12/2020        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------|----|-------------------------|
| <b>Description of CL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |    |             |    |                         |
| <ol style="list-style-type: none"> <li>Section 3.4.1 of the VCS Standard, v4.0 states that "the project proponent shall use the VCS Project Description Template, an approved combined project description template available on the Verra website or an approved GHG program project description template where the Project is registered under an approved GHG program, as appropriate. The project proponent shall adhere to all instructional text within the template." <ol style="list-style-type: none"> <li>PP is requested to justify the use older template (latest VCS Project Description Template ver. 4) and fill the form as per the guideline. (Comment applicable to the entire document.) For instance, The methodology description is not required as per the requirement of Section 1.2 of the VCS Project Description Template Ver. 04.</li> </ol> </li> </ol> |    |             |    |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |             |    | <b>Date: 25/02/2021</b> |

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <b>CL 01</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |
| <p>The RER-CP Project Description (PD) has been updated and adheres to the VCS PD Template ver. 4. The following actions among others have been remedied:</p> <ul style="list-style-type: none"> <li>• The font on the cover page has been changed to Arial (10.5) and Century Gothic;</li> <li>• The remainder of the document changed to Arial (10.5);</li> <li>• All chapters and sub-chapters now conform to the VCS PD template; and</li> <li>• Tables in chapter 4: quantification of GHG emission reductions and removals now include total values.</li> </ul> |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |
| VCS-PD version 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Date:</b> 5/03/2021  |
| The exact template of VCS v04 has still not been used. The headers are missing. The CL is not closed                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Date:</b> 07/04/2021 |
| The VCS PD has been updated to include the VCS template header on all pages.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |
| 210407 VCS PD ver 10.pdf                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Date:</b> 24/04/2021 |
| The updated PD is in line with the VCS standard v4. The CL is closed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    |                    |    |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|----|-------------------------|
| <b>CL ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 02 | <b>Section no.</b> | PD | <b>Date:</b> 23/12/2020 |
| <b>Description of CL</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |    |                    |    |                         |
| The annual average value in the ER excel sheet and the PD are inconsistent. Please clarify                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |    |                    |    |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |                    |    | <b>Date:</b> 25/02/2021 |
| <p><b>CL 02</b></p> <p>The annual average values in the PD and ER excel sheet have been updated and are consistent.</p> <p>The following actions have been remedied:</p> <ol style="list-style-type: none"> <li>1. The total number of crediting years (cell Z67) has been changed to 57</li> <li>2. New Average annual emission reductions (ERs), = 5,981,006</li> <li>3. Additionally, section 1.9, Project Crediting Period was updated to more accurately reflect the 56.5- or 57-year crediting period. The amount of time to continue crediting was also changed from 44 to 43 years.</li> </ol> <p>The PD and ER excel sheet has been updated with the information above and submitted to the VVB.</p> |    |                    |    |                         |

| Documentation provided by project participant                                                                                                                                                                         |                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| All requested documents are provided as follows:                                                                                                                                                                      |                  |
| <ol style="list-style-type: none"> <li>1. Model 24 - Totals.xlsx</li> <li>2. Model 24 - CIW.xlsx</li> <li>3. Model 24 – CIW+REDD.xlsx</li> <li>4. Model 24 - RWE.xlsx</li> <li>5. Model 24 – RWE+REDD.xlsx</li> </ol> |                  |
| DOE assessment                                                                                                                                                                                                        | Date: 5/03/2021  |
| The annual average and the total emissions value mentioned in the PD is still not consistent with the Model 24-Totals.xlsx. Please check and revise the value mentioned across the PD. The CL is not closed.          |                  |
| Project participant response                                                                                                                                                                                          | Date: 07/04/2021 |
| PP has updated the VCS PD to ensure that the annual average and total emissions mentioned in the VCS PD correspond to the Model 25 totals.                                                                            |                  |
| Documentation provided by project participant                                                                                                                                                                         |                  |
| 210407 VCS PD ver 10.pdf                                                                                                                                                                                              |                  |
| DOE assessment                                                                                                                                                                                                        | Date: 24/04/2021 |
| The updated PD is in line with the excel sheet Model 25 v4. The CL is closed                                                                                                                                          |                  |

| CL ID                                                                                                                             | 03 | Section no. | 1.3 | Date: 23/12/2020 |
|-----------------------------------------------------------------------------------------------------------------------------------|----|-------------|-----|------------------|
| Description of CL                                                                                                                 |    |             |     |                  |
| <b>CL 03</b><br>PP has not mentioned Appendix A1.8 for eligible REDD category. Please clarify in context to the VCS Standard v04. |    |             |     |                  |
| Project participant response                                                                                                      |    |             |     | Date: 25/02/2021 |
| The PD has been updated with reference to Appendix A1.8 was inserted and submitted to the VVBs.                                   |    |             |     |                  |
| Documentation provided by project participant                                                                                     |    |             |     |                  |
| VCS-PD version 9                                                                                                                  |    |             |     |                  |
| DOE assessment                                                                                                                    |    |             |     | Date: 5/03/2021  |
| The updated PD is in line with the VCS standard V04. The CL is closed                                                             |    |             |     |                  |

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|-------|-------------------------|
| <b>CL ID</b>                                                                                                                                                                                                                                                                                                                                                                                  | 04 | <b>Section no.</b> | 1.8.2 | <b>Date: 23/12/2020</b> |
| <b>Description of CL</b>                                                                                                                                                                                                                                                                                                                                                                      |    |                    |       |                         |
| PP is requested to explain how the installation of dip-wells which is installed to measure peat subsidence, will contribute to avoiding planned deforestation? Please elaborate and clarify                                                                                                                                                                                                   |    |                    |       |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                           |    |                    |       | <b>Date: 25/02/2021</b> |
| <b>CL 04</b><br>Section 1.8.2 of the PD has been updated to focus on WRC monitoring activity as per VCS PD Template ver. 4.<br>The following actions have been remedied: <ol style="list-style-type: none"> <li>1. The name of section 1.8.2 has been changed to WRC Monitoring Activity</li> <li>2. Deleted APD activity associated with dip-wells and subsidence poles</li> </ol>           |    |                    |       |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                          |    |                    |       |                         |
| VCS-PD version 9                                                                                                                                                                                                                                                                                                                                                                              |    |                    |       |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                         |    |                    |       | <b>Date: 5/03/2021</b>  |
| The updated PD is okay and in line with the requirements of VCS PD template v04.<br>However, per the requirements of Section 1.8 of the PD, PP has to Indicate, and provide justification for, the project start date, specifying the day, month and year.<br>The information mention in sub-section 1.8.2 id not relevant to this section. Please check and revise.<br>The CL is not closed. |    |                    |       |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                           |    |                    |       | <b>Date: 07/04/2021</b> |
| PP has updated the VCS PD by removing section 1.8.2.                                                                                                                                                                                                                                                                                                                                          |    |                    |       |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                          |    |                    |       |                         |
| 210407 VCS PD ver 10.pdf                                                                                                                                                                                                                                                                                                                                                                      |    |                    |       |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                         |    |                    |       | <b>Date: 24/04/2021</b> |
| The document submitted to justify the start date of the project is fine and the updated PD is okay. The CL is closed                                                                                                                                                                                                                                                                          |    |                    |       |                         |

|                          |    |                    |      |                         |
|--------------------------|----|--------------------|------|-------------------------|
| <b>CL ID</b>             | 05 | <b>Section no.</b> | 1.11 | <b>Date: 23/12/2020</b> |
| <b>Description of CL</b> |    |                    |      |                         |

1. As per section 1.1 Summary Description of the Project, it is mentioned that prior to project activity there was large-scale deforestation planned for Acacia plantation. However, in this section PP has mentioned that there was forest degradation. Clarify and justify the statement in either of the section
2. It is not clear how section 1.11.3.6 i.e. Forest protection is different from the APD activity? Please clarify

**Project participant response****Date:** 25/02/2021

### CL05.1. Clarification of text:

#### Section 1.1

PP has updated the PD at section 1.1 to clarify that there is no unplanned deforestation or unplanned degradation from illegal logging. Any additional references in the PD that would suggest forest degradation from activity other than logging have been removed. Further, statements that clarify that no small-scale selective logging by community members or fuelwood gathering has occurred during the baseline period has also been inserted into the PD.

PP notes that the past forest degradation that has occurred is from past conventional selective logging activity, 2000-2007. Possibly earlier and until later. PP has photographic evidence of selective logging from 2007/2008 (see section 3.3.4.4 of the PD). The legacy canals that exist in the concessions are all from that kind of historical activity. All of the concessions are historically selective logging concessions and had HPH licenses. All of the secondary forest areas in the four concessions are logged over areas. In Indonesia, "clear-felling" in HPH concession does not occur. The illegal nature of the conventional logging that would have occurred relate to suspected violations of laws dealing with minimum DBH for harvesting, over harvesting by legal concessions, suspected failure to properly declare all timber removed and other violations of the regulations for selective harvesting by the legal operators of the concessions at the time. This type of practice was widespread and common in the past.

PP has no knowledge of any small-scale illegal logging from local communities. There is also no evidence of any forest degradation from fuelwood gathering. The current location and access of the concession are too far away from any village to make it feasible for fuelwood collection. Further, although charcoal is used in Indonesia, it is not used typically for family cooking as gas canisters are far more prevalent and available at low cost. Charcoal is generally only used for specialised food such as Satay (skewered meats) or specific grilled fish.

### CL05.2. Clarification of how forest protection is different from the APD activity?

**Avoiding Planned Deforestation & Degradation (APD) Defined** - deforestation and degradation on forest lands that are legally authorised and documented for conversion" VCS Standard, A1.8(1) ver 4.0 p 57

In order to be APD, the critical aspect is that there must be legal authorisation to deforest or degrade the forest. In the case of planned deforestation in Indonesia, that means the right to do so must come from an appropriate government authority.

**Un-Planned Deforestation & Degradation (UPD) Defined** – deforestation and/or degradation of degraded to mature forests that would have occurred in any forest configuration. VCS Standard, A1.8(2) ver 4.0 p 57

**Historical Illegal Logging** – In the context of the four concessions that make up RER-CP, traditional small scale unplanned deforestation from illegal selective logging (i.e. without permits of any kind) or illegal deforestation for small scale plantation development was not a threat. There are no known communities that were located inside the RER Project Area and none that would border the Project area, and no road access either. It was, even then, remote and quite inaccessible.

During the baseline period, the main threat to the forest was legally sanctioned logging that operated illegally in the sense that there was poor to no oversight of the extraction amounts and techniques. This meant that diameter limits would have been ignored, and over-harvesting would be occurring. This would have been combined with a disregard for forest management planning, bribery to remove excess timber (i.e. to avoid taxation), and other unsustainable practices. It is believed that prior to the baseline period, i.e. 2005 and earlier, it is possible that small scale harvesting took place from local community members and other persons. However, in this time frame, particularly before the plantation activity began, there would not have been a need to enter so deep into the forested area to acquire timber. Community members would have had easier access via roads to the concessions that would eventually become the outer ring of forestry plantations before their conversion. So even prior to the baseline, the threat of UPD was likely quite low.

**UPD not a threat to RER-CP** – The Project does not include UPD as a Project Activity because it has not been identified as an ongoing threat in the baseline (2006-2015) assessment. The Project does not have a history of deforestation and degradation from the local community as contemplated by the concept of unplanned deforestation and degradation. It is neither practical nor realistic to be able to extract timber products from the forest by individuals or community members. There is no road access to the Project Area, it is extremely remote, and all entry points are via river and monitored. Further, even when you are out of the Project Area, it is largely ringed in by APRIL or other plantation concessions. It would be nearly impossible to remove logs or sawn wood from the concession on a small scale.

During the baseline period, the area surrounding the four concessions were already being developed as Acacia plantation areas, and access by the community was hampered. Prior to the Baseline Period, easier access to non-converted forests (pre-acacia conversion) surrounding the project area would have been the site for UPDD; there was no need to venture that far from roads for un-sanctioned timber harvesting.

**UPD not a claimed activity** – the Project does not calculate any UPD in its baseline and has not implemented (module BL-UP as part of its baseline. Nor has it accounted for activity shifting leakage for unplanned deforestation or degradation with module LK-ASU. The reason it is not a carbon activity is that UPDD has not been a significant threat to the forest in the Project Area,

particularly in the baseline and in the post-baseline period. If any illegal logging were to exist in the Project Area, it would be *de minimus*.

**Forest Ranger Description** – The forest protection services that is the Rangers are mostly local community members and are not authorised law enforcement officers. They are unarmed and have no police powers or authority, i.e. they cannot arrest or charge anyone with illegal activities. The primary function of the Rangers is to observe, report and to an extent maintain relations with the users of the forests.

**Level of Authority** – They have no legal authority to engage in any type of policing activity. In the event that their might exist a need to apprehend persons for illegal activity, i.e. poaching, they will contact the local police forces for such assistance.

The main task of the Rangers is to Patrol for

- a. Wildlife poaching
- b. Anthropogenic fire
- c. Monitor & document community Access of the forest
  - i. Primarily fishing
  - ii. NTFP collection
  - iii. Songbird collection
  - iv. other
- d. Coordinate and support RER field staff re:
  - i. Fire issue
  - ii. Conservation and Scientific monitoring / research

### **Could the Forest Protection through the rangers prevent APD?**

No. The Forest Rangers, as private security to the concession could not prevent, nor would they try to prevent, authorised planned deforestation. It would not come under their mandate to do so.

### **How is Forest Protection different from APD activity?**

- a. In light of the above comments, the forest protection conducted for the Project is deemed to ancillary to avoiding legally sanctioned deforestation.
- b. In the context of RER-CP, the primary purpose of forest protection is not to prevent additional planned or unplanned deforestation. The primary task is to support conservation activity and monitor access of the forest.
- c. A further point that distinguishes the Forest Protection from the APD activity is the fact that the forest protection services of the Rangers do not contribute in any meaningful way to the GHG emissions or removals of the Project.
- d. The situation would be different if the Rangers were actively involved with locating and helping to stop deforestation activities, planned or unplanned. For example, if they regularly interdicted and contacted community members who were attempting to or engaged in deforestation or degradation activities. But that is not the type of activity that is a threat to the landscape, and so it is the smallest part of the protection services they provide.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <p>e. Lastly, the forest protection service of the Rangers would be ineffective in dealing with any planned deforestation, as that type of activity would be legally sanctioned. The only way to stop that type of activity would be to use lawyers, lobby ministerial officials, and negotiate with the government authorities. None of that activity would be done by the Rangers and is well beyond the scope of forest protection services they are able to undertake.</p> |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                           |                         |
| VCS-PD version 9                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Date:</b> 5/03/2021  |
| <p>The updated PD is okay and in line with the requirements of VCS PD template v04. The CL is closed.</p> <p>However, Why the a sub-section on Project activity participants suddenly appears between crediting and non-crediting activities description. Please move this description at the end of the section 1.11.</p> <p>The CL is not closed</p>                                                                                                                         |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Date:</b> 07/04/2021 |
| PP has moved section regarding "Project Activity Participants" to the end of § 1.11 of the VCS-PD.                                                                                                                                                                                                                                                                                                                                                                             |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                           |                         |
| 210407 VCS PD ver 10.pdf                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Date:</b> 24/04/2021 |
| The updated PD is okay and the CL is closed                                                                                                                                                                                                                                                                                                                                                                                                                                    |                         |

|                                                                                            |    |             |     |                         |
|--------------------------------------------------------------------------------------------|----|-------------|-----|-------------------------|
| CL ID                                                                                      | 06 | Section no. | 4.1 | Date: 23/12/2020        |
| <b>Description of CL</b>                                                                   |    |             |     |                         |
| It is not clear why peat burning is not calculated for baseline emissions. Please clarify. |    |             |     |                         |
| <b>Project participant response</b>                                                        |    |             |     | <b>Date:</b> 25/02/2021 |

**CL 06**

The Module VMD0013 v1.2 (E-BPB) "Estimation of GHG emissions from biomass and peat burning" (E-PBP) is considered mandatory for all APD, RWE and APWD projects as set forth in VM0007v1.6 REDD+ Methodology Framework (REDD+ MF) table 4.

E-BPB at §4 indicates that the module applies to "all REDD project activities with emissions from biomass burning and REDD-WRC project activities with emissions from biomass and/or peat burning".

PP notes that E-BPB at §5, Procedures indicates further that "Inclusion of fire in the baseline is always optional."

RER-CP does not have any fire in its baseline because there is no significant anthropogenic burning occurring in the Project Area in the baseline as there have been no communities that live in or adjacent to the Project Area. Nature fire risk is virtually absent in the peat swamp, as it is far too wet for lightning strikes, even in the "dry season".

§5 of E-BPB goes on to say that "Where fires occur *ex-post*, the module must be used to account GHG emissions." The Project has not had any peat or biomass fires in the Project Area since the Project Start date. The Project commits to accounting all anthropogenic fire that might occur in the future with VMD0013 E-BPB, as required.

The PD has been updated with the above information and submitted to the VVB.

**Documentation provided by project participant**

VCS-PD version 9

**DOE assessment**

**Date:** 5/03/2021

The justification provided is satisfactory and the CL is closed now.

| CL ID                    | 07 | Section no. | PD | Date: 23/12/2020 |
|--------------------------|----|-------------|----|------------------|
| <b>Description of CL</b> |    |             |    |                  |

PP is requested to provide evidence for the following:

1. 17 June 2016 is the date that the Project received its initial shipment of Geo-Reinfox material, which was needed to begin constructing sandbags required in the building of dams in the canal blocking programme.
2. Undertaking for that, the Project has not participated under Other GHG Programmes to be submitted. Please check the requirements as per section 3.7.7 of the VCS Standard v04
3. Undertaking for that, the Project has not been rejected by Other GHG Programmes to be submitted. Please check the requirements as per section 3.19.7 of the VCS Standard v04
4. Undertaking for that, the Project has not been part of emissions Trading Programs and Other Binding Limits to be submitted. Please check the requirements as per section 3.20.1 of the VCS Standard v04
5. Undertaking for that, the Project has not sought other Forms of Environmental Credit to be submitted. Please check the requirements as per section 3.20.2 of the VCS Standard v04
6. An English copy for the proof of legal ownership document.

#### Project participant response

Date: 25/02/2021

All requested documents have been provided to VVB. See below.

#### Documentation provided by project participant

All requested documents are provided as follows:

1. **CL 7.1 Receipts for GeoReinfox 2016.pdf**  
2)
- 2-5. **CL 7.2-7.5 RER undertaking executed.pdf**  
3)
6. **CL 7.6 SK IUPHHK-RE GAN\_ENG.pdf**  
4) **CL 7.6 SK IUPHHK-RE GCN\_ENG.pdf**  
5) **CL 7.6 SK IUPHHK-RE SMN\_ENG.pdf**  
6) **CL 7.6 SK IUPHHK-RE TBOT\_ENG.pdf**

#### DOE assessment

Date: 5/03/2021

The documents submitted for start date of the project is okay.

The undertakings submitted to declare that the PP will not participate in any other GHG programs, emissions Trading Programs and Other Binding Limits and will not claim any other Forms of Environmental Credit is okay.

The ownership documents of the concessions GAN, GCN, SMN and TBOT is fine. However, it does not provide any proof that all these partners are participating in the Riau project. Please provide copy of partnership agreement of each client which shall also provide evidence of their exact area included in the Riau project. The CL is not closed.

#### Project participant response

Date: 07/04/2021

|                                                                                                                                                         |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| PP has provided the VVB with a signed declaration from all four concession's that clearly indicate the mutual cooperation and dedication to the RER-CP. |                         |
| <b>Documentation provided by project participant</b>                                                                                                    |                         |
| 210324 RER Partnership Agreement (executed).pdf                                                                                                         |                         |
| <b>DOE assessment</b>                                                                                                                                   | <b>Date:</b> 24/04/2021 |
| The document submitted is satisfactory and the CL is closed.                                                                                            |                         |

|                                                                                             |    |                    |       |                         |
|---------------------------------------------------------------------------------------------|----|--------------------|-------|-------------------------|
| <b>CL ID</b>                                                                                | 08 | <b>Section no.</b> | 2.5.4 | <b>Date:</b> 5/3/2021   |
| <b>Description of CL</b>                                                                    |    |                    |       |                         |
| How the description mentioned in section 2.5.4 justify the heading of the section? Clarify. |    |                    |       |                         |
| <b>Project participant response</b>                                                         |    |                    |       | <b>Date:</b> 07/04/2021 |

#### 4.1.1 Ongoing Communications and Grievance Redress Mechanism

RER-CP has an ongoing communications system in place with the local communities surrounding the Project Area. The system includes local community relations officers from RER/APRIL staff in each community; they are known as the *Hubungan Masyarakat* or "*Humas*" for short. They act as the initial point of contact for any issues, grievances or otherwise. They are employed as community specialists to interface between the various local communities and RER and APRIL. They can be contacted by local officials, local community groups and villagers alike.

Additionally, the RER Project itself has a dedicated community relations team at its main office in Kerinci. This team is who would be contacted by the *Humas* in case of any grievance issues. If a grievance is logged, it would automatically begin to move through the RER/APRIL grievance redress mechanism. The current system has been established since quite some time as it is mandated for APRIL as part of its PEFC certifications; a schematic of the system is set forth below.

As APRIL Group is internationally audited by world-leading forest certification systems and rigorous, globally recognised standards, robust grievance redress mechanisms are in place. In December 2014, APRIL Group was the first Indonesian forestry company to receive sustainable forest management certification under the PEFC in conjunction with its Indonesian partner, the IFCC. APRIL Group's manufacturing operations received PEFC Chain-of-Custody certification in 2010, ensuring that all raw materials coming into the mill are from non-controversial sources. Together, SFM and Chain-of-Custody certification mean APRIL Group is now PEFC certified end-to-end throughout its supply chain. See Appendices 4e-f – SFM and Chain of Custody Certifications.

The RER community relations team additionally is responsible for working with the community to address a wide variety of issues, not just grievances. They are responsible for communicating with the local fisherman, with the community on health and education issues, etc. The community relations team is also available to speak directly to any member of the community if they wished to travel to Kerinci as the RER office is located outside of the main gated APRIL facility.

#### Documentation provided by project participant

210407 VCS PD ver 10.pdf

#### DOE assessment

Date: 24/04/2021

The justification provided is satisfactory and the CL is closed

Table 3. CAR from this verification

| CAR ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 01 | Section no. | 1.3 | Date: 23/12/2020        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------|-----|-------------------------|
| <b>Description of CAR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |             |     |                         |
| <ol style="list-style-type: none"> <li>1. It is not clear if the Project a Jurisdictional REDD approach or is a nested approach within any REDD Jurisdiction? PP has mentioned that it follows section 3.2.2 of the VCS Standard V. 04. Please elaborate and clarify.</li> <li>2. The description is not clear whether the buffer zone is inside or outside the project boundary. If it is outside of the project area, the buffer zone shall be adjacent to the project geographic boundary, and binding water management agreements with landholders in the buffer zone shall be in place by the time of the first verification as per the requirement of section 3.10.4(3)(a).</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |    |             |     |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |             |     | <b>Date: 25/02/2021</b> |
| <p><b>CAR 02.1</b></p> <p>The RER-CP does not use the Jurisdictional REDD approach or the nested approach. This following statement has been included in the PD at §1.11.1: RER-CP is not located within a jurisdiction covered by a Jurisdictional REDD+ Programme, or a jurisdictional forestry baseline has been updated with the above information and submitted to the VVB.</p> <p><b>CAR 02.2</b></p> <p>The VCS-PD has been updated to clarify that there is no external buffer-zone in the RER- CP. The PD provided had references to a 2.5 km buffer zone that had initially been included when it was thought that one might be needed. As the Project developed, it became clear from expert judgement that the risk of ecological leakage as contemplated by VMD0044 (LK-ECO), particularly after review of the updated version 1.1, was very low. All of the legacy canals have at least one dam in place, and most have multiple dams. Further, almost all of the legacy canals also drain into natural waterways (i.e. rivers) that would have more than adequate capacity to absorb additional discharge in the unlikely event that a dam was to fail. Further, even in the event of a failed dam that was directly adjacent to the project border, the hydrological changes are not anticipated as the amount of discharged water would not be substantial and would not be expected to increase GHG emission outside of the project area. The failure of a dam would not drain into "non-wetland areas" such that it would convert dryland to wetland, and it would not cause an area to become unvegetated or even less vegetated.</p> <p>As such, all references in the PD relating to an external buffer have been removed. As there is no external buffer, there is also no requirement for "binding water management agreements with landholders."</p> |    |             |     |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |             |     |                         |
| VCS-PD version 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |    |             |     |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |    |             |     | <b>Date: 5/03/2021</b>  |
| The update PD and the justification provided is okay. The CAR is closed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |    |             |     |                         |

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|------|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 02 | <b>Section no.</b> | 1.11 | <b>Date: 23/12/2020</b> |
| <b>Description of CAR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |                    |      |                         |
| <ol style="list-style-type: none"> <li>1. As per section 1.11 of the VCS Project Description Template v04, PP has to include information on how the various organisations, communities, and other entities are involved in the activities mentioned. The same was found missing in the description provided. Please update the section and add the required information</li> <li>2. Under section 1.11 PP is required to state if the Project is located within a jurisdiction covered by a jurisdictional REDD+ program or not. The same is missing in the section. Please add the same</li> </ol> |    |                    |      |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |                    |      | <b>Date: 25/02/2021</b> |

**CAR 03.1**

All of the Project's crediting activity is managed by the Riau Ecosystem Restoration program and staff reports to APRIL management. The field management is administered through the RER and APRIL offices in Kerinci. The RER Project is overseen by dedicated management teams with dedicated staff that undertake all of the activity related to peatland restoration. This includes dam construction and monitoring of the same. Monitoring activity is also undertaken by RER and APRIL management and staff. All licensing, forest planning, human resources, peatland science, and operational activity is undertaken by RER and APRIL staff, based primarily at the Kerinci offices. However, sustainability managers are primarily based in APRIL's Jakarta offices, with regular travel to Riau.

RER & APRIL have engaged third-party organisations to assist with various project activities. For example, the University of Riau was involved in peat sampling in the PT GAN block. This activity was not solely for the RER Project though, and thus they have not been listed as a project participant.

Members of the local community make up a sizable portion of the RER and APRIL on the ground staff that supports the Project, including the on the ground staff that builds and maintain the dams. APRIL forest mensuration teams also draw staff from the local community.

The PD has been updated with the following text in §§1.11.2 & 1.11.3:

**Project Activity Participants**

All of the Project's crediting activity is managed by the Riau Ecosystem Restoration programme, and staff reports to APRIL management. The field management is administered through the RER and APRIL offices in Kerinci. The RER Project is overseen by dedicated management teams with dedicated staff that undertake all of the activity related to peatland restoration. This includes dam construction and monitoring of the same. Monitoring activity is also undertaken by RER and APRIL management and staff. All licensing, forest planning, human resources, peatland science and operational activity is undertaken by RER and APRIL staff, based primarily at the Kerinci offices. However, sustainability managers are primarily based in APRIL's Jakarta offices, with regular travel to Riau.

RER & APRIL have engaged third-party organisations to assist with various project activities. For example, the University of Riau was involved in peat sampling in the PT GAN block. This activity was not solely for the RER Project though, and thus they have not been listed as a project participant.

Members of the local community make up a sizable portion of the RER and APRIL on the ground staff that support the Project, including the on the ground staff that build and maintain the dams. APRIL forest mensuration teams also draw staff from the local community.

**Non-Crediting Activity Participants*****Replanting and Revegetation***

All of the Project's replanting and revegetation activity is managed and overseen by RER and APRIL staff, including a dedicated biology science team led by PhD biologists/conservationists.

The field teams that operate the nurseries collect seedlings, undertake the planting, vegetation clearance and maintenance of the replanting areas and are mostly local community members retained as staff by RER and APRIL.

### ***Research***

APRIL has a dedicated GHG research team that coordinates with the RER programme and has a highly qualified science team led by PhD researchers.

### ***Forest Protection***

The RER forest protection staff are overseen and managed by the RER programme managers.

### ***Fire Prevention***

The fire prevention teams are dedicated RER staff and overseen by RER management. Like the forest protection staff, most stem from the local and surrounding areas. Overall, fire management is conducted from APRIL's provincial offices in Kerinci, where professional firefighting professionals closely monitor digital hotspot information. APRIL's fire teams from adjoining concessions are generally able to assist with any issues if there was a need.

### ***Conservation***

RER's management is made up of well qualified professional conservationists and supported by local staff. RER and APRIL regularly work with conservation organisations (e.g. Yayasan SINTAS, etc.) to monitor and research local wildlife. Local labour and general staff from the nearby communities are employed to assist and support the conservation work.

### ***Community & Sustainable Development***

RER has dedicated management staff that make up the Community relationship teams based on the Kerinci offices. They oversee all community and sustainability activity. They are supported by staff that reside in the local communities that act as liaisons between RER / APRIL and the local community, usually via WhatsApp or other social media groups.

### ***No Burn Vegetable Farming***

In conjunction with the APRIL Community Relations team, the RER Community Relations Team oversee and manage the no-burn activities. As noted, the activity also includes BIDARA who undertake field school activities and engage the local communities with this "extension-like" service.

### **CAR 02.2**

As previously stated in CAR-02.1, RER-CP does not use the Jurisdictional REDD approach or the nested approach. Additionally, RER-CP is not located within a jurisdiction covered by a Jurisdictional REDD+ Programme. The PD at §1.11.1 has been updated.

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|------------------------------------------------------|------------------------|
|                                                      |                        |
| <b>Documentation provided by project participant</b> |                        |
| VCS-PD version 9                                     |                        |
| <b>DOE assessment</b>                                | <b>Date:</b> 5/03/2021 |
| The updated PD is fine and the CAR is closed.        |                        |

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|--------|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      | 03 | <b>Section no.</b> | 1.12.4 | <b>Date:</b> 23/12/2020 |
| <b>Description of CAR</b>                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                    |        |                         |
| PP has included socioeconomic details including appropriate information on the climate, hydrology, topography, relevant historic conditions, soils, vegetation, and ecosystems which is not required in this section as per the VCS Project Description Template v04. Kindly review.                                                                                                                                                               |    |                    |        |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                |    |                    |        | <b>Date:</b> 25/02/2021 |
| <b>CAR 03</b><br>Demographic and socioeconomic details of villages surrounding the project area have been transferred to § 2.2.1 of the PD. Overview of Villages Surrounding the Project, and all environmental conditions have been transferred to section 1.13 of the PD, Conditions Prior to Project Initiation as per VCS Project Description Template v4.<br><br>The PD has been updated with the above information and submitted to the VVB. |    |                    |        |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                               |    |                    |        |                         |
| VCS-PD version 9                                                                                                                                                                                                                                                                                                                                                                                                                                   |    |                    |        |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                              |    |                    |        | <b>Date:</b> 5/03/2021  |
| The updated PD is fine and the CAR is closed.                                                                                                                                                                                                                                                                                                                                                                                                      |    |                    |        |                         |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|------|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                | 04 | <b>Section no.</b> | 1.13 | <b>Date:</b> 23/12/2020 |
| <b>Description of CAR</b>                                                                                                                                                                                                                                                                                                                                                                                    |    |                    |      |                         |
| The information on the present and prior environmental conditions of the project area, including as appropriate information on the climate, hydrology, topography, relevant historical conditions, soils, vegetation, and ecosystems, is to be included in this section as per the requirement of Section 1.13 of the VCS Project Description Template v04. Please check and add the information as required |    |                    |      |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                          |    |                    |      | <b>Date:</b> 25/02/2021 |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
| <b>CAR 05</b>                                                                                                                                                                              |                        |
| As noted above in CAR 04, All environmental conditions have been transferred to section 1.13 of the PD, Conditions Prior to Project Initiation as per VCS Project Description Template v4. |                        |
| <b>Documentation provided by project participant</b>                                                                                                                                       |                        |
| VCS-PD version 9                                                                                                                                                                           |                        |
| <b>DOE assessment</b>                                                                                                                                                                      | <b>Date:</b> 5/03/2021 |
| The updated PD is fine and the CAR is closed.                                                                                                                                              |                        |

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| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 05 | <b>Section no.</b> | 1.17 | <b>Date:</b> 23/12/2020 |
| <b>Description of CAR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |    |                    |      |                         |
| <ol style="list-style-type: none"> <li>1. As per section 2.1.12 description and requirement of VCS Project description template V.4, PP is required to describe how the Project contributes to achieving any nationally stated sustainable development priorities, including any provisions for monitoring and reporting same.</li> <li>7) The same is not reflected in the section of the PD. Please clarify.</li> <li>2. In the case where the Government of Indonesia is implementing UN-SDGs and NDC, which also include the project activities that are planned under the RER-CP Project, the PP required to provide evidence or undertaking to ensure that the emission reduction by the project activity is not included in the above-said programmes of the Government and that no double issuances has or will occur as set out in the VCS Program document Registration and Issuance Process.</li> <li>3. Mention the dates on which the consultation took place.</li> </ol> |    |                    |      |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |    |                    |      | <b>Date:</b> 25/02/2021 |

## CAR 5.1

The PD at §1.17.3 has been updated to describe how the Project contributes to achieving nationally stated sustainable development priorities, including any provisions for monitoring and reporting as follows:

The Government of Indonesia (GOI) has made a number of international commitments to sustainable development and reduction of GHG emissions.

### 2015 UN Sustainable Development Goals

GOI has made commitments under the UN's Sustainable Development Goal (SDG) program to address climate change issues by reducing GHG emissions in forest landscapes against a 2015 business as usual (BAU) scenario. This includes decreasing deforestation and protecting peatlands under Goal 13 and Goal 15. More Specifically,

8)

**GOI SDG Goal 13 - Climate Action** notes that deforestation contributed to 30% of GOI emissions and indicates a desire to reduce BAU emissions.

GOI indicates a Policy Direction for 2020-2030 in regard to Forest, Land, and Peat that would see a "returning the function of the ecosystem and environmental services of forestry, maintaining and increasing land cover."

9)

**SDG Goal 15 – Life on Land** – Forest Protection which has as its goal of :

- a) preventing a higher rate of forest degradation and
- b) incorporating private and public participation in conservation programmes.

The GOI indicated two policy directions in SDG Goal 15 for 2020-2024 and 2025-2030. Both included a goal of "decreasing Deforestation" and "continuing the peat protection policy."

10)

The RER-CP is not a formal part of the Indonesian SDGs in the sense that the Project is not directly incorporated into the SDG programme and that none of the results from the Project will be reported in relation to the hopeful success of the GOI goals. Nonetheless, informally, the RER Project, in its own actions, are supportive of the two SDGs. The activity of avoiding planned deforestation and of wetlands restoration are well aligned with the GOI SDGs.

The Project supports Goal 13 in its Project Activity by the blocking of the canals that assist with rewetting the peat landscape. Further, the overall act of avoiding planned deforestation supports the goal of increasing forest cover as the Project's Activity allows the in situ forest to naturally regrow. The limited reforestation and revegetation by the Project also assist with maintaining and increasing forest cover.

The Project also informally supports Goal 15 through avoiding deforestation that would have otherwise occurred in the Project's baseline scenario while at the same time protecting a large

peatland area from the loss of much of the peatland landscape that would have happened under the same baseline scenario.

Although the RER Project does undertake monitoring of its activities, none of the Project's monitoring is directly linked to the GOI SDG programme, and there are neither any requirements to monitor and report to the SDG programme, nor are there any plans to report the activity to the GOI SDG programme.

The GOI and the RER Project have not had any direct discussions or consultations regarding the SDGs, and the Project's contribution to them is only informal.

11)

### **2015 Nationally Determined Contributions under Paris Agreement**

The GOI adheres to the Paris agreement, and it has been ratified by Act No. 16/2016. The GOI Submitted its first NDCs in November of 2016. Further, and pursuant to Decision 1/CP.23 paragraph 10-11 and Annex II on Talanoa Dialogue and the Guidance for Parties by COP Presidencies (27 March 2018), the Government of the Republic of Indonesia committed to a 29% reduction of national GHG emission by 2030, with 17.2% coming from the Forestry sector . The only aspect included as part of the Private Sector implementation in the Talanoa Dialogue that was specifically mentioned was the "Fire-Free Village Program," which has been implemented in the Kampar Peninsula.

### **RER-CP's Contributions**

The RER Carbon Project activities support the GOI's NDCs. Informally at this stage, the RER Project may contribute a portion of the Project's GHG reductions and removals to the NDC goals of Indonesia, that is, GHG emission reduction of 17.2% from the forestry sector. The details of that contribution are continuing to be developed. No formal agreement has been reached to date; however, discussions are ongoing. The Project is committed to avoiding any double-counting so that any emission reductions that the Project achieves, and would be claimed by the GOI, would not result in tradeable VCU credits. Further, any GHG reductions or removals that were issued as VCUs would be potentially subject to corresponding adjustments as contemplated by Article 6 of the Paris Agreement. As Art. 6 rules continue to be developed in the ongoing SBSTA and COP negotiations, it remains unclear as to precisely how the accounting will be conducted. Irrespective of the outcomes, RER will adhere to any agreed-upon rules and will not engage in any double counting.

12)

The Project's monitoring, reporting and verification program provides accurate science-based information systems that can be used to assess contributions to GOI NDCs. Currently, there are no formal requirements that establish how the Project will monitor or report its emission reductions to the GOI. It is anticipated that the VCS Verification Reports of the Project will be provided to the relevant divisions within the Ministry of Environment and Forestry (i.e. Director General of Climate Change and the senior officers in MoEF). Details regarding this exchange of information will be developed, and the Project will adhere to any legal requirements and will avoid any double counting.

Regarding the Fire Free Village Program, the RER Project is not involved in any formal monitoring or reporting of the programme to the GOI. In the event that formal monitoring and reporting requirements are implemented, the Project will follow these.

The GOI and the RER Project have only had one formal consultation regarding the NDC issues on 14 January 2021. Additional meetings are anticipated in the near future.

### **GOI SDG Goal 13 -Climate Action**

Deforestation contributed to 30% of GOI emissions – desire to reduce BAU emissions

Policy Direction 2020-2030 – Forest, Land and Peat - returning the function of the ecosystem and environmental services of forestry, maintaining and increasing land cover.

### **GOI SDG Goal 15 – Life on Land – Forest Protection**

Preventing a higher rate of forest degradation

Increase local participation in forest management, and

Incorporating private and public participation in the conservation program

Policy Direction 2020-2024 – Decreasing deforestation and continuing the peat protection policy

Policy Direction 2025-2030 - Decreasing deforestation and continuing the peat protection policy  
13)

### **CAR 5.2**

PD has been updated to include The Government of Indonesia's (GOI's) UN Sustainable Development Goals (UN-SDGs) and Nationally Determined Contributions (NDC) as stated above. An undertaking document has been submitted to the VVB.

### **CAR 5.3**

The GOI and the RER Project have only had one formal consultation regarding the NDC issues on 14 January 2021. Additional meetings are anticipated in the near future.

### **Documentation provided by project participant**

All requested documents are provided as follows:

#### **2. CAR 5.2 RER\_undertaking executed.pdf**

### **DOE assessment**

**Date:** 5/03/2021

The updated PD is in line with the VCS PD template V04 requirement. The undertaking and justification provided is satisfactory and the CAR is closed.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |    |                    |     |                         |
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| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 06 | <b>Section no.</b> | 2.2 | <b>Date: 23/12/2020</b> |
| <b>Description of CAR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                    |     |                         |
| <ol style="list-style-type: none"> <li>1. The map included is not clear, it is difficult to differentiate between village and RER boundary. Please use a different legend or legend colour for either of the boundary</li> <li>2. How the issues were resolved and what was the conclusion? Please include the same under section 2.2.2</li> <li>3. Section 2.2.4 mentions the agreement signed between the villages and PP to not employ burning techniques to clear areas for agriculture or small-scale plantation activity in exchange for agreed-upon incentives. Please submit the agreement for validation purposes. Also, list out the incentives here which has been offered to the villagers to achieve the target</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |    |                    |     |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |    |                    |     | <b>Date: 25/02/2021</b> |
| <p><b>CAR 6.1</b></p> <p>§2.2.1 that includes Map 14- Map of villages in RER Kampar Peninsula has been updated to differentiate between village and RER boundary.</p> <p>The PD at § 2.1 has been updated with the above information and submitted to the VVB.</p> <p><b>CAR 6.2</b></p> <p>The tables for each village in Section 2.2.2 of the PD have been updated to include "Resolutions &amp; Conclusions" for each of the issues reviewed.</p> <p><b>CAR 6.3</b></p> <p>PP has provided written agreements between APRIL/RER and the villages to not engage in swidden agriculture techniques and the agreed-upon incentives. Each agreement is with a village and for a calendar year. All the available agreements in the Indonesian language are provided. Additionally, examples for each village have been translated into English and are also provided. The agreements also list out the incentives and rewards. The PD has been updated in §2.2.4(3) to include the incentives as well.</p> <p>The documents have been submitted to the VVB as noted below in electronic format and are considered sensitive commercial documents. Only a sample of agreements between APRIL/RER and the villages have been translated to English, but all written agreements in Bahasa Indonesia have been provided to the VVB.</p> |    |                    |     |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    |                    |     |                         |

All requested documents are provided as follows:

1. **CAR 6.1 Map of Village in RER Kampar Peninsula V2.jpg**  
**14)**
3. **CAR 6.3 2015 MoU Kelurahan Teluk Meranti [translated].pdf**  
**15) CAR 6.3 2016 MoU Kelurahan Teluk Meranti [translated].pdf**  
**16) CAR 6.3 2017 Desa Bagan Melibur [translated].pdf**  
**17) CAR 6.3 2018 Desa Bagan Melibur [translated].pdf**  
**18) CAR 6.3 2019 MOU Reward Desa Pangkalan Terap [translated].pdf**  
**19) CAR 6.3 MOUs (Bahasa Indonesia)**

**DOE assessment**

**Date:** 5/03/2021

The map has been updated and is fine now. Also, the undertaking and agreements submitted are okay.

However, from the description mentioned in Resolution Findings tables in the sub-section 2.2.2 it is not clear whether the communities are allowed to harvest/collection of NTFPs in sustainable or unsustainable manner. Please check and revise.

The CAR is not closed.

**Project participant response**

**Date:** 07/04/2021

The PP has updated the VCS-PD to note that NTFP is allowed and that further detail can be found in § 2.2.2.1. This new section has been inserted and reads as follows:

#### Non-Timber Forest Products Explanation

Local communities around the RER project area have always been allowed to collect non-timber forest products (NTFP) and the RER Project guard posts and rangers have never prevented the access into the forest. All access into the Project Area is done via one of only a handful of access points on waterways and past the guard-posts where everyone who enters must register. There is no requirement to provide advance notice of a community member's intention to access the Project Area. However, the guard posts do maintain logs of all entries made. The daily ingress/egress logs are communicated by radio to the RER field station (located just outside of the RER Project area).

All harvesting and collection of NTFP are undertaken in a traditional manner by local communities. No commercial activity is undertaken in the area. All activity is small scale and undertaken by individuals, pairs of individuals. The Main NTFP collected from the RER Project area are rattan, palm shoots, fish, deadwood for smoking fish, pandan leaf collection, etc. (Additionally, communities would be free to collect other NTFP such as seeds, seedlings, etc.) A practical barrier to any large-scale access that could result in unsustainable harvesting, collection or access into the RER Project area is that only small aluminium craft (i.e. 5 meters or so) with small outboard motors can navigate the overgrown waterways. Larger craft are unable to access the RER Project Area. Collection of NTFP at any scale is not realistic.

The RER Project, through monitoring, maintains a "watchful eye" on all access in order to monitor practices that might be or become unsustainable. For example, early in the Project's history, RER and APRIL were aware of fishing practices that appeared unsustainable, including destructive "local fishing habits" that included the use of poisons, electricity, etc. To improve harvesting practices, RER and APRIL helped establish a local fisherman's association that included fishermen from villages that traditionally accessed the RER's waterways. Signed agreements between the fisherman and RER/APRIL were established that limited fishing to more sustainable methods. The fisherman agreed to refrain from the use of poisons, electricity and other unsustainable methods. This agreement began in 2016 and continues to today. The fisherman (about 20+ active fisherman) report that the waterways are clean and the quality of their catches have improved. Local species that once appeared to be absent have returned. A copy of the fisherman's agreement is included.

Another example of the RER project working to maintain sustainable NTFP activities includes an agreement with local communities, the Riau Conservation Dept. and RER to refrain from the collection of Songbirds. At the beginning of the Project, in 2016 and until 2019, communities were allowed to collect songbirds, but the practice was becoming widespread, and RER/APRIL

feared that the impacts on the local bird population was increasing to unsustainable levels. Since the October 2019 agreement to cease songbird collection, the RER guard posts have not encountered any songbird collection in RER.

RER's ongoing monitoring of access to the concession also looks for poaching activity, but none has been detected.

The RER monitoring programme and ongoing engagement with local communities ensures the continued right of access to the RER Project Area for the harvesting and collection of NTFPs. It also ensures, as has been demonstrated in the past, that unsustainable practices can be identified and addressed with appropriate measures.

Additionally the tables in Section 2.2.2. were updated as follows:

Table 27, line item #3;

Table 28, line item #3;

Table 29, line items #1 & 2; and,

Table 31, Line items 1 & 2.

#### Documentation provided by project participant

210407 VCS PD ver 10.pdf

#### DOE assessment

**Date:** 24/04/2021

The justification provided and the revisions made in the PD are satisfactory. The CAR is closed

| CAR ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 07 | Section no. | 2.2.5 | Date: | 23/12/2020 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------|-------|-------|------------|
| Description of CAR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |    |             |       |       |            |
| <p>As per the requirement of section 2.2 of the VCS Project Description Template v04, PP to demonstrate how the Project has or will communicate the following:</p> <ul style="list-style-type: none"> <li>The project design and implementation, including the results of monitoring.</li> <li>The risks, costs and benefits the Project may bring to local stakeholders.</li> <li>All relevant laws and regulations covering workers' rights in the host country.</li> </ul> <p>The above specific information is missing in the description provided. Please add the same in the section.</p> |    |             |       |       |            |
| Project participant response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |    |             |       |       | Date:      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |             |       |       | 25/02/2021 |

### CAR 07

PP is exempted from these as we contracted with VVB before the 19 March 2020 deadline for the AFOLU Safeguards to be applicable. Minor updates have nonetheless been made to the section in an effort to remain transparent. The PD has been updated with the above information and submitted to the VVB.

#### Documentation provided by project participant

VCS-PD version 9

#### DOE assessment

**Date:** 5/03/2021

The updated PD is fine and the CAR is closed.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |             |       |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------|-------|------------------|
| CAR ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 08 | Section no. | 2.4.1 | Date: 22/12/2020 |
| Description of CAR                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |    |             |       |                  |
| The compliance to section 3.16.5 of the VCS Standard V.04 is not established. As per the requirement, all projects are subject to a 30-day public comment period. The date on which the Project is listed on the project pipeline marks the beginning of the Project's 30-day public comment period (see the VCS Program document Registration and Issuance Process for more information on the VCS project pipeline                                                                      |    |             |       |                  |
| Project participant response                                                                                                                                                                                                                                                                                                                                                                                                                                                              |    |             |       | Date: 25/02/2021 |
| CAR 08                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |    |             |       |                  |
| PP notes that the PD entered the VCS Pipeline on 14 January 2021, and the 30 day public comment period ended on 13 February 2021. PP did not receive any public comments as part of the process. § 2.4 of the PD has been updated with this information as well.                                                                                                                                                                                                                          |    |             |       |                  |
| Additionally, the PP undertook community consultations within the villages associated with the Project. The first consultation took place on 15 February to explain the Project, the validation and verification of the Project. The stakeholders were made aware of the PD, the Project status and the of the upcoming validation and verification efforts. The communities were provided a written summary of the Project. Follow-up consultations were held on 23 & 24 February. 2021. |    |             |       |                  |
| Documentation provided by project participant                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |             |       |                  |
| VCS-PD version 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |             |       |                  |
| DOE assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |    |             |       | Date: 5/03/2021  |
| The updated PD is in line with requirements of VCS PD Template v04. The CAR is closed.                                                                                                                                                                                                                                                                                                                                                                                                    |    |             |       |                  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |   |                    |     |                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|--------------------|-----|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 9 | <b>Section no.</b> | 2.5 | <b>Date: 23/12/2020</b> |
| <b>Description of CAR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |   |                    |     |                         |
| <ol style="list-style-type: none"> <li>1. The description of the local stakeholder identification process and a description of results was not found in compliance with Section 3.4.1 of the VCS Standard, v4.0</li> <li>2. Request to provide the supporting documents in English for validation</li> <li>3. Company's HR Policy and Code of Conduct to validate the statement mentioned</li> </ol>                                                                                                                                                                                                |   |                    |     |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |   |                    |     | <b>Date: 25/02/2021</b> |
| <p><b>CAR 9.1</b></p> <p>PP is exempted from these as we contracted with VVB prior to the 19 March 2020 deadline for the AFOLU Safeguards to be applicable.</p> <p><b>CAR 9.2</b></p> <p>PP is exempted from these as we contracted with VVB prior to the 19 March 2020 deadline for the AFOLU Safeguards to be applicable.</p> <p><b>CAR 9.3</b></p> <p>PP is exempted from these as we contracted with VVB prior to the 19 March 2020 deadline for the AFOLU Safeguards to be applicable. Nonetheless, the PP is providing an English language copy of the Grievance and Redress procedure. .</p> |   |                    |     |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |   |                    |     |                         |
| 1. CAR 9.3 SOP-Grievance-Resolution-Procedure.pdf                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |   |                    |     |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |   |                    |     | <b>Date: 5/03/2021</b>  |
| The updated PD is in line with requirements of VCS PD Template v04 and VCS v4: overview of substantive updates to program rules & requirements <sup>6</sup> . The CAR is closed.                                                                                                                                                                                                                                                                                                                                                                                                                    |   |                    |     |                         |

|                           |    |                    |     |                         |
|---------------------------|----|--------------------|-----|-------------------------|
| <b>CAR ID</b>             | 10 | <b>Section no.</b> | 3.2 | <b>Date: 23/12/2020</b> |
| <b>Description of CAR</b> |    |                    |     |                         |

<sup>6</sup> <https://verra.org/wp-content/uploads/2019/09/VCS-V4-Summary-of-Effective-Dates.pdf>

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <ol style="list-style-type: none"> <li>1. Third applicability condition of the module VMD0001 V1.1 and revise. The eligibility criteria mentioned is wrong.</li> <li>2. 'The project areas are legally authorised and documented to be converted to non-forest land'. PP is requested to provide the evidence for the statement</li> <li>3. The Project does not avoid unsustainable fuelwood collection. The statement made is contradictory with the statement made in section 1.1, which says, "The carbon financing received from the Project's activities will be reinvested into the landscape and local communities to support sustainable land-use practices, support fire monitoring, scientific peatland and wetlands research, and protection of the areas to preserve the incredible flora and fauna of the Project Area." Please clarify</li> <li>4. The Project does not cause increases in N<sub>2</sub>O emissions, PP is requested to substantiate/elaborate.</li> <li>5. The applicability condition in the PD is not in line with the conditions of the applied module VMD0046 version 1.0. Please clarify the inconsistency.</li> <li>6. Please check and revise the correct ID of the tool applied. Also, check the applicability condition.</li> <li>7. PP has used two additionality tools i.e. both VCS and CDM Additionality tools to prove that the Project is additional when section 7.1 of the v1.5 of the applied methodology VM0007 states that the PP shall use T-ADD' Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project"? Clarify and make the required corrections</li> </ol> |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Date: 25/02/2021</b> |

## CAR 10.1

PD has been updated to revise the applicability conditions and eligibility criteria of all modules used under VM0007 REDD+ MF ver. 1.6.

## CAR 10.2

PP has provided the following legal justification that the Project Area is legally able to be converted from forest to non-forest and then plantation area:

### Summary

The Project Area is subject to the Basic Forestry Law, Law 41/1999, which establishes government authority over all forests. Law 41/1999 is the basis for establishing Forest Management Units, the (limited) Provincial responsibility for the Forests, the requirements for spatial planning, and the requirement that the forest utilisation is designated into one of three categories. For commercial exploitation of the forests, the forest in question must be designated as Production Forest or Hutan Produksi. There are a variety of ways forest products can be exploited. However, all forest utilisation requires a license to be granted from the Ministry of Forestry. Legal forest product utilisation business includes planting, cultivating, harvesting, processing, and marketing forest products.

### Legal Permissibility for Deforestation

All forested area in Indonesia belongs to the Government of Indonesia (GOI) as prescribed in Law 41/1999 regarding the Forest. Specifically, Chapter I, Part 3, Article 4, section (1) states that "All forests within the territory of the Republic of Indonesia including all the natural wealth contained therein shall be under the state's control for people's maximum welfare".

Law 41/1999 continues in Chapter II, article 6, section 1(a-c) and 1(a-c) to establish three different forestry estates based on their function. Namely,

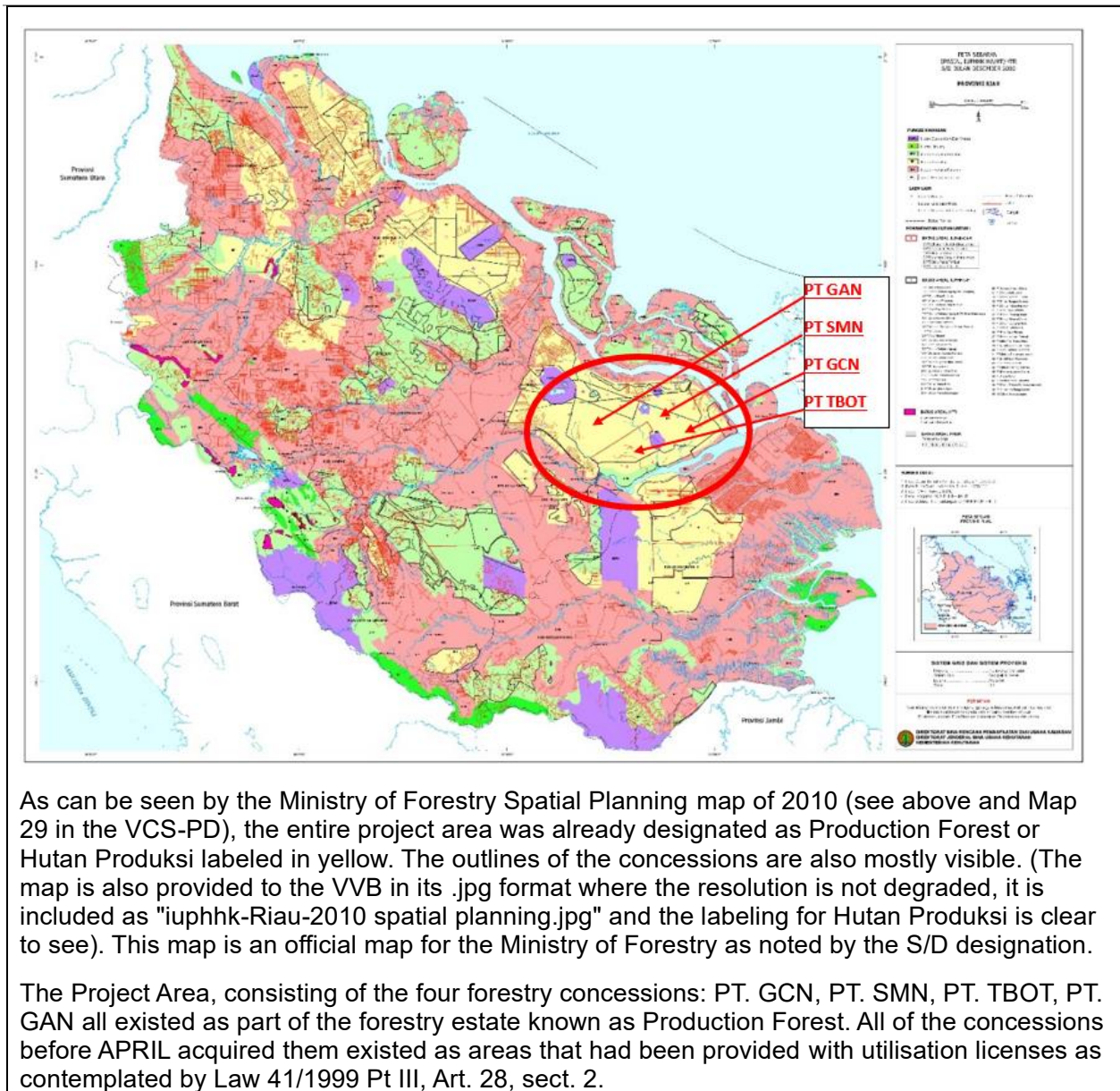
- a) Conservation forests;
- b) Preservation forests; and
- c) Production forests.

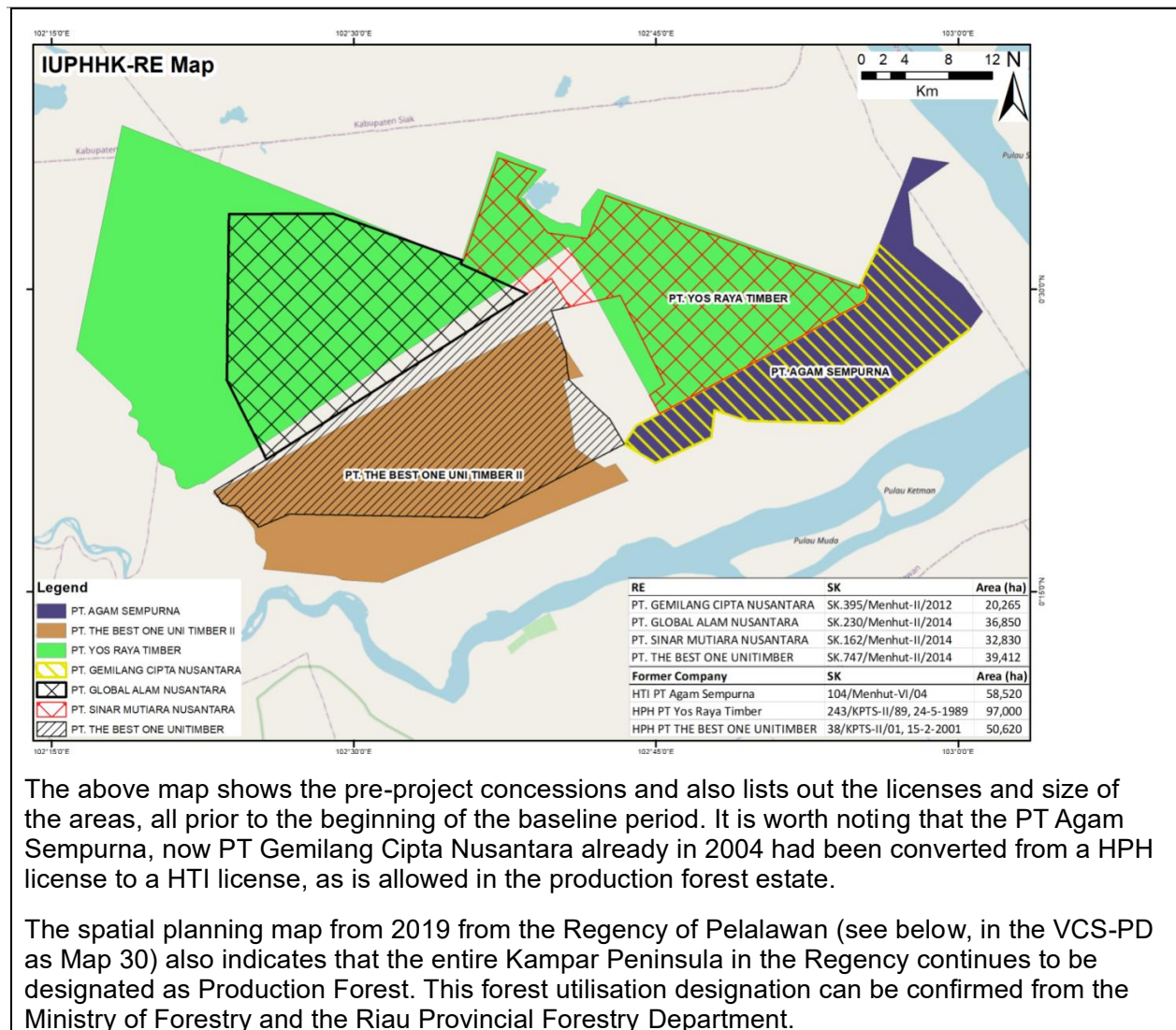
The Forestry Law, in Chapter III, Art. 10 - 15, also sets the basic requirements for administering the forest, its spatially planning, establishing boundaries, undertake forest inventory, etc.

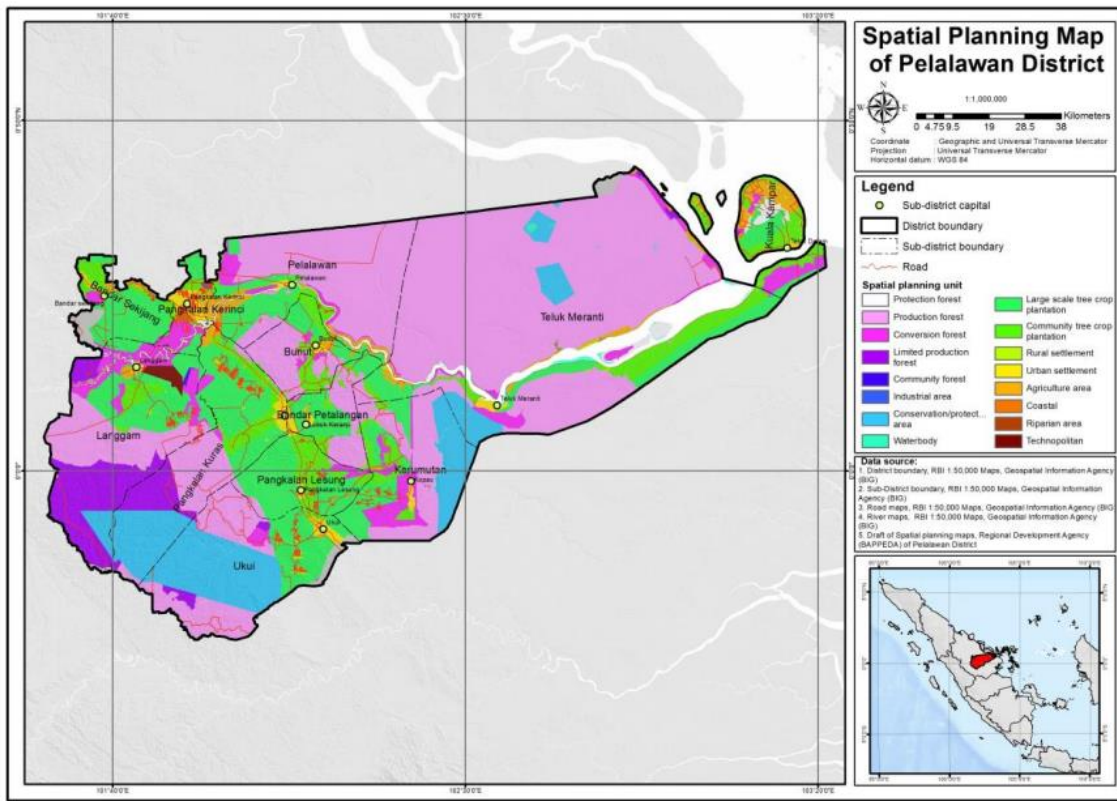
Part V of the Forestry Law, from Article 17 - 20 establish the forest management areas at the provincial, regency, and management unit levels as well as the establishment of spatially planned forestry planning.

The utilisation of production forests is designated in Chapter V (Forest Management) Part Three, Article 28, section 1 for the utilisation and collection of timber products. Section 2 of the same article indicates that "Utilisation of production forest shall be implemented through granting of business licenses for area utilisation".

Article 33, section 1 of the same chapter indicates that "Forest products utilisation business shall include the activities of planting, cultivating, harvesting, processing, and marketing forest products."







### How a Logging Concession Transitions to Industrial Timber Estate (HTI)

By late in the first decade of the 21st century, all of the four HPH concessions had been logged over at least once. The RER forest inventory and AGB inventory can confirm that the forests have only little to no trees of commercial value left. Satellite images from 2005 and 20013 confirm no significant change in forest cover or land-use change to the project area compared with the Project started in 2016. This is demonstrated in the VCS-PD as well. By the end of the first decade and the beginning of the second decade (i.e. of the current century), all of the concessions were inactive. It was also at this time (i.e. during the 10 year baseline period) that there was a concerted push by the Government of Indonesia and the Ministry of Forestry to develop millions of logged over (low productivity) areas into HTI forestry plantations.

Since 2007, the Ministry of Forestry regulates almost all aspects of the forest estates, including the "Forest Arrangement and Formulation of Forest Management Plan[s] as well as Forest Exploitation" through Government Regulation No 6/2007. This government regulation is the implementing regulation for Law 41/1999. It regulates the development and issuance of concession licenses, including for "Industrial Timber Estates" (HTI) as defined by Chapter I, Article 1, Section 18. Chapter II, Article 5.

Govt. Regulation 6/2007 requires that all forest exploitation must be accompanied by a license to exploit the forest. (Part II Art. 19).

Chapter IV, Part 4, from Article 31 through 59 of the regulation, sets forth the general rules for "Forest Exploitation in Production Forest. It is in these sections that the variety of utilisation activities are described for production forests, including (see Art. 31, Section 2 (b) environmental

services and "business activities to utilise timber forest products in natural forests Section 2(c). Article 33 & 34 allow the use of ER and "absorption and/or storage of carbon while Article 37-39 allow the utilisation of the production forest for HTI.

Article 38, section 1 states explicitly that utilisation of the timber forest products includes the utilisation of a silviculture system and section 2 discusses how that is done by way of "land preparation, seeding, planting, maintenance, harvesting, and marketing. Sect-3 specifically indicates that the "utilisation of timber forest product in HTI is done in unproductive production forest."

### **Conclusion**

The Project Area has been designated as a production forest area throughout the entire baseline and pre-baseline period and is legally able to be converted to industrial timber plantation activity under Indonesia law. This position is supported by the HPH concession licenses, the Indonesian forestry law, and the spatial planning documents that relate to the Kampar Peninsula.

### **CAR 10.3**

The PP does not address or attempt to avoid "unsustainable fuelwood collection" because it is not a threat to the Project Area. The Project Area is too far from any local communities for fuelwood collection; the local communities by and large use gas cylinders to cook with, there are no known active efforts by the community to collect fuelwood in the Project Area.

The PP has updated the language of § 1.1 to remove any confusing language about sustainable land use activities as well as clarifying in the same section that the Project is not attempting to avoid any unplanned deforestation or degradation.

### **CAR 10.4**

While the baseline scenario includes N<sub>2</sub>O that would have been the result of the plantation activity (application of nitrogen-based fertilisers), the Project does not increase N<sub>2</sub>O emissions as the Project does not include the application of any fertilisers. VM0007 ver 1.6 indicates, at table 7 in §5.4.2 indicates that N<sub>2</sub>O as a Baseline sources - is to be "included" but that "it is conservative to exclude." The same table under Project Sources also indicates that N<sub>2</sub>O is an "included" pool but that it "can be excluded if excluded from baseline accounting except in situation where fertiliser use is enhanced as a leakage avoidance mechanism."

No N<sub>2</sub>O emissions have been accounted for in the Baseline scenario accounting and thus, they are excluded from the Project scenario accounting as well.

Additionally, the Project is not advocating an increase in the use of fertilisers for the proxy areas or in other APRIL controlled areas as a "leakage avoidance mechanism".

Further, no N<sub>2</sub>O for burning is accounted for as there is no significant biomass burning in the baseline nor in the Project. Thus it included as a carbon pool but excluded in the accounting as allowed in VM0007 ver 1.6 indicates, at table 7 in §5.4.2

### **CAR 10.5**

PP has updated all applicability conditions of all CDM tools and VCS methodology applied.

20)

### **CAR 10.6**

PD has updated the correct IDs of all CDM tools and the VCS methodology applied.

21)

### **CAR 10.7**

PD has been updated to only use one additionality tool, i.e. CDM Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities (T-ADD) as per v1.6 of the applied methodology VM0007 (REDD+ MF).

### **Documentation provided by project participant**

All requested documents are provided as follows:

2. **CAR 10.2 2007 Forest Arrangement and Formulation of Forest Management Plan as well as Forest Exploitation.pdf**
- 22) **CAR 10.2 2011 Bupati PLL GCN Recommendation Letter\_English\_sc.pdf**
- 23) **CAR 10.2 IUPHHK Riau 2010 Spatial Planning Map.jpg**
- 24) **CAR 10.2 IUPHHK-RE vs HPH-HTI Map.jpg**
- 25) **CAR 10.2 Law No. 41 of 1999 on Forestry.pdf**
- 26) **CAR 10.2 Obidzinsky, K. 2009.pdf**
- 27) **CAR 10.2 Samsudin, Y.B. 2016.pdf**

### **DOE assessment**

**Date:** 5/03/2021

1 - This applicability condition is 4.2 All Project Activities not 4.1 – General of the applied methodology. Please check the latest version of the VM0007 1.6 Methodology framework and revise the same. Include the first applicability condition 4.1 General as per the latest version of the applied methodology.

2 – the updated information is okay.

3 – the updated PD is fine.

4 – the justification provided is okay

5 – please check the VMD0046 M-PEAT and make the required correction. Also check the 2<sup>nd</sup> applicability condition mentioned for T-ADD EB 35 Annex 19 and make the required correction.

6 – the corrections made are okay

7 – the updated PD is fine

8 - Please revise and provide and proper justification for VMD0009 LK-ASP and VMD0001 CP-AB

### **Project participant response**

**Date:** 07/04/2021

|                                                                                                                                                                                                                                                                                                                                                         |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| CAR 10.1 The applicability conditions related to VM0007 REDD-MF have been updated                                                                                                                                                                                                                                                                       |                         |
| CAR 10.5 The applicability conditions related to VMD0046 M-PEAT have been updated. The non-applicable condition for EB 35 Annex 19 T-ADD has been removed                                                                                                                                                                                               |                         |
| CAR 10.8 The applicability conditions related to VMD0001 CP-AB and VMD0009 LK-ASP have been updated.                                                                                                                                                                                                                                                    |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                    |                         |
| 210407 VCS PD ver 10.pdf                                                                                                                                                                                                                                                                                                                                |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                   | <b>Date: 24/04/2021</b> |
| TR 10.1 VM0007 REDD+-MF, 4.5.1 - All WRC Activity Types - Include the reference to section for the eligibility criteria                                                                                                                                                                                                                                 |                         |
| TR 10.2 VM0007 REDD+-MF, 4.5.2 RWE Project Activities General - The project proponent must demonstrate (c) based on verifiable information such as laws and bylaws, management plans, annual reports, annual accounts, market studies, government studies or land use planning reports and documents.as required by the methodology                     |                         |
| TR 10.3 VM0007 REDD+-MF, 4.5.2 RWE Project Activities - Peatland Rewetting - Include proof/section to the PDD to show that the project area meets the definition of peatland                                                                                                                                                                            |                         |
| TR 10.4 VM0007 REDD+ MF, 4.5.3 CIW Project Activities - Include the sections of the PDD where the relevant information is included.                                                                                                                                                                                                                     |                         |
| TR 10.5 VMD0001 CP-AB - Provide the proof as to how this is met                                                                                                                                                                                                                                                                                         |                         |
| TR 10.6 VMD0015 M-REDD - Is this a monitoring parameter? Is logging is observed during the project period, will it be accounted? This needs to be included/justified.                                                                                                                                                                                   |                         |
| TR 10.7 VMD0016 X-STR - There is no section 3.3.1.2 and 3.3.1.3 in the PDD for this reference                                                                                                                                                                                                                                                           |                         |
| TR 10.8 VMD0016 X-STR - check on this as mentioned section 4.2. Refer to the sub-section.                                                                                                                                                                                                                                                               |                         |
| TR 1-9 VMD0042 BL-PEAT - According to the tool, the PP shall show that "The sum of decreases in carbon pools and increases in emissions that may be neglected shall be less than 5% of the total decreases in carbon pools and increases in emissions, or less than 5% of net anthropogenic removals by sinks, whichever is lower by applying the tool. |                         |
| TR 10.10 VMD0044 LK-ECO - This is not included in section 5.5. Leakage                                                                                                                                                                                                                                                                                  |                         |
| TR 10.11 VMD0046 M-PEAT - Provide reference/section in the PDD                                                                                                                                                                                                                                                                                          |                         |
| TR 10.12 T-ADD - EB 35 Annex 17 - Please check and revise the annexure number of the tool                                                                                                                                                                                                                                                               |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                     | <b>Date: 11.05.2021</b> |

**TR-10.1** The VCS-PD, applicability Condition 11 has been updated to state:

Condition met. The project activities do not lower the water table (see § 1.11.2.2 & §1.11.2.3), hydrological connection of the peatland does not lead to increase of emissions outside of the Project Area (see § 4.3.4) and do not include burning of organic soil (see § 4.2.1., § 4.2.1.2, § 4.2.3.2, § 4.2.4.2 & § 4.2.4.5) and does not include the use of fertilizers (see § 1.11.3.1-4, § 2.3, § 4.1.2 .and § 4.1.4.3).

**TR-10.2** VCS-PD, applicability condition 12 has been updated to state in the Comment that:

Condition met. The project will continue at a similar or greater level of service or production during the project crediting period as all concessions that make up the Project Area are under a IUPHHK-RE License, i.e., Ecosystem Restoration License, see § 1.7.2. The license are valid until the end of the Project Crediting Period, and each concession has a long term and annual management plan (RKU/RKT) that is approved by the Indonesian Ministry of Environment and Forestry which approved activity includes restoration of the wetland ecosystem that makes up the Project Area , see § 1.7.2, § 1.9 and Appendix 1 – Copies of the Legal Documents for the four RE concessions (Licenses and Management Plans (RKU/RKT)).

**TR-10.3** VCS-PD updated to state:

Condition met. The project will conduct rewetting drained peatland (RDP) activities on project areas that meet the VCS definition for peatland, see §1.13.1.7 and § 3.3.4.2.

Additionally, §3.3.4.2 has been updated with a footnote referencing the Indonesian national peat map

**TR-10.4** VCS PD has been updated at Applicability Condition 14 so that the comment now states:

VM0007 section 4.5.3 applies as we are avoiding wetland degradation. We have to explicitly state in the applicability criteria that the CIW do not include any tidal wetlands. We have to clearly state that development of plantations on peatland are legally permitted under the IUPHHK-HT license as proposed in the baseline, The concession is surrounded by several similar forest plantations established on this license type.

**TR-10.5** VCS PD has been updated at Applicability Condition 17 so that the comment now states:

Non-tree above-ground biomass is excluded because it is greater in the project scenario than in the baseline scenario, and non tree biomass was not determined to be significant. The baseline scenario assumes that all natural forest biomass will be cleared for the establishment of forest plantations and this will logically reduce baseline biomass to zero including Non-tree above-ground biomass to zero and significantly less than in the project scenario. Furthermore the tier 2 emission factors (**see *Krisnawati et al (2015)* endnote inserted into the VCS PD**) for understory is between 3.30% to 4.94% of AGB which is significantly less than the estimates of total tree biomass used in the baseline and project scenarios.

**TR-10.6** The VCS PD at applicability condition 26 had updated to state:

Condition not applicable. The Project does not involve timber harvest selective logging because the current legal licenses for each of the areas is IUPHHK-RE License, i.e., Ecosystem Restoration License, see § 1.7.2. For selective logging to occur the, concessions would have to have a license to selectively harvest timber, this would be a IUPHHK-HTR license.

**TR-10.7** The VCS PD at applicability condition 28 has been updated to include the correct reference and now states:

Condition met. See application of X-STR in § 3.3.4.2 and 3.3.4.3

**TR-10.8** The VCS PD at applicability condition 29 has been updated to state:

Condition met. The Project is taking significant steps to maintain the intactness of hydrology in the project area and to restore hydrology in areas which have been disturbed by existing drainage. The Project is monitoring areas outside the Project area which could be under threat of disturbance in order to minimise potential impacts in terms of drainage. See § 5.3.2.1 (2c) Ground Water Table & Subsidence Monitoring, (2e) Dam & Canal Monitoring and (3) Leakage Monitoring.

**TR-10.9** VCS PD has been updated at Applicability Condition 34 so that the comment now states:

GHG emissions (specifically N<sub>2</sub>O) are excluded from the baseline and project scenarios. The potential emissions sources are fire and nitrogenous fertilizer applications, which are both assumed to be absent in both the baseline and project scenarios.

Therefore the net GHG emissions from both the baseline and project scenarios are estimated to be zero which is significantly less than 5% of the total decreases in carbon pools and increases in emissions and less than 5% of net anthropogenic removals by sink

Further the PP notes that the methodology (VMD0042) says that a project is required to do the calculations (the applicability condition says this) to show it is insignificant, and then states that **OR it must show that N<sub>2</sub>O emissions will not increase in the project scenario**. There is not a requirement to calculate if it can be demonstrated that the N<sub>2</sub>O will not increase. The project does not have any N<sub>2</sub>O emission in the project scenario and thus they will not increase. The PP maintains that it is not required to calculate the emissions if it can be demonstrated, as the Project has, that N<sub>2</sub>O emissions will not increase in the project scenario.

**TR-10.10** VCS PD has been updated to state in Applicability Condition 36:

Ecological Leakage does not occur in the Project. See application of LK-ECO in § 4.3.4 - Estimation of Emissions from Ecological Leakage

**TR-10.11** VCS PD has been updated and the reference in Applicability Condition 41:

**TR-10.12** VCS PD has been updated in Applicability Condition 44 to correctly reference the Annex number of T-ADD.

#### Documentation provided by project participant

210511 VCS-PD Version 11.pdf

#### DOE assessment

Date:

The updated PD is fine. The CAR is closed.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |                    |     |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|-----|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 11 | <b>Section no.</b> | 3.3 | <b>Date: 23/12/2020</b> |
| <b>Description of CAR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |    |                    |     |                         |
| <p>1.The applied methodology has specific steps for defining the boundary which then are used for determining the baseline and project emissions. Section 3.3 of the project description does not follow the guidance of the methodology and follow each step to define the boundary and the LU scenario. The project proponent is requested to update Section 3.3 of the project description to apply the steps for defining the boundary per the guidance in the methodology applied.</p> |    |                    |     |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                         |    |                    |     | <b>Date: 25/02/2021</b> |
| <p><b>CAR 11</b></p> <p>PP has updated §3.3 to ensure that the project description follows the methodology guidance and follows each step to define the boundary and the land use scenario.</p>                                                                                                                                                                                                                                                                                             |    |                    |     |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                        |    |                    |     |                         |
| VCS-PD version 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |    |                    |     |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |    |                    |     | <b>Date: 5/03/2021</b>  |

2.The updated PD is still not in line with the steps mentioned in the applied methodology latest version and the VCS PD template v04. Please check and re-write the section in line with the requirements of the applied methodology and template.

3. is figure 16 showing REDD activity? If yes, then please revise the caption of the figure.

4. if ARR is not a project activity included for carbon credits then why it has been included in the section?

6. Please justify the inclusion of (a.) AGB stratification, (b.) stratification of peatland and non peatland, (c.) stratification of drained peatland and non peatland, (d.) satellite Imagery: Canals versus Rail Lines information, etc. in section 3.3. of the VCS project description v04. As per the VCS Project Description emplate v04 and VCS Standard V4 the information to be included in this section are as follows:

- The geographic boundaries relevant to the project activity
- The temporal boundaries
- The carbon pools that the project will consider
- The sources and associated types of greenhouse gas emissions that the project will affect

Please refer the documents and include only the relevant information.

7. Please also mention duration of monitoring periods. Refer sub-section 5.2.3 of the REDD+MF methodology v1.6

8- There is a total 159 initial baseline plot data in the GIS database but in the report the total 169 plots are mentioned. Out of these 159 there are no biomass plots that fall in the GAN block.

9 - There are no plot locations for PSP in GIS datasets provided also where the 10% percent monitoring for Carbon content of PSP is conducted.

The CAR is not closed

**Project participant response**

**Date:** 07/04/2021

#### **CAR 11.1**

The PP has updated the VCS PD to follow the steps used to identify the Project Boundary as set forth in VM0007 REDD-MF version 1.6, § 5

#### **CAR 11.2**

The PP has updated the VCS PD to follow the steps used to identify the Project Boundary as set forth in VM0007 REDD-MF version 1.6, § 5 in conjunction with BL-PL and PL-PEAT.

#### **CAR 11.3**

The label for Map 16 has been updated to clarify that it shows the boundary of REDD project activity within the Project Area boundary.

#### **CAR 11.4**

The VCS Pd has been updated to remove the ARR section.

#### **CAR 11.5**

The VCS PD has been updated at § 3.3.6 to include the following:

Duration of Monitoring Periods: Monitoring will occur at least every five years but may occur as frequently as annually. The actual validation monitoring periods will however always be in annual increments but may be pro-rated (by month or day) depending on what part of the year the actual monitoring for verification takes place.

#### **CAR 11.6 - Justification of inclusion of Stratification under Boundaries and Description of the Canal System vs. Rail System.**

Inclusion of the stratification of identified components a-c is justified because the stratification of these boundary components are critical in determining the geographical boundaries of the Project Categories and their respective project activities. The boundaries of these areas, are essentially the boundaries of discrete areas of GHG sources, sinks and reservoirs (as required by the VCS PD Template). These spatial boundaries of AGB, BGB and drained areas are crucial to the Project's ability to "facilitate accurate measuring, monitoring, and verifying o the Project's emission reductions and removals" as specifically contemplated by VM0007 §5.1.1. (page 19).

For REDD activity, this is required by VM0007 (page 19) §5 Geographical Boundaries and specifically §5.1.2 where a PP is required to distinguish boundaries "depending on the REDD category, i.e., in case of Avoiding planned deforestation: project and proxy areas. VM0007

refers to module BL-PL for the procedure to do so. BL-PL indicates that there is a requirement to do this in each baseline stratum and VMD0006 X-STR is used to determine each stratum.

For WRC activity the Project is required to do this as per VM0007 (page 20) §5 Geographical Boundaries and specifically §5.1.4. It is specifically mentioned to use Module X-STR to do this as well as BL-PL (page 20 & 21).

Without this component there is no way to know where the project activity boundaries are and how they were derived. PP notes that other VCS-PDs using VM0007 which have also included the stratification of the project in the Boundary sections. Specifically see the VCS validated projects Katingan Peatland Restoration and Conservation Project, VCS ID #1477 which used VM0007 and was validated in May 2016 as well as Sumatra Merang Peatland Project, VCS ID #1899 (also used VM0007) and was validated in November 2019. These projects are excellent examples of high quality VCS projects that have been validated and act as good precedent for including stratification activity under the boundary section of the VCS-PD.

PP notes further that the VCS Template Instructions clearly state that "the instructions in this template are to serve as a guide and do not necessarily represent an exhaustive list of the information the preparer must provide under each section of the template." The implication of that instruction is clear: the PP may add information that is justifiably useful or necessary to underpin a given section.

(d) The section on the difference between canals and rail systems has been included in order to ensure the reader is able to understand and differentiate between remotely sensed images of canals and what may appear to be canals but are in fact legacy rail systems. This issue is critical in the delineation and creation of boundaries for drained and undrained areas. Both appear to be very similar in RS images and sometimes can generally only be distinguished on the ground with ground truthing activity. Without the distinction being made it would be easy to believe that there are far more legacy canals in the RER landscape than there in actuality. A misunderstanding in this respect could lead to the mistaken belief that there are greater areas of drained peatland in the Project Area than exist in fact. Thus the explanation and differentiation support the section that follows related to establishing boundaries of the canals, i.e. the previously drained areas that will be rewetted for the WRC activity of the Project. The drained vs undrained areas are critical areas whose boundaries have an impact on the "identification of the relevant GHG sources, sinks and reservoirs for the project and baseline scenarios" as required by the VCS Project Template ver. 4.0.

#### **CAR 11.7**

This is a duplication of CAR 12.5 above.

#### **CAR 11.8**

During the original baseline assessment, 159 AGB inventory plots were measured, however, non in PT. GAN were measured. In 2020, an additional 10 AGB inventory plots were measured

in PT GAN in the Peat Dome Forest by RER to support the AGB baseline assessment. PT GAN's Peat Dome Forest is not part of any Project crediting activity and is measured only for baseline carbon stock analysis. No regrowth is measured in PT GAN peat dome forest as it is assumed in the Baseline Scenario that none of the Peat Dome Forest area would be cleared for Acacia plantation activity. Furthermore, it is assumed that these 10 plots will be completely remeasured for the baseline reassessment prior to 2026.

PP has provided GIS datasets for all of the AGB/BGB plots to the VVB on 01/04/2021, including those conducted in the PT GAN area in 2020. They are included herein again.

#### CAR 11.9

PP has provided GIS datasets for PSPs to the VVB on 01/04/2021 and they are included herein again.

#### Documentation provided by project participant

210407 VCS PD ver 10.pdf

GIS files showing all boundaries for all project areas for all 4 concessions

GIS files showing location of all AGB/BGB sampling plots as well as location of PSP used for monitoring.

#### DOE assessment

Date: 24/04/2021

The corrections made in the PD are okay and the documents and the shapefiles submitted are fine .The CAR is closed.

| CAR ID             | 12 | Section no. | 3.4 | Date: 23/12/2020 |
|--------------------|----|-------------|-----|------------------|
| Description of CAR |    |             |     |                  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <p>1. Section 3.1.2 of the VCS Standard, v4.0 states that "projects shall apply methodologies eligible under the VCS Program" and the "methodologies shall be applied in full, including the full application of any tools or modules referred to by a methodology". Section 3.4 of VCS Project Description is not in compliance with Template V.04 and Section 6 of the v1.5 of the applied methodology VM0007.</p> <p>28) As per section 3.4 of VCS Project Description Template V.04 requirement, PP needs to identify and justify the baseline scenario in accordance with the procedure set out in the applied methodology and any relevant tools. Where the procedure in the applied methodology involves several steps, describe how each step is applied and clearly document the outcome of each step.</p> <p>2. Identify and justify the baseline scenario for the GHG reduction and/or removal activities in accordance with the procedure set out in the applied methodology and any relevant tools.</p> <p>3. Explain and justify key assumptions, rationale and methodological choices. Provide all relevant references.</p> <p>4. The PP shall include:</p> <ol style="list-style-type: none"> <li>Data sources and data used to identify and map historical LU/LC change analysis in the project area</li> <li>Quality and type of maps used to carry out the LU/LC analysis</li> </ol> <p>29) Refer the methodology and guideline to update the section completely.</p> <p>5. Why temporal boundaries and carbon pools are mentioned in section 3.4 of the PD i.e. Baseline emissions, when they are to be defined in section 3.3 of the PD, i.e. Project Boundary? Make required corrections as per the VCS project description template and applied methodology requirements.</p> |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Date:</b> 25/02/2021 |

### CAR 12.1

Ch 4, section 4.1 – Baseline have been completely redrafted to comply with the template and the methodological requirements of the updated methodology VM0007 v.1.6 and its associated modules.

### CAR 12.2

Ch 4, section 4.1 – Baseline have been completely redrafted to comply with the template and the methodological requirements of the updated methodology VM0007 v.1.6 and its associated modules.

### CAR 12.3

The PD has been updated to include key assumptions, rationale and methodological choices.

### CAR 12.4

The VCS PD has been updated to update the baseline assumption based on the historical land-use pattern and the assumed baseline scenario has been updated in the PD in §3.4.1) and follows the requirements of VM0007 ver. 1.6 § 6. It also updates and identifies historical land use change (in §3.4.1) and the data used to determine the Baseline deforestation scenario now includes (in § 4.1) the details of the satellite data used.

### CAR 12.5

References to temporal boundaries in §3.4 have been removed, they are discussed in §3.3 of the PD.

### Documentation provided by project participant

VCS-PD version 9

**DOE assessment**

**Date:** 24/04/2021

As per the applied methodology REDD+MF V1.6, to determine the most plausible baseline scenario must be determined using T-ADD.

As per VCS Project Description template the PP shall Identify and justify the baseline scenario, in accordance with the procedure set out in the applied methodology and any relevant tools. Where the procedure in the applied methodology involves several steps, describe how each step is applied and clearly document the outcome of each step. Explain and justify key assumptions, rationale and methodological choices. Provide all relevant references. The same is not reflected in the description mentioned in section 3.4 i.e. the baseline scenario. Please revise the section as per the applied methodology and tool.

No corrections has been made in this section.

Also, 6. the PP can simply give a small para on the baseline scenario identified and can then mention to refer section 3.5 for details of baseline scenario.

Please refer the documents and include only the relevant information.

7- Why the year mentioned for land cover analysis is 2022? Please elaborate and make required corrections.

The CAR is not closed

**Project participant response**

**Date:** 07/04/2021

### CAR 12.6

The VCS PD has been updated to provide a small paragraph on the baseline scenario identified and then refers § 3.5 for further details of baseline scenario.

The PD has also retained language and documentation related to the baseline scenario that goes beyond what is set forth in section 3.5 in order to increase the level of detail surrounding the baseline scenario and the history of land use change in the Province of Riau in the pre-baseline period. This provides additional context that is not required as part of the Baseline analysis conducted in section 3.5.

PP notes further that the VCS Template Instructions clearly state that "the instructions in this template are to serve as a guide and do not necessarily represent an exhaustive list of the information the preparer must provide under each section of the template." The implication of that instruction is clear: the PP may add information that is justifiably useful or necessary to underpin a given section.

### CAR 12.7

Tables 59 & 60 of the VCS PD have been updated as follows:

Table 59: Land use change by block under the baseline scenario

Table 60: Land use change under the Baseline Scenario

#### Documentation provided by project participant

210407 VCS PD ver 10.pdf

DOE assessment

Date: 24/04/2021

The updated PD and the description provided is fine. The CAR is closed.

| CAR ID             | 13 | Section no. | 3.5 | Date: 23/12/2020 |
|--------------------|----|-------------|-----|------------------|
| Description of CAR |    |             |     |                  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                         |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <p>As per Section 7 (7.1) of the v1.5 of the applied methodology says that "the latest version of the tool referenced in T-ADD ("Combined tool to identify the baseline scenario and demonstrate additionality in A/R CDM project activities") must be used to identify credible alternative land use scenarios and evaluate both the alternatives and the proposed project scenarios (see Section 6.1) and to demonstrate the additionality of the Project." Also, in Table 3 of the applied methodology VM0007 V1.5, the modules and tools are listed, and it is indicated when use of modules/tools is mandatory, optional or not applicable under each activity type. Kindly demonstrate compliance to the table. Updated information in the section as per the tool to be applied for the assessment of additionality</p> |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Date: 25/02/2021</b> |
| <p><b>CAR 13</b></p> <p>The PD has been updated to remove all references to VT0001 in sections 3.5.1,3.5.2 and 3.5.4; furthermore, only CDM tool T-ADD was used to demonstrate additionality.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                         |
| VCS-PD version 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Date: 5/03/2021</b>  |
| <p>The updated PD is in line with the latest version of the applied methodology.</p> <p>However,</p> <ul style="list-style-type: none"> <li>As per the applied tool T-ADD EB 35 Annex 19, Step 2 is barrier analysis and not investment analysis. Please check and revise the steps and related information as mentioned and required by the tool.</li> <li>Please mention decision tree to show that how PP concluded and move to the last and final step 4 common practice analysis. Refer the tool applied.</li> <li>Why the project scenario is not included in this? How the PP has concluded that the proposed REDD+WRC project is additional?</li> </ul> <p>The CAR is not closed.</p> <p>.</p>                                                                                                                         |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>Date: 07/04/2021</b> |
| <p>The PP has updated section 3.5 of the VCS PD with the following:</p> <ol style="list-style-type: none"> <li>Step 2 is now the Barrier Analysis as set forth in EB 35 Annex 19,</li> <li>PP has described how the decision tree was applied to move to Step 4, the Common Practice Analysis.</li> <li>PP has updated the language on page 132, sub step 1a to include the six alternatives to state:</li> </ol> <p>They are industrial Acacia plantation, industrial oil palm plantation, commercial selective logging, protected forest without the benefit of carbon finance ( i.e. National Park or other protected areas), smallholder agriculture, and mineral or fossil fuel extraction.</p>                                                                                                                           |                         |

| Documentation provided by project participant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| 210407 VCS PD ver 10.pdf                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  |
| DOE assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Date: 24/04/2021 |
| <p>TR 13.1 Please mention the exact name of the tool as mentioned in the tool document.</p> <p>TR-13.2 Please use the same terminologies of alternative land use scenarios as mentioned below in the section throughout and maintain consistency.</p> <p>TR 13.3 In sub-section 3.5.3</p> <ul style="list-style-type: none"> <li>Table 63 The explanation given for National Forest Policy in context to the project activity on peatlands is not included. Please check and include the same.</li> <li>Table 64 The explanation given for economic trends - Is this for the project area? How does the project justify if this is the trend as common practice?</li> </ul> |                  |
| Project participant response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Date: 11.05.2021 |
| <p><b>TR-13.1</b> The VCS PD has been updated with the exact name of the tool</p> <p><b>TR-13.2</b> The VCS PD has been updated so that the terminology of six alternative scenarios are set out more consistently throughout the additionality section.</p> <p><b>TR-13.3</b> The VCS PD has been updated to include some details on the legal context of industrial Acacia plantation development on peatlands</p>                                                                                                                                                                                                                                                        |                  |
| Documentation provided by project participant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |
| 210511 VCS-PD Version 11.pdf                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                  |
| DOE assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Date: 13/05/2021 |
| The updated PD is fine. The CAR is closed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                  |

| CAR ID             | 14 | Section no. | 4.1 | Date: 23/12/2020 |
|--------------------|----|-------------|-----|------------------|
| Description of CAR |    |             |     |                  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <ol style="list-style-type: none"> <li>1. Section 3.1.2 of the VCS Standard, v4.0 requires "projects shall apply methodologies eligible under the VCS Program" and the "methodologies shall be applied in full, including the full application of any tools or modules referred to by a methodology". Description in the PD is not as per the procedure for quantification of baseline emissions and/or removals in accordance with the applied methodology. All relevant equations, and explanations along with justification on the relevant methodological choices (e.g., with respect to selection of emission factors and default values) was found missing.</li> <li>2. The applied tools (VMD0006 and VMD0042) have specific steps for defining the LULC, which then are used for determining the baseline and project emissions. However, Section 4.1 of the project description does not follow the guidance of the methodology and tools to assess the baseline emissions.</li> <li>3. The year for which the satellite imageries has been procured and used is missing. PP is requested to add details of satellite imagery used for LULC analysis.</li> <li>4. Please check the exact number of proxy areas considered and make the required corrections.</li> <li>5. Mention the exact year considered for the analysis</li> <li>6. Cross check the values with the excel sheet provided and revise the table accordingly.</li> <li>7. Please check the tool VMD0042 and provide the correct formula to calculate GHG emissions from canal</li> <li>8. The land cover class year wise details are not given in the excel sheet provided. Please add the same in the sheet.</li> <li>9. Please cross check the values of BGB in the ER Excel sheet in each forest stratum class and mention the correct value</li> <li>10. Please provide in the footnote the exact number of the equation mentioned in the referred methodology, module, and tools in the footnote (Comment applicable to the entire document).</li> <li>11. Provide the reference for the GWP mentioned in the footnote.</li> <li>12. Please cross-check the values with the excel sheet provided and mention the correct value in table 84, 87, 89, 90, 95 and 96</li> </ol> |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>Date:</b> 25/02/2021 |

**CAR 14.1**

Ch 4, section 4.1 and 4.2 have been completely redrafted to comply with the template and the methodological requirements of the updated methodology VM0007 v.1.6 and its associated modules.

**CAR 14.2**

Ch 4, section 4.1 and 4.2 have been completely redrafted to comply with the template and the methodological requirements of the updated methodology VM0007 v.1.6 and its associated modules.

**CAR 14.3**

The PD has been updated in section 4.1 to include the satellite data used for the respective time frame for each of the 6 proxy areas considered. This data (including satellite image ID and date of acquisition) has been included directly adjacent to the respective proxy concessions description.

**CAR 14.4**

6 proxy areas are the correct number. See VMD0006 (BL-PL) Section 5 part 1.3 Rate of deforestation  $D\%_{\text{planned,i,t}}$ , page 10. "If no verifiable plan exists, the rate must be established by examining proxy areas. Proxy areas may or may not be under the management of the project area's baseline agent of deforestation or class of deforestation agents. A minimum of 6 proxy areas must be included." Further, the Project has per Section 5, part 1.5 used 5 proxy locations to analyse the risk of abandonment, as required by the methodology on page 12 of VMD0006.

**CAR 14.5**

The equation numbers have been updated in the PD.

**CAR 15.6**

The exact year considered for the analysis have been mentioned, 10-year Historical reference period: (01 January 2006 to 31 December 2015).

**CAR 14.7**

The PD has been updated with the allometric changed for the calculation of the surface area of the canal.

**CAR 14.8**

The values in the PD & excel sheet have been updated and are revised accordingly.

#### **CAR 14.9**

The values in the PD & excel sheet have been updated and are revised accordingly.

#### **CAR 14.10**

The PD has been updated to ensure that all project equations reference clearly where they are derived from, i.e. module and equation number from the module referenced.

#### **CAR 14.11**

The PD has been updated and provides a reference for GWP in the footnotes.

#### **CAR14.12**

The PD and excel sheet have been updated and reflect the same numerical values.

#### **Documentation provided by project participant**

210407 VCS PD ver 10.pdf

#### **DOE assessment**

**Date:** 5/03/2021

The PD and the excel sheet has been updated and most of the previous comments are addressed. However following corrective actions are required in the section:

- Please mention that the steps mentioned are of applied tool BL-PEAT to determine baseline emissions from WRC activity
  - Still the steps mentioned in the applied tools for baseline emissions calculation has not been followed. As per VCS Project description template v04, PP has to describe the procedure for quantification of baseline emissions and/or removals in accordance with the applied methodology. Include all relevant equations, and explain and justify all relevant methodological choices (e.g., with respect to selection of emission factors and default values). All such information are missing.
  - For REDD PP has to mention steps as per BL-PL tool and for WRC as per the BL-PEAT. As of now the steps are mixed and its confusing that how the baseline emissions are calculated for each activity.
- 30) Please refer the tools and the step-wise approach taken (exact as per the applied tool) to determine the baseline emissions. Please revise the section.
- 31)
- 32) The CAR is not closed

#### **Project participant response**

**Date:** 07/04/2021

The VCS PD has been updated to clearly indicate the stepwise approach of the methodology (BL-PL for APD activity and BL-PEAT for WRC activity) . The updates allow the reader to more clearly follow the applied methodology and the relevant equations. The PD has further updated its explanation and justifications of methodological choices with respect to emission factors and default values.

PP notes that neither the VCS Template nor the VCS Standards require that a VCS-PD “refer to the tools and the step-wise approach taken (exact as per the applied tool) to determine the baseline emissions”.

PP notes further that there are many instances of Projects that do not “refer to the tools and the step-wise approach taken (exact as per the applied tool) to determine the baseline emissions and have nonetheless been validated and registered by the VCS.

PP would point to the VCS validated projects Katingan Peatland Restoration and Conservation Project, VCS ID #1477 which used VM0007 and was validated in May 2016 as well as Sumatra Merang Peatland Project, VCS ID #1899 (also used VM0007) and was validated in November 2019. These projects are excellent examples of high quality VCS projects that have been validated and act as good precedent for a project and VCS PD that did not “refer to the tools and the step-wise approach taken (exact as per the applied tool) to determine the baseline emissions.”

PP would request that if this approach is going to be used to justify requesting additional detail in regards to the exact stepwise approach, that VVB clearly provide PP the written VCS rule or requirement for such a request and a detailed description of what if any steps the VCS PD has failed to provide.

#### Documentation provided by project participant

210407 VCS PD ver 10.pdf

DOE assessment

Date: 24/04/2021

TR-14.1 The points discussed in step 1.1 is to be discussed in part 1.3 of the same section as defined in Section 5 of module VMD0006 BL-PL. Please check and revise. Also, as per step 1.1 of the BL-PL tool, PP has to determine the agent of planned deforestation which could be individual, organization or corporation. PP in this step has not mentioned clearly the agents identified for deforestation in the region. Please check and add the same.

TR-14.2 In step 1.3 of sub-section 4.1.4 Please check the average of deforestation rate of proxy areas calculated in Table 83.

TR-14.3 In step 1.6 of sub-section 4.1.4 - In table 83 for above

- a. PT. Harapan Jaya (Tasik) proxy area the deforestation rate is 41.38%. please check the deforestation rate value and revise in either of the place.
- b. Also, for PT. Peranap Timber (Serapung) proxy area the deforestation rate is 4.44%. please check and revise the range.

TR-14.4 Please mention the total baseline emission calculated in the conclusion

**Project participant response**

**Date:** 11.05.2021

**TR-14.1** The VCS PD has been updated with additional language regarding the organizations involved in plantation forestry in Riau:

The deforestation agents in this case are the forest plantation companies in Indonesia who manage IUPHHK-HT licenses for the development of plantations. There are numerous companies of this type in Sumatra, Kalimantan and Papua. In Riau Province alone there are 54 companies operating IUPHHK-HT licenses

**TR-14.2** The VCS Pd has had the deforestation rate table updated.

The average deforestation rate is correctly calculated pursuant to Project equation no. 11. The equation originated from equation 4 of module VMD0006 BL-PL. (The table has been slightly updated as some of the values were reanalysed and have been corrected. However, the values have not changed significantly, and the average remains close to the original value.

The average cited by the reviewer of "13.78" is incorrect; it is a simple average of all 6 deforestation rates divided by 6 (the number of proxy areas). The above noted equation from the module is a weighted average of all of the proxy areas divided by the number of years that are being used in the proxy area calculation. The equation noted provides the instructions on how to do the calculation and the PP as required, followed that protocol.

**TR-14.3**

a. The VCS-PD has been updated and now states: The range of the deforestation rates are 4.3%-41.21%.

b. See the revised table 83. The annual deforestation rate for PT. Peranap Timber (Serapung) is correct (The values of the table in general have been updated based on a reanalysis which brought to light a number of minor errors.) The deforestation rate average for PT. Peranap Timber (Serapung) is calculated using Project Equation No. 11. And is correct. The same equation and protocol was used to calculate all of the deforestation rates.

**TR-14.4** The VCS-PD has been updated to include a conclusion statement of the baseline emissions and now states:

The net emissions from the baseline scenario between 17 June 2016 and 23 July 2072 is 347,584,166 t.CO<sub>2</sub>-e. This is the equivalent to average annual baseline emissions of 6,195,947 t CO<sub>2</sub>-e yr<sup>-1</sup>

#### Documentation provided by project participant

210511 VCS-PD Version 11.pdf

**DOE assessment**

**Date:** 13/05/2021

The updated PD is fine. The CAR is closed.

| CAR ID             | 15 | Section no. | 3.6 | Date: | 23/12/2020 |
|--------------------|----|-------------|-----|-------|------------|
| Description of CAR |    |             |     |       |            |

Section 3.6 - Methodology Deviations is missing. Please check VCS Project Description Template V04 and add the section and required information in the PD.

**Project participant response**

**Date:** 25/02/2021

## CAR 15

PD has been updated to include §3.6 - Methodology Deviations with the following information:

### First Methodology Deviation

The RER Project has deviated from the peat depth measurement requirements of VMD0016 – Methods for Stratification of the Project Area (X-STR) v 1.2 because it was not available at the time the Project undertook its peat depth sampling efforts.

The current methodology: **VMD0016 – Methods for Stratification of the Project Area (X-STR) v 1.2** states:

"To create a peat depth map, depth measurements must be conducted in a systematic way along transects that cover the peatland. Starting from the margin (or boundary) of the peatland, the initial distance between depth observations along transects must not be greater than 100 m, with a Distance between transects must be 200 m at maximum. When two subsequent depth observations along a transect fulfil the required depth criteria by a margin of at least 50 cm, the distance between transects and observation points can be raised to 500 m (4 measurements per km). Transects must cross the entire terrain of the peatland and must be initiated from opposed margins."

Versus

The old methodology **VMD0016 – Methods for Stratification of the Project Area (X-STR) v 1.1** states:

"The height model must be combined with data from peat corings to generate a spatially explicit map of peat strata that fulfil the above requirements. The required peat depth at each sampling location must be determined with a resolution of at least 0.5 m using a peat corer or auger (such as an Eijkelpamp corer). Peat coring locations must be selected using representative random sampling or systematic sampling. It is acceptable to conduct corings along transects that run perpendicular to the perimeter of the peat dome. Sampling intervals must range from 500 to 1500 m depending on the size of the peat dome, terrain accessibility, observed peat thickness, and the observed slope in subsequent peat thickness assessments along the transect."

The Project is temporarily deviating from the peat depth map requirements contained in X-STR v 1.2 because the Project relied on X-STR v 1.1 (valid until 08 March 2021) to conduct all field measurements for peat depth mapping as v 1.2 was not available until 08 September 2020, many months after the fieldwork was conducted. The Project, however, will update its peat map and mapping process at the 10-year baseline re-adjustment.

What RER-CP did when it undertook peat measurements per X-STR 1.1:

- a. in a systematic sampling manner;
- b. using a staircase transect system;
- c. Sampling intervals of 500 m was generally used, but never more than 1,500 m; and
- d. Sampling resolution accuracy was 50cm.

What is Required by X-STR v. 1.2:

- a. Transect must start at project boundary
- b. the initial distance between depth observations along transects must not be greater than 100 m
- c. initial depth accuracy of at least 10 50 cm for tropical peat
- d. When two subsequent depth observations along a transect fulfil the required depth criteria by a margin of at least 50 cm, the distance between transects and observation points can be raised to 500 m x 500 m (1 measurement represent 25 Ha)
- e. Transects must cross the entire terrain of the peatland and must be initiated from opposed margins

The differences between the two versions will not impact the RER Project because the entire project area is on deep peat in a peat dome. The new requirements will not affect the conservativeness of the measurements used because of the deep peat. The Peat Depth measurements are used to determine the peat depletion timeline (PDT) which in turn is used to determine when peat subsidence will be greater than the peat in a specific part of the project area. This is especially important if the peat is shallow or where there are mineral soils in the project area and no peat. In the case of RER-CP, the entire project area is in peat that is mostly very deep (500-700 cm). Only a very small percentage is deep peat (300-500cm).

The deviation only relates to the procedure for measurements of the peat depth and does not relate to any other part of the methodology. In any case, with the peat being this thick, the peat would not be depleted in the first ten years (i.e. until the first baseline re-assessment). The accuracy of the emission reductions is not affected by this deviation. And in any case, the Project will update the peat map to the Baseline re-assessment in 2025. The deviation is also appropriate as it is not reasonable to have the Project reassess its peat map where it is clear that such a re-assessment will have no impact whatsoever on the GHG emission reductions or removals.

#### Documentation provided by project participant

VCS PD ver 9

**DOE assessment**

**Date:** 5/03/2021

The justification provided for methodology deviation is acceptable and in line with VCS standard and applied methodology. The CAR is closed.

|                                                                                                                                                                                                      |    |                    |     |                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|-----|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                        | 16 | <b>Section no.</b> | 4.4 | <b>Date:</b> 23/12/2020 |
| <b>Description of CAR</b>                                                                                                                                                                            |    |                    |     |                         |
| Information on Project Scale and project emissions reduction have been added in this section which is not required as per the latest version of the VCS Project Description Template? Please clarify |    |                    |     |                         |
| <b>Project participant response</b>                                                                                                                                                                  |    |                    |     | <b>Date:</b> 25/02/2021 |

## CAR 17

The PD has been updated to remove issues related to "Project Scale and Project Emissions Reduction" in section 4 and adheres to the VCS PD Template v4. Section 4.4 now contains tables related only to the net emission reductions from VM0007 §8.4, and the table set forth in the VCS PD Template §4.4.

### Documentation provided by project participant

VCS PD ver 9

### DOE assessment

Date: 5/03/2021

The updated PD is fine and the CAR is closed

| CAR ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 17 | Section no. | 4.2 | Date: 23/12/2020 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------|-----|------------------|
| Description of CAR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |             |     |                  |
| <ol style="list-style-type: none"> <li>1. Section 4.2 of the project description does not follow the guidance of the tools VMD0013 Estimation of greenhouse gas emissions from biomass and peat burning (E-BPB) and follow each step to define and assess the project emissions. The project proponent is requested to update Section 4.2 of the project description to apply the steps for analysing and determining project emissions per the guidance in the methodology and modules.<br/>33)</li> <li>2. It is not clear why PP has not considered tool VMD0015 Methods for monitoring of GHG emissions and removals in REDD and CIW projects (M-REDD) to calculate the project emissions from the REDD activities? Elaborate, how PP has calculated project emissions from the REDD activities? Check section 8.2 of the applied methodology v1.5.</li> </ol> |    |             |     |                  |
| Project participant response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |    |             |     | Date: 24/04/2021 |
| <p><b>CAR17.1</b></p> <ol style="list-style-type: none"> <li>34) VMD0013 (E-BPB) is marked with an M; therefore, it is fully mandatory for APD projects as set forth in VM0007 (REDD+ MF) table 4.</li> <li>35) However, Section 5: Procedures of VMD0013 states that "Inclusion of fire in the baseline is always optional. Where fires occur <i>ex-post</i>, the module must be used to account GHG emissions."</li> <li>36) However, to date, RER-CP has no fire in the project scenario, and VMD0013 will be implemented when a fire occurs.<br/>37)</li> <li>38) The PD has been updated with the above information and submitted to the VVB.<br/>39)</li> </ol> <p><b>CAR 17.2</b></p> <ol style="list-style-type: none"> <li>40) The PD has been updated to use VM0007 ver 1.6, and the steps in §8.1-4 have been applied.<br/>41)</li> </ol>               |    |             |     |                  |

| Documentation provided by project participant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| VCS PD ver 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |
| DOE assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Date: 5/03/2021  |
| <p>1- Still the steps mentioned in the applied tools for project emissions calculation has not been followed.</p> <p>As per VCS Project description template v04, PP has to describe the procedure for quantification of baseline emissions and/or removals in accordance with the applied methodology. Include all relevant equations, and explain and justify all relevant methodological choices (e.g., with respect to selection of emission factors and default values). All such information are missing.</p> <p>For REDD PP has to mention steps as per M-REDD tool and for WRC as per the M-PEAT. As of now the steps are mixed and its confusing that how the PROJECT emissions are calculated for each activity.</p> <p>Please refer the tools and the step-wise approach taken (exact as per the applied tool) to determine the baseline emissions. Please revise the section.</p> <p>2 – the revisions made are not clear in the updated PD.</p> <p>The CAR is not closed.</p> |                  |
| Project participant response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Date: 07/04/2021 |

The VCS PD has been updated to clearly indicate as much as possible a stepwise approach of the application of the methodology (M-REDD for APD activity and M-PEAT for WRC activity) . The updates allow the reader to more clearly follow the applied methodology and the relevant equations. The PD has further updated its explanation and justifications of methodological choices with respect to emission factors and default values.

However, PP points out that for M-REDD the stepwise approach is very simplistic. It is a three step process that includes the selection of the LU/LC cover, the interpretation and analysis and documentation of the same. M-PEAT has no step-wise process at all except to assess project emissions from the varies project activities. This approach is described clearly in the VCS PD.

PP notes that neither the VCS Template nor the VCS Standards require that a VCS-PD “refer to the tools and the step-wise approach taken (exact as per the applied tool) to determine the project emissions”.

PP notes further that there are many instances of Projects that do not “refer to the tools and the step-wise approach taken (exact as per the applied tool)” to determine the project emissions and have nonetheless been validated and registered by the VCS.

PP would point to the VCS validated projects Katingan Peatland Restoration and Conservation Project, VCS ID #1477 which used VM0007 and was validated in May 2016 as well as Sumatra Merang Peatland Project, VCS ID #1899 (also used VM0007) and was validated in November 2019. These projects are excellent examples of high quality VCS projects that have been validated and act as good precedent for a project and VCS PD that did not “refer to the tools and the step-wise approach taken (exact as per the applied tool) to determine the project emissions.”

PP would request that if this approach is going to be used to justify requesting additional detail in regards to the exact stepwise approach to determine project emissions, that VVB clearly provide PP the written VCS rule or requirement for such a request, and a detailed description of what if any steps the VCS PD has failed to provide.

#### Documentation provided by project participant

210407 VCS PD ver 10.pdf

#### DOE assessment

Date: 24/04/2021

TR-17.1 PP is requested to please mention the total project emissions from the project in conclusion

#### Project participant response

Date: 11.05.2021

TR-17.1 The VCS PD has been updated to include the total project emissions from peat as "0".

#### Documentation provided by project participant

|                                            |                         |
|--------------------------------------------|-------------------------|
| 210511 VCS-PD Version 11.pdf               |                         |
| <b>DOE assessment</b>                      | <b>Date:</b> 13/05/2021 |
| The updated PD is fine. The CAR is closed. |                         |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |    |                    |     |                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|-----|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 18 | <b>Section no.</b> | 4.3 | <b>Date:</b> 23/12/2020 |
| <b>Description of CAR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    |                    |     |                         |
| <ol style="list-style-type: none"> <li>1. Estimate Peat Carbon in All Classes of Agent's Concessions is step 1 of part 3. Please revise and mention steps and sub-steps as given in the applied methodology/modules/tools applied.</li> <li>2. In section 1.3, it has been mentioned that the Project has established a 2.5-kilometre buffer zone to ensure potential negative impacts to the hydrology in the Project Area are mitigated as required by Section 3.10.4(3)(a) of the VCS Standard, version 4.0. However, the same is missing. Please add that how Project has established a buffer zone to mitigate any negative impacts to the environment.</li> </ol> |    |                    |     |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |                    |     | <b>Date:</b> 25/02/2021 |

### **CAR 18.1**

The PP has updated §4.3 in regard to activity shifting leakage. The PD now follows the steps and ordering of LK-ASP so that the analysis of activity shifting leakage can more easily be followed and conforms to the module LK-ASP's step wise approach.

### **CAR 18.2**

The PD has reviewed VCS Standard ver. 4.0, § 3.10.4 (1-3) as well as the updated module VMD0004 ver 1.1. (LK-ECO), in particular §4 – Applicability Conditions and §5 – Procedures. Based on that review and the additional clarity provided in VMD0044 ver 1.1., it was established that because of the Project's design and implementation of blocking all of the legacy canals, that leakage caused by hydrological connectivity is avoided. The Project relied on the expert judgement of our lead tropical wetlands specialist, Dr. Gusti Anshari, (including being an IPCC lead author on Chapter 2 - Terrestrial and freshwater ecosystems and their services of the 6<sup>th</sup> Assessment Report (AR6-WG2)). IT is the PP's position that there will not be any significant increase in GHG emission outside of the project area. The Project is designed such that WRC activity of dam construction in the legacy canals have multiple redundancies. Further, the quantity of water that could potentially be leaked beyond the boundaries of the concession is limited. Even were some dams to rupture, their situ natural waterways (i.e. rivers) would easily handle the capacity and would not lead to additional GHG emissions. All of the land surrounding the project area is currently wetlands as well; there is no dryland areas that could be accidentally converted to wetlands (i.e. causing increased CH<sub>4</sub> emissions).

Further, the quantity of water that could potentially be leaked beyond the boundaries of the concession is limited and would not increase GHG emissions because:

- a. Even where some or all dams to rupture, the in situ natural waterways (i.e. rivers) and, to a much lesser extent, man-made waterways have adequate capacity, would be easily able to absorb the extra discharge and would not lead to additional GHG emissions.
- b. All of the land surrounding the project area is currently wetlands as well, and there is no dryland areas that could be accidentally converted to wetlands (i.e. causing increased CH<sub>4</sub> emissions).
- c. Further, even if there was some leakage into the adjacent areas, not captured by the in-situ waterways because all of the surrounding areas are already is wetland forest, there would be no vegetative die off as all of the surrounding areas already well adapted to the regular seasonal natural flooding conditions.
- d. There is no situation, in the event of the breach of a dam none in the Project area that would create a situation where an area outside of the Project boundary would suffer lowering of the water table that would lead to increased N<sub>2</sub>O emissions.

The PD has been updated to remove all text regarding a buffer zone outside the Project area. Any remaining references to "buffers" in the PD refer instead to the ecological or conservation buffer areas of 200-300m that are required under Indonesian forestry law around riparian areas.

| Documentation provided by project participant                                                     |                         |
|---------------------------------------------------------------------------------------------------|-------------------------|
| VCS PD ver 9                                                                                      |                         |
| <b>DOE assessment</b>                                                                             | <b>Date:</b> 5/03/2021  |
| TR-18.1 PP is requested to mention the total leakage emissions from the project in the conclusion |                         |
| <b>Project participant response</b>                                                               | <b>Date:</b> 11.05.2021 |
| TR-18.1 The VCS PD has been updated to include the total project emissions from leakage is "0".   |                         |
| Documentation provided by project participant                                                     |                         |
| 210511 VCS-PD Version 11.pdf                                                                      |                         |
| <b>DOE assessment</b>                                                                             | <b>Date:</b> 13/05/2021 |
| The updated PD is fine. The CAR is closed.                                                        |                         |

| CAR ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 19 | Section no. | 4.4 | Date: 23/12/2020        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------|-----|-------------------------|
| Description of CAR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |    |             |     |                         |
| <ol style="list-style-type: none"> <li>Section 4.4 of the project description does not follow the guidance of the applied methodology VM0007 and follow each step/formula to define and assess the NER. <ol style="list-style-type: none"> <li>The formula for <math>NER_{REDD}</math> (Section 8.4.2) and <math>NER_{WRC}</math> (Section 8.4.4), Uncertainty, buffer, calculation of VCU are missing. Please add the same as per the applied methodology VM0007</li> <li>The project proponent is requested to update Section 4.4 of the project description to apply the steps for assessing NER same as given in the applied methodology v1.5.</li> <li></li> </ol> </li> <li>The project description does not follow the guidance of the applied tool VMD0017 X-UNC v2.1 and follow each step to define and assess the Uncertainty in REDD and WRC activities</li> </ol> |    |             |     |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |             |     | <b>Date:</b> 25/02/2021 |
| <p><b>CAR 19.1</b></p> <p>The PD has been updated to use VM0007 ver 1.6, and the steps in §8.1-4 have been applied.</p> <p><b>CAR 19.2</b></p> <p>The PD has been updated to use VM0007 ver 1.6, and the steps in §8.4.6 – Uncertainty Analysis has been followed and applied.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |    |             |     |                         |

| Documentation provided by project participant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| VCS-PD version 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |
| DOE assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Date: 5/03/2021  |
| <p>The updated PD is fine and have addressed the above comments. However, the following corrective actions are still required:</p> <p><b>19.3</b> Steps 4.4.5 and 4.4.7 mentioned in the PD is not in line with the latest version of the methodology v1.6. Please check and revise</p> <p><b>19.4</b> Please make the value consistent with the excel sheet provided</p>                                                                                                                                                                                      |                  |
| Project participant response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Date: 07/04/2021 |
| <p>CAR 19.3</p> <p>The VCS PD at §4.4.5 has been updated to ensure that it only reports on actual project activities. ARR has been removed from PD and Table 169 has been updated.</p> <p>The PP has also updated §4.4.7 of the VCS-PD so that it conforms to the methodological steps. PP has included the steps and equations used to determine the “Calculation of AFOLU Pooled Buffer Account Contribution.</p> <p>CAR 19.4</p> <p>The PP has updated the VCS PD to synchronize values in the Model 25.</p>                                                |                  |
| Documentation provided by project participant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                  |
| 210407 VCS PD ver 10.pdf                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                  |
| DOE assessment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Date: 24/04/2021 |
| <p>PP is requested to address the following:</p> <p>TR-19.1 Please check the calculation of start date factor</p> <p>TR-19.2 Please check the calculation in table 175 and refer the comment mentioned in excel sheet Model 25 – Total v4.</p> <p>TR-19.3 Please check this calculation of Start/End date eligibility factor in table 175</p> <p>TR-19.4 In the conclusion please add the final values of NER (tCO<sub>2</sub>e), total ex ante VCUs tradable (tCO<sub>2</sub>e) and ex-ante buffer credits (tCO<sub>2</sub>e) during the project lifetime</p> |                  |
| Project participant response                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Date: 11.05.2021 |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| <p><b>TR-19.1</b> The current start date factor of 0.5397 is correct and represents 6 months and the last 13 days of June. The factor of .4602 would be used if one calculated the first 5 months and 17 days. We are calculating the remainder of the year from 6.17.2016 forward, as that is when crediting occurs.</p> <p><b>TR-19.2</b> Regarding the start date factor, please see above at TR-19.1. In regard to Table 175, the PP in the VCS-PD has updated the table 175 so that it is not cumulative.</p> <p><b>TR-19.3</b> Regarding the start date factor, see TR-19.1 above</p> <p><b>TR-19.4</b> The PP has updated the VCS-PD so that the total values for NER (tCO<sub>2</sub>e), total ex ante VCUs tradable (tCO<sub>2</sub>e) and ex-ante buffer credits (tCO<sub>2</sub>e) during the project lifetime are set forth in the table.</p> |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                         |
| 210511 VCS-PD Version 11.pdf<br>Model 25 – Total v5.xlsx                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Date:</b> 13/05/2021 |
| The updated PD and excel sheet are fine. The CAR is closed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                         |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |    |                    |   |                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|---|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 20 | <b>Section no.</b> | 5 | <b>Date:</b> 23/12/2020 |
| <b>Description of CAR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                    |   |                         |
| <ol style="list-style-type: none"> <li>1. VCS Project Description Template v04 Section 5.1 requires PP to complete the table for all data and parameters that are determined or available at validation. PP is requested to include all the parameters in the PD.</li> <li>2. VCS Project Description Template v04 Section 5.2 requires PP to complete the table for all data and parameters that will be monitored during the project crediting period. PP is requested to include all the parameters in the PD</li> <li>3. Section 5.3 of the VCS Project Description Template Ver.4.0, requires, PP to also provide the following information: <ol style="list-style-type: none"> <li>a. <b>The organisational structure, responsibilities and competencies of the personnel that will be carrying out monitoring activities.</b></li> <li>b. <b>The policies for oversight and accountability of monitoring activities.</b></li> </ol> <p>Please add the above information as per the section's requirement.</p> </li> <li>4. PP is also requested to clarify how many PSPs laid in order to do the ground truthing and monitoring?</li> </ol> |    |                    |   |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |    |                    |   | <b>Date:</b> 25/02/2021 |

### **CAR 20.1**

The tables of all Data and Parameters Available at Validation have been moved from the Appendix and are now included directly into the PD.

### **CAR 20.2**

The tables of all Data and Parameters Monitored have been moved from the Appendix and are now included directly in the PD.

### **CAR 20.3**

The PD has been updated to include an organisation chart as Appendix 30, and a list of the key management staff as well as their competencies, and text has been added to the PD to indicate the general oversight structure of the Project and accountability to the Project Coordinator

### **CAR 20.4**

The PD has been updated and clarified that 50 PSPs were established in order to do the ground-truthing and monitoring. A map showing the locations in the representative strata also include in the PD now.

### **Documentation provided by project participant**

VCS PD ver 9

### **DOE assessment**

**Date:** 5/03/2021

The above comments are addressed in the updated PD.

However, the following corrective actions are required:

22.5 In section 5.3.3 please mention the sample size which will be considered at each monitoring for depth measurement. Though it is mentioned in the supporting documents provided by the PP, however it is also required to be mentioned in the PD.

22.6 Please mention the sampling approach which will be followed for each project category at the time of monitoring.

The CAR is not closed

### **Project participant response**

**Date:** 07/04/2021

### CAR 20.5 – Peat Depth Sampling Size

Peat depth will also be re-assessed at least every 10 years at the baseline review event. The sample size of the peat depth in line with the current methodological requirements unless a methodological deviation is agreed to with the VCS. It can be assumed that the sample size will be at least as intensive as past efforts, which resulted in 443 peat depth points (see above at § 3.3.4.2). However, it is more likely that the effort will be more intensive with peat depth sampling occurring according to the Indonesian National requirements as well as the Project's peat expert. As such, depth sampling would be conducted in 15% of the total area at a sampling rate of 1 depth measurement per 25 ha. This would result in 780 peat depth and carbon content samples. The Project's peat expert, Dr. Gusti Anshari<sup>iii</sup> believes that this approach is sufficient. All resampling will be conducted in transects that cross the concessions in line with the current methodological requirements in order to ensure a new depth map can be generated. The Project will also work with the VCS to consider the appropriateness of the above in light of the updated requirements in VCS VMD046 (M-PEAT)<sup>iv</sup>

The VCS PD has been updated in § 5.3.2.1 to reflect the above

### CAR 20.6

The VCS-PD has been updated with a new section, §5.3.3 Sampling Approach to address the issue and discuss the sampling approach used for the two Project categories, REDD and WRC.

#### Documentation provided by project participant

210407 VCS PD ver 10.pdf

#### DOE assessment

Date: 24/04/2021

TR-20.1 In section 5.3.3 of the sampling approach PP has mentioned that the Project aims to achieve a target precision level for its monitoring at a 95% confidence interval, +/- 10%; which is sufficient for the requirements of VCS and GHG project level monitoring.

However, If the project does not reach the confidence/precision level, how it is not clear how it will be addressed. Please justify.

#### Project participant response

Date: 11.05.2021

The VCS-PD has been updated and now states:

The sampling approaches for the two Project Categories, REDD & WRC. In general terms though, the overarching goal of monitoring is to ensure the accurate scientific description of the changes to the landscape over time. The Project therefore aims to achieve a target precision level for its monitoring at a 95% confidence interval, +/- 10%; which is sufficient for the requirements of VCS and GHG project level monitoring. Should the monitoring not achieve the target precision requirements, then additional monitoring will be conducted until the targets are met.

#### Documentation provided by project participant

210511 VCS-PD Version 11.pdf

#### DOE assessment

Date: 13/05/2021

The updated PD is fine. The CAR is closed.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |    |                    |                                     |                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------------|-------------------------------------|-------------------------|
| <b>CAR ID</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 21 | <b>Section no.</b> | Non-Permanence Risk Analysis Report | <b>Date: 23/12/2020</b> |
| <b>Description of CAR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |                    |                                     |                         |
| <p>Section 3.4.1 of the VCS Standard, v4.0 states that "the project proponent shall use the VCS Project Description Template, an approved combined project description template available on the Verra website or an approved GHG program project description template where the Project is registered under an approved GHG program, as appropriate. The project proponent shall adhere to all instructional text within the template."</p> <p>PP has not used the latest version of the non-permanence risk report template to calculate the risk of the Project. PP is requested to revise the document as per the latest version of the AFOLU Non-Permanence Risk Tool. Please update all the sections as per the template.</p> |    |                    |                                     |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |                    |                                     | <b>Date: 25/02/2021</b> |
| <p><b>CAR 21</b></p> <p>The AFOLU Non-Permanence Risk Report has been updated to incorporate the Non-Permanence Risk Template and Non-Permanence Risk Tool have also been updated and submitted to the VVB. See below.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                    |                                     |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |    |                    |                                     |                         |
| All requested documents are provided as follows:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |    |                    |                                     |                         |
| <b>CAR 21 VCS-Non-Permanence-Risk-Report v7.5.pdf</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    |                    |                                     |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    |                    |                                     | <b>Date: 5/03/2021</b>  |
| Please check the total score of external risk and make the required corrections. The CAR is not closed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |                    |                                     |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |                    |                                     | <b>Date: 07/04/2021</b> |
| The NPRA Report and associated NPRA Risk Tool have been updated to adjust the total internal risk to 3.5 and the Overall Risk Rating to 4.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |    |                    |                                     |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |    |                    |                                     |                         |
| 210406 VCS-Non-Permanence-Risk-Report v8.pdf                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |    |                    |                                     |                         |
| 210406 -Risk-Report-Calculation-Tool.xlsx                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |    |                    |                                     |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    |                    |                                     | <b>Date: 24/04/2021</b> |

The revised non-permanence risk assessment report is fine and in line with the AFOLU Non-Permanence Risk tool v4. The CAR is closed

| CAR ID                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 22 | Section no. | Excel sheet | Date: 5/3/2021          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------|-------------|-------------------------|
| <b>Description of CAR</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |    |             |             |                         |
| <ul style="list-style-type: none"> <li>The value of Aplanned,i is different in Model 24- CIW REDD sheet (land cover matrix) from Model 24 – Total xls. please check the table and mention the correct values.</li> <li>The values for eligible area of deforestation (AplannedEnh,PL,i,t) in CIW+REDD sheet mentioned in this table is different from the values mentioned in the Model 24 Total. Please check and make the values consistent</li> <li>Values are inconsistent in many places of the sheets and in many places the values are added manually and no cell has been referred or formula mentioned. Please check and revise. The comments are added in the sheets Model 24-Total, Model 24 – CIW+REDD and Model 24 – RWE+REDD</li> </ul> |    |             |             |                         |
| <b>Project participant response</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |    |             |             | <b>Date: 07/04/2021</b> |
| The PP has updated the Project's excel sheets to address the above issues.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |    |             |             |                         |
| <b>Documentation provided by project participant</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |    |             |             |                         |
| Model 25 - CIW.xls<br>Model 25 – CIW+REDD.xls<br>Model 25 - RWE.xls<br>Model 25 – RWE+REDD.xls<br>Model 25 – Totals v4.xls                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |    |             |             |                         |
| <b>DOE assessment</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |             |             | <b>Date: 24/04/2021</b> |
| The updated excel sheets are fine and the CAR is closed                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |    |             |             |                         |

| CAR ID                                                                                                                                                          | 23 | Section no. | 1.11 | Date: 23/3/2021         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----|-------------|------|-------------------------|
| <b>Description of CAR</b>                                                                                                                                       |    |             |      |                         |
| As per the site assessment the number of Security Rangers and Regular employees lists is different from the number mentioned in the PD. Please check and update |    |             |      |                         |
| <b>Project participant response</b>                                                                                                                             |    |             |      | <b>Date: 07/04/2021</b> |

The VCS PD at § 1.11.3.6 has been updated to state:

The RER Carbon Project also maintains active forest protection efforts in the Project Area with its 31 contracted Security staff; 16 of which are focused on forest protection efforts every day. This is in-line with what was reported and observed during the site visit in March of 2021.

#### Documentation provided by project participant

210407 VCS PD ver 10.pdf

#### DOE assessment

**Date:** 24/04/2021

The updated PD is fine. The CAR is closed.

<sup>i</sup> Miettinen J, et al, (2016) Land cover distribution in the peatland of Peninsular Malaysia, Sumatra and Borneo in 2015 with changes since 1990, *Global Ecology & Conservation*, 67-78, p73.

<sup>ii</sup> Murdiyarso D, et al. (2011) Indonesia's Forest moratorium: A Stepping Stone to Better Forest Governance?, Working Paper 76. (CIFOR, Bogor, Indonesia)

<sup>iii</sup> Professor Gusti Zakaria Anshari is the current Professor, Chair of Environmental Studies of the Faculty of Agriculture, Tanjungpura University (UNTAN). He is an internationally renowned peat expert and has written and contributed to 51 publications on research specifically to tropical peatland science. He is the lead author of 2 chapters of the IPCC Sixth Assessment Report, currently due for release in 2022.

<sup>iv</sup> VMD0016 v1.2 (X-STR) requires 4 measurements per km<sup>2</sup>, which effectively means 5,200 depth point measurements in the 130,000 ha (1,300 km<sup>2</sup>) Project area. The methodological requirement of VMD0016 at §5.3.1 is neither reasonable nor necessary to produce an accurate peat depth map.