CORAZÓN VERDE DEL CHACO PROJECT VALIDATION REPORT

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Summary:

Aster Global Environmental Solutions, Inc., (herein referred to as Aster Global or the Validation Team) was contracted by Quadriz Paraguay S.A. on 24 March 2021 to conduct the validation of the Corazón Verde del Chaco Project (herein referred to as the Project). The Project falls under the VCS sectoral scope 14: – Agriculture, Forestry, and Other Land Uses (AFOLU), under the category Reduced Emissions from Deforestation and Degradation (REDD). Specifically, the project falls under the REDD+ category of Avoided Planned Deforestation (APD). This is a grouped project.

The project encompasses approximately 31,858.6 hectares in the Department of Presidente Hayes, Alto Paraguay, and Boquerón, with the Initial Project Instance located in the Department of Presidente Hayes, Paraguay. The initial project instance was determined to be approximately 20,515.0 hectares of forested land, and the Initial Project Zone was determined to be the 20-kilometer buffer around the initial instance. The intention of the grouped project is to scale up to over 300,000 hectares of privately owned land in the Departments of Presidente Hayes, Alto Paraguay, and Boquerón, Paraguay. Through adherence to VM0007 REDD Methodology Framework and Climate, Community, and Biodiversity Standards (Third Edition, June 2017), the Project will "mitigate deforestation pressures and the associated greenhouse gas emissions in the region, which is the main climate objective of the Project. The main community objective of the Project is to provide social programs to improve the livelihoods of community members living in the vicinity of the Project. The main biodiversity objective of the Project is the preservation of biodiversity, particularly medium-to-large mammals in the project areas" as stated in the CCB & VCS Project Description (PD).

The purpose of the VCS validation was to assess compliance with the VCS Version 4 Program Guide, VCS Standard, AFOLU Requirements, and the likelihood that implementation of the planned GHG project will result in the GHG emission removal enhancements as stated by the Project Proponent (ISO 14064-3:2006). The purpose of the CCB validation was to assess the likelihood that implementation of the planned GHG project will result in the GHG emission removal enhancements (climate), community, and biodiversity benefits as stated by the Project Proponent (ISO 14064- 3:2006). The validation objective was to ensure the PD is in compliance with CCB Standards (Third Edition), VCS Standard v4.3, and VM0007 v1.6 criteria.

The scope of the validation followed Section 4.3.4 of ISO 14064-3:2006, and methods included assessment of the GHG project plan; physical infrastructure, activities, technologies and processes of the GHG project; GHG sources, sinks and/or reservoirs; types of GHGs; and time periods covered. The Project follows the framework of project activities listed above.

The criteria followed the validation guidance documents provided by Verra located at https://verra.org. Unless otherwise indicated, the assessment was performed against the most recent version of the relevant program guidance documentation.

Validation to the VCS Program and CCB Program resulted in 44 VCS findings and 57 CCB findings. VCS findings are included in Appendix B, and CCB findings are included in Appendix C.

A risk-based approach was used to guide the validation and reach a *reasonable* level of assurance that no errors, omissions, nor misrepresentations resulting in a material misstatement have occurred. The materiality threshold dictated by the project size was 1%. All findings were satisfied to a *reasonable* level of assurance.

After completion of two site inspections and review of all project information, procedures, calculations, and supporting documentation, Aster Global Environmental Solutions, Inc., confirms the Project Description provided by the Project Proponent is accurate, consistent, and complies with all VCS Version 4 criteria, CCB Third Edition criteria, and the selected methodology (VM0007 v1.6). Aster Global confirms the Corazón Verde del Chaco Project Description (Version 2.3, dated 28 February 2023) has been implemented in accordance with VCS Version 4 and CCB Third Edition criteria.

Aster Global confirms all validation activities – including objectives, scope and criteria, level of assurance, and Project Description adherence to VCS Version 4 (and all associated updates) and CCB Standards Third Edition (and all associated updates) as documented in this report – are complete. Aster Global concludes without any qualifications or limiting conditions the Corazón Verde del Chaco Project as described in the Project Description (Version 2.3, dated 28 February 2023) meets the requirements of VCS Version 4 (and all associated updates), and CCB Standards Third Edition (and all associated updates). In addition, Aster Global asserts the project complies with the criteria for projects set out in the Third Edition of the CCB Standards to achieve Gold Level distinction for Biodiversity.

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1 INTRODUCTION

1.1 Objective

The VCS validation objective included an assessment of compliance with the VCS Program Guide, VCS Standard, applied methodology (VM0007 v1.6), AFOLU Requirements, and the likelihood that implementation of the planned GHG project will result in the GHG emission removal enhancements as stated by the Project Proponent (ISO 14064-3:2006). The validation objective included an assessment of the likelihood that implementation of the planned GHG project will result in the GHG emission removal enhancements (climate), community, and biodiversity benefits as stated by the Project Proponent (ISO 14064- 3:2006). The validation objective is to ensure the PD is in compliance with CCB Standards (Third Edition), VCS Standard v4.3, VCS rules, and VM0007 criteria.

1.2 Scope and Criteria

The scope of a validation generally includes the GHG project and baseline scenarios; physical infrastructure, activities, technologies and processes of the GHG project; GHG sources, sinks and/or reservoirs; types of GHGs; time periods covered; evaluation of the sustainable development; and evaluation of the project's net climate, community, and biodiversity benefits. The geographic validation scope is defined by the project boundary, the carbon reservoir types, management activities, growth and yield models, inventory program, and contract periods. The scope of the project was outlined by the Project Proponent within the Project Description (PD) and is redefined as follows for the GHG project:

Baseline Scenario	Conversion of native forest to pasture
Activities/Technologies/Processes	REDD activities utilizing VCS VM0007 and CCB Standards for Climate, Community and Biodiversity benefits (Third Edition)
Sources/Sinks/Reservoirs	Aboveground biomass – Included Belowground biomass – Included Litter – Included Dead-wood – Included Soil organic carbon – Excluded Burning of woody biomass – Included Harvested wood products – Included
GHG Type	CO_2, CH_4, N_2O
Time Period (start date, crediting period, verification period)	Project State Date: 01 July 2020 Monitoring Period: N/A Crediting Period: 01 July 2020 – 30 June 2050 (30 years)
Project Boundary	The grouped project boundary encompasses approximately 31,858.6 hectares in the three Departments of Alto Paraguay, Boquerón, and Presidente Hayes in the Chaco region of Paraguay. The Initial Project Instance is approximately 20,515 hectares.

The criteria followed the verification guidance documents provided by VCS located at https://verra.org/project/vcs-program/. These documents include the following:

- VCS Program Guide (v4.2, 22 June 2022)
- VCS Standard (v4.3, 22 June 2022)
- VCS Program Definitions (v4.2, 22 June 2022)

- AFOLU Non-Permanence Risk Tool (v4, 19 September 2019)
- VM0007 – REDD Methodology Modules (REDD-MF), v1.6
- CCB Program Definitions (v3.0, June 2017)
- CCB Standards (Third Edition, v3.1, June 2017)
- CCB Program Rules (v 3.1 June 2017)
- Guidance for the Use of the CCB Standards (May 2014)

1.3 Summary Description of the Project

The Corazón Verde del Chaco Project falls under the VCS sectoral scope 14: – Agriculture, Forestry, and Other Land Uses (AFOLU), under the category Reduced Emissions from Deforestation and Degradation (REDD). Specifically, the project falls under the REDD+ category Avoided Planned Deforestation (APD). This is a grouped project.

The project area encompasses approximately 31,858.6 hectares in the Department of President Hayes, Paraguay. The initial instance was determined to be approximately 20,515.0 hectares of forested land within the overall project area, and the initial project zone was determined to be the 20-kilometer buffer around the initial instance. The intention of the grouped project is to scale up to over 300,000 hectares of privately owned land in the Departments of Presidente Hayes, Alto Paraguay, and Boquerón, Paraguay.

Through adherence to VM0007 REDD Methodology Framework and Climate, Community, and Biodiversity Standards (Third Edition, June 2017), the Project will “mitigate deforestation pressures and the associated greenhouse gas emissions in the region, which is the main climate objective of the Project. The main community objective of the Project is to provide social programs to improve the livelihoods of community members living in the vicinity of the Project. The main biodiversity objective of the Project is the preservation of biodiversity, particularly medium-to-large mammals in the project areas” as stated in the CCB & VCS Project Description Document.

Over the Project Lifetime, the Corazón Verde del Chaco Project identifies the following project activities for implementation:
· Forego Selling of Property, then Clearing and Conversion of the Project Areas;
· Provide Healthcare Services;
· Raise Project Awareness;
· Patrol and Monitor Deforestation;
· Establish a Project Headquarters; and
· Monitor Medium-to-Large Mammals in the Project Areas.

The conditions under which grouped project eligibility is being established are defined in the PD as: the baseline agent of deforestation will be similar large agribusinesses implement industrial scale cattle ranch; each additional project instance will meet the applicability conditions of each VM0007 module used to develop this initial project Instance; and quantification of baseline, with-project, and leakage will follow the equations outlined in the PD.

2 VALIDATION PROCESS

2.1 Audit Team Composition (*Rules* 4.3.1)

For VCS/CCB validations, Aster Global maintains an experienced internal staff of Lead Validators, in addition to Certified Foresters, Registered Professional Foresters, The Wildlife Society Biologists, Forest Biometricians, Remote Sensing/GIS Specialists, and VCS-approved AFOLU Experts in IFM, REDD, and WRC categories. Shawn McMahon served as Lead Validator for this project. Site visits were undertaken by Mansfield Fisher and Kevin Markham. Direct employees of Aster Global conducted all desktop validation activities; however, the Aster Global team was supported during the site visits by a local translator and environmental engineer, Rebeca Irala Melgarejo. Ms. Irala provided the site visit team with the ability to conduct site visit interviews in either Spanish and Guarani – the two official languages of Paraguay. As an environmental engineer with prior REDD project experience, she also provided the team with social, cultural, ecological, and biodiversity experience specific to Paraguay. Aster Global completed all calculation/modeling review in-house with our team of foresters, forest biometricians, GIS/remote sensing specialists, and a soil scientist. Aster Global has been involved in over 68 VCS verifications and 36 CCB verifications, including 27 methodology assessments, and has experience with successful validation and/or verification of several projects in South America. Aster Global has a specialist on staff with more than ten years of CCB experience who oversees project review for CCB components. Aster Global staff and team involved in the validation have the necessary ecological, biodiversity, natural resources, forestry, social, and cultural expertise to fulfill these requirements.

2.2 Method and Criteria

The Validation Team assessed the Project's compliance with VCS Standard Version 4.3, CCB Third Edition, and all associated updates, and the selected methodology (VM0007 v1.6). The Validation Team assessed the *ex ante* estimation of net Greenhouse Gas (GHG) emission reductions for the crediting period through Agriculture, Forestry, and Other Land-Use (AFOLU) criteria under the categories Reduced Emissions from Deforestation and Degradation (REDD). Specifically, the Project falls under the REDD+ category Avoided Planned Deforestation (APD). The Validation Team assessed whether the Project Proponent adequately demonstrated compliance with VCS and CCB criteria related to project ownership, baseline scenario, additionality, monitoring plan, project emissions, any possible leakage outside of the project boundary, and grouped projects.

The non-permanence risk analysis was completed for this validation. Further, following Section 2.1.1 of the VCS Validation & Verification Manual V3.2, the objectives of the validation exercise was to evaluate the Project Description and assess:

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

The criteria followed the validation guidance documents provided by VCS and CCB. Unless otherwise indicated, the assessment was performed against the most recent version of the relevant VCS or CCB guidance document. Please also see Section 1.2 of this report.

In the validation process, there is a risk that potential errors, omissions, and misrepresentations will be found; therefore, a risk-based approach was used to guide the collection of appropriate and sufficient evidence to support a *reasonable* level of assurance. A risk-based approach means that the validation team focused on items that might result in a material misstatement of the reported GHG assertion.

A project-specific Validation and Sampling Plan (VSP) was developed to guide the auditing process and ensure efficiency and effectiveness. The purpose of the VSP was to present a risk assessment for determining the nature and extent of procedures necessary to ensure the risk of auditing error was reduced to a *reasonable* level. The VSP methodology was derived from all items in our validation process stated above and guided by the Aster Global Management Systems Manual. The Aster Global Management Systems Manual was developed specifically to ensure continued compliance with our ANSI National Accreditation Board (ANAB) accreditation. Specifically, the VSP utilized the VCS and CCB normative documents and ISO 14064-3. Any modifications applied to the VSP were made to detect the project activities and processes containing the highest risk of material discrepancy. A detailed field plan was developed to guide the site visits and is embedded within the VSP.

At a high-level, the sampling plan consisted of two parts: a desktop review and an in-country site visit. During the desktop review, the VVB completed a full review of all project quantification including the creation of a full set of independent data checks. Similarly, the VVB completed a full review of all remote sensing analyses conducted by the project, which resulted in a full set of independent data checks. The qualitative review consisted of reviewing verifiable evidence provided by the project, reviewing collected field data (interview notes and measurements), and conducted independent research as needed to assess whether the project was in compliance the criteria described above.

For the field sampling effort, direct measurement, observation, and interviews were conducted in key areas determined to be the greatest risk, followed by ground-truthing and review of project activities. Field sampling and techniques were based on the project parameters/scope and best professional judgment of the Validation Team/Lead Validator to meet a *reasonable* level of assurance. For more information on the field sampling effort, please see Sections 2.4 and 2.5 of this report.

The desktop validation component included a full review of all project documentation and calculations (data checks) received from the Project Proponent as described throughout this report.

2.3 Document Review

A detailed review of all project documentation was conducted as part of the desktop validation component to ensure consistency with, and identify any deviation from, VCS Program requirements, CCB program requirements, and the applied methodology (VM0007 v1.6). Initial review focused on the PD relative to the field conditions observed and interviews with project management staff. Project details, data and parameters, and quantification of GHG emission reductions and removals were thoroughly examined. Key supporting documents were also reviewed. These included data (i.e., remote sensing/GIS data), Standard Operating Procedures (SOPs), financial analyses and reporting documents, boundaries, maps and aerial images, biomass and carbon calculation spreadsheets, CCB interview/survey results, and responses to Clarification Requests (CLs)/Non-Conformance Reports (NCRs).

2.4 Interviews

Interviews were performed during the validation site inspection and as part of the overall validation process. The Validation Team met with individuals in various roles in the project. This included a series of interviews with on-site and in-country staff who support the mission of the project and other conservation objectives and some interviews/meetings conducted remotely. On-site interviews and informal discussions were conducted during the two site visits (04-09 November 2021; 02-05 May 2022) with representatives from Quadriz Paraguay S.A., ATENIL S.A., Ostrya Conservation Inc., Universidad Nacional de Asuncion, Instituto Forestal Nacional (INFONA), and members of the indigenous community of Maria Auxiliadora. Interviews were conducted by teleconference with the Ministerio del Ambiente y Desarrollo Sostenible (MADES) on 29 November 2021. Additional discussions regarding the project were held with key project personnel prior to and following the site visit(s). Interviews were conducted in English, Spanish, or Guarani, based on the interviewee's preference.

The interviews were conducted as part of validation efforts to substantiate key project assertions, including: project staff and technical team experience and skills; legal aspects of the project are in compliance with the relevant local, state and federal laws; participating indigenous community members in the project zone are aware and consent to participation in the project; and conservation goals of the project would be expected to be achieved with project implementation. The following is a list of key interviewees and people with whom the Validation Team spoke about the project and/or provided information additional to that provided in the PD and any supporting documents:

Individual	Affiliation	Role
Marcel van Heesewijk	Quadriz Paraguay S.A	Founder and CEO
Gabriela Viñales	Quadriz Paraguay S.A	REDD+ Country Manager
Federico ("Fredy") Montoya	Quadriz Paraguay S.A	Field Operations Manager
Yolanda Ramos	Quadriz Paraguay S.A	Technical Assistant - Biodiversity Monitoring
Javier Rodas	Quadriz Paraguay S.A	Forestry Manager
Feliciano Cabins	Quadriz Paraguay S.A	Forest Guard
Diego Puente	ATENTIL S.A.	CEO
Kiantar Betancourt	ATENTIL S.A.	Chairman
James Eaton	Ostrya Conservation Inc.	Director
Andrea Weiler	Universidad Nacional de Asuncion	Independent Consultant, Biodiversity Monitoring
Karen Chavez	Universidad Nacional de Asuncion	Research Assistant, Biodiversity Monitoring
Patricia Salinas	Universidad Nacional de Asuncion	Research Assistant, Biodiversity Monitoring
Belén Zaldivar	Universidad Nacional de Asuncion	Research Assistant, Biodiversity Monitoring
Christina Goralewski	INFONA	President
Carlos Irrazabal	INFONA	Forest General Director
Antonella Mascherioni	INFONA	Planning Director

Antonella Piacentini	MADES	Head of Mitigation Dept. of the National Directorate for Climate Change (DNCC)
Gabriela Romero	MADES	Technical Assistant, DNCC
Ana Correa	MADES	Technical Assistant, DNCC
Hermenegildo Vera	Maria Auxiliadora (Community)	Community Leader
Patricia Villalba	Maria Auxiliadora (Community)	Community Member
Crispina Caballero	Maria Auxiliadora (Community)	Community Member
Eleuteria Elias	Maria Auxiliadora (Community)	Community Member
Samuel Torales	Maria Auxiliadora (Community)	Community Member

2.5 Site Inspections

Two site visits occurred: the first on 04 November 2021 – 09 November 2021, and the second on 02 May – 05 May 2022. The site visit activities can be generally segmented into two different groups. The first focused on sampling to gather on-the-ground information to assess forestry and remote sensing components of the project. The second centered around stakeholder, community member, project management, and project staff interviews to gauge project awareness, attitudes, expectations, and understandings.

The Validation Team performed a quantitative and qualitative assessment of the forest inventory by requiring the project to re-sample selected forest inventory plots under the supervision of Aster Global foresters. Aster Global foresters supervised the re-sampling forest inventory plots to replicate project analyses and observe techniques used by the forest inventory team to determine if the project's standard operating procedures were followed. The Validation Team used both a random and risk-based approach to select the forest inventory plots to be re-sampled at a sampling intensity of approximately 5%. During the first site visit, the Validation Team focused re-sampling effort on the strata with the largest impact on the project as determined by average strata carbon stocks. Four (4) plots were re-sampled within the strata with the highest average carbon stocks, and 2 plots were re-sampled within the strata with the second highest average carbon stocks. During the second site visit, the Validation Team re-sampled plots in the strata with the highest stocking and the strata that was not re-sampled during the first site visit. Across both site visits, 10 forest inventory plots were re-sampled, representing approximately a 7.5% sample size. During the course of the site visits, the Validation Team observed the general condition of the landscape noting land use and landscape condition/context, viewed baseline case lands, assessed the accuracy of project mapping exercises such as boundary demarcation and stratification, and collected data that would be used to inform the assessment of the Project's risk analysis. During the first site visit, Validation Team members participated in an aerial flight over the project area on 02 November 2021, which allowed observation of general landscape characteristics and areas of deforestation in the general region.

During the first site visit, the majority of the interviews described in Section 2.4 of the report were conducted to obtain information to assess statements made in the PD and supporting project documents. During the first site visit, the Validation Team observed representative camera traps used for biodiversity monitoring and reviewed biodiversity data collected through these cameras, noted signage delineating project boundaries, and observed wildlife in and around the Project Area. Interviews were conducted with numerous stakeholders as described in Section 2.4 of this report to assess the relevant criteria and to review supporting documentation for aspects of the conformance to program requirements including: legal

compliance; stated baseline scenarios; participatory design; Free, Prior and Informed Consent (FPIC); local, regional, and national drivers of deforestation; and land tenure and carbon ownership rights. The PD identifies a single participating community located within the project zone of the initial instance, Maria Auxiliadora. The Validation Team visited the community of Maria Auxiliadora on 07 November 2021 and again on 03 May 2022 to conduct interviews with leaders and community members of Maria Auxiliadora and assess their level of understanding and participation within the project, attitudes, and expectations.

Greater detail on the outcomes from the forest inventory subplot re-sampling and the interviews conducted during the two site visits can be found in the VCS findings (Appendix B) and CCB findings (Appendix C). respectively.

2.6 Public Comments (*Rules* 4.6)

The public comment period was held from 06 October 2021 to 05 November 2021, as stated on the Verra Registry. There were no comments received on the Verra website.

2.7 Resolution of Findings

During the validation process, there was a risk that potential errors, omissions, and misrepresentations would be found. The actions taken when errors, omissions, and misrepresentations were found included: notifying the client of the issue(s) identified and expanding our review to the extent that satisfied the Lead Validator's professional judgment.

The process of resolution of findings involved formal rounds of assessment by the Validation Team. Findings were resolved during the validation by the Project Proponent implementing corrective actions, such as amending the PD and calculations, as well as providing written responses and supporting documentation. This resulted in project documentation that was in conformance with the requirements of the VCS Standard and CCB Third Edition for GHG projects.

Non-Conformity Reports (NCRs) were issued as a response to material discrepancies in a part of the project and generally fell into one category:

- Non-conformity to a VCS or CCB guiding document listed in Sections 1.2 and 2.2 above
- Consistency among project documentation or calculations was lacking
- Mathematical formulae were incorrect
- Additional information was required by the VVB to confirm reasonable assurance for compliance

Clarifications (CL) were issued when language within a project document needed additional clarification to avoid ambiguity.

Opportunities for Improvement (OFI) were issued to the PP when an opportunity for improvement was identified.

During the validation, forty-four (44) VCS and fifty-seven (57) CCB findings were identified, for a total of one-hundred and one (101) findings. Details of each VCS finding, including the issue raised, responses, and final conclusions are provided in Appendix B: VCS NCR/CL/OFI. Please also see Appendix C: CCB NCR/CL/OFI for a summary of all findings raised during the CCB review. All NCRs/CLs were satisfactorily addressed and closed.

2.7.1 Forward Action Requests

During the validation process, one (1) Forward Action Request (FAR) was identified pertaining to CCB Indicator G3.2. The Validation Team determined the Project Proponent documented reasonable efforts to seek permission from the San Isidro indigenous community to discuss participating in benefits from the project but was informed the community was not interested in discussing the project. The VVB is issuing a FAR requesting the auditors at verification to re-assess, as appropriate, continued efforts by the Project Proponent to try to engage with the San Isidro community as committed to in the PD. Specifically, the auditors at verification are requested to make appropriate efforts to meet with the indigenous community at San Isidro, if permission can be obtained from the community to do so, to confirm that potential costs, risks, and benefits from participation in the project, if they choose or chose to do so, were provided to them in a manner they understood.

3 VALIDATION FINDINGS

3.1 Summary of Project Benefits

Through the implementation of a large-scale VCS-CCB avoided planned deforestation REDD+ project the project aims to alleviate pressure on natural forest habitat in the Chaco Region of Paraguay. Aster Global is reasonably assured that the project has appropriately identified and justified all achievements that are reported in Section 1 of the PD, and these benefits/achievements are appropriately substantiated these with information provided throughout the PD.

Section 1.1 of the PD identifies several additional expected benefits of the Project not captured by standardized benefit metrics.

Outcome or Impact Estimated by the End of Project Lifetime	Section Reference	Validation Team Assessment
1) Chaco Med Flights: Chaco Med flights are estimated to impact the local communities through providing improved access to health facilities, life-saving medicine, and medical professionals.	2.1.11	While this is an expected project activity resulting in community benefits, Aster Global is reasonably assured the project has appropriately justified this expected benefit and the project designed such that this expected benefit can be achieved. The stated reference section is correct.
2) Visitors to the Visitor Center: The Project Proponent is in discussions on establishing a visitor center in the future, which would help expand awareness of the Project, along with awareness of the region's unique cultures and biodiversity.	2.1.11	While this is an expected project activity resulting in community benefits, Aster Global is reasonably assured the project has appropriately justified this expected benefit and the project designed such that this expected benefit can be achieved. The stated reference section is correct.
3) Wildlife Cameras Deployed: The deployment of wildlife cameras throughout the Project Area is expected to demonstrate the impact of	5	The project has already conducted the initial deployment of wildlife cameras and Aster Global is reasonably assured the project has

the conservation activities on wildlife, including the effect of conserved forest canopy and wildlife corridors.		appropriately justified this expected benefit and the project designed such that this expected benefit can be achieved. The stated reference section is correct.

Section 1.2 of the PD describes the Standardized Benefits of the Project as follows:

Category	Metric	Estimated by the End of Project Lifetime	Section Reference	Validation Team Assessment
GHG emission reductions or removals	Net estimated emission removals in the project area, measured against the without-project scenario	Not Applicable.	N/A	The Validation Team determined this Metric is appropriately marked Not Applicable, as Project activities do not generate emissions removals. That stated reference section is correctly identified as N/A.
	Net estimated emission reductions in the project area, measured against the without-project scenario	5,861,365 tCO_2e	3	The Validation Team confirmed the net estimated emission reductions (*ex ante*) in the project measured against the without-project scenario through review of quantification methods in line with the chosen methodology. The stated reference section is correct.
Forest[1] cover	For REDD[2] projects: Estimated number of hectares of reduced forest loss in the project area measured against the without-project scenario	20,515.0 ha	3	The Validation Team confirmed this value is appropriate, as it is the area of the Initial Project Instance. In the without-project scenario, this land would likely be sold and converted to cattle pasture. The stated

[1] Land with woody vegetation that meets an internationally accepted definition (e.g., UNFCCC, FAO or IPCC) of what constitutes a forest, which includes threshold parameters, such as minimum forest area, tree height and level of crown cover, and may include mature, secondary, degraded and wetland forests (*VCS Program Definitions*)
[2] Reduced emissions from deforestation and forest degradation (REDD) - Activities that reduce GHG emissions by slowing or stopping conversion of forests to non-forest land and/or reduce the degradation of forest land where forest biomass is lost (*VCS Program Definitions*)

				reference section is correct.
	For ARR[3] projects: Estimated number of hectares of forest cover increased in the project area measured against the without-project scenario	Not Applicable.	N/A	The Validation Team determined this project benefit is appropriately marked Not Applicable, as no afforestation/reforestation activities are implemented. That stated reference section is correctly identified as N/A.
Improved land management	Number of hectares of existing production forest land in which IFM[4] practices are expected to occur as a result of project activities, measured against the without-project scenario	Not Applicable.	N/A	The Validation Team determined this project benefit is appropriately marked Not/Applicable as IFM practices are not implemented. That stated reference section is correctly identified as N/A.
	Number of hectares of non-forest land in which improved land management practices are expected to occur as a result of project activities, measured against the without-project scenario	Not Applicable.	N/A	The Validation Team determined this project benefit is appropriately marked Not/Applicable as improved land management practices are not implemented. That stated reference section is correctly identified as N/A.
Training	Total number of community members who are expected to have improved skills and/or knowledge resulting from training provided as part of project activities	5-10 community members (for instance, training will be provided for forest guards, staff for visitor center and/or Chaco Med, etc.)	2.1.11	The Validation Team confirmed this project benefit is appropriate through site visit observations and interviews with project staff and community members and review of project documentation. The stated reference section is correct.

[3] Afforestation, reforestation and revegetation (ARR) - Activities that increase carbon stocks in woody biomass (and in some cases soils) by establishing, increasing and/or restoring vegetative cover through the planting, sowing and/or human-assisted natural regeneration of woody vegetation (*VCS Program Definitions*)
[4] Improved forest management (IFM) - Activities that change forest management practices and increase carbon stock on forest lands managed for wood products such as saw timber, pulpwood and fuelwood (*VCS Program Definitions*)

	Number of female community members who are expected to have improved skills and/or knowledge resulting from training as part of project activities	2-5 community members	2.1.11	The Validation Team confirmed this project benefit is appropriate through site visit observations and interviews with project staff and community members and review of project documentation. The stated reference section is correct.
Employment	Total number of people expected to be employed in project activities,[5] expressed as number of full-time employees[6]	5-10 community members	2.1.11	The Validation Team confirmed this project benefit is appropriate through site visit observations and interviews with project staff and community members and review of project documentation. The stated reference section is correct.
	Number of women expected to be employed as a result of project activities, expressed as number of full-time employees	2-5 women	2.1.11	The Validation Team confirmed this project benefit is appropriate through site visit observations and interviews with project staff and community members and review of project documentation. The stated reference section is correct.
Livelihoods	Total number of people expected to have improved livelihoods[7] or income generated as a result of project activities	25-50 community members	2.1.11	The Validation Team confirmed this project benefit is appropriate through site visit observations and

[5] Employed in project activities means people directly working on project activities in return for compensation (financial or otherwise), including employees, contracted workers, sub-contracted workers and community members that are paid to carry out project-related work.
[6] Full time equivalency is calculated as the total number of hours worked (by full-time, part-time, temporary and/or seasonal staff) divided by the average number of hours worked in full-time jobs within the country, region or economic territory (adapted from the UN System of National Accounts (1993) paragraphs 17.14[15.102];[17.28])
[7] Livelihoods are the capabilities, assets (including material and social resources) and activities required for a means of living (Krantz, Lasse, 2001. *The Sustainable Livelihood Approach to Poverty Reduction*. SIDA). Livelihood benefits may include benefits reported in the Employment metrics of this table.

				interviews with project staff and community members and review of project documentation. The stated reference section is correct.
	Number of women expected to have improved livelihoods or income generated as a result of project activities	10-25 women	2.1.11	The Validation Team confirmed this project benefit is appropriate through site visit observations and interviews with project staff and community members and review of project documentation. The stated reference section is correct.
Health	Total number of people for whom health services are expected to improve as a result of project activities, measured against the without-project scenario	25-50 community members	2.1.11	The Validation Team confirmed this project benefit is appropriate through site visit observations and interviews with project staff and community members and review of project documentation. The stated reference section is correct.
	Number of women for whom health services are expected to improve as a result of project activities, measured against the without-project scenario	10-25 women	2.1.11	The Validation Team confirmed this project benefit is appropriate through site visit observations and interviews with project staff and community members and review of project documentation. The stated reference section is correct.

Education	Total number of people for whom access to, or quality of, education is expected to improve as result of project activities, measured against the without-project scenario	5-10 community members (for instance, education will be provided via the Project's visitor center and via providing scholarships)	2.1.11	The Validation Team confirmed this project benefit is appropriate through site visit observations and interviews with project staff and community members and review of project documentation. The stated reference section is correct.
	Number of women and girls for whom access to, or quality of, education is expected to improve as result of project activities, measured against the without-project scenario	2-5 women	2.1.11	The Validation Team confirmed this project benefit is appropriate through site visit observations and interviews with project staff and community members and review of project documentation. The stated reference section is correct.
Water	Total number of people who are expected to experience increased water quality and/or improved access to drinking water as a result of project activities, measured against the without-project scenario	Not Applicable	N/A	The Validation Team determined this project benefit is appropriately marked Not Applicable, as no people directly rely on drinking water from the project area. That stated reference section is correctly identified as N/A.
	Number of women who are expected to experience increased water quality and/or improved access to drinking water as a result of project activities, measured against the without-project scenario	Not Applicable.	N/A	The Validation Team determined this project benefit is appropriately marked Not Applicable, as no people directly rely on drinking water from the project area. That stated reference section is correctly identified as N/A.
Well-being	Total number of community members	25-50 community members	2.1.11	The Validation Team confirmed this project benefit is appropriate through site visit

	whose well-being[8] is expected to improve as a result of project activities			observations and interviews with project staff and community members, and review of project documentation. The stated reference section is correct.
	Number of women whose well-being is expected to improve as a result of project activities	10-25 women	2.1.11	The Validation Team confirmed this project benefit is appropriate through site visit observations and interviews with project staff and community members, and review of project documentation. The stated reference section is correct.
Biodiversity conservation	Expected change in the number of hectares managed significantly better by the project for biodiversity conservation,[9] measured against the without-project scenario	31,858.6 ha	3	The Validation Team confirmed this project benefit is appropriate through site visit observations and interviews with project staff and community members, and review of project documentation. The stated reference section is correct.
	Expected number of globally Critically Endangered or Endangered species[10] benefiting from reduced threats as a result of project activities,[11] measured against the without-project scenario	5+: Endangered Chacoan peccary (*Catagonus wagneri*), the endangered Crowned solitary eagle (*Buteogallus coronatus*),	5	The Validation Team confirmed this project benefit is appropriate through site visit observations and interviews with project staff and community members, and review of project documentation.

[8] Well-being is people's experience of the quality of their lives. Well-being benefits may include benefits reported in other metrics of this table (e.g., Training, Employment, Livelihoods, Health, Education and Water), and may also include other benefits such as strengthened legal rights to resources, increased food security, conservation of access to areas of cultural significance, etc.
[9] Managed for biodiversity conservation in this context means areas where specific management measures are being implemented as a part of project activities with an objective of enhancing biodiversity conservation, e.g., enhancing the status of endangered species
[10] Per IUCN's Red List of Threatened Species
[11] In the absence of direct population or occupancy measures, measurement of reduced threats may be used as evidence of benefit

		endangered Chaco side-necked turtle (*Acanthochelys pallidipectoris*), and endangered marsh seedeater (*Sporophila palustris*).		The stated reference section is correct.

3.2 General

3.2.1 Summary Description of the Project (G1.2)

The Project Proponent is identified as Quadriz Paraguay S.A., who is partnering with Atenil S.A., a large landowner in the Paraguayan Chaco, to undertake a VCS-CCB avoided planned deforestation grouped project. The initial project instance is the forested area that can be legally cleared (approximately 20,515.0 hectares) of the initial project area (approximately 31,858.6 hectares), with the overall intention to scale up the grouped project to over 300,000 hectares of privately owned land through incorporation of additional project instances within the Chaco region Departments of Presidente Hayes, Alto Paraguay, and Boqueron. The Validation Team substantiated the eligibility of the initial project instance through site visit observations and interviews with project staff and community members and review of project documentation. For more information on eligibility of future project instances to be incorporated, please refer to Section 3.2.15 of this report.

Through site visit observations, interviews with project staff and community members, and review of project documentation, Aster Global is reasonably assured the project has appropriately identified three other entities that will be involved in the project. Ostrya Conservation Inc., will serve as an advisor and implementation partner responsible for project development, reporting, and verification of the project. The Universidad Nacional de Asuncion will be responsible for the biodiversity impact monitoring. Atenil S.A. is correctly identified as the landowner of the Initial Project Instance.

Through site visit observations, interviews with project staff and Atenil S.A. staff, and review of project documentation, Aster Global is reasonably assured the start date has been appropriately identified and justified. The project start date is July 1, 2020, the date on which Quadriz Paraguay S.A. and Atenil S.A agreed to terms for the development of the project, as substantiated by supporting documentation provided to the VVB.

Through site visit observations, interviews with project staff and community members, and review of project documentation Aster Global is reasonably assured the Project has been appropriately identified as a “large project” (as defined by the VCS Standard v4.3) with estimated annual average emissions reductions of 560,138 tCO_2e for the initial instance. Over the first 10-year baseline period, the initial instance’s estimated (*ex ante*) emissions reductions is approximately 5,601,376 tCO_2e.

Through site visit observations, interviews with project staff and community members, and review of project documentation, Aster Global is reasonably assured that the grouped project boundary has been appropriately identified as consisting of the Departments of Presidente Hayes, Alto Paraguay, and Boquerón. The Initial Project Instance is located in the Department of Presidente Hayes, approximately 160 kilometers east of Filadelfia and 330 kilometers north-northwest of Asuncion. Through similar methods described above, Aster Global is reasonably assured that the Project has appropriately identified the scenario existing prior to the implementation of the project, which is described as private forest lands in the grouped project boundary that would be deforested for cattle ranching or soybean production. For more information, please see Section 3.3 of this report.

Through site visit observations, interviews with project staff and community members, and review of project documentation, Aster Global is reasonably assured that the project has appropriately identified and described the main climate objective, which is identified as mitigating deforestation pressures and the associated greenhouse gas emissions in the region; the main community objective, which is identified as providing social programs to improve the livelihoods of community members living in the vicinity of the Project; and the main biodiversity objective, which is identified as preservation of biodiversity, particularly medium-to-large mammals in the project areas. Implementation of project activities to meet the identified climate, community, and biodiversity objectives are discussed in detail in other sections of this report.

Through site visit observations, interviews with project staff and community members, and review of project documentation Aster Global is reasonably assured the PD is accurate, complete and provides and understanding of the nature of the project.

3.2.2 Physical Parameters (G1.3)

As part of a desktop assessment, the Validation Team reviewed the physical parameters for both the Initial Project Instance and grouped project boundary as described in Section 2.1.5 of the PD. The Validation Team reviewed supporting documentation, including maps and other documents, to substantiate the descriptions provided for the physical parameters applicable to the grouped project boundary in general, and the Initial Project Instance in particular. During the two site visits, the Validation Team observed the general topography, climate, soil, hydrology, and vegetation characteristics while visiting the initial project instance and found the conditions observed to be consistent with those described in the PD. Similarly, the Validation Team reviewed supporting documentation and collected information via interviews during the site visit to reach reasonable assurance that PD Section 2.1.5 provides a reasonable description of the physical parameters for the initial instance, as well as for the area contained within the general Chaco region encompassed by the grouped project boundary.

3.2.3 Social Parameters (G1.3)

As part of a desktop assessment, the Validation Team reviewed the social parameters for both the Initial Project Instance and grouped project boundary as described in Section 2.1.6 of the PD. The Validation Team reviewed supporting documentation, including maps and other documents, to substantiate the descriptions provided for the social parameters applicable to the grouped project boundary in general, and the Initial Project Instance in particular. Review of maps and supporting documentation from government websites and other sources substantiate there are no communities located within the Initial Project Instance. However, two small indigenous communities (Maria Auxiliadora, San Isidro) are located within 20 kilometers of the project. Through site visit observations, interviews with project staff, participating community

members, and other relevant stakeholders, and review of project documentation, Aster Global is reasonably assured the social parameters are described accurately.

Review of supporting documentation and information obtained during interviews with government agencies substantiated cattle ranching and crop production are the largest land use and economic activities in the grouped project boundary. Interviews with the landowner substantiated land use and economic activities at the Initial Project Instance are identified as minimal, as the property was under consideration for sale with expected conversion to cattle ranching or crop production. Through site visit observations, interviews with project staff, participating community members, and other relevant stakeholders, and review of project documentation Aster Global is reasonably assured that cattle ranching and crop production can be characterized as the largest land use and economic activities in the grouped project boundary. Through these means, the Validation Team substantiated the minimal land use and economic activities at the Initial Project Instance.

The Validation Team conducted a desktop review of socio-cultural information, including education statistics, unemployment rates, and access to healthcare and drinking water, included for the three Departments included in the grouped project boundary. The Validation Team also conducted a desktop review of information provided in the PD that describes, the nearest town to the Initial Project Area, Puerto Casado, as being important from a historical perspective. Overall, through site visit observations, interviews with project staff, participating community members, and other relevant stakeholders, and review of project documentation Aster Global is reasonably assured that the summary description of the basic social parameters of the project as described in the PD is accurate.

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

To validate the accuracy of the Project Zone Map, the Validation Team reviewed the geospatial files of the Initial Project Area and Initial Project Zone provided by the Proponent. Through review of these files, the Validation Team determined that the removal of ineligible areas from the Initial Project Property in order to properly identify the extent of the Initial Project Area are appropriate and the geospatial functions used to remove them were appropriately conducted. To determine the extent of the Initial Project Area, areas not eligible for clearing in the baseline, non-forested areas, and a buffer surrounding the road were removed from the area of the property as defined in Quadriz's contract with Atenil S.A. During the site visit, Aster Global met with officials from INFONA to discuss the legally permissible baseline (i.e., percentage of initial project area that can be legally cleared) and these interviews, and review of files at INFONA on the project, substantiated the information and maps provided in Section 2.1.7 of the PD and the delineation of the Initial Project Area.

To validate the accuracy of the project zone for the Initial Project Area provided in the PD, identified as based on a 20-kilometer buffer around the initial project property, the Validation Team reviewed map resources, information provided from government web sites, and conducted interviews with landowner and members of the Maria Auxiliadora indigenous community. The Validation Team determined from these efforts that because the land is privately held and protected, and the nearest community does not venture onto the Initial Project Property or obtain forest products, for hunting or fishing purposes, or otherwise currently obtain livelihood benefits from the Initial Project Property, the identification of a 20-kilometer project zone around the Initial Project Property would represent a conservative Initial Project Zone and would be acceptable. As this is a grouped project, the Validation Team determined this approach would be appropriate for future instances. The Validation Team reviewed the description provided in the PD and

determined the PD appropriately identifies the extent of the grouped project zone will be the combination of the 20 kilometer-buffers around the current and all future project property.

Descriptions of the community and biodiversity High Conservations Values (HCVs) are included in Section 2.1.7 of the PD and are assessed in greater detail in Sections 3.4.3 and 3.5.2, respectively, of this report.

3.2.5 Stakeholder Identification (G1.5)

The Validation Team conducted a desktop review of the PD regarding the identification and analysis of potential stakeholders for the Initial Project Instance as well as hypothetical future stakeholders for future project instances that were identified and categorized as Project Proponents(s), Other Entities, Community, Primary Stakeholders, Secondary Stakeholders, and other Stakeholders based off CARE's "Relative Influence and Importance of Key Stakeholders" framework, as described in Section 2.1.8 and Appendix I of the PD. The desktop review helped inform the Validation Team's requests for interviews with, or additional information about, each potential stakeholder identified.

Through review of supporting documentation and through results of interviews, the Validation Team assessed the process used to identify stakeholders, as well as the assessment of rights, interests, and relevance to the project for each stakeholder identified in Appendix I of the PD and determined stakeholders for the Initial Project Instance were appropriately identified and the assessments of rights, interests, and relevance to the project are appropriate. Site visit interviews with stakeholders further substantiate the appropriateness of the process used to identify stakeholders. The Validation Team determined use of the same stakeholder identification process for incorporation of future project instances is appropriate.

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

The Validation Team substantiated through site visit interviews with project staff, project consultants, government agencies, and community members from Maria Auxiliadora that the stakeholders listed in Section 3.2.5 were appropriately identified and described in the PD. Results of site visit interviews did not identify any other stakeholders for the Initial Project Instance.

As noted in Section 3.2.3 of this report, two indigenous communities were identified in the initial Project Zone. Through site visits to the Maria Auxiliadora indigenous community, the Validation Team substantiated the Maria Auxiliadora community has agreed to participate in benefits from the project. The Proponent was not able to obtain the necessary approval for the Validation Team to visit the San Isidro indigenous community, and the Validation Team therefore is reliant on documentation from the Proponent that shows the San Isidro community has been visited twice by the Project Proponent, but would like more time to before considering whether to further discuss participating in benefits from the project. The Project Proponent has committed to make additional future efforts to engage the San Isidro community to determine if the community is interested in participating in project benefits.

For future instances to be included in the grouped project, Section 2.1.9 of the PD states that all communities living within Project Areas and all communities living within 20 kilometers of future project may be considered for inclusion. The Validation Team substantiated that this approach is appropriate, as it is the same approach used for the Initial Project Instance.

3.2.7 Sectoral Scope and Project Type

The Project falls under the VCS sectoral scope 14: – Agriculture, Forestry, and Other Land Uses (AFOLU), under the category Reduced Emissions from Deforestation and Degradation (REDD). Specifically, the project falls under the REDD+ category Avoided Planned Deforestation (APD). This is a grouped project and as defined by the VCS Standard is considered a large project.

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

The Validation Team reviewed the Theory of Change Methodology described in the PD as linking the six identified project activities to the project's predicted climate, community and biodiversity benefits. The six identified project activities include foregoing clearing and conversion of the Project Areas, providing health services, raising project awareness, patrolling and monitoring deforestation, establishing a Project Headquarters, and monitoring medium-to-large mammals in the Project Areas. For the Initial Project Instance, the Validation Team substantiated through support documentation provided by the Proponent and through interviews with landowner, project staff, and representatives of the Maria Auxiliadora indigenous community that the only current usage of the privately held land is by the landowner. The Validation Team reviewed the outputs, outcomes, impacts, and relevance to the Project's objectives for each identified activity, along with supporting documentation and additional clarification provided, and determined that they were accurate and complete for the Initial Project Instance. Overall, the Validation Team substantiated that the Theory of Change Methodology was appropriately implemented to provide an understanding of the nature of the project and how it will achieve its climate, community and biodiversity objectives.

3.2.9 Sustainable Development

Section 2.1.12 of the PD describes the project aims to make contributions to all 17 Sustainable Development Goals (SDG). Contributions to SDGs are anticipated primarily from increasing the livelihoods of community members through increased incomes and the benefits associated with protection of tropical forests in the Chaco resulting from implementation of the project. The Validation Team reviewed the justification for the anticipated contribution to each SDG provided in the PD and determined that they are reasonable. The Validation Team determined the anticipated contributions to the SDGs as described in the PD are appropriate.

3.2.10 Implementation Schedule (G1.9)

The Validation Team reviewed key dates and milestones in the Project's development and implementation as presented in Section 2.1.13 of the PD. Through review of supporting documents and interviews with project staff, the Validation Team determined dates and milestones presented through 2021 (including agreement for the development of the project and initial community surveys, amongst others) are accurate. The Validation Team determined through interviews with project staff that anticipated key dates and milestones that are included would be appropriate. The Validation Team determined that both the key dates and milestones achieved to date, and the anticipated key dates and milestones are appropriate for the project's development and implementation.

3.2.11 Benefits Assessment and Crediting Period (G1.9)

The project start date, 01 July 2020, indicates the start of the project crediting period. The project crediting period is appropriately 30 years, with an end date of 30 June 2050. The dates of the Project Crediting Period appropriately coincide with the benefits assessment period and project lifetime, noting that the

project crediting period, benefits, assessment period, and project lifetime may be potentially extended as the agreement with the landowner may be renewed. The initial baseline period is appropriately 10 years, spanning from the project start date to 30 June 2030. The PD notes that changes in climate change adaptive capacity and resilience, biodiversity and community well-being resulting from project activities will be monitored throughout the project crediting period. Overall, the Validation Team noted no discrepancies in the reported dates and has determined them to be appropriate.

3.2.12 Risks to the Project (G1.10)

Natural and human-induced risks are identified in Section 2.1.18 of the PD and include encroachment into the project areas by local farmers, anthropogenic fires, and the potential for illegal logging, hunting or other unapproved land-use. Site visit interviews with management staff, indigenous community members, the landowner, and government officials substantiate the three identified risks are appropriate.

Activities to mitigate the identified risks include monitoring of deforestation through onsite forest guard patrols, camera traps, review of satellite imagery, and the establishment of forest guard houses. The Validation Team determined the activities are reasonable and likely to mitigate the identified risks.

3.2.13 Benefit Permanence (G1.11)

The Validation Team conducted a desktop review to compare Section 2.1.19 of the PD to the climate, community, and biodiversity objectives identified by project activities in Section 2.1.11 of the PD. The Validation Team reviewed each of the measures described as needed and designed as well as supplemental information provided by the Project Proponent. Additional clarification provided by the Project Proponent described how each of the identified measures will be obtained to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime, which include continued support of the project proponent and relevant stakeholders, ongoing funding, conservation measures for forested areas in the Initial Project Instance, helping stakeholders undertake additional conservation projects, and the establishment of the visitor center, Chaco Med, and other education facilities. The Validation Team has reviewed the descriptions for each of the identified measures presented in the PD and determined them to be reasonable and likely to ensure the maintenance and enhancement of the climate, community, and biodiversity benefits beyond the project lifetime.

3.2.14 Financial Sustainability (G1.12)

The Validation Team reviewed a detailed pro forma outlining the funds needed for project implementation provided to the Validation Team by the Project Proponent. Through review of the provided pro forma, paired with additional clarification and supplemental documentation provided by the Project Proponent, the Validation Team substantiated that the financial mechanism adopted is sufficient to provide an adequate actual and projected flow of funds for project implementation and to achieve the project's climate, community and biodiversity benefits.

3.2.15 Grouped Projects

1) Eligibility Criteria for Grouped Projects (G1.14)

The Validation Team conducted a desktop review of Section 2.1.21 of the PD that describes a set of 12 eligibility criteria that will apply to all new grouped project instances. The 12 eligibility criteria presented by the Project in Section 2.1.21 of the PD are restated in the table below:

Eligibility Criteria Assessed by the Validation Team	
1	All new grouped project instances will apply the project activities, technologies and/or measures in the same or similar manner as specified in the project description.
2	All new grouped project instances will meet the applicability conditions as set out in the methodology and Section 3.1.2 of the project document.
3	All new grouped project instances will be subject to the same or similar community and biodiversity without-project scenarios as set out in the original project document.
4	Contribute to project activities identified in Section 2.1.11 of the project document.
5	The geographic limit of the grouped project is the Chaco Region of Paraguay as defined by the Departments of Alto Paraguay, Boquerón, and Presidente Hayes.
6	All project instances will be subject to the baseline scenario as outlined in the project description.
7	All project instances will be subject to the additionality argument as outlined in the project description and have characteristics with respect to additionality that are consistent with the initial instances for the specified project activity and geographic area.
8	All project instances will be subject to the same processes for stakeholder engagement and proceed through a free, prior and informed consent process as described in G5.
9	The Project's climate monitoring procedures, as outlined in the project description, will be applied across all of the project instances.
10	The Project's biodiversity implementation plan and monitoring description, as outlined in the project document, will be applied across all of the project instances.
11	The Project's community implementation plan and monitoring description, as outlined in the project document, will be applied across all of the project instances.
12	All project instances will be subject to the leakage accounting procedures as specified by the methodology and outlined in the project description.

After a thorough review of the eligibility criteria, supporting documentation, and additional clarifications from the project, the Validation Team determined that the eligibility requirements as identified and process of expansion of group projects meet the requirements of G1.14 and all relevant requirements of VCS Standard v4.3.

2) Scalability Limits for the Grouped Projects (G1.15)

The Validation Team conducted a desktop review of Section 2.1.21 of the PD that states that the Project's objective is to scale conservation activities to over 300,000 ha. While scaling up to, and potentially beyond this size, is the project's goal, additional clarification provided by the project proponent substantiated that this is the overall goal, not the scalability limit. Severe scalability limits are stated to not be applicable up to this project size as there are enough suitable lands, enough suitable works, project financing can be scaled, and the Project Proponent has senior management staff that has handled large, multinational

operations. Furthermore, the applied methodology does not have scale/capacity limits. The Validation Team substantiated that, given the evidence provided, the project does not face scalability limits.

3) Risk Mitigation Approach for Grouped Projects (G1.15)

The Validation Team has determined, as stated in item (2) above, the project does not face scalability limits and a risk mitigation approach is not applicable. As such, a risk management approach is not required for the PD.

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

The Validation Team reviewed the land-use scenarios without the Project identified in Sections 2.2.1 of the PD and compared them to the descriptions provided in Sections 3.1.4 and 3.1.5 of the PD, and to supporting documentation provided by the Project Proponent and information obtained through interviews with the land owner, government agencies, and project staff. These scenarios are described below in the following table.

Land-Use Scenarios with the Project	Validation Team Assessment
1) Conversion to cattle pasture	As described in Section 2.2.1, 3.1.4, and 3.1.5 of the PD, conversion of native forests to pasture for cattle is the dominant driver of deforestation in the grouped project area and initial project zone. The Chaco region of Paraguay produces a substantial amount of cattle that is used domestically but also exported internationally and generates the highest financial returns for private landowners. Most commonly native forests are cleared of the vast majority of tree cover through the use of bulldozers and regular burning to create a dense herbaceous layer that will support the raising of cattle. This land use trend is well documented and understood. Through site visit observations, interviews during the site visit with local experts and government officials knowledgeable of land use trends, and a review of supporting documentation Aster Global confirms that this land use scenario without the project without project land use scenario is appropriately identified and described.
2) Conversion to soybean agriculture	As described in Section 2.2.1, 3.1.4, and 3.1.5 of the PD, conversion of native forests to agriculture, specifically soybean agriculture, is a potential land use scenario in absence of the project. However, conversion of native forests for agriculture is currently limited and is not the dominant driver of deforestation in the grouped project area and initial project zone. Through site visit observations, interviews during the site visit with local experts and government officials knowledgeable of land use trends, and a review of supporting documentation Aster Global confirms that this land use scenario without the project without project land use scenario is appropriately identified and described.

3) Continuation of pre-project land use	As described in Section 2.2.1, 3.1.4, and 3.1.5 of the PD, continuation of the pre-project land has been described as possible land use scenario. However, after interviews with the landowner, who is a profit maximizing landowner, it was clear that the landowner would not continue this land use scenario as it was not generating any financial benefits. Through site visit observations, interviews during the site visit with local experts and government officials knowledgeable of land use trends, and a review of supporting documentation Aster Global confirms that this land use scenario without the project without project land use scenario is appropriately identified and described.
4) Project activity on the land without being registered as VCS/CCB AFOLU Project	As described in Section 2.2.1, 3.1.4, and 3.1.5 of the PD, implementing the project activity on the land without being registered as a VCS/CCB AFOLU Project. However, after interviews with the landowner, who is a profit maximizing landowner, it was clear that the landowner would not do this as it would not generate financial benefits. Through site visit observations, interviews during the site visit with local experts and government officials knowledgeable of land use trends, and a review of supporting documentation Aster Global confirms that this land use scenario without the project without project land use scenario is appropriately identified and described.

In conclusion, Aster Global is reasonably assured the project has appropriately identified and described land use scenarios in the without project scenario.

3.2.17 Most-Likely Scenario Justification (G2.1)

The Validation Team reviewed Section 2.2.2 of the PD that states the most likely baseline scenario is conversion of the Project Area to pasture for cattle ranching, Section 2.2.1 of the PD that includes historical satellite imagery demonstrating the agricultural expansion of agriculture in the grouped project boundary, and evidence provided suggesting that while conversion of lands to soybean agriculture is occurring in the Atlantic region of Paraguay "(s)oy cannot yet be considered a significant driver of deforestation in the Paraguayan Chaco." Site visit interviews with project management staff, the landowner of the Initial Project Instance, and government officials knowledgeable of land use trends in the region substantiate the most-likely land-use scenario is conversion of forest within the Project Area to pasture. Furthermore, the Validation Team conducted an independent literature search on the land use trends in the Chaco region of Paraguay and independent review remote sensing analyses demonstrating that conversion to pasture for cattle ranching is primary driver of deforestation. Review of provided evidence, and information obtained from site visit interviews substantiate that the most-likely land-use scenario of conversion of forest to pasture is justified.

3.2.18 Community and Biodiversity Additionality (G2.2)

The Validation Team reviewed the baseline scenario that was reported as identified using the VCS "Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities." Greater detail on validation of the baseline scenario and additionality can be found in Section 3.3.4 and 3.3.5 of this report, respectively.

The Validation Team assessed the assertion that conversion to agriculture and maintaining of forest cover are identified as the two primary alternative land use categories. Section 2.2.3 of the PD states that without the implementation of the project, several community benefits would not be implemented, and effects on biodiversity in both alternative land use categories are described. The Validation Team determined through interviews with the landowner and representatives from INFONA, and through review of site planning documents on file at INFONA, that clearing of the forests in the Initial Project Area could be undertaken by the landowner through legal means in the absence of the project. The Validation Team substantiated though interviews with landowner, government agencies, project staff, and representatives of the Maria Auxiliadora indigenous community that in the absence of the project, the described community benefits would not occur or would be scaled back without implementation of this Initial Project Instance, and the biodiversity impacts described in the PD are reasonable and likely to negatively impact biodiversity. As such, the Validation Team substantiated that the benefits to community and biodiversity associated with the implementation of the project are additional to the without-project scenario.

The Validation Team reviewed supporting documentation regarding existing legal and regulatory requirements to undertake activities similar to the project activity and the most likely scenario that was clarified by the Project Proponent to be accomplished through legal approvals. Section 2.2.3 describes that in the absence of carbon finance, the REDD+ project is impractical, as the project lands will be managed for conservation purposes and not generate revenue associated with other identified land use scenarios. The Validation Team substantiated no distinct climate, community, or biodiversity benefits are intended to be used as offsets and the only offsets to be generated from the Project are Verified Carbon Units (VCUs). The Validation Team substantiated that an initial cost analysis provided shows significant expenditure with no financial return for the Project Proponent in the absence of VCU-related incomes, thus demonstrating a clear financial barrier to project implementation. Through the validation activities described, the Validation Team substantiated the justification for the additionality of the project activities provided by the Project Proponent are appropriate and accurate.

3.2.19 Stakeholder Access to Project Documents (G3.1)

The Validation Team reviewed Section 2.3.1 of the PD that describes the ways in which project documentation has been and will continue to be made accessible to community members throughout the Project lifetime. These include project documentation being available online on the Verra website and a link on the MADES website, physical copies being available at Quadriz offices and the visit center, distribution of project documentation to local communities and stakeholders, and broadcasting project related information over local TV and radio stations. The Validation Team confirmed the PD states this same process will be followed for both the Initial Project Instance and all future project instances.

The Validation Team substantiated that project documentation, including a summary document for the PD, are available on the Verra website and observed a physical copy of the summary document at Quadriz's headquarters located at Estancia Santa Rosanna. The Validation Team substantiated through interviews with leader of the Maria Auxiliadora community that the draft summary document was sent to the leader of the Maria Auxiliadora community via WhatsApp. The Validation Team substantiated through interviews with project staff that as per Section 2.3.2 of the PD, upon successful validation summary project documents are to be disseminated in person by Quadriz staff to the community. The Validation Team determined that these measures, paired with broadcasting information related to the Project via local TV and radio, are appropriate measures to disseminate project information to community members for the Initial Project

Instance. The Validation Team determined that the following of these steps for inclusion of future project instances should be effective in disseminating project documentation.

The Validation Team substantiated through the site visit interviews with the community leader and community members of Maria Auxiliadora that Project Proponent staff, as asserted in Section 2.3.3 of the PD, visited the community of Maria Auxiliadora and established appropriate means of communication, including obtaining cell numbers, to communicate project documentation to the community when it becomes available. In addition to informational meetings with community members, Section 2.3.3 of the PD describes informational meetings with other stakeholders from MADES and INFONA, as well as the local landowner that occurred. The occurrence of these meetings was substantiated through site visit interviews with MADES and INFONA staff, as well as the local landowner.

Through the described validation activities, the Validation Team determined that the project's stakeholder engagement to date, and their plans for continued stakeholder engagement for the Initial Project Instance, as well as for inclusion of future project instances, are appropriate and project documentation has been made accessible in line with the requirements of Indicator G3.1.

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

The Validation Team reviewed Section 2.3.4 of the PD that describes the plans/practices to explain the project's potential costs, risks, and benefits to communities; the Validation Team used this information to help inform activities planned for the validation site visit and interviews. As previously noted, the Validation Team substantiated the Initial Project instance has no communities living in the Initial Project Area, but two small indigenous communities (Maria Auxiliadora and San Isidro) were identified in the Initial Project Zone defined by the Project Proponent as a 20-kilometer buffer around the Initial Project Property. As part of the site visit and interviews, the Validation Team requested the Project Proponent arrange meetings with the indigenous communities identified in the PD as visited by the Project Proponent and for whom the Project Proponent conducted a Degradation Survey and Participatory Rural Assessment (PRA) and explained the project's potential costs, risks, and benefits to the community members.

The Validation Team site visit interviews with the community leader and community members of Maria Auxiliadora substantiate that the PRA occurred as described, that the community members do not rely on or visit the Initial Project Property, and that the community leader was appreciative of the benefits to the community that the project has identified for the community following project implementation. As such, the Validation Team substantiated that there are no costs or risks to Maria Auxiliadora for participation in the project, and that the benefits have been appropriately communicated to them.

As noted in Section 3.2.6 of this report, the Validation Team was unable to obtain permission to visit the San Isidro indigenous community. Based on the landowner reporting no outside use or encroachment on the Initial Project Property, and San Isidro being a smaller community than Maria Auxiliadora, located approximately the same distance from the Initial Project Property, and being located on and sharing same use rights to the same approximately 30,000 hectare parcel shared with the San Isidro community, the Validation Team determined the San Isidro community can reasonably be assumed to likely be similar to the Maria Auxiliadora community in not having potential costs or risks from the project. The Validation Team determined participation in the project benefits by the San Isidro community would be considered voluntary and the Project Proponent has committed to continued efforts to engage the San Isidro indigenous community. The Validation Team is issuing a Forward Action Request (FAR), requesting the VVB at

verification to review and re-assess efforts by the Project Proponent to try to engage with the San Isidro community as committed to in the PD. Specifically, the VVB at verification is requested to make appropriate efforts to meet with the indigenous community at San Isidro, if permission can be obtained from the community to do so, to confirm that potential costs, risks, and benefits from participation in the project, if they choose or chose to do so, were provided to them in a manner they understood.

As the San Isidro community is not currently participating in the Project, the Validation Team determined that the Project Proponent's plans/practices to explain the project's potential costs, risks and benefits to the Maria Auxiliadora community are appropriate, and that relevant and adequate information has been provided to the community in a timely manner.

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

The Validation Team reviewed Section 2.3.5 of the PD that describes the measures reported as taken and communication method reported as used to inform communities and other stakeholders of the validation and verification process. Through interviews with the leader, leader's daughter, and representatives of the Maria Auxiliadora indigenous community, the Validation Team substantiated that project staff visited the community and explained the validation and verification process and obtained contact information for the daughter of the community leader to facilitate future contacts about the validation and verification process. The Validation Team substantiated through interviews that project staff communicated information on the validation and verification process with the landowner and other stakeholders such as MADES and INFONA via email, phone calls, or in-person meetings.

The Validation Team determined that the measures taken, and communication methods used to inform community members and other stakeholders of the validation and verification process were conducted appropriately through the mentioned site visit interviews. The Validation Team determined that use of the communication methods described should be effective in communicating future auditor visits with relevant identified stakeholders

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

The Validation Team substantiated through site visit interviews that Quadriz staff had visited the community members and notified them of the auditor visit in a timely manner through the communication means identified in Section 3.2.21, and that community members were aware of the auditor's visit. Site visit interviews with the landowner and other stakeholders substantiated that they were aware of the auditor's visit. During the site visits, the Project Proponent facilitated direct and independent communication requested by the auditor with community members, landowner, and INFONA. Following the first site visit, the Project Proponent facilitated direct and independent communication for the auditor with MADES via teleconference call.

3.2.23 Stakeholder Consultations (G3.4)

The Validation Team reviewed Section 2.3.7 of the PD that describes numerous stakeholder consultations with communities and stakeholders identified in Appendix 1 and identifies where these meetings influenced project design. Interviews conducted by the Validation Team substantiated that the Project Proponent consulted the identified stakeholders and that the project design considered input received from some of these meetings. Additional clarification provided by the Project Proponent substantiated that all identified stakeholders were consulted and how these stakeholders influenced the project design, and that the Maria

Auxiliadora community is being voluntarily included in project benefits and did not seek additional benefits. Based on information provided by the Project Proponent, and substantiated through interviews with the stakeholders identified in the PD, the Validation Team determined that other stakeholders do not utilize or otherwise have rights or benefits from the project area property without the project, and because there are no stakeholders other than the land owner benefiting from or using the Initial Project Property, the Project Proponent has voluntarily chosen to modify or not modify the project design based on the input of these other stakeholders.

The Validation Team reviewed Section 2.3.8 of the PD that describes the processes the Project will use throughout the Project lifetime to consider input and adaptive management. These processes include ongoing meetings with stakeholders either in person or at several identified locations, continuing to implement Degradation Surveys and the PRA to continuously identify and update risks, costs, and benefits to local community members, and using wildlife camera studies to identify rare, threatened, and endemic species, along with identified HCV species. As substantiated during the Validation Team's interviews with the Maria Auxililiadora indigenous community, distance and lack of transportation was identified as a potential limitation in ongoing community participation, so the Project Proponent has modified the PD and committed to either meeting in person with this community or providing transportation to community members. Overall, the Validation Team substantiated that the project's methods for conducting effective consultation fulfill the requirements of Indicator G3.4

3.2.24 Stakeholder Consultation Channels (G3.5)

Site visit interviews with community leader and members as well as other stakeholders, and review of supporting documentation, substantiate that the level of information sharing as described in Section 2.3.9 of the PD has occurred, and additional clarification provided by the Project Proponent substantiated that project meetings were held with identified stakeholder's legal representatives. The Validation Team concludes that the stakeholder consultation channels used by the Project Proponent fulfill the requirements of Indicator G3.5 and that adequate levels of information sharing have occurred.

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

The Validation Team reviewed Section 2.3.10 of the PD that describes the measures identified by the Project as needed or taken to enable effective participation with local communities as well as stakeholders based in Asunción. Site visit interviews with the Maria Auxiliadora community substantiated that community members are proficient in either Spanish or Guarani, the project has staff who are from Paraguay and able to communicate with communities in either Guarani or Spanish, and staff have the relevant experience and knowledge to allow them to communicate in a culturally sensitive manner. Site visit interviews with project staff further substantiated that consultations with local communities occurred with both a male and female staff representative present to ensure consultations were conducted in a gender sensitive manner.

Distance and suitable transportation needed to meet with project staff was identified during Validation Team interviews as potential concern in ensuring community members are able to meet with project staff at the project headquarters. To mitigate this concern, the Project Proponent has committed to meeting in person with community members or providing necessary transportation. Site visit interviews with community members substantiated that consultations to date have occurred in person, and that they were conducted in a culturally and gender sensitive manner. The Validation Team determined that the measures needed and taken by the Project Proponent to enable effective participation in a culturally appropriate and gender

sensitive manner have occurred as described and should be sufficient in ensuring effective participation throughout the Project Lifetime.

3.2.26 Anti-Discrimination Assurance (G3.7)

The Validation Team reviewed Section 2.3.11 of the PD that states that the Project Proponent is an equal opportunity employer, is a certified B corporation, has an experienced local team of professionals, and ensures all eligible private landowners will be considered for participation in the Project. The Validation Team noted the PD identifies measures needed and designed to ensure that all entities involved in project design and implementation are not involved in, or complicit in, any form of discrimination are identified and include:

- Senior management at Quadriz setting the tone that any form of discrimination is not allowed.
- Quadriz's new hire onboarding and Health Safety and Environment (HSE) Policy and Procedures manual ensure discrimination is not allowed amongst any entity involved in project design
- Quadriz will undertake ongoing independent CCBS and B Corp certification audits
- The project's feedback and grievance redress procedure provides a mechanism provides a mechanism for any entity who feels they have been discriminated against or sexually harassed.

The Validation Team reviewed the measures identified and the supplemental HSE Policy provided by the Project Proponent and conducted site visit interviews with project administrative and management staff. Based on review of these documents, substantiated by site visit interviews, the Validation Team is reasonably assured the measures needed and designed to ensure that all entities involved in project design and implementation are not involved in, or complicit in, any form of discrimination or sexual harassment are appropriate. Through interviews of staff members and community members, the Validation Team is reasonably assured that no entities involved in project design and implementation are involved in, or complicit in any form of discrimination or sexual harassment.

3.2.27 Feedback and Grievance Redress Procedure (G3.8)

The Validation Team reviewed Section 2.3.12 of the PD that describes the feedback and grievance redress procedures proposed by the Project Proponent. The PD outlines three procedures: 1) a conflict redress procedure between the Project Proponent and the landowner; 2) a grievance procedure for project staff; and 3) a grievance redress procedure for local communities or other stakeholders.

The Validation Team substantiated that the feedback and grievance redress procedure for the landowner meets the requirements of Indicator G3.8. Site visit interviews with the landowner and Project Proponent substantiated that this procedure is well understood by both parties.

The Validation Team substantiated that the feedback and grievance redress procedure for project staff (employees) related to personnel issues is an internal issue for Quadriz and is consistent with their internal policies.

The Validation Team conducted an interview with representatives of the Ministerio del Ambiente y Desarrollo Sostenible (MADES), identified in the PD as the third-party ombudsman in the project's

grievance redress procedure for local communities and other stakeholders, to determine the status of the reported system in development for receiving complaints and claims related to forest carbon projects. The interview substantiated a draft process for addressing grievances was still in development by MADES in November 2021. While this procedure has not currently been finalized, a feedback and grievance redress procedure is outlined in the PD following draft guidance. The Validation Team determined that the draft MADES guidance proposed to be followed, along with commitments by the Project Proponent following MADES' completion and posting of its finalized procedures to: 1) provide more detailed information in future summary documents and Monitoring Reports; and 2) communicate this information directly to communities and other stakeholders, as well as the stated GRM commitment to utilize the nationally competent courts as the third stage for any of the grievance procedures would allow the project to meet the requirements of Indicator G3.8.

3.2.28 Worker Training (G3.9)

The Validation Team reviewed Section 2.3.14 of the PD that describes a summary of training identified as needed or held to date. Site visit interviews with project staff substantiate that the trainings were provided as described. Additional clarification provided by the Project Proponent described the project's orientation and training measures and identified measures to prevent loss of capacity through staff turnover. The Validation Team reviewed these measures and determined they are appropriate. Through review of project documentation and additional clarification from the Project Proponent, supported by site visit interviews, the Validation Team substantiated that the measures needed and designed to provide orientation and training for those employed through project activities and relevant people from the communities are appropriate and meet the requirements of Indicator G3.9.

3.2.29 Community Employment Opportunities (G3.10)

The Validation Team reviewed Section 2.3.15 of the PD that describes the Project Proponent's commitment to employ people from nearby communities. Site visit interviews with project management staff substantiated there are currently few employment opportunities associated with the Initial Project Instance. Site visit interviews substantiate that current project management staff and project employees were hired through an open process that provided equal opportunity for qualified individuals or individuals identified as able to be trained for the position. Site visit observations and interviews substantiated that women were employed by the project and additional clarification provided by the project proponent described measures to ensure community members, particularly indigenous community members within the project zone, will be given a fair opportunity to fill positions available in the future. Through review of project documentation and additional clarification from the Project Proponent, supported by site visit interviews with project staff and members of the Maria Auxiliadora indigenous community, the Validation Team substantiated that the project has provided, and has measures in place to ensure that the community will be engaged and provided employment consideration for future employment opportunities.

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

Relevant laws and regulations related to worker's rights are described in Section 2.3.16 of the PD. The Validation Team reviewed the International Labour Organization webpage for Paraguay and determined that the laws and regulations identified in the PD are consistent with those listed and would be considered appropriate. Site visit interviews with project staff substantiate that the measures needed and taken by the project team to inform workers about their rights identified in the PD have been undertaken with workers.

Site visit observations substantiated that items required by labor law regarding workers' rights were posted on the wall at Estancia Santa Rosanna.

Additional clarification was requested from the Project Proponent to provide the required assurance in the PD that the project meets or exceeds all applicable laws and/or regulations and demonstrate how clarification is achieved. The PD was updated with this assurance, which had been previously substantiated through a site visit interview with administrative staff responsible for labor law compliance. Through review of project documentation and additional clarification, supported by site visit interviews and observations, the Validation Team substantiated that the project is adhering to all relevant laws and regulations covering worker's rights. The Validation Team was provided with a copy of a representative employee's employment contract for demonstration, in part, of how of how employees are informed of their rights. Site visit interviews with current project staff substantiated they had been informed of their rights and the measures designed to inform workers of their rights in the future were substantiated as appropriate.

3.2.31 Occupational Safety Assessment (G3.12)

Section 2.3.17 of the PD identifies substantial risks to worker safety. Site visit interviews and observations substantiated the previously identified risks were appropriate, but also indicated the existence of other substantial risks noted or brought to the attention of the Validation Team. These observed risks were communicated to the Project Proponent, and subsequently included in the PD. The Validation Team assessed the measures needed and taken to inform workers of risks and to explain how to minimize such risks for each identified risk. These risks, as well as any future risks identified, will be added to the Project Proponent's HSE. The Validation Team substantiated through review of project documentation and site visit interviews that the risks identified are appropriate, and that workers are and will be informed of the identified risks and future identified risks as well as the measures needed and designed to minimize each risk.

3.2.32 Project Governance Structures (G4.1)

Section 2.4.1 of the PD includes an organizational chart of the overall organizational business structure for Investancia Holding B.V, of which the Project Proponent is a part, and a chart depicting the structure of other organizations involved in project development, implementation, and monitoring. With additional clarification provided by the Project Proponent, the Validation Team substantiated that the roles and responsibilities of all entities involved in project design and implementation are clearly described in the PD. The Validation Team determined the project's governance structure, and the roles and responsibilities of all entities involved in project design and implementation are appropriate and should be sufficient for successful implementation of the project.

3.2.33 Required Technical Skills (G4.2)

Required technical skills to successfully implement the project are identified in Section 2.4.2 of the PD and include stakeholder identification and community engagement, legal analysis of landownership documentation, government policy, biodiversity assessment and monitoring, carbon stock measurement and monitoring, regional deforestation and land-use modeling, project management, local knowledge and fluency in Spanish and Guarani, and sale of carbon offset credits. The PD describes the project management staff and advisors that possess the required technical skills identified. Through site visit interviews with project management and other staff, the Validation Team determined that the required technical skills as listed in the PD are appropriate and that the project utilizes staff and technical advisors

with the required key technical skills, experience, and expertise required to implement the project successfully.

3.2.34 Management Team Experience (G4.2)

Section 2.4.3 of the PD includes information documenting the expertise and experience of key project management team members. The Validation Team reviewed information provided on the project management team's expertise and experience and conducted interviews with several of the identified project management staff. Based on review of supporting documentation and site visit interviews, the Validation Team determined that the project management team possesses the expertise and prior experience necessary to implement land management and carbon project at the scale of this project.

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

Section 2.4.4 of the PD includes information documenting the expertise and experience of individuals involved in project management partnerships. Site visit interviews with individuals involved in project management partnerships, specifically regarding REDD+ project development (including monitoring, reporting, and validation/verification processes), as well as forest inventory and biodiversity assessment aspects, substantiate that they require the necessary expertise and experience to support the project and fill any gaps in management team experience.

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

The Project Proponent provided supplemental financial information to document the financial health of Quadriz, including a letter of support from Quadriz's CFO attesting that Quadriz has sufficient financial resources to fund the project and identifying specific, internal, non-restricted funds made available to develop the project. Based on the evidence provided, including the pro forma documented in Section 3.2.14 of the report, the Validation Team determined the financial health of the implementing organization would be adequate to support the project over its lifetime.

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

The Validation Team reviewed Section 2.4.6 of the PD that provides the assurance that the Project Proponent is not involved in any form of corruption such as bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion, and collusion. The Validation Team was provided with a copy of the B corporation certification for Quadriz to demonstrate compliance of this assurance and the PD states they will continue independent audits. As such, the Validation Team is reasonably assured the project proponent and any of the other entities involved in project design and implementation are not involved in or are not complicit in any form of corruption.

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

Not applicable. The Validation Team has determined the project proponent's assertion that there is no commercially sensitive information excluded from the public version of the project description is accurate.

3.2.39 Statutory and Customary Property Rights (G5.1)

Section 2.5.1 of the PD states that the Initial Project Instance and all future instances will be on privately owned lands, with the use, access, and management rights of private landowners. The Validation Team assessed provided ownership documents, further substantiated by site visit interviews with the landowner and Project Proponent and confirmed the land of the Initial Project Instance is privately owned. As the land is privately owned, the land use and access rights are owned by the landowner. The Validation Team substantiated that the landowner has provided consent to the Project Proponent for use of property in developing a REDD+ project through review of the contract between the landowner and the Project Proponent. A map of the land tenure within, and surrounding the Initial Project Zone is provided in Section 2.5.1. Review of provided geospatial files, landownership documents, and the agreement between the landowner and Project Proponent substantiated the accuracy of the map of tenure, use, access and management rights to lands, territories, and resources in the project zone.

3.2.40 Recognition of Property Rights (G5.1)

The Validation Team substantiated that the land of the Initial Project Instance is privately owned by the landowner, with the consent to accessing and developing a REDD+ project provided to the Project Proponent in Section 3.2.39 of this report. As such, the Validation Team determined all property rights are recognized, respected, and supported.

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

The Validation Team reviewed Section 2.5.3 of the PD that states that the project will occur on private property and thus not encroach on other private property, community property, or government lands. The Validation Team substantiated Free, Prior and Informed Consent (FPIC) was established with the landowner of the project through the presentation, discussion, and eventual signing of a contract between the landowner and Project Proponent. Site visit interviews with the landowner substantiated the FPIC process was completed as described in the PD. Site visit interviews with the Maria Auxiliadora community leader and members substantiated that the community had no claims to the first instance project property and none of their property rights would be affected by the project. Through review of the FPIC process, review of ownership documents and the contract between the landowner and Project Proponent, supported by site interviews with community members and the landowner, the Validation Team substantiated that the Project Proponent is respecting the property rights of both the landowner and the identified community.

3.2.42 Property Rights Protection (G5.3)

Section 2.5.4 of the PD states that the project activities do not lead to any involuntary removal or relocation of property rights holders from their lands or territories and does not force rights holders to relocate activities important to their culture or livelihood. Site visit interviews with the landowner substantiate this statement, and site visit interviews with community leader and community members of the Maria Auxiliadora substantiated that the community had no claims to the first instance project property and none of their property rights would be affected by the project.

3.2.43 Illegal Activity Identification (G5.4)

Section 2.5.5 of the PD identifies three main potential illegal activities, including encroachment, fire, and poaching. No perceived positive benefits are anticipated from these illegal activities. Measures designed

and undertaken to reduce encroachment and fire include on-the ground monitors, periodic aerial surveillance, and satellite imagery analysis. Measures designed and undertaken to reduce poaching include installation of guard houses and periodic biodiversity monitoring. Site visit interviews substantiate that the identified measures have been undertaken. The Validation Team determined that the illegal activities identified and their associated measures for mitigation should be effective in reducing the identified illegal activities so that project benefits are not derived from illegal activities.

3.2.44 Ongoing Disputes (G5.5)

Section 2.5.6 of the PD states that there are no ongoing or unresolved conflicts or disputes over the rights over the Project Area's lands and resources to the best of the Project Proponent's knowledge. Site visit interviews with the landowner for the Initial Project Instance and project staff substantiate that neither party is aware of known ongoing or unresolved conflicts or disputes during the past 20 years. The Validation Team reviewed supplemental documentation in the form of landowner title documents and carbon rights agreement documents and substantiated the landowner's title to the land and Project Proponent's carbon rights for the project. Review of project and supplemental documents, paired with site interviews substantiate the known absence of any ongoing or unresolved conflicts or disputes over rights to lands, territories and resources and the known absence of disputes resolved in the last 20 years.

3.2.45 National and Local Laws (G5.6)

National and local laws and regulations in the host country are identified in Section 2.5.7 of the PD. The Validation Team substantiated that the list and description of identified laws are consistent with information on forestry protection laws of Paraguay available through an IUCN publication on forest protection laws (An Analysis of Existing Laws on Forest Protection in the Main Soy Producing Countries in Latin America; J. Van Dam, H. Van Den Hombergh, and M. Hilders, 2019). Interviews with INFONA and MADES further substantiated that the listed laws are relevant to clearing of forests in the project area. Additional clarification from the project proponent substantiated that other relevant laws, statutes, regulatory requirements pertinent to planned project activities (creation of Chaco Med and the visitor center) are appropriately included in Section 2.5.7 of the PD. Additional clarification from the project proponent provided the necessary demonstration that the project is in compliance with all identified national local laws and regulations in Paraguay.

3.2.46 Approvals (G5.7)

The Validation Team substantiated through review of supporting documentation and interviews with INFONA and MADES that because the Initial Project Instance is on privately owned land, the project only needs approval from the private landowner. Site visit interviews with the landowner of the Initial Project Instance and review of signed agreement between the landowner and the Project Proponent substantiate that the Project has received the appropriate landowner approval.

The Validation Team substantiated through supporting documentation and site visit interviews with the leader of the Maria Auxiliadora indigenous community that the Project Proponent appropriately requested and received the approval of the indigenous community of Maria Auxiliadora to enter the community to conduct the PRAs and discuss the project.

3.2.47 Project Ownership (G5.8)

Section 2.5.9 of the PD states Atenil S.A. has clear uncontested title to both property and the carbon rights. The Validation Team was provided supplemental documentation demonstrating the property rights of Atentil S.A. for the Initial Project Instance ("Letter of Agreement for Verified Carbon Unit Credits"). The Validation Team reviewed the "Letter of Agreement for Verified Carbon Unit Credits" and confirmed that Quadriz will develop and implement REDD+ activities in return for a share of the sales of the tradeable VCUs generated. The referenced letter also transfers the carbon rights to Quadriz such that "Quadriz will receive and be owner and the seller of the Verified Carbon Unit credits (VCUs)."

Through review of provided project and supplemental documentation, further supported through site interviews with both the landowner of the Initial Project Instance and the Project Proponent, the Validation Team substantiated the agreement between the project proponent and landowner regarding land management and carbon rights throughout the project lifetime.

3.2.48 Management of Double Counting Risk (G5.9)

The Validation Team reviewed Section 2.5.10 of the PD that states, in part, that other than VCUs with CCB tags issued, there will be no other environmental or social credits sought for the project. The Validation Team determined that use of Verra's registry system and ongoing portfolio audits are appropriate measures to manage the risk of double counting.

3.2.49 Emissions Trading Programs and Other Binding Limits

Section 2.5.11 of the PD states the project is not participating in any other emissions trading program or other mechanism that includes GHG allowance trading, nor is the project generating any GHG emission reductions and removals to be used for compliance under any such programs or mechanisms. The PD notes that should an opportunity arise to participate in a compliance program, the project will follow Verra's prescribed procedures. The Validation Team performed an internet search of multiple registries and found no evidence of participation in other emission trading program or other mechanism that includes GHG allowance trading. As such, the Validation Team is reasonably assured that the project is not participating in, nor generating GHG emission reductions and removals to be used in, any other emissions trading program or other mechanism that includes GHG allowance trading

3.2.50 Other Forms of Environmental Credit

Section 2.5.12 of the PD states the project has not sought or received any other GHG related environmental credits. Furthermore, the audit team performed an independent search of other registries and found no evidence that other forms of environmental credit are being sought. The Validation Team is reasonably assured this statement is accurate.

3.2.51 Participation under Other GHG Programs

Section 2.5.13 of the PD states the project has not registered, nor is it seeking registration under any other GHG Programs. The Validation Team performed an internet search of multiple registries and found no evidence of registration, nor seeking of registration with other GHG Programs.

3.2.52 Projects Rejected by Other GHG Programs

Section 2.5.15 of the PD states the project has not been rejected by other GHG Programs. The Validation Team performed an internet search of multiple registries and found no evidence of the project being rejected by other GHG Programs.

3.2.53 Double Counting (G5.9)

The Validation Team reviewed Section 2.5.10 of the PD that states that double counting will be avoided through use of Verra's registry system, by working closely with the Paraguay government, and by periodically undertaking a project portfolio audit. The Validation Team substantiated through interview with MADES that there is not a national REDD program currently in place, but one has been under consideration and may be in development. The Validation Team assessed the management of double counting risk (Section 3.2.48) and determined the steps to avoid double counting identified in the PD are appropriate for avoiding double counting.

3.3 Climate

3.3.1 Title and Reference

The Project is using the VCS REDD Methodology, entitled "VM0007: REDD Methodology Framework (REDD+ MF)." The only eligible project activity is avoiding planned deforestation (APD) and the specific modules applied to the Project are listed below:
REDD+ MF, REDD Methodology Framework Version 1.6

Carbon pool modules:

CP-AB "VMD0001 Estimation of carbon stocks in the above- and belowground biomass in live tree and non-tree pools", version 1.1

CP-D, "VMD0002 Estimation of carbon stocks in the dead-wood pool," Version 1.0

CP-L "VMD0003 Estimation of carbon stocks in the litter pool", version v1.0

CP-W, "VMD0005 Estimation of carbon stocks in the long-term wood products pool," Version 1.1

Baseline module:

BL-PL "VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation", version 1.3

Leakage modules:

LK-ASP "VMD0009 Estimation of emissions from activity shifting for avoided planned deforestation/forest degradation and avoided planned wetland degradation", version 1.3

LK-ME "VMD0011 Estimation of emissions from market-effects", version 1.1

Monitoring module:

M-REDD "VMD0015 Methods for monitoring of greenhouse gas emissions and removals", version 2.2.

Miscellaneous Modules:

E-BPB "VMD0013 Estimation of greenhouse gas emissions from biomass and peat burning", v1.2.

X -STR "VMD0016 Methods for stratification of the project area", version 1.2.

X-UNC "VMD0017 Estimation of uncertainty for REDD project activities", version 2.2.

Tools:

T-SIG, CDM tool "Tool for testing significance of GHG emissions in A/R CDM project activities," Version 1.0

T-ADD, "VT0001 Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities," Version 3.0

T-BAR, "VCS AFOLU Non-Permanence Risk Tool," Version 4.0,
The Validation Team confirmed that the methodology and tools, and the specific versions of them applied by the project are valid at the time of validation.

3.3.2 Applicability

The project adheres with each applicability condition of the methodology and associated tools, as described below:

Applicability conditions, Project Proponent justification, and Validation Team assessment for the REDD Methodology Framework Module:

Applicability Condition:	Project Proponent Justification:	Validation Team Assessment:
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.	The entire Project Area meets the local CDM definition of a forest. All non-forest areas were removed from the project as part of developing the Alternative Use Plan, which is submitted to MADES, a local government authority which approves conversion of native forest to pasture.	The Validation Team substantiated that the referenced Alternative Use Plan appropriately removed all non-forest areas. The Validation Team reviewed provided geospatial files and historical satellite imagery and substantiated that the remaining are constituting the project has qualified as forest for at least 10 years prior to the project start date.
If land within the project area is peatland or tidal wetlands and emissions from the SOC pool are deemed significant, the relevant WRC modules (see Table 3) must be applied alongside other relevant modules.	None of the project area contains peatland or tidal wetlands. The Global Peatland Map 2.0[12] indicates there are no peatlands within Paraguay.	The Validation Team substantiated there are no tidal wetlands in Paraguay, as it is a land locked country. The Validation Team reviewed the referenced Global Peatland map and independently verified that the analysis conducted by the project was accurate and substantiated there are no peatlands within Paraguay.
Baseline deforestation and forest degradation in the project area fall within one or more of the following	Baseline deforestation in the project area falls within the planned deforestation category, as the agents of deforestation are large	Through review of provided documentation, geospatial files, and site visit observations, and site visit interviews, the

[12] "United Nations Environment Programme. 2021. THE GLOBAL PEATLAND MAP 2.0. https://wedocs.unep.org/20.500.11822/37571

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)	agribusinesses implementing industrial scale cattle ranches.	Validation Team substantiated that the agents of deforestation in the project are large agribusinesses implementing industrial scale cattle ranches, and thus VCS category APD is appropriate.
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 and/or manure lagoons	Leakage avoidance activities do not include flooding agricultural land or creating feed-lots or manure lagoons.	Based on the nature of the project activity and project location, the Validation Team substantiated that leakage avoidance activities do not include flooding agricultural land or creating feed-lots or manure lagoons.
Where conversion of forest lands to a deforested condition must be legally permitted.	Conversion of forest lands to pasture is legally allowed in the Chaco Region of Paraguay, where the agents of deforestation follow laws and the approval process as laid out by MADES and INFONA.	The Validation Team substantiated through site visit interviews with INFONA that conversion of forest lands to pasture is legally allowed in the Chaco Region of Paraguay and the project has appropriately developed an Alternative Use Map in accordance with Paraguayan law.

Applicability conditions, Project Proponent justification, and Validation Team assessment for other modules:

Module	Applicability Condition	Project Proponent Justification	Validation Team Assessment
CP-AB, VMD0001	This module is applicable to all forest types and age classes. Inclusion of the aboveground tree biomass pool as part of the project boundary is mandatory as per the framework module REDD-MF. Non-tree aboveground biomass must be included as part of the project boundary if the following applicability criteria are met (per framework module REDD-MF):	This module is applicable to all forest types and age classes. Inclusion of the aboveground tree biomass pool as part of the project boundary is mandatory. It is appropriate to exclude non-tree aboveground biomass	The Validation Team substantiated that use of this module is appropriate, as inclusion of the aboveground tree biomass pool as part of the project boundary is mandatory. After a review of baseline case lands during the site visit and desktop review and site visit observations from

	-Stocks of non-tree aboveground biomass are greater in the baseline than in the project scenario, and - Non-tree aboveground biomass is determined to be significant (using the T-SIG module). Belowground (tree and non-tree) biomass are not required for inclusion in the project boundary because omission is conservative.	in the project boundary as the baseline agent of deforestation disks pastureland every 2-4 years thus ensuring the non-tree aboveground biomass stocks are greater in the project scenario than the baseline.	within the project area, the Validation Team concurs with the Project Proponent's statement that non-tree aboveground biomass stocks are greater in the project scenario than the baseline than the baseline. The Validation Team determined it is appropriate to exclude non-tree aboveground biomass.
CP-D, VMD0002	None	This module is applicable to all forest types and age classes.	The Validation Team substantiated use of this module is appropriate as it is applicable to all forest types and age classes.
CP-L, VMD0003	None	This module is applicable to all forest types and age classes.	The Validation Team substantiated use of this module is appropriate as it is applicable to all forest types and age classes.
CP-W, VMD0005	Timber harvest occurs prior to or in the process of deforestation, and where timber is destined for commercial markets.	While no timber harvest occurred in the baseline for the Initial Project Instance, there is potential for timber harvest as part of the baseline land clearing for future project instances.	Through interviews with government officials and people knowledgeable of conversion practices in the Chaco region of Paraguay, the Validation Team substantiated that timber harvest would not occur in the baseline for the Initial Project Instance, as the most likely land use scenario is conversion the pasture and this project area does not have good access to wood markets. Inclusion of this module is appropriate, as there is a potential for timber harvest as part of the baseline land clearing for future project instances.
BL-PL, VMD0006	The module is applicable for estimating the baseline emissions on forest lands (usually privately or government	All project lands are privately owned. The landowner has followed all laws in delineating	The Validation Team substantiated through review of landownership documentation provided that

	owned) that are legally authorized and documented to be converted to non-forest land.	the area to be cleared, as demonstrated in Section 3.2.1. Further, the Project Proponent has submitted an Alternative Use Plan to MADES requesting permission to convert the forest area to an alternative use.	lands in the Initial Project Instance are privately owned. The submission of the Alternative Use Plan to MADES substantiated that the lands are legally authorized and documented to be converted to non-forest land. After a review of the relevant laws related to deforestation in the Chaco and interviews with staff at INFONA, the Validation Team determined use of this module is appropriate.
BL-PL, VMD0006	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.	There is no fuelwood collection occurring within the project boundary due to the distance of the local communities to the initial project area. There are no national or regional forestry or nature conservation regulations in relation to fuel wood collection for domestic use.	The Validation Team substantiated no fuelwood collection is occurring in the project boundary due the distance of local communities to the initial project area through site visit interviews with local communities. Exclusion of Modules BL-DFW and LK-DFW is appropriate.
LK-ME, VMD0011	As referenced in REDD-MF, this module is mandatory where: - The process of deforestation involves timber harvesting for commercial markets -The baseline is calculated using module BL-DFW and fuel wood or charcoal is harvested for commercial markets	While no timber harvest occurred in the baseline for the Initial Project Instance, there is potential for timber harvest as part of the baseline land clearing for future project instances.	The Validation Team substantiated that timber harvest would not occur in the baseline for the Initial Project Instance, as the most likely land use scenario is conversion the pasture, where fallen timber is simply burned on site as there is no economically viable wood market. Inclusion of this module is appropriate, as there is a potential for timber harvest as part of the baseline land clearing for future project instances.
E-BPB, VMD0013	This module is applicable to REDD project activities with	This module was used as the baseline forest	Site visit interviews substantiate that biomass

	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.	clearing practices in the region involve biomass burning.	burning is included in baseline forest clearing practices. The Validation Team substantiated use of this module is appropriate.
M-REDD, VMD0015	Emissions from logging may be omitted if it can be demonstrated the emissions are de minimis using T-SIG.	Logging emissions have been omitted as no commercial timber harvest occurs in the with-project case.	The Validation Team substantiated that, based on the nature of the project as described and supported by site visit interviews, that no commercial harvest occurs in the with-project case. Omission of logging emissions is appropriate.
M-REDD, VMD0015	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) certificate for the years when the selective logging occurs.	Not applicable	The Validation Team substantiated this applicability condition is not applicable, as no commercial harvest occurs in the with-project case.
M-REDD, VMD0015	Logging operations may only conduct selective logging that maintains a land cover that meets the definition of forest within the project boundary.	Not applicable	The Validation Team substantiated this applicability condition is not applicable, as no commercial harvest occurs in the with-project case.
M-REDD, VMD0015	All trees cut for timber extraction during logging operations must have a DBH greater than 30 cm.	Not applicable	The Validation Team substantiated this applicability condition is not applicable, as no commercial harvest occurs in the with-project case.
M-REDD, VMD0015	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.	Not applicable	The Validation Team substantiated this applicability condition is not applicable, as no commercial harvest occurs in the with-project case.
M-REDD, VMD0015	The logging practices cannot include the piling and/or burning of logging slash	Not applicable	The Validation Team substantiated this applicability condition is not

			applicable, as no commercial harvest occurs in the with-project case.
M-REDD, VMD0015	Volume of timber harvested must be measured and monitored.	Not applicable	The Validation Team substantiated this applicability condition is not applicable, as no commercial harvest occurs in the with-project case.
X-STR, VMD0016	None	Any module referencing strata i must be used in combination with this module.	The Validation Team substantiated use of this module is appropriate, as the project is stratified, and thus inclusion is mandatory.
X-UNC, VMD0017	None	This module is mandatory when using methodology REDD+ MF.	The Validation Team substantiated use of this module is appropriate, as use of this module is mandatory when using methodology REDD+ MF.
T-ADD, VT0001 v3.0	AFOLU activities the same or similar to the proposed project activity2 on the land within the proposed project boundary performed with or without being registered as the VCS AFOLU project shall not lead to violation of any applicable law even if the law is not enforced;	This module is mandatory when using methodology REDD+ MF.	The Validation Team substantiated use of this module is appropriate, as use of this module is mandatory when using methodology REDD+ MF. Furthermore, the Validation Team confirmed that the proposed project activity, forest conservation, does not lead to violation of any applicable law.
T-ADD, VT0001 v3.0	The use of this tool to determine additionality requires the baseline methodology to provide for a stepwise approach justifying the determination of the most plausible baseline scenario3 . Project proponent(s) proposing new baseline methodologies shall ensure consistency between the determination of a baseline scenario and the determination of additionality of a project activity.	This module is mandatory when using methodology REDD+ MF.	The Validation Team substantiated use of this module is appropriate, as use of this module is mandatory when using methodology REDD+ MF. Additionally, the baseline methodology, BL-PL, uses a stepwise approach.

The Validation Team determined that applicability of the methodology, tools, and modules are appropriate.

3.3.3 Project Boundary

The VCS Standard requires that projects describe the project boundary and identify and select appropriate carbon pools, i.e., sources, sinks, and reservoirs relevant to the baseline. Procedures to quantify emissions are included for each of these pools and sources by demonstrating significance in using the appropriate VCS modules and tools. The project addresses the establishment of spatial, temporal, and gaseous boundaries to meet VCS AFOLU Requirements for Reduced Emissions from Deforestation and Degradation (REDD), Specifically, REDD+ category Avoided Planned Deforestation (APD). The Validation Team found the major pools aboveground and belowground biomass is appropriately included. The dead wood and litter pools were also determined to be appropriately included. Though no commercial timber harvest occurs in the first project instance, the harvested wood products pool was appropriately included as timber harvest may occur in future project instances. Soil organic carbon and fossil emissions from fossil fuel use were determined to be appropriately excluded, as they are optional pool for APD projects.

The spatial boundaries for the Project were assessed for conformance to VCS rules and found to be sufficiently detailed, appropriate, and adequate, as well as in compliance with the VM0007 REDD+ Methodology Framework. After a thorough review of project documentation (including spatial files) the audit team found that the project area and proxy areas have appropriately been described and justified within the PDD. Specifically, the audit team reviewed supporting documentation and collected information on the site visit through interviews and direct observations to confirm that is an immediate site-specific threat of deforestation. As required by the selected methodology, the project has appropriately identified proxy areas in order to establish a rate of deforestation. The project has appropriately selected 9 proxy sites (more than the minimum required,6). The Validation Team reviewed remote sensing analyses and provided supporting documentation and independently confirmed the remote sensing analyses were conducted appropriately and reported correctly within the PD. More information is provided in the tables below.

Similarly, temporal boundaries were reviewed within the context of VCS rules and found to be detailed and correct. The project was allowed by Verra to apply a methodology deviation related to the historical reference period and a description of this deviation can be found in Section 3.3.6. Additionally, the project has defined the crediting period as 30 years which is allowable by the selected methodology.

Requirements Stated in Section 1.2 of the VMD0006 Module	Validation Team Assessment
Legal permissibility for deforestation	During the site visit the Validation Team met with both the current landowners and government staff from INFONA. Similarly, the Validation Team reviewed supporting information specific to laws governing deforestation in Paraguay and performed an independent assessment of the laws. In conclusion, the Validation Team is reasonably assured that the project has appropriately demonstrated the legal permissibility for deforestation.
Suitability of project area for conversion to alternative non-forest land use	During the site visit the Validation Team met with both the current landowners and government staff from INFONA. Similarly, the Validation Team reviewed

	supporting information specific to the project's demonstration that the project area is suitable for conversion to pasture for cattle and performed an independent assessment of the drivers of land use change. In conclusion, the Validation Team is reasonably assured that the project has appropriately demonstrated the project area is suitable for conversion to pasture for cattle.
If applicable, evidence of likely transfer of ownership to baseline agent of deforestation or class of agent of deforestation must be demonstrated by one of the following forms of evidence originating prior to the date of all evidence on pursuit of carbon finance/consideration of REDD: o Bona fide bidding process for the project area that reflects value of the area and with the expressed intent to deforest; o Purchase offer of the project area by an entity that is clearly dedicated to agricultural, grazing or urban development activities; o Other evidence that control of the project area would have been transferred to the baseline agent or class of agents in the absence of the project;	During the site visit the Validation Team met with both the current landowners and government staff from INFONA. Based on a review of the landowners' previous dispositions, observations during the site visit, and interview responses from the current landowner the Validation Team is reasonably assured that the project has appropriately demonstrated likely transfer of ownership to class of agents of deforestation through "other evidence" as allowed by the methodology.
If government approval is required for deforestation to occur, the intention to deforest within the project area must be demonstrated by evidence: o Recent approval from relevant government department (local to national) for conversion of forest to an alternative land use; or o Documentation that a request for approval has be filed with the relevant government department for permission to deforest and convert to alternative land use;	During the site visit the Validation Team met with both the current landowners and government staff from INFONA. Similarly, the Validation Team reviewed supporting information specific to the project's documentation requesting approval to deforest and associated land use conversion. During the interviews with INFONA, agency members confirmed they had reviewed the request to deforest and that it was legally allowed and would be approved if the project were to formally request the right to deforest and associated land use conversion. In conclusion, the Validation Team is reasonably assured that the project has appropriately demonstrated the project area would be approved to allow it to deforest.
Intent to deforest—intention to deforest must be demonstrated by the following form of evidence originating prior to the date of all evidence on pursuit of carbon finance/consideration of REDD: o Where deforestation is by an identified class of agents: A documented history (for example government data or maps) of similar planned deforestation activities by class of agents, of planned deforestation within the five years previous to without-project deforestation. o Where a specific baseline agent has been identified: Either a valid and verifiable land use management plan for deforesting the project area, or a documented history (for	During the site visit the Validation Team met with the current landowners, government staff from INFONA, and other staff who previously worked on cattle ranches. Similarly, the Validation Team reviewed supporting information specific to the project's documentation demonstrating that the identified class of agents have conducted similar planned deforestation within the previous five years. In conclusion, the Validation Team is reasonably assured that the

example government data or maps) of similar planned deforestation activities by the baseline agent of planned deforestation within the five years previous to without-project deforestation. The proportion of the total parcel area planned to be deforested cannot exceed the legal mandate unless common practice in a proxy area shows that the mandates are not enforced.	project has appropriately demonstrated the intent to deforest by the selected class of agents. Furthermore, the audit team confirmed that the amount of planned deforestation would not exceed the legal maximum for deforestation.

Applicability Requirements of Proxy Areas as Stated in Section 1.3 of the VMD0006 Module	Validation Team Assessment
Land conversion practices must be the same as those used by the baseline agent or class of agent	During the site visit the Validation Team met with government staff from INFONA, who confirmed that mechanized clearing of land for cattle pasture is the way deforestation for cattle pastures occurs in the Chaco Region. Similarly, the Validation Team interviewed other similar landowners who have previously deforested their land for cattle pasture who also confirmed mechanized deforestation is the only way to deforest. In conclusion, the Validation Team is reasonably assured that the project has appropriately demonstrated the land conversion practices are the same.
The post-deforestation land use must be the same in the proxy areas as expected in the project area under business as usual	The Validation Team reviewed the remote sensing analyses conducted by the project and performed an independent review of imagery related for the proxy area. In conclusion, the Validation Team is reasonably assured that the project has appropriately demonstrated the selected proxy areas have the same land use that the project area would in the baseline scenario.
The proxy areas must have the same management and land use rights type as the proposed project area under business as usual	During the site visit the Validation Team met with government staff from INFONA, who confirmed that the entire Chaco Region of Paraguay, which encompasses the selected proxy area, has the same management and land use rights type as the proposed project area in the baseline scenario. Similarly, the Validation Team interviewed other similar landowners who have previously deforested their land for cattle pasture who also confirmed mechanized deforestation is the only way to deforest. In conclusion, the Validation Team is reasonably assured that the project has appropriately demonstrated that the proxy areas will have the same

	management and land use rights as the project area.
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	The project has appropriately identified all proxy areas that are within the grouped project area and therefore the Validation Team is reasonably assured this criterion is satisfied.
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).	During the site visit the Validation Team met with government staff from INFONA, who confirmed that the entire Chaco Region of Paraguay, which encompasses the selected proxy area, has the same management and land use rights type as the proposed project area in the baseline scenario. Similarly, the Validation Team interviewed other similar landowners who have previously deforested their land for cattle pasture who also confirmed mechanized deforestation is the only way to deforest. In conclusion, the Validation Team is reasonably assured that the project has appropriately demonstrated that the proxy areas will have the same management and land use rights as the project area.
Deforestation in the proxy area must have occurred within the 10 years prior to the baseline period.	The Validation Team reviewed the remote sensing analyses conducted by the project and independently confirmed that the proxy areas have been deforested within the 10 years prior to the baseline period.
The three following conditions must be met: · 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 (±20%). · 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 (±20%). The ratio of slope classes “gentle” (slope <15%) to “steep” (slope >=15%) in the proxy areas must be (±20%) the same of the ratio in the project area. · Elevation classes (500m classes) in the proxy area must be in the same proportion as in the project area (±20%).	The Validation Team reviewed the remote sensing analyses conducted by the project and independently confirmed that these analyses were conducted appropriately and correct. The audit team is reasonably assured these conditions are satisfied.

Significant pools, sinks, and reservoirs accounted for are in compliance with VCS Standard Section 3.11 and selected methodology and area appropriately justified for the project. The following table presents a brief review of all considered pools, sinks, and reservoirs and the validation assessment findings:

Source	Gas	Included	Project Proponent Justification/Explanation	Validation Team Assessment
Above-ground biomass	CO_2	Yes	Mandatory to include.	Validation Team concludes this is appropriate following VM0007 table 4 as this is a mandatory carbon pool for inclusion.
Below-ground biomass	CO_2	Yes	Included as a component of the total biomass stock.	Validation Team concludes this is appropriate following VM0007 table 4 as this is a mandatory carbon pool for inclusion.
Dead wood	CO_2	Yes	Included as a component of the total biomass stock.	This is an optional pool as this pool will be greater in the project scenario as compared to the baseline scenario. This was confirmed through site visit interviews and observations of baseline case lands that during the deforestation process, fire is regularly applied. Furthermore, pastures are maintained through the application of fire to clear trees and shrubs and increase the herbaceous layer which is necessary for the raising of cattle. The Validation Team concludes this is appropriate following VM0007 table 4.
Litter	CO_2	Yes	Included as a component of the total biomass stock.	Validation Team concludes this is appropriate following VM0007 table 4, in which this is marked as an optional carbon pool.
Harvested Wood Products	CO_2	Yes	Included as commercial harvesting for wood products may take place for some project instances in the baseline as part of the forest conversion process.	Per Table 4 of the VM0007 methodology, this is a required pool where the deforestation process of deforestation involves timber harvesting for commercial markets. In the context of the Initial Project Instance, the Validation Team confirmed that there is no harvesting of timber for commercial markets through a review supporting documentation, interviews during the site visit, and site visit observations. However, in certain regions within the grouped project boundary it is clear that timber harvesting for commercial markets could occur as part of the deforestation process and therefore it was appropriate to include this carbon pool. Validation Team concludes this is appropriate following VM0007 table 4 and project characteristics.
Soil organic carbon	CO_2	No	Inclusion of this pool is optional in the baseline.	Validation Team concludes this is appropriate following VM0007 table 4, in which this is marked as an optional carbon pool for inclusion.
Burning of woody biomass	CO_2	No	CO_2 emissions are not included as these emissions are accounted for in the carbon stock changes.	Validation Team concludes this is appropriate following VM0007 table 4 and project characteristics as the E-BPB is mandatory module.

	CH_4	Yes	CH_4 is mandatory to include.	Validation Team concludes this is appropriate following VM0007 table 4 and project characteristics as the E-BPB is mandatory module.
	N_2O	Yes	N_2O is mandatory to include.	Validation Team concludes this is appropriate following VM0007 table 4 and project characteristics as the E-BPB is mandatory module.
Combustion of fossil fuels	CO_2	No	Included as an optional and the project has elected to exclude.	Validation Team concludes this is appropriate following VM0007 table 4. As this pool is excluded from the baseline it is also appropriate to exclude in the project scenario.
	CH_4	No	Included as an optional and the project has elected to exclude.	Validation Team concludes this is appropriate following VM0007 table 4.
	N_2O	No	Included as an optional and the project has elected to exclude.	Validation Team concludes this is appropriate following VM0007 table 4.
Use of Fertilizers	CO_2	No	Potential emissions are negligible.	Validation Team concludes this is appropriate following VM0007 table 4.
	CH_4	No	Potential emissions are negligible.	Validation Team concludes this is appropriate following VM0007 table 4.
	N_2O	No	Not included as fertilizer is not used as a leakage avoidance mechanism.	Validation Team concludes this is appropriate as fertilizer is not included as a leakage avoidance mechanism.

3.3.4 Baseline Scenario

The Project utilized the VCS "Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities" to identify the baseline scenario of the Project.

Sub-step 1a of the tool was utilized to identify credible alternative land use scenarios. The Validation Team reviewed the outcomes of this sub-step and with additional clarification from the project proponent, determined that the four alternative land use scenarios, identified below, are realistic and credible and meet the requirements of sub-step 1a:

1. Continuation of pre-project land use;
2. Project activity on the land without being registered as a VCS AFOLU project;
3. Conversion to soybean agriculture; and
4. Conversion to pasture.

The Validation Team substantiated that sub-step 1b of the tool was utilized to determine that all identified alternative land use scenarios are in compliance with all mandatory applicable legal and regulatory requirements. Through a review of land use and forestry laws and site visit interviews with government officials, the Validation Team substantiated that there is no legal requirement to undertake activities similar to the project activity and that there are no observed similar project activities in the geographical region that occur on private lands. During the validation, the Validation Team reviewed each alternative land use scenario against the applicable laws and regulations in Paraguay to assess whether the alternative land use scenarios identified by the Project violated any laws of regulations. Based on a review of project

documents, supporting documents and evidence provided by the Project, evidence collected via interviews with government officials of INFONA and MADES the Validation Team is reasonably assured that all presented alternative land use scenarios do not violate any laws or regulations.

The Validation Team assessed the discussion and justification for each identified alternative land use scenario. The Validation Team substantiated that the assumptions and data used, as well as evidence provided, in the identification of each identified alternative land use scenario were appropriately justified.

Results of sub-step 1c led to the Project Proponent determining that the most likely baseline scenario is conversion of the Project Area to pasture. Section 3.1.4 of the PD states "conversion of native forest to pasture is common practice in the region and the impetus for the sales of most, if not all, large rural properties in the region." Site visit interviews with the landowner substantiate that in the event of no REDD+ project the landowner would have sold the land to a land purchaser who would have submitted a request to convert up to 75% of the native forest into cattle land. Site visit interviews with government representatives from INFONA, substantiated that conversion of native forest to pasture is common practice and that the conversion of up to 75% of the native forest into cattle land is legally permissible.

The Validation Team substantiated that procedures identified in the utilized "Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities" were appropriately followed and that all assumptions, data and evidence provided are accurate, appropriately interpreted, and justified. The Validation Team determined that the Project Proponent's determination of the baseline scenario is valid and justified.

3.3.5 Additionality

The Project utilized the VCS "Tool for the Demonstration and Assessment of Additionality in VCS Agriculture, Forestry and Other Land Use (AFOLU) Project Activities" to demonstrate additionality.

The Project Proponent utilized Step 2. Investment Analysis (Option 1: Simple cost analysis) of the tool to demonstrate additionality. The Validation Team substantiated that use of this Step was appropriate, as the project activity generates no financial or economic benefits to the Project Proponent other than VCU related income. Sub-step 2b – Option I. Apply simple cost analysis of the tool was chosen, and the Validation Team was provided an economic analysis comparing a large-scale cattle ranch, conservation, of the project property, and REDD+ carbon project that demonstrated that after year 10, and for all future years, a cattle ranch is more profitable than the REDD+ project. The Validation Team reviewed the analysis and determined that data and parameters utilized, as well as the overall conduction of the analysis were appropriate. As such the Validation Team determined the Project Proponents statement that "doing a REDD+ carbon project requires carbon financing and such a project is additional compared to doing a private conservation project without carbon financing" is accurate.

The Validation Team substantiated that the simple cost analysis shows significant project expenditure with no financial return in the absence of VCU-related income, thus making a REDD+ project impractical in the absence of carbon finance. The Validation Team determined that this financial barrier is critical based on the evidence discussed.

As the Validation Team substantiated that the project produces no financial benefits other than VCS related income, the Project Proponent appropriately utilized Step 4 of the tool, Common Practice Analysis. Section

3.1.5 of the PD describes the Common Practice analysis, with the geographical region identified as the Chaco Region of Paraguay. The Validation Team substantiated that use of this region is appropriate as this is region of the Grouped Project. Conservation of other forestland in the Chaco is discussed but is fundamentally different than the conservation related to the implementation of the REDD+. The Validation Team conducted an extensive web search and found no evidence to contradict the project proponent's claim that there are no privately funded projects on private lands with the aim of stopping deforestation in the Paraguayan Chao without the aid of carbon finance through an internet search of multiple registries. As such the Validation Team determined implementation of the Project is not common practice.

The Validation Team reviewed the reasonableness of all assumptions and the Project Proponent's adherence to the implementation of the selected tool and determined that the additionality assessment was appropriately conducted. The Validation Team concurs with the Project Proponent's statement that the project activity, without the revenue from carbon credits, is unlikely to occur and is not a common practice in the region and is thus additional.

3.3.6 Methodology Deviations

Six (6) methodology deviations were proposed. As required by section 3.18 of the VCS Standard v4.3, the Validation Team assessed each proposed methodology deviation for whether they meet the permitted criteria and specifications and whether the deviation negatively impacts the conservativeness of the quantification of GHG emission reductions or removals. Through assessment of each proposed methodology deviation, the Validation Team determined that all proposed methodology deviations are valid. These deviations, as described in Section 3.1.6 of the PD, as well as the Validation Team's assessment of each proposed methodology deviation, are described below:

Methodology Deviation:	Validation Team's Assessment
1) While sampling lying dead wood using the line intersect method: a. Two 100-meter transect lines were used rather than two 50-meter transect lines; b. The sampling lines did not bisect each sample plot, but rather ran from one plot center to the next; and c. The sampling lines were oriented to the north and east, and no randomization in the bearing of the first line was employed. This approach does not negatively impact the conservativeness of the quantification and improves the accuracy of the lying dead wood sampling by enlarging the sampling unit.	The Validation Team is reasonably assured that this deviation is appropriate, as it does not negatively impact the conservativeness of quantification. The approach to sampling lying dead wood is reasonable and appropriate, given the project design.
2) Rather than using a root to shoot ratio to estimate belowground biomass as per the CP-AB module, belowground biomass was estimated using an allometric	The Validation Team is reasonably assured that this deviation is appropriate, given the rationale provided by the Project Proponent. The allometric

	equation developed by Cairns et al.[13] This alternative method is more efficient for the project-specific circumstances as only one equation is needed for the project. Further, Cairns et al. is appropriate for determining belowground biomass as this equation is published in a peer-reviewed scientific journal and is cited in IPCC 2006 Annex 4A.2 (page 4.116). This source is appropriate as we are using a more recent version of IPCC guidance similar to the VCS Standard guidance "Where external documents are referenced, such as the IPCC 2006 Guidelines for National GHG Inventories, and such documents are updated, the most recent version of the document shall be used." This deviation is likely to yield the same level of accuracy (or better) given the wide range of root-to-shoot ratios found in the IPCC GL AFOLU guidance as found in the methodology. In fact, guidance for methodologies as found in VCS AFOLU Requirements version 3.4 specifically mentions the Cairns et al. equations in reference to established procedures for quantifying belowground biomass, thus further indicating the appropriateness of this source.	equation being implemented instead of the root to shoot ratio is appropriate as it is published in a peer-reviewed scientific journal, and equations from the referenced article are found in VCS AFOLU Requirements version 3.4. The Validation Team is reasonably assured that the Project Proponent's statement that "This deviation is likely yield the same level of accuracy (or better)" is valid and thus this deviation does not negatively impact the conservativeness of quantification.
3)	Rather than monitoring Cpost using modules CP-AB and CP-D as described in the M-REDD modules, C(post) can conservatively be assumed to be zero in the with-project case, not only for natural disturbance (CP,Dist,q,i , as stated in the M-REDD module) but also for deforestation (CP,post,u,i). This deviation is conservative because subtracting zero from the baseline stocks, leads to the conclusion that ΔCpools,Def,u,i,t is equal to C(BSL,i), which leads to the maximum emission in the with-project case, which is conservative. This deviation may be used for the first and each subsequent monitoring period.	The Validation Team is reasonably assured that this deviation is appropriate, given the rationale provided. The Validation Team is reasonably assured that this deviation is conservative, as it leads to the maximum emission in the with-project case, and thus does not negatively impact the conservativeness of quantification.
4)	The forest inventory has deviated from the criteria for selection (i.e., the equation is based on a datasets comprising at least 30 trees, with an r^2 that is ≥ 0.8) and validation of the allometric equation related to palm biomass, however the equation used is likely to result in a conservative estimate of palm biomass for the following reasons:	The Validation Team is reasonably assured that this deviation is appropriate, given the rationale provided. The Validation is reasonably assured that the use of the referenced allometric equation related to palm biomass is conservative, as volume is calculated as a paraboloid rather than a cylinder and excludes non-stem aboveground biomass, and thus does

[13] Cairns, M. A., S. Brown, E. H. Helmer, and G. A. Baumgardner. 1997. Root biomass allocation in the world's upland forests. Oecologia 111, 1-11.

a. -Volume is calculated as the volume of a paraboloid rather than the volume of a cylinder; and b. -Only stem biomass is estimated, thus conservatively excluding other aboveground biomass including palm fronds.	not negatively impact the conservativeness of quantification.
5) This project deviates from using the default value for the carbon fraction of dry litter matter as provided in the CP-L module (VMD0003, Version 1.0). Rather, a value of 0.47 t C t-1 d.m was used for this project. This carbon fraction value is appropriate as it is in line with VCS guidance that where "external documents are referenced, such as the IPCC 2006 Guidelines for National GHG Inventories, and such documents are updated, the most recent version of the document shall be used." The default value provided in the CP-L module was sourced from IPCC 2003. The updated value of 0.47 t C t-1 d.m is derived from page 4.48 of the IPCC 2006 Guidelines for National GHG Inventories. This value corresponds with the value for "all parts of the tree" and was sourced from McGroddy[14] et al., 2004. Finally, this value of 0.47 was also cited as the carbon fraction for foliage component in tropical and subtropical forest in the IPCC table on page 4.48, as sourced from Feldpausch et al., 2004. This represents a deviation to "data and parameters available at validation". This methodology deviation is warranted as it increases the accuracy of the quantification of GHG emission reductions or removals.	The Validation Team is reasonably assured that this deviation is appropriate given the rationale provided. The carbon fraction of dry litter matter to be used in the proposed deviation is sourced from the IPCC 2006 Guidelines for National GHG Inventories. Specifically, this deviation likely increases the accuracy of the quantification of the GHG emissions/removals and therefore is allowable.
6) This project deviated from the VM0007 MF,v1.6 requirement "The starting date of this [Historical Reference Period] must be between 9 and 12 years in the past and the end date must be within two years before project start date". This idea of a historical reference period only makes sense in terms of an unplanned REDD project where the rate of deforestation is defined over a distinct period of time, as opposed to the "number of years over which deforestation occurred in land parcel pn in proxy area" as defined in the BL-PL module. Notably,	This methodology deviation was approved by Verra.

[14] McGroddy, Megan E., Tanguy Daufresne, and Lars O. Hedin. "Scaling of C: N: P stoichiometry in forests worldwide: Implications of terrestrial redfield-type ratios." *Ecology* 85, no. 9 (2004): 2390-2401. McGroddy et al., 2004 investigated C, N, and P in forest foliage and litter and used a carbon value of 47% of reported biomass, based on the mean of reported data.

there is no mention of a historical reference period in the BL-PL module. One of criteria for identifying proxy areas, as stated in BL-PL module is "Deforestation in the proxy area must have occurred within the 10 years prior to the baseline period" thus clearly conflicting with the VM0007MF,v1.6 Historical Reference Period requirement. This requirement does not specify the starting year for the deforestation in the proxy years. Rather, one of the parameters used in determining "D%planned,i,t" (i.e., the projected annual proportion of land that will be deforested in stratum i during year t) is the parameter "Yrspn". This parameter is the number of years over which deforestation occurred in land parcel pn in proxy area. This change represents a deviation to "parameters available at validation." This methodology deviation doesn't impact the project conservativeness or accuracy, since VMD0006-BL-PL requirements are met. Further, this deviation does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals because it does not affect the quantification of GHG emission reductions or removals.	

3.3.7 Quantification of GHG Emission Reductions and Removals

The Validation Team assessed the methods utilized in quantification of GHG emissions reductions and removals generated by the Project. In review, the Validation Team determined that all relevant assumptions and data are appropriately referenced and sourced, and appropriately described in the PD. Further the Validation Team determined that all data and parameter values used in the project description are considered reasonable in the context of the Project and the quantification of baseline emissions can be replicated using the data and parameter values provided in the PD.

For each aspect of the Project the Validation Team conducted an intensive review of all input data, parameters, formulae, calculations, conversions, statistics and resulting uncertainties and output data to ensure consistency with the VCS Standard, the PD, VM0007 and its associated relevant modules. Data with associated conversion factors, formulas, and calculations were provided by the project proponent in spreadsheet format to ensure all formulae were accessible for review. The Validation Team recalculated the analyses to confirm correctness and assess if data transposition errors occurred to achieve a reasonable level of assurance and to meet the materiality requirements of the project. The Project Proponent also provided answers to questions on calculations to ensure the Validation Team understood the approach and could confirm its consistency with the selected methodology, modules, and the PD. Where applicable, references for analysis methods or default values were checked against relevant scientific literature for best practice and adherence to VCS program requirements. Specific assessments for the relevant quantification aspects are described below:

Quantification of baseline emissions

Development of the baseline for this planned deforestation was conducted in conformance with the VCS modular REDD methodology VM0007, specifically the BL-PL module. The Validation Team substantiated that the baseline agent of deforestation was appropriately identified, and that the Chaco Region was appropriately stratified to document where the baseline agent of deforestation operates. The Validation Team assessed the proxy areas used to estimate the rate of planned deforestation in the baseline and determined that they were appropriately selected to meet the appropriate criteria. The rate and annual area of deforestation were determined to have been appropriately quantified in line with methods of the BL-UP module.

The Project appropriately used the VCS X-STR module to stratify the Initial Project Area into three strata through interpretation of aerial imagery and on the ground knowledge of vegetation in the region. The Validation Team independently reviewed provided remote sensing analyses and determined the stratification as identified was appropriate. Furthermore, during the site visit the Validation Team collected on-site observations that help to substantiate the appropriateness of the project's stratification. Although no timber harvest occurred in the baseline for the Initial Project Instance, VCS module CP-W was utilized to appropriately outline procedures for carbon sequestered in long-lived wood products, should timber harvest be used as part of the baseline land clearing for future project instances.

Forest carbon stocks were directly measured in a forest inventory of the initial Project Area in 2022. During the two visit site visits, the Validation Team resampled selected plots. Based on the remeasurement of these plots, the Validation Team is reasonably assured that the Project was appropriately inventoried and worked up to tonnes of CO2 equivalent at the stratum level.

The Project has appropriately included baseline emissions calculations in the PD Section 3.2.1. Net greenhouse gas emissions for planned deforestation in the baseline were confirmed to have been correctly quantified. Data and parameters selected for spatial and temporal boundaries were found to be properly selected and calculated accurately from verifiable sources.

Quantification of project emissions

Quantification of project emissions were estimated ex-ante through application of equation 3.9 of the VCS M-REDD module. The Validation Team reviewed all relevant parameters and assumptions utilized in quantification of the ex-ante analysis and determined them to be appropriate. The Validation Team substantiated that the ex-ante project emissions were appropriately quantified to be 0 as the with-project case assumes no deforestation has occurred as the selected class of baseline agents of deforestation did not purchase the property and does not have access to the property to undertake land clearing for pasture on the property. Ex-post estimates of project emissions will be confirmed during the first verification.

Quantification of leakage

Leakage emissions from displacement of planned deforestation were estimated in conformance with the VCS modular REDD methodology VM0007, specifically through application of the VCS LK-ASP (activity shifting leakage) and LK-ME (market leakage) modules.

To estimate activity shifting leakage, the Project Proponent appropriately utilized Approach 1: Leakage Estimation Based On Historical Deforestation Trends of the Most-Likely Agent, which utilizes equations 1-7 of the LK-ASP module. Specifically, the LK- ASP module is used to identify all the areas that may be expected to be converted to non-forest land by the agent of deforestation. The Validation Team substantiated that the appropriate equations, parameters, and assumptions were utilized. For specific information on the parameters used for the quantification of leakage, please see the tables below in this Section of the report.

Uncertainties associated with the calculations of emissions

The Validation Team determined that uncertainty was appropriately assessed using the VCS X-UNC module. The Validation Team determined the relevant equations were utilized to conduct the necessary

calculations. The Validation Team substantiated that the results of these calculations, as presented in the table below, are accurate.

X-UNC Eq. 1	X-UNC Eq. 5	X-UNC Eq. 6	X-UNC Eq. 15	X-UNC Eq. 16
$Uncertainty_{BSL,Rate}$ (%)	$Uncertainty_{REDD-BSL,SS}$ (%)	$Uncertainty_{REDD\_BSL,t}$ (%)	$NER_{REDD+ERROR}$	$Adjusted\_NER_{REDD+}$
0.26%	3.70%	3.71%	3.71%	100%

Data and Parameters Assessed

Data Unit / Parameter	Accuracy of GHG emission reductions and removals	Whether methods and formulae described in the selected methodology have been followed.	Appropriateness of default values
$\Delta C_{BSL,PA,unplanned}$	The Validation Team reviewed the identification of proxy areas, independently confirmed that accuracy of the deforestation analyses, independently confirmed the calculations of this parameter for the baseline period (2021-2030, 10 years) and is reasonably assured this parameter has been appropriately quantified. Furthermore, during the site visit the audit team required that the project independently resample forest inventory plots so the Validation Team could ensure that inventory SOPs were followed and no systematic biases were found.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$D\%_{planned,i,t}$	The Validation Team reviewed the projected annual proportion of land that will be deforested in in stratum i. The appropriate equation was correctly utilized, and the Validation Team confirmed the appropriateness of input parameters through an independent review of remote sensing analyses provide by the project.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$D\%_{pn}$	The Validation Team reviewed the identified proxy areas and determined they were appropriately identified. The provided areas of parcels and the areas deforested were determined to be accurate. The percent of deforestation in each parcel was assessed and	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.

	determined to be appropriately quantified.		
Yrs_{pn}	The Validation Team determined that number of years over which deforestation occurred in identified land parcels are appropriate and in line with the BL-PL module.	After a review of this parameter and a review of the methodology the audit team is reasonably assured that this parameter is appropriate.	Not applicable.
$AA_{planned,i}$	The Validation Team determined this parameter is appropriate, as it is conservatively set to the total area of the project property.	After a review of this parameter and a review of the methodology the audit team is reasonably assured that this parameter is appropriate.	Not applicable.
L-Di	The Validation Team determined that the likelihood of deforestation for stratum i is appropriate as the methodology stipulates this parameter must be equal to 100% if the Project area is not under government control. Site visit interviews and review of provided documentation substantiate that the Project area is not under government control	After a review of this parameter and a review of the methodology, the audit team is reasonably assured that this parameter is appropriate.	The default value stated in the BL-PL module is applied.
$AA_{planned,i,t}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was appropriately applied in line with the methodology.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
A_i	The Validation Team assessed the processes utilized for stratifying the Project Area and determined it to be appropriate. Review of provided shapefiles substantiated that the areas of identified stratum are appropriate. Furthermore the quantification of hectarage for each strata was independently confirmed by the Validation Team.	After a review of this parameter and a review of the methodology, the audit team is reasonably assured that his parameter is appropriate.	Not applicable.
$C_{AB\_tree,i}$	The Validation Team assessed the process utilized for establishing the mean aboveground biomass carbon stock in stratum i. Forest	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification	Not applicable.

	inventory data was reviewed and a subset of plots were resampled during the site visit to ensure accuracy of inventory data. The Validation Team determined appropriate allometric equations were utilized and carbon stocks were appropriately worked up to a mean stratum level.	steps within the selected methodology has been appropriately applied.	
CF_n	The Validation Team reviewed the IPCC 2006 GL to confirm that this parameter was appropriately sourced.	The project has applied a methodology deviation for this parameter, please see Section 3.3.6 of this report.	Global default derived from IPCC 2006 GL.
fj(X,Y)	The Validation Team reviewed all applied allometric equations and associated sources against the requirements of the selected methodology and confirmed that the allometric equations are appropriate and in-line with the methodology.	N/A – the methodology does not require the use of certain allometric equations.	Not applicable.
BEF	This parameter has not been defined because the Initial Project Instance does not contain harvested wood products. This parameter will depend on future project instances and will vary by area.	Not applicable.	Not applicable.
$Pcom_i$	This parameter has not been defined because the Initial Project Instance does not contain harvested wood products. This parameter will depend on future project instances and will vary by area.	Not applicable.	Not applicable.
ty	The Validation Team determined that sawnwood being identified as the only wood product class extracted in the baseline is appropriate. The Validation Team reviewed personal communication from a local forest engineer stating that sawnwood is the only commercial timber product harvested from Chaco Forests.	Not applicable.	Not applicable.
SLF_{ty}	The Validation Team confirmed that the default values from the CP-W module have been applied.	The Validation Team confirmed that the default values from the CP-W module have been applied.	The Validation Team confirmed that the default values from the CP-W module have been applied.

OF_{ty}	The Validation Team confirmed that this default from the referenced Winjum et al. 1998 in the CP-W module is appropriate.	The Validation Team confirmed that this default from the referenced Winjum et al. 1998 in the CP-W module is appropriate.	The Validation Team confirmed that this default from the referenced Winjum et al. 1998 in the CP-W module is appropriate.
WW_{ty}	The Validation Team confirmed that the default values from the CP-W module have been applied.	The Validation Team confirmed that the default values from the CP-W module have been applied.	The Validation Team confirmed that the default values from the CP-W module have been applied.
$C_{XB,i}$	The Validation Team confirmed that this parameter is appropriately zero as the Initial Project Instance does not contain harvested wood products.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$C_{WP,i}$	The Validation Team confirmed that this parameter is appropriately zero as the Initial Project Instance does not contain harvested wood products.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$CW_{P100,i}$	The Validation Team confirmed that this parameter is appropriately zero as the Initial Project Instance does not contain harvested wood products.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$C_{BB\_tree,i}$	The project has applied a methodology deviation for calculation of this parameter, please see Section 3.3.6 of this report. However, the Validation Team is reasonably assured this parameter has been appropriately quantified.	The project has applied a methodology deviation for this parameter, please see Section 3.3.6 of this report.	Not applicable.
Root Biomass Density	The project has applied a methodology deviation for this parameter, please see Section 3.3.6 of this report. However, the Validation Team is reasonably assured this parameter has been appropriately selected.	The project has applied a methodology deviation for this parameter, please see Section 3.3.6 of this report.	Not applicable.

$C_{L\_tree,i}$	The project has applied a methodology deviation for calculation of this parameter, please see Section 3.3.6 of this report. However, the Validation Team is reasonably assured this parameter has been appropriately quantified.	The project has applied a methodology deviation for this parameter, please see Section 3.3.6 of this report.	Not applicable.
C_{DWi}	The Validation Team confirmed that this parameter was appropriately quantified utilizing the CP-D module.	Ater a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
C_{post}	The Validation Team determined the post deforestation carbon stocks were appropriately sourced from a peer reviewed article.	Ater a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
BGB Emissions from Deforestation	The Validation Team determined this parameter was appropriately quantified for all years in the first baseline period by subtracting C_{postBB} from $C_{BSLBB.}$	Ater a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
DW Emissions from Deforestation	The Validation Team determined this parameter was appropriately quantified for all years in the first baseline period by subtracting C_{postDW} from $C_{BSLDW.}$	Ater a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
Wood Product Emissions from Deforestation	The Validation Team determined this parameter was appropriately quantified for all years in the first baseline period by subtracting C_{postWP} from $C_{BSLWP.}$	Ater a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$\Delta C_{BSL,i,t}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was appropriately applied in line	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.

	with the methodology and conducted for all years in the first baseline period.		
$\Delta C_{ABtree,i}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was appropriately applied in line with the methodology and conducted for all years in the first baseline period.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$\Delta C_{WP,i}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was appropriately applied in line with the methodology and conducted for all years in the first baseline period.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$\Delta C_{ABnon-tree,i}$	The Validation Team determined this parameter was appropriately excluded as it is not included in the project boundary.	Not applicable.	Not applicable.
$\Delta C_{LI,i}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was appropriately applied in line with the methodology and conducted for all years in the first baseline period.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$\Delta C_{BBtree,i}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was appropriately applied in line with the methodology and conducted for all years in the first baseline period.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.

$\Delta C_{BBnon\text{-}tree,i}$	The Validation Team determined this parameter was appropriately excluded as it is not included in the project boundary.	Not applicable.	Not applicable.
$\Delta C_{DW,i}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was appropriately applied in line with the methodology and conducted for all years in the first baseline period.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$\Delta C_{WP100,i}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was appropriately applied in line with the methodology and conducted for all years in the first baseline period.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$\Delta C_{SOC,i}$	The Validation Team determined this parameter was appropriately excluded as it is not included in the project boundary.	Not applicable.	Not applicable.
$GHG_{BSL\text{-}E,i,t}$	The Validation Team determined this parameter is appropriately equal to parameter $E_{BiomassBurn,i,t}$ as emissions from biomass burning are the only emission source in the baseline.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$E_{BiomassBurn,i,t}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was appropriately applied in line with the E-BPB module.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
Bi,t	The Validation Team determined this parameter was appropriately quantified using measurements from the forest inventory and allometric equations. The Validation Team determined use of the	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected	Not applicable.

	weighted average of all stratum is appropriate for ex-ante estimation.	methodology has been appropriately applied.	
$COMF_i$	The Validation Team independently reviewed and confirmed the values applied are appropriately sourced and applied for the Initial Project Instance.	The Validation Team confirmed the project has correctly used the source of data as required by the methodology.	Not applicable.
Gg_i	The Validation Team independently reviewed and confirmed the values applied are appropriately sourced and applied for the Initial Project Instance.	The Validation Team confirmed the project has correctly used the source of data as required by the methodology.	Not applicable.
$\Delta C_{BSL,\ planned}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was appropriately applied in line with the methodology and conducted for all years in the first baseline period.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$\Delta C_{WPS-REDD}$	The Validation Team determined this parameter is appropriately zero, as ex-ante projections assume no deforestation has occurred.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied	Not applicable.
$\Delta C_{Def,PA,i,t}$	The Validation Team determined this parameter is appropriately zero, as ex-ante projections assume no deforestation has occurred.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied	Not applicable.
$A_{DefPA,u,i,t}$	The Validation Team determined this parameter is appropriately zero, as ex-ante projections assume no deforestation has occurred.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied	Not applicable.
$\Delta C_{pools,Def,u,i,t}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification	Not applicable.

	that the equation used in calculating this parameter was appropriately applied in line with the methodology. This will be a monitored parameter in the with-project case.	steps within the selected methodology has been appropriately applied.	
$\Delta C_{Dist,PA,i,t}$	The Validation Team determined this parameter is appropriately zero, as ex-ante projections assume no disturbance has occurred.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$A_{Dist,PA,i,t}$	The Validation Team determined this parameter is appropriately zero, as ex-ante projections assume no disturbance has occurred.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$\Delta CP_{Dist,q,i,t}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was appropriately applied in line with the methodology. This will be a monitored parameter in the with-project case.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$GHG_{P-E,i,t}$	The Validation Team determined this parameter is appropriately equal to parameter $E_{BiomassBurn,i,t.}$	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$E_{BiomassBurn,i,t.}$	The Validation Team determined this parameter is appropriately zero in the with project case, as no deforestation and thus no burning of biomass is anticipated.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$A_{burn,q,i,t}$	The Validation Team determined this parameter is appropriately zero in the with project case, as no deforestation and thus no burning of biomass is anticipated.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected	Not applicable.

		methodology has been appropriately applied.	
$GHG_{LK-E,i,t}$	The Validation Team determined this parameter is appropriately zero for ex-ante projections in the with-project case, as no activity shifting leakage is anticipated.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$\Delta C_{LK-AS,planned}$	The Validation Team determined that this parameter is appropriately zero for ex-ante projections in the with-project case, as no activity shifting leakage is anticipated.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$LKA_{planned}$	The Validation Team determined that this parameter is appropriately zero for ex-ante projections in the with-project case, as no activity shifting leakage is anticipated.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$D\%_{planned,i,t,OP}$	The Validation Team determined that this parameter was appropriately set to value of D%planned,I,t as stipulated in the LK-ASP module.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$A_{planned,i,OP}$	The Validation Team determined that this value was appropriately calculated as the total area of forest in the Chaco after removing protected areas, indigenous areas, and forested areas that would be protected according to plan de uso laws. The Validation Team reviewed the process used in determination of this area and determined it was appropriately quantified.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$New_{Ri,t}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected	Not applicable.

	appropriately applied in line with the methodology.	methodology has been appropriately applied.	
$A_{defLK,i,t}$	The Validation Team determined that, ex-ante, this parameter is appropriately set to the amount of land converted from forest to pasture in the Chaco Region from 2015-2016. The Validation Team reviewed the source of this amount of converted land and determined it to be appropriate. This parameter will be monitored ex post.	Ater a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$\Delta C_{LK\text{-}ME}$	The Validation Team determined this value is appropriately zero for ex-ante estimation. See Parameters $LK_{MarketEffects,timber}$ and $LK_{MarketEffects,peat.}$	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$LK_{MarketEffects,timber}$	The Validation Team determined that this value is appropriately zero for ex-ante estimation as no timber harvest occurred in the Initial Project Instance. It is appropriately included should timber harvest be included in future project instances.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$LK_{MarketEffects,peat.}$	The Validation Team determined that that this value is appropriately zero as no peatlands occur in Paraguay. The Validation Team substantiated the absence of peatlands in Paraguay though review of provided evidence.	Not applicable.	Not applicable.
LF_{ME}	This is the maximum leakage factor that can be applied per the LK-ME module and thus its selection is conservative.	This is the maximum leakage factor that can be applied per the LK-ME module and thus its selection is conservative.	Not applicable.
LK_{MAF}	The Validation Team determined this value is conservatively set to 1 for ex-ante estimation.	The Validation Team determined this value is conservatively set to 1 for ex-ante estimation.	Not applicable.
$AL_{T,i}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification	Not applicable.

	that the equation used in calculating this parameter was appropriately applied in line with the methodology and conducted for all years in the first baseline period.	steps within the selected methodology has been appropriately applied.	
$C_{BSL,XBT,i,t}$	The Validation Team reviewed the parameters utilized in this calculation and determined them to be appropriate. The Validation Team substantiated that the equation used in calculating this parameter was appropriately applied in line with the methodology and conducted for all years in the first baseline period.	After a review of all inputs for this parameter and a review of the methodology the audit team is reasonably assured the quantification steps within the selected methodology has been appropriately applied.	Not applicable.
$V_{BSL,EX,i,t}$	Based on a review of the supporting documentation and observation and interviews during the site visit the Validation Team confirmed that for the Initial Project Instance no wood products would be sourced during the land conversion process.	Based on a review of the supporting documentation and observation and interviews during the site visit the Validation Team confirmed that for the Initial Project Instance no wood products would be sourced during the land conversion process.	Not applicable.
D_{mn}	The Validation Team independently recalculated and confirmed the inputs into this calculation were correct. This parameter is not used in the baseline quantification for the first project instance.	The validation confirmed that these data were appropriately sourced from published literature for species or group-of species specific values from the highly referenced and used Chave et al. 2006 publication.	Not applicable.
CF	The Validation confirmed that the default value from LK-ME is applied.	The Validation confirmed that the default value from LK-ME is applied.	The Validation confirmed that the default value from LK-ME is applied.
LDF	The Validation Team confirmed that the default value from the LK-ME module has been applied.	The Validation Team confirmed that the default value from the LK-ME module has been applied.	The Validation Team confirmed that the default value from the LK-ME module has been applied.
LIF	The Validation Team confirmed that the default value from the LK-ME module has been applied.	The Validation Team confirmed that the default value from the LK-ME module has been applied.	The Validation Team confirmed that the default value from the LK-ME module has been applied.
PMLft	The Validation Team reviewed the selected peer-reviewed published source and is	Through a review of the selected peer-reviewed published source, the	Not applicable.

	reasonably assured that these values are appropriate for the project area.	Validation Team confirmed that the selected peer-reviewed published source meets the requirements of the LK-ME module.	

Ex-Ante Summary of net GHG emission reductions removals over the Baseline Period.

Years	Estimated baseline emissions or removals (tCO_2e)	Estimated project emissions or removals (tCO_2e)	Estimated leakage emissions (tCO_2e)	Risk buffer (%)	Deductions for AFOLU pooled buffer account (tCO_2e)	GHG credits eligible for issuance as VCUs (tCO_2e)
2021	572,263	0	0	13.5%	77,256	495,008
2022	849,161	0	0	13.5%	114,637	734,524
2023	1,698,687	0	0	13.5%	229,323	1,469,364
2024	1,738,776	0	0	13.5%	234,735	1,504,041
2025	963,608	0	0	13.5%	130,087	833,521
2026	130,617	0	0	13.5%	17,633	112,983
2027	130,617	0	0	13.5%	17,633	112,983
2028	130,617	0	0	13.5%	17,633	112,983
2029	130,617	0	0	13.5%	17,633	112,983
2030	130,617	0	0	13.5%	17,633	112,983

3.3.8 Monitoring Plan

The parameters to be monitored were identified in Section 3.3.2 of the PD and include:

Data Unit / Parameter:	ΔCP,Def,i,t
Data unit:	t CO2-e
Description:	Net carbon stock change as a result of deforestation in the project case in the project area in stratum i at time t

Data Unit / Parameter:	ΔCP,DistPA,i,t
Data unit:	t CO2-e
Description:	Net carbon stock change as a result of natural disturbance in the project case in the project area in stratum i at time t

Data Unit / Parameter:	ADefPA,u,i,t
Data unit:	Ha
Description:	Area of recorded deforestation in the project area stratum i converted to land use u at time t

Data Unit / Parameter:	ADefLK,,i,t
Data unit:	Ha
Description:	The total area of deforestation by the baseline agent of the planned deforestation in stratum I at time, t

Data Unit / Parameter:	ADistPA,q,i,t
Data unit:	Ha
Description:	Area impacted by natural disturbance in post-natural disturbance stratum q in stratum i, at time t

Data Unit / Parameter:	CBSL,i
Data unit:	t CO2-e ha-1
Description:	Carbon stock in all pools in the baseline case in stratum i

Data Unit / Parameter:	ΔCpools,Def,u,i,t
Data unit:	t CO2-e ha-1
Description:	Net carbon stock changes in all pools in the project case in land use u in stratum i at time t

Data Unit / Parameter:	ADegW,i,t
Data unit:	Ha
Description:	Area potentially impacted by degradation processes in stratum i

Data Unit / Parameter:	CDegW,i,t
Data unit:	t CO2-e
Description:	Biomass carbon of trees cut and removed through degradation process from plots measured in stratum i at time t

Data Unit / Parameter:	APi
Data unit:	Ha
Description:	Total area of degradation sample plots in stratum i

Data Unit / Parameter:	ΔCP,Deg,i,t
Data unit:	t CO2-e
Description:	Net carbon stock changes as a result of degradation in stratum i in the project area at time t

Data Unit / Parameter:	Aburn,q,i,t.
Data unit:	Ha
Description:	Area burnt in post-natural disturbance stratum q in stratum i, at time t;

Data Unit / Parameter:	dbh
Data unit:	cm
Description:	diameter at breast height

Data Unit / Parameter:	dbasal
Data unit:	cm
Description:	Basal diameter

Data Unit / Parameter:	H
Data unit:	m
Description:	Height of tree
Source of data:	Monitored during the course of each forest inventory

Data Unit / Parameter:	Dn
Data unit:	cm
Description:	Diameter of piece n of dead wood along the transect

Data Unit / Parameter:	N
Data unit:	dimensionless
Description:	Total number of wood pieces intersecting the transect

Data Unit / Parameter:	L
Data unit:	m
Description:	Length of the transect

Data Unit / Parameter:	UP,SS,i,pool#
Data unit:	%
Description:	Percentage uncertainty (expressed as 95% confidence interval as a percentage of the mean where appropriate) for carbon stocks and greenhouse gas sources in the with-project case (1,2…n represent different carbon pools and/or GHG sources)

Data Unit / Parameter:	EBSL SS,i, pool#
Data unit:	t CO2-e
Description:	Carbon stock or GHG sources (e.g., trees, dead wood, soil organic carbon, emission from fertilizer addition, emission from biomass burning etc.) in the baseline case

Data Unit / Parameter:	UBSL,SS,i,pool#
Data unit:	%
Description:	Percentage uncertainty (expressed as 95% confidence interval as a percentage of the mean where appropriate) for carbon stocks and greenhouse gas sources in the baseline case (1,2…n represent different carbon pools and/or GHG sources)

Data Unit / Parameter:	EBSL SS,i
Data unit:	t CO2-e
Description:	Sum of combined carbon stocks and GHG sources in stratum i multiplied by the area of stratum i (Ai) in the baseline case

Data Unit / Parameter:	UBSL,SS,i
Data unit:	%

Description:	Percentage uncertainty in the combined carbon stocks and greenhouse gas sources in stratum i in the baseline case

Data Unit / Parameter:	Bi,t
Data unit:	tonnes d. m. ha-1
Description:	Average aboveground biomass stock before burning stratum i, time t

Data Unit / Parameter:	AGB
Data unit:	tonnes d. m. ha-1
Description:	Aboveground biomass density

Data Unit / Parameter:	Asp
Data unit:	ha
Description:	Area of sample plots in ha

Data Unit / Parameter:	Hsdw
Data unit:	M
Description:	Height of standing dead tree in m

Data Unit / Parameter:	DDWdc
Data unit:	t d.m. m-3
Description:	Mean wood density of dead wood in the density class (dc) – sound (1),intermediate (2), and rotten (3); t d.m. m-3

Data Unit / Parameter:	CP,Dist,q,i
Data unit:	t CO2-e ha-1
Description:	Carbon stock in all pools in post-natural disturbance q in baseline stratum i

Data Unit / Parameter:	Ai
Data unit:	ha
Description:	Total area of stratum i

Data Unit / Parameter:	AAplanned,i,t
Data unit:	Ha
Description:	Annual area of baseline planned deforestation for stratum i at time t

Data Unit / Parameter:	Aplanned,i
Data unit:	Ha
Description:	Total area of planned deforestation over the baseline period for stratum i

Data Unit / Parameter:	CWP100,i
Data unit:	t CO2/ha

Description:	Carbon stock entering the wood products pool at the time of deforestation that is expected to be emitted over 100-years from stratum i; t CO2-e ha-1

Data Unit / Parameter:	CWP,i
Data unit:	t CO2/ha
Description:	Carbon stock entering wood products pool at time of deforestation from stratum i

The suitability and eligibility of monitoring equipment and procedures were considered in the desktop review prior to and post site visit and were observed and discussed in the field to confirm their appropriateness. All were found to be consistent with professional standard operating practices and in accordance with the requirements of the methodology. The monitoring plan appears to adhere to the requirements of the methodology and the relevant tools it requires.

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

Section 3.3.4 of the PD describes how and where the climate monitoring plan and results will be disseminated, including being made publicly available on the internet and summaries communicated to local communities and stakeholders. The Validation Team substantiated that the initial version of climate monitoring plan as embedded with the PD, and summaries in English and Spanish have been posted on the Verra website. The Validation Team determined that the Project Proponent's plans for disseminating the climate monitoring plan and results of monitoring reasonably meet the criteria established for CCB.

3.3.10 Non-Permanence Risk Analysis

The Corazón Verde Del Chaco Project Description Document utilized the VCS AFOLU Non-Permanence Risk Tool to assess internal, external, and natural risk and mitigation measures for minimizing risk. The Validation Team reviewed the Non-Permanence Risk Report (included as Appendix 2 in the PD) following VCS AFOLU Requirements Section 3.7.5 and confirmed that the project adheres to the requirements. The Validation Team evaluated the rationale, appropriateness, and justifications of risk ratings chosen by the Project Proponent. Each risk factor was thoroughly assessed for conformance. Any identified NCR and/or CL findings related to the AFOLU Non-Permanence Risk Tool/Report are presented in Appendix B.

Risk Factor	Rationale & Quality	Conclusion
Internal Risks		
Project Management	The management team includes individuals that have the necessary skills and experience to implement all project activities. The local management team includes relevant personnel from the region with extensive experience managing rural lands in the Chaco. During the site visit, the verification team confirmed that the Project Proponent has an office in at Estancia Santa Rosanna Carmelo Peralta, Paraguay and is able to	A risk rating of **-2** is appropriate given the rationale provided and all statements made are substantiated.

	travel to the project site in less than a day of travel. The Validation Team confirmed the management team includes individuals with significant experience in AFOLU project design and implementation, carbon accounting and reporting under the VCS Program.	
Financial Viability	Financial documents provided demonstrate cash flow breakeven is 4 years or less from the current risk assessment and that the project has 100% of financial resources available before the project reaches break even.	A risk rating of **0** is appropriate given the rationale provided and supporting documentation reviewed by the verification team.
Opportunity Cost	The Validation Team was provided an economic additionality analysis and NPV analysis substantiating the NPV from project activities is expected to be 20% and up to 50% more profitable than the most probably alternative land use scenario. A letter of agreement provided to the Validation Team substantiates that the project is protected by a legally binding commitment to continue management practices.	A risk rating of **-2** is appropriate given the rationale provided and supporting documentation reviewed by the verification team.
Project Longevity	There is a legal agreement in place that continues the management practice for 30 years.	A risk rating of **15** is appropriate given the rationale provided.
Total Internal Risks		The project has a total Internal Risk score of **11.**
External Risks		
Land Tenure	Ownership and resource access/use rights are held by different entities. A contract provided to the verification team substantiates that the project is protected by a legally binding commitment to continue management practices.	A risk rating of **0** is appropriate given the rationale provided and supporting documentation reviewed by the verification team.
Community Engagement	No people live on the Initial Project Area or are reliant on the Initial Project Area. To their knowledge the Project Proponent has contacted all communities which may be reliant on the Initial Project Area.	A risk rating of **0** is appropriate given the rationale provided.
Political Risk	The Governance Score is -0.37.	A risk rating of **2** is appropriate given the rationale provided.

	The Validation Team performed a web search and confirmed that Paraguay has an established DNA under the CDM.	
Total External Risks		The project has a total External Risk score of **2.**
Natural Risks		
Natural Risk	All natural risks were appropriately identified and justified. Where necessary the verification reviewed supporting evidence, including on-site interviews and observations. Fire was the most significant natural risk, with a significance of insignificant or transient and a likelihood of less than every 10 years. A mitigation of 0.25 is appropriately applied based on incorporation of fire breaks and project staff's proven history of effectively eliminating fire from the area.	A risk rating of **0.5** is appropriate given the rationale provided.
Total Natural Risks		The project has a total Natural Risk score of **0.5.**

In summary, the Project Proponent has accounted for risk factors in a reasonable manner and have reached an overall risk rating that encompasses all risks of non-permanence. The project has applied the Non-Permanence Risk Rating of 13.5%. As required, risk will be reassessed and given risk scores at each verification period.

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

Not applicable. The Project is not seeking Gold Level for Climate Change Adaptation Benefits.

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

Not applicable. The Project is not seeking Gold Level for Climate Change Adaptation Benefits.

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

Not applicable. The Project is not seeking Gold Level for Climate Change Adaptation Benefits.

3.4 Community

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

As noted in Section 3.2.3 of this report, the Validation Team substantiated that there are no communities located within the Initial Project Instance, however, two small indigenous communities (Maria Auxiliadora, San Isidro) are located within 20 kilometers of the project. The Validation Team substantiated through interviews with the Maria Auxiliadora community leader and community members that project staff met with the community for interviews and the PRA, and that the well-being, community characteristics, and diversity

within the community of Maria Auxiliadora are appropriately described in the PD Section 4.1.1. The Validation Team was unable to obtain permission to visit the San Isidro indigenous community as noted in Section 3.2.6 of this report. The Validation Team based its assessment of the description provided for the San Isidro community on review of the support documentation referenced in the PD. The Validation Team determined the description provided in the PD for the San Isidro community accurately reflects publicly available information on the community. The Validation Team determined that a more complete description of the San Isidro community would not be reasonable to expect until or unless this indigenous community opts to consider participating in the project and provides the Project Proponent permission to conduct interviews and associated assessment of well-being.

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

The Validation Team reviewed the community groups for the Maria Auxiliadora indigenous community as described in Section 4.1.2 of the PD. Site visit interviews substantiated the relatively small size of the community, reported as 156 people living in the community at the time of the first site visit, and substantiated there is little economic differentiation within the community or other differentiation made by the community that would warrant treatment by the project of separate community groups. The Validation Team determined the Project Proponent's conclusion for not considering each community group independently was determined to be appropriate. Interviews with the leader of the Maria Auxiliadora indigenous community substantiated that there is interaction between Maria Auxiliadora and San Isidro indigenous communities as reported in the PD.

3.4.3 High Conservation Values (CM1.2)

The Validation Team reviewed information on the community well-being HCV as identified and described in Section 4.1.3 of the PD. The Validation Team substantiated through interviews with representatives of the Maria Auxiliadora indigenous community, including the leader, women, men engaged in hunting, and community members engaged in other forest uses, that the Chaco Forest, specifically on the approximately 30,000 hectares of community lands, provided the community well-being HCVs most important to the community as described in the PD. The Validation Team substantiated through these community interviews that the Maria Auxiliadora community identified the approximately 30,000 hectares of community lands as providing for the subsistence and livelihood needs of the community members. The site visit interviews substantiated that, while Maria Auxiliadora community members reported they do not use the Initial Project Area, community members noted that clearing of Chaco Forest on lands adjacent or near their community lands can create water quality concerns and lead to reductions in wide-ranging species, like peccaries, that are hunted by the community. The Validation Team reviewed support documentation and clarifications provided by the Project Proponent and determined the PD appropriately identifies and describes the community well-being HCVs provided by the Chaco Forest, specifically within the indigenous communities' approximately 30,000-hectare community lands as providing critical ecosystem services, fundamental for their livelihoods, and critical for their traditional cultural identity. The Validation Team noted that although the San Isidro community is not currently participating in the project, the identification of the Chaco Forest identified in the PD as a likely HCV for this community, is a reasonable assumption based on the similarity of this indigenous community to the nearby Maria Auxiliadora indigenous community and based on the San Isidro being located within and sharing the approximately 30,000-hectare community lands with Maria Auxiliadora. The Validation Team determined that the overall community well-being HCVs as identified and described in the PD are appropriate.

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

The Validation Team reviewed the without-project scenario for community well-being as described in Section 4.1.4 of the PD and in clarifications provided. The Validation Team substantiated through review of support documents and site visit interviews with the landowner, project staff, INFONA, and representatives of the Maria Auxiliadora indigenous community that without the project, the continuous Chaco Forest cover of the Initial Project Area would be expected to undergo legal deforestation and conversion to cattle ranch. The site visit interviews substantiated that, while Maria Auxiliadora community members reported they do not use the Initial Project Area, community members noted that clearing of Chaco Forest on lands adjacent or near their community lands can create water quality concerns and lead to reductions in wide-ranging species, like peccaries, that are hunted by the community. The interviews also substantiated concerns by the Maria Auxiliadora community that changes in land use for areas near their community lands could lead to increases in encroachment, including poaching and illegal logging, on their community lands. The community members also acknowledged during interviews with the Validation Team they understood that without the project the project benefits proposed to be provided by the Project Proponent, including Chaco Med and employment opportunities, would not occur. The Validation Team determined that the changes identified in the PD to community well-being regarding subsistence hunting opportunities, potential encroachment, medical access, and water quality described as associated with the without-project are accurately described and would be expected to occur without the project.

As noted in Section 3.4.2 of this report, the Validation Team determined separate treatment of community groups within the Maria Auxiliadora community is not warranted, and further determined that as such, the expected changes in well-being without the project would similarly affect all community members of the Maria Auxiliadora community. Based on the San Isidro being located within and sharing the approximately 30,000-hectare community lands and sharing other characteristics with the Maria Auxiliadora indigenous community, the Validation Team determined that these changes in well-being conditions in the without-project scenario described for Maria Auxiliadora are likely to be applicable to the San Isidro community as well. The Validation Team substantiated through review of project documentation, supported by site visit interviews, that the expected changes to community well-being in the without project scenario as identified in the PD are appropriate.

3.4.5 Expected Community Impacts (CM2.1)

The Validation Team reviewed expected community impacts identified in Section 4.2.1 of the PD and compared the expected impacts to the project activities identified in Section 2.1.11 of the PD. The Validation Team determined that the expected community impacts presented in the PD are aligned with project activities most affecting community well-being identified for the Maria Auxiliadora indigenous community. As noted in Section 3.4.2 of this report, the Validation Team determined separate treatment of community groups within the Maria Auxiliadora community is not warranted, and further determined that as such, expected community impacts with the project would be expected to similarly affect all community members of the Maria Auxiliadora community. The Validation Team determined through site visit interviews with project staff and representatives of the Maria Auxiliadora indigenous community that the community members participated in PRAs and interviews with project staff that were used to help identify and estimate the expected community impacts. Based on the San Isidro being located within and sharing the approximately 30,000-hectare community lands and sharing other characteristics with the Maria Auxiliadora indigenous community, the Validation Team determined that expected community benefits in the with-project scenario described for Maria Auxiliadora are likely to be applicable to the San Isidro community as

well, particularly if San Isidro opts to directly join in receiving project benefits. Through review of supporting documentation and clarifications, and interviews with project management staff and community members, the Validation Team reached an overall conclusion that the expected impacts on the Maria Auxiliadora indigenous community within the Project Zone would be beneficial and similar positive impacts would be likely for the San Isidro indigenous community, and the Validation Team reached the overall conclusion that no negative impacts to either community are likely to result from the project.

3.4.6 Negative Community Impact Mitigation (CM2.2)

The Validation Team reviewed Section 4.2.2 of the PD that states there are no negative community impacts expected from the project. Through review of supporting documentation and site observations, the Validation Team substantiated that no communities are present in the initial Project Area and the Validation Team substantiated through interviews with the landowner, project staff, and members of the Maria Auxiliadora indigenous community that the results of the Participatory Rural Appraisal (PRA) accurately indicate that no communities are reliant on the Initial Project Area. As noted in Section 2.4.5 of this Validation Report, no negative community impacts were identified. The Validation Team determined through substantiated through site visit interviews with the community leader and community members of Maria Auxiliadora there would not be any negative well-being impacts anticipated from the project, and thus no mitigation measures are needed.

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

To assess the net well-being impacts of the project, the Validation Team reviewed Section 4.2.3 of the PD and compared the conclusions in the PD to the determinations for expected changes in well-being characteristics of the Project Zone communities without the project as described in Section 3.4.4 of this Validation Report, the determinations reached for the expected community impacts with the project as described in Section 3.4.5 of this Validation Report, and the determination that no negative impact mitigation was necessary as described in Section 3.4.6 of this Validation Report. As noted in Section 3.4.4 of this report, the most likely without project-scenario involves deforestation and conversion of the Project Area's Chaco Forest to cattle ranches. Although some buffer areas of forest would remain on the Initial Project Property following legal clearing under the without-project scenario, the Validation Team determined this conversion of Chaco Forest to cattle ranches could result in negative well-being impacts on the Maria Auxiliadora indigenous community and its constituent community groups, should it occur based on the effects of this forest clearing on habitat availability for wide-ranging species hunted by the indigenous community, and potential impacts on regional water quality. The Validation Team substantiated that all expected community impacts from implementation of the Project under the with-project scenario are expected to be either direct or indirect benefits for the Maria Auxiliadora indigenous community including for its constituent identified community groups, and similar benefits would be expected for the San Isidro indigenous community. The Validation Team substantiated no negative community impacts are expected to occur under the with-project scenario. Site visit interviews with the Maria Auxiliadora community leader and community members substantiate that the anticipated net well-being impacts of the project are predicted to be positive compared to the without-project scenario.

The Validation Team concludes that the anticipated net well-being impacts of the project are predicted to be positive for the Maria Auxiliadora indigenous community, including its identified community groups, and likely to be positive for the San Isidro indigenous community, compared with their anticipated well-being conditions under the without project land use scenario. This conclusion is based on the without-project

scenario involving potential negative well-being impacts on the Maria Auxiliadora indigenous community, and the with-project scenario involving only positive anticipated well-being impacts for the Maria Auxiliadora indigenous community.

3.4.8 High Conservation Values Protected (CM2.4)

The Validation Team reviewed Section 4.2.4 of the PD in comparison to HCVs identified in Section 4.1.3 of the PD and to impacts identified under the without-project scenario in Section 4.1.4 of the PD. Site visit interviews with the community leader and community members of Maria Auxiliadora substantiated that protecting natural vegetation cover on the Initial Project Property would not negatively affect the HCVs for the community, which were substantiated as generally contained on approximately 30,000-hectare community lands shared between the Maria Auxiliadora indigenous community and other indigenous communities, including San Isidro. The Validation Team determined, based on site visit interviews and the nature of the project, that community well-being HCVs for Maria Auxiliadora will not be negatively impacted by the project.

3.4.9 Impacts on Other Stakeholders (CM3.1)

The Validation Team reviewed Section 4.3.1 and Appendix 1 of the PD that identify potential positive and negative impacts that the project activities are likely to cause on the well-being of identified other stakeholders. The Validation Team determined that generalized potential positive and negative impacts are described, as well as the specific positive and negative impacts for each identified other stakeholder. The Validation Team reviewed the generalized potential positive impacts and other stakeholder specific potential positive impacts and determined them to reasonably identify potential negative impacts. The Validation Team determined that the single general negative impact identified as a potential change in land value as result of the project impacting other, non-specified, landowning stakeholders in the area is appropriate, but speculative. Interview with the landowner, generally substantiated the unknown impact on land prices for adjacent or nearby landowners due to the project. Interviews with MADES and INFONA substantiated the generalized positive impacts that could be realized from the project and the minor nature of potential negative impacts identified. The Validation Team did not interview other identified stakeholders based on the nature of the relationship identified between the project and these “other” or “secondary” stakeholders but concurred through review of the descriptions provided that the potential positive and negative impacts have identified and that no major potential negative were identified for any of these other stakeholders.

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

The Validation Team determined, as described in Section 3.4.9 of this Validation Report, potential negative impacts for both general and other stakeholder specific were identified, though each negative impact identified was determined to be relatively minor or reputational rather than consequential. The Validation Team reviewed the measures identified by the Project Proponent to mitigate the potential minor negative impacts to other stakeholders, which include the Project Proponent participating in ongoing consultations and dialogue with other stakeholders and providing regular updates on the Project, including project documentation. The Validation Team determined the identified measures to mitigate potential negative well-being impacts on other stakeholders are appropriate.

3.4.11 Net Impacts on Other Stakeholders (CM3.3)

The Validation Team determined that both potential positive and negative impacts to other stakeholders were appropriately identified as described in Section 3.4.9 of this Validation Report, and that measures designed to mitigate potential negative impacts to other stakeholders have been identified, though these negative impacts have been determined to be minor, as described in Section 3.4.10 of this report. Based on the interviews with INFONA and MADES, and review of the information provided in the PD and clarification provided by the Project Proponent, the Validation Team determined that the project may result in general positive impacts to the other stakeholders listed in the PD, that potential negative impacts would be minor or speculative, and that the mitigative measures identified by the Project Proponent would mitigate the negative impacts identified. Based on the general positive project impacts and mitigation identified to be undertaken to offset the potential, but minor, negative impacts, the Validation Team concludes the project will not produce net negative impacts on the well-being of other stakeholders.

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

The Validation Team reviewed the community monitoring plan provided in Section 4.4.1 in comparison to requirements of the CCB program and to community well-being impacts identified by the Project Proponent in Section 2.1.11 of the PD, Project Activities and Theory of Change. Following additional clarifications provided by the Project Proponent and incorporated into the community monitoring plan in the PD, the Validation Team determined the community monitoring plan tracks variables directly linked to the project's objectives for communities, and to predicted outputs, outcomes, and impacts identified in the project's causal model related to community well-being. The Validation Team reviewed the four community surveys identified as to be used to conduct the community monitoring, PRA and Degradation Surveys, and a visitor center and Chaco Med survey to be implemented upon the completion of the visitor center and Chaco Med. As noted in Section 3.4.4 of this Validation Report the Validation Team determined not assessing community groups individually, but rather the community of Maria Auxiliadora as a whole, is appropriate. However, the Validation Team determined from the survey questions provided that would be part of the monitoring that the community monitoring plan would allow the Project Proponent to assess differentiated impacts for community groups. The Validation Team confirmed the community monitoring plan identifies the frequency of monitoring and reporting.

The Validation Team determined measures identified, primarily for forest cover and biodiversity monitoring on the Initial Project Property, would be effective in measuring HCVs that would help maintain or enhance the HCVs related to community well-being identified by the Maria Auxiliadora indigenous community on the community lands they share with other indigenous communities. The Validation Team confirmed monitoring for these measures are described in more detail as part of the climate and biodiversity monitoring plans, respectively, in PD Sections 3.3 and 5.4.

As the Project does not intend to meet the Gold Level for exceptional community benefits, the additional requirements pertaining to Gold Level did not need to be assessed by the Validation Team.

Validation Team determined through review of the proposed monitoring plan, additional clarification from the Project Proponent, supported by site visit interviews with project staff, that the community monitoring plan used to track the project's objectives meet the requirements of Indicators CM4.1 and CM4.2.

3.4.13 Monitoring Plan Dissemination (CM4.3)

The Validation Team reviewed Section 4.4.2 of the PD that describes how the current community monitoring plan and results of monitoring undertaken in accordance with the monitoring plan will be disseminated. The Validation Team substantiated that the PD is posted on the Verra website, which includes the community monitoring as originally proposed, as well as Spanish and English summary documents. The Validation Team notes the finalized and validated PD will be posted to the Verra Website. Site visit interviews with community leader and community members of the Maria Auxiliadora community substantiate their general understanding of the PD and monitoring plan. Site visit interviews with community members substantiated that general information on the plans was communicated in Guarani, which demonstrates an appropriate means of notification for the communication, and the Validation Team confirmed that the community had the ability to have the information translated from Spanish into Guarani through abilities of various community members. The Validation Team determined the monitoring plan, and any results undertaken in accordance with the monitoring plan, have been and will be disseminated and made publicly available on the internet, and communicated to the communities and other stakeholders through the validation activities described.

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

Not applicable. The Project is not seeking Gold Level for Exceptional Community Benefits.

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

Not applicable. The Project is not seeking Gold Level for Exceptional Community Benefits.

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

Not applicable. The Project is not seeking Gold Level for Exceptional Community Benefits.

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

Not applicable. The Project is not seeking Gold Level for Exceptional Community Benefits.

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

Not applicable. The Project is not seeking Gold Level for Exceptional Community Benefits.

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

Not applicable. The Project is not seeking Gold Level for Exceptional Community Benefits.

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

Not applicable. The Project is not seeking Gold Level for Exceptional Community Benefits.

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

Not applicable. The Project is not seeking Gold Level for Exceptional Community Benefits.

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

Not applicable. The Project is not seeking Gold Level for Exceptional Community Benefits.

3.5 Biodiversity

3.5.1 Existing Conditions (B1.1)

The Validation Team reviewed Section 5.1.1 of the PD that provides a description of the biodiversity of the Chaco region, a list of specific mammals photographed in the Initial Project Instance and initial project zone between June and November 2021, and threats to the identified biodiversity within the Initial Project Instance and initial project zone under existing conditions without the project. The Validation Team reviewed supplemental reports for the referenced camera trapping data as well as supporting literature provided by or referenced by the Project Proponent regarding biodiversity of the Chaco region. The Validation Team interviewed the project's biodiversity monitoring consultant, Andrea Weiler, and her team at the National University of Asuncion, and also interviewed project staff involved in biodiversity and forest inventory monitoring activities, about aspects of the project including existing conditions.

Through review of these documents, supported by site visit observations and interviews, the Validation Team determined the list of wildlife identified in the general description for biodiversity within the Chaco region reasonably reflects biodiversity within the grouped project zone. The Validation Team determined through review of supporting literature and interview with the biodiversity monitoring consultant for the project that the threats to identified biodiversity, mainly impacts associated with clearing of forest to cattle pasture under the without-project scenario, are valid and would negatively impact biodiversity.

The Validation Team determined through review of supporting literature and interview with the biodiversity monitoring consultant that the project's documentation and reporting of the presence of medium-to-large sized mammals is a reasonable approach to demonstrate existing conditions for biodiversity within the Initial Project Instance and Initial Project Zone. The Validation Team reviewed general habitat conditions, including extent and general structure of existing Chaco Forest vegetation, on and adjacent to the Initial Project Property and determined these habitats provide suitable conditions for supporting species native to these habitat types within the region. Site visit observations by the Validation Team confirmed, through direct observations of individuals or their tracks, and through on-site review of data from an actively deployed game camera, the presence on the Initial Project Property for several of the mammal species. Data provided in monitoring reports for the game cameras substantiate the list of mammal species presented in the PD as present in the Initial Project Instance and Initial Project Zone, and review of literature on mammalian biodiversity within the Chaco confirmed this list represents a substantial number of the medium-to-large mammals expected to occur within the Chaco region, which the Validation Team determined supports the appropriateness for the Project Proponent's approach in using this wildlife group to represent existing conditions for biodiversity.

Through the described validation activities, the Validation Team determined that the biodiversity within the project zone at the start of the project and threats to that biodiversity are appropriately described.

3.5.2 High Conservation Values (B1.2)

The Validation Team reviewed the two biodiversity HCVs identified in Section 5.1.2 of the PD, which are the Chaco Forest, and Vulnerable, Threatened and Endangered species. Information provided in the PD,

supported by site visit observations and interviews substantiated the Chaco Forest represents the qualifying attribute of "a nationally significant large landscape-level area where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance." The Validation Team reviewed general habitat conditions, including extent and general structure of existing Chacoforest vegetation, on and adjacent to the Initial Project Property and determined these habitats provide suitable conditions for supporting species native to these habitat types within the region. The Validation Team determined inclusion of the Chaco Forest as an HCV is appropriate.

As noted in Section 3.5.1 of this report, the Validation Team was provided camera trapping data which included photographs of several species captured within the Initial Project Instance that are listed on the IUCN Red List. The Validation Team confirmed that the identified species are present on the IUCN Red List. The Validation Team confirmed that for species listed as potential HCVs, the Initial Project Instance is included in the known or expected range for those species as demonstrated on range maps provided through IUCN. Site visit observations and interviews with the biodiversity monitoring consultant and project staff, along with review of supporting documentation provided, substantiate that the HCV species identified in the Initial Project Zone represent the qualifying attribute of "globally, regionally, or nationally significant concentrations of biodiversity values; ii. Threatened species. Site visit observations and interviews with the biodiversity staff substantiate that several species listed as near threatened and vulnerable, the concentration of these animals in the Initial Project Instance would qualify as HCV species at the national and regional level. The Validation Team confirmed through review of the list of nationally listed Endangered species by MADES that several mammalian species photographed at the initial Project Instance are considered nationally endangered.

Additional clarification provided by the Project Proponent, supported by site visit observations and interviews with the biodiversity consultant, substantiated that the Focal Area for each identified HCV is appropriately identified as conservation of the entire forested area of the Initial Project Area.

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

The Validation Team reviewed Section 5.1.3 of the PD that provides a description of expected changes to biodiversity under the without-project land use scenario. The Validation Team determined the without-project scenario described for the Initial Project Property as conversion to cattle ranch or commercial agriculture is consistent with the without-project scenario described in PD Section 2.2 and are consistent with the forest loss general trends described in PD Section 5.1.3 for Paraguay and the Chaco region area. Review of supporting literature, site visit observations of existing habitat conditions, and interviews with the biodiversity consultant and project staff substantiate that the without-project land use scenario as described would be expected to result in negative impacts as described (less natural forest habitat, possible reduction in water quality). The Validation Team determined through review of project documentation, supported by site visit observations and interviews, that without the project the biodiversity of the Initial Project Instance and Initial Project Zone would experience negative impacts due to less natural forest habitat to support Chaco forest-dependent species and negative impacts to water quality as described in the PD.

3.5.4 Expected Biodiversity Changes (B2.1)

The Validation Team reviewed Section 5.2.1 of the PD that provides a description of expected changes to biodiversity under the with-project scenario. The Validation Team confirmed the two biodiversity elements addressed in PD Section 5.2.1 were identified as the two main elements identified in PD Section 5.1 as

being of concern. Tree canopy cover and availability of Chaco Forest habitat, and population of endemic, threatened and endangered species are identified as the two main biodiversity elements for which changes in biodiversity resulting from implementation of Project activities are expected to occur. Based on review of PD Section 5.1, clarifications, supporting documentation, and interviews with INFONA and the project's biodiversity monitoring consultant, the Validation Team determined the PD appropriately identifies the estimated changes and describes the justification of change for both elements.

The Validation Team substantiated the appropriateness of the baseline scenario regarding deforestation under the without-project scenario, and which substantiates that tree canopy cover and availability of Chaco Forest identified as being more extensive in the with-project scenario is appropriate. As the core activity of the Project is to conserve the Chaco Forest and reduce deforestation, the Validation Team substantiated that monitoring of tree canopy cover via satellite imagery should be effective in monitoring the expected change.

Similarly, the estimated change to populations of endemic, threatened and endangered species relies on the availability of Chaco Forest habitat and the with-project scenario was substantiated as maintaining more Chaco Forest habitat than would be available through conversion to cattle pasture in the without-project scenario. The Validation Team determined the statements made in the PD regarding effects on identified species in the with-project scenario when compared to the baseline scenario are appropriate based on review by the Validation Team of supporting documentation, site visit observations, and interviews with the biodiversity monitoring consultant. The Validation Team determined that monitoring of the presence of endemic, threatened, and endangered species using wildlife cameras is appropriate in monitoring the expected change.

The Validation Team determined the expected positive impacts for the identified biodiversity elements under the with-project scenario are based on appropriate key assumptions, rationale, and methodological choices used to anticipate change in biodiversity resulting from project activities.

3.5.5 Mitigation Measures (B2.3)

The Validation Team reviewed Section 5.2.2 of the PD that states that the Project is unlikely to have any negative impacts on biodiversity because the project is a conservation and avoided deforestation project. The Validation Team concludes that this general conclusion is appropriate, and thus no mitigation measures are needed. The Validation Team reviewed the biodiversity HCVs identified in PD Section 5.1.2 and clarification provided for measures needed and designed for maintenance or enhancement of these HCV attributes, which identified as the landowner foregoing deforesting and selling their land, inclusion of new project instances, and continued monitoring of medium-to-large mammals, forest canopy cover, and monitoring for illegal hunting. The Validation Team determined that these measures are appropriate to maintain or enhance HCV attributes, and that the measures are consistent with the precautionary principle, as they appropriately address potential threats.

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

To assess the net biodiversity impacts of the project, the Validation Team reviewed Section 5.2.3 of the PD and compared the conclusions in the PD to the determinations for expected changes in biodiversity without the project as described in Section 3.5.3 of this Validation Report, the determinations reached for the expected biodiversity impacts with the project as described in Section 3.5.4 of this Validation Report, and

determinations regarding measures identified for maintaining biodiversity HCV attributes as described in Section 3.5.5 of this Validation Report.

The Validation Team determined through review of project documentation, supported by site visit observations and interviews, that without the project the biodiversity of the Initial Project Instance and Initial Project Zone would experience negative impacts due to less natural forest habitat to support Chaco forest-dependent species and negative impacts to water quality as described in the PD. The Validation Team determined through review of supporting documentation, supported by site visit observations, and interviews with the biodiversity monitoring consultant, that with the project the biodiversity of the Initial Project Instance and Initial Project Zone would experience positive impacts through maintaining and protecting the current Chaco forest habitat and associated species, and further determined that appropriate measures are identified to maintain or enhance the biodiversity HCV attributes, and that the measures are consistent with the precautionary principle, as they appropriately address potential threats.

The Validation Team reached the overall conclusion that the project produces net positive biodiversity impacts based on the project determined to result in positive biodiversity impacts and no negative impacts, the negative impacts determined to result under a without-project scenario, and appropriate measures identified to maintain or enhance biodiversity HCV attributes.

3.5.7 High Conservation Values Protected (B2.4)

The Validation Team reviewed Section 5.2.4 of the PD and determined this section appropriately considers impact to the two biodiversity HCVs identified in PD Section 5.1.2: protection of Chaco Forest; and protection of vulnerable, threatened, and endangered species. The Validation Team determined, as described in Section 3.5.5 of this Validation Report, that appropriate measures have been identified to maintain or enhance HCV attributes, and that the measures are consistent with the precautionary principle, as they appropriately address potential threats. Based on review of supporting documentation and clarifications provided by the Project Proponent, the Validation Team determined that project activities involving infrastructure or operations are not expected to have negative impacts on biodiversity HCVs. The Validation Team has concluded the project has not and is not expected to negatively affect any biodiversity-related HCVs.

3.5.8 Species Used (B2.5)

The Validation Team reviewed Sections 5.2.5 and 5.2.6 of the PD that states that no species are used during the course of the REDD+ project, and that no known invasive species will be introduced by the Project. Review of project documentation, supported by site visit interviews, substantiated that no reforestation activities or introduction of species are occurring or proposed for the Project. Site visit observations and interviews with project management staff substantiated no non-native species are used or planned for use by the Project and no introduction of invasive species is proposed. Based on site observations made for the current condition of the Initial Project Property, the Validation Team determined project activities are not anticipated to facilitate the spread of invasive species into any area affected by the Project.

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

The Validation Team reviewed Section 5.2.7 of the PD that states that the Project will not use any non-native species in the Project Areas or Project Zones. Site visit observations and interviews with project

management staff substantiate no non-native species are used or planned for use by the Project in the Initial Project Area or Initial Project Zone. The Validation Team concludes the definitive statement made in the PD is a commitment for the Project to not use any non-native species for the grouped project.

3.5.10 GMO Exclusion (B2.7)

The Validation Team reviewed Section 5.2.8 of the PD that provides the required guarantee that the Project will not use any GMOs to generate emissions reductions or removals. Site visit observations and interviews with project management staff substantiate the current condition of the Initial Project Property and that no reforestation is proposed, and no GMOs would be used.

3.5.11 Inputs Justification (B2.8)

The Validation Team reviewed Section 5.2.9 of the PD that states that the Project does not anticipate using any inputs, including fertilizers, chemical pesticides, or biological control agents during the project lifetime. Site visit observations and interviews with project management staff substantiate the current condition of the Initial Project Property and substantiate inputs are not needed or anticipated to be used for the project.

3.5.12 Waste Products (B2.9)

The Validation Team reviewed Section 5.2.10 of the PD that describes the source of waste products resulting from project, identified as minor amounts of household and food-related trash produced from forest guards and forest inventory teams, and identifies how the waste products will be managed. The Validation Team determined through interviews and review of clarifications provided that the standard local protocols for waste management proposed to be used by project staff include collection and proper disposal of generated trash. The Validation Team determined the Project Proponent has identified an appropriate approach for identifying, classifying, and managing all waste products resulting from project activities.

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

The Validation Team reviewed Section 5.3.1 of the PD that states that there are no negative offsite impacts on biodiversity outside the Project Zone resulting from project activities. Site visit interviews observations and interviews with project management staff, landowner, and government agency staff did not identify any potential negative impacts on biodiversity outside the Initial Project Zone likely to result from project activities. As no negative impacts were identified, no mitigation measures were deemed necessary.

3.5.14 Net Offsite Biodiversity Benefits (B3.3)

The Validation Team reviewed Section 5.3.2 of the PD that states that the net effect of the Project on biodiversity is positive. Based on site visit observations and interviews with project management staff, landowner, and government agency staff, there are no negative impacts identified as likely on biodiversity outside the Initial Project Zone. As such, the Validation Team determined because there are no unmitigated negative impacts outside the Initial Project Zone and the project will produce net positive biodiversity impacts, as described in Section 3.5.6 of this Validation Report, the net effect of the Project on biodiversity is positive.

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

The Validation Team reviewed Section 5.4.1 of the PD that describes the biodiversity monitoring plan the Project will utilize to achieve the Project's stated main biodiversity objective of preservation of biodiversity. The Validation Team compared the proposed plan to the project's biodiversity-related objectives and predicted outputs, outcomes, and impacts identified in the project's causal model as described in Section 2.1.11 of the PD and compared the monitoring plan to the tables in Section 5.2.1 of the PD that present expected biodiversity changes and identify how these changes will be monitored. The Validation Team reviewed supporting documentation and the clarifications provided and conducted interviews with the biodiversity monitoring consultant and project staff that been involved with existing conditions studies and will be conducting the biodiversity monitoring. Because the Project intends to meet the Gold Level for exceptional biodiversity benefits, the Validation Team assessed the monitoring plan to review the proposed indicators of population trends of each trigger species and/or the threats to such species.

The Validation Team determined the monitoring plan identifies suitable variables to be monitored that are directly linked to the biodiversity-related activities, outcomes, and impacts identified in the project's causal model, specifically regarding reducing deforestation and monitoring medium-to large mammals. The Validation Team determined the PD appropriately identifies the areas to be monitored, the sampling methods, and the frequency of monitoring and reporting. The Validation Team determined that the monitoring plan to be used to track the project's objectives meets the requirements of Indicator B4.1

The Validation Team reviewed the portion of the monitoring plan that identifies five trigger species for which the monitoring will also include indicators of the population trend of each trigger species and the threats to such species. The Validation Team determined the monitoring plan's proposal to use forest cover monitoring to confirm the protection of Chaco Forest habitat used by the trigger species meets the requirements for demonstrating the effectiveness of efforts to reduce the threats such as habitat loss and habitat fragmentation to all biodiversity-related HCVs in general and the trigger species in particular. The Validation Team determined that monitoring and reporting of medium-to-large mammals using wildlife cameras will allow the project to confirm the continued presence of the trigger species on the Initial Project Property. The Validation Team determined, through review of supporting documentation and interview with the project's biodiversity monitoring consultant that the monitoring plan's focus on documenting individual jaguars to assess population size and trends is appropriate based on this species meeting requirements for being a HCV species and based on this species being the apex predator for the Chaco forest region and a keystone species. The Validation Team determined the monitoring plan meets the requirements of Indicator B4.2 and GL3.

The Validation Team determined that the biodiversity monitoring plan as presented should be effective in helping the Project Proponent document progress towards meeting its biodiversity objectives and that the biodiversity monitoring plan meets the requirements of Indicators B4.1, B4.2, and GL3.

3.5.16 Biodiversity Monitoring Plan Dissemination (B4.3)

The Validation Team reviewed Section 5.4.2 of the PD that describes how and where the biodiversity monitoring plan and results will be disseminated, including being made publicly available on the internet and summaries communicated to local communities and stakeholders. The Validation Team determined that the biodiversity monitoring plan as embedded with the PD, and summaries in English and Spanish, have been posted on the Verra website. The Validation Team confirmed through interviews with community

members of the Maria Auxiliadora indigenous community that they had been provided with a copy of the PD, which includes the biodiversity monitoring plan. The Validation Team determined that the Project Proponent's plans for disseminating the biodiversity monitoring plan and results of monitoring reasonably meet the criteria established for CCB.

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

The Validation Team reviewed Section 5.5.1 of the PD that discusses the project's qualification for the Exceptional Biodiversity Benefits Gold Level. The Validation Team reviewed supporting documentation, including literature and information cited from IUCN, and results of wildlife camera monitoring for the Initial Project Property in 2021, and conducted interviews with the project's biodiversity monitoring consultant regarding data collected from the Initial Project Property. The Validation Team determined through interview with the Project's biodiversity consultant and project staff, and review of supporting documentation, specifically the wildlife camera monitoring results for 2021, that the four trigger species listed by IUCN as Vulnerable (VU) can be considered to regularly occur within the Initial Project Zone. The Validation Team determined from review of the cited literature and data sources that the PD uses appropriately documented sources as the basis for each trigger species' estimated population per area of appropriate habitat. The Validation Team determined the estimated population sizes presented for each trigger species would be considered conservative for meeting this indicator requirements based on the population estimates presented in the PD using the size of the Initial Project Property rather than the Initial Project Zone to develop the population estimates. The Validation Team determined the Project meets the qualification for the Exceptional Biodiversity Gold Level based on meeting condition 1.1b for Vulnerable Species.

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

The Validation Team reviewed Section 5.5.2 of the PD to confirm the trigger species identified in Section 5.4.1 of the PD are being addressed. The Validation Team reviewed supporting documentation, literature cited, and clarifications provided, and conducted interviews with the biodiversity monitoring consultant and project staff. The Validation Team determined from onsite observations of habitat conditions that the Initial Project Property contains extensive Chaco Forest habitat that would be suitable to support populations of the trigger species listed. The Validation Team determined the PD appropriately describes population trends for the Grouped Project boundary zone, appropriately describes the estimated population size for each species for the Initial Project Property, and appropriately describes the most likely changes under the without-project land-use scenario. The Validation Team determined the projections meet the requirements of Indicator GL3.2.

The Validation Team reviewed the measures identified as needed and to be taken to maintain or enhance the population and reduce threats to each of the Trigger species in the Initial Project Zone as described in Section 5.5.2 of the PD. The Validation Team determined the identified measures are consistent with the measures identified as needed to maintain the biodiversity HCV attributes as identified in Section 5.2.2 of the PD. Review of provided project and supplemental documentation, supported by site visit observations and interviews with the biodiversity monitoring consultant substantiate that the measures identified are appropriate. The Validation Team determined the measures identified meet the requirements of Indicator GL3.3.

The Validation Team determined the Project meets the qualification for the Exceptional Biodiversity Gold Level for Indicators GL3.2 and GL3.3.

4 VALIDATION CONCLUSION

Aster Global Environmental Solutions confirms all validation activities, including objectives, scope and criteria, level of assurance, and the PD's adherence to the selected methodology (VM0007, v1.6), VCS Version 4 (and updates), and CCB Project Design Standards (Third Edition), as documented in this report are complete. Aster Global concludes without any qualifications or limiting conditions that the Corazón Verde del Chaco Project Description (Version 2.3, dated 28 February 2023) meets the requirements of the VCS and CCB to a *reasonable* level of assurance. The project is likely to achieve the estimated climate, community, and biodiversity benefits, including Exceptional Biodiversity Benefits as described in the PD (v2.3) dated 28 February 2023.

APPENDIX A: DOCUMENTS LIST

Document	Date Received
Corazón Verde del Chaco PD 2021.09.15.docx	October 6, 2021
Corazón Verde del Chaco PD Calcs 2021.09.13.xlsx	October 6, 2021
2021.10.21 Chaco REDD PD update.zip	October 22, 2021
Corazón Verde del Chaco PD 2021.10.22 (track changes).docx	October 22, 2021
Corazón Verde del Chaco PD 2021.10.22.docx	October 22, 2021
Corazón Verde del Chaco PD Calcs 2021.10.22.xlsx	October 22, 2021
Economic Additionality Analysis (10-14-2021).xlsx	October 22, 2021
Atenil 1 Documentation of July 1 Start Date.pdf	October 22, 2021
La Victoria - Loteamiento Atenil_2.pdf	October 22, 2021
La Victoria - USUFRUCTO - ATENIL - INVESTANCIA PARAGUAY S.A. v20200430.pdf	October 22, 2021
A101-1.jpg	October 22, 2021
A101-2 P1.jpg	October 22, 2021
A101-2 P2.jpg	October 22, 2021
A101-3 P1.jpg	October 22, 2021
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A 114-1 P2.jpg	October 22, 2021
A 114-2 P1.jpg	October 22, 2021
A 114-2 P2.jpg	October 22, 2021
A 114-3 P1.jpg	October 22, 2021
A 114-3 P2.jpg	October 22, 2021
A 114-4 P1.jpg	October 22, 2021
A 114-4 P2.jpg	October 22, 2021
A 114-5 P1.jpg	October 22, 2021
A 114-5 P2.jpg	October 22, 2021
Linea 100 m A 114.jpg	October 22, 2021
A 115- 1 P2.jpg	October 22, 2021
A 115- 2.jpg	October 22, 2021
A 115- 3 P1.jpg	October 22, 2021
A 115- 3 P2.jpg	October 22, 2021
A 115- 4.jpg	October 22, 2021
A 115- 5 P1.jpg	October 22, 2021
A 115- 5 P2.jpg	October 22, 2021
L inea 100m A 115.jpg	October 22, 2021
A 116-1 P1.jpg	October 22, 2021
A 116-1 P2.jpg	October 22, 2021
A 116-2.jpg	October 22, 2021
A 116-3.jpg	October 22, 2021

A 116-4 P1.jpg	October 22, 2021
A 116-4 P2.jpg	October 22, 2021
A 116-5.jpg	October 22, 2021
Linea 100m A 116.jpg	October 22, 2021
A 117-1P1.jpg	October 22, 2021
A 117-1P2.jpg	October 22, 2021
A 117-2P1.jpg	October 22, 2021
A 117-2P2.jpg	October 22, 2021
A 117-3.jpg	October 22, 2021
A 117-4 P1.jpg	October 22, 2021
A 117-4 P2.jpg	October 22, 2021
A 117-5.jpg	October 22, 2021
Linea 100m A 117.jpg	October 22, 2021
A 118-1 P1.jpg	October 22, 2021
A 118-1 P2.jpg	October 22, 2021
A 118-2 P1.jpg	October 22, 2021
A 118-2 P2.jpg	October 22, 2021
A 118-3 P1.jpg	October 22, 2021
A 118-3 P2.jpg	October 22, 2021
A 118-4 P1.jpg	October 22, 2021
A 118-4 P2.jpg	October 22, 2021
A 118-5 P1.jpg	October 22, 2021
A 118-5 P2.jpg	October 22, 2021
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A 119-1P1.jpg	October 22, 2021
A 119-1P2.jpg	October 22, 2021
A 119-2 P1.jpg	October 22, 2021
A 119-2 P2.jpg	October 22, 2021
A 119-3 P1.jpg	October 22, 2021
A 119-3 P2.jpg	October 22, 2021
A 119-4 P1.jpg	October 22, 2021
A 119-4 P2.jpg	October 22, 2021
A 119-5 P1.jpg	October 22, 2021
A 119-5 P20001.jpg	October 22, 2021
A 119-5 P20002.jpg	October 22, 2021
A 119-5 P20003.jpg	October 22, 2021
A 119-5 P20004.jpg	October 22, 2021
A 119-5 P20005.jpg	October 22, 2021
A 119-5 P20006.jpg	October 22, 2021
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A201-1.jpg	October 22, 2021

A201-2.jpg	October 22, 2021
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A301- 4.jpg	October 22, 2021
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A302-4.jpg	October 22, 2021
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A304-4.jpg	October 22, 2021

A304-5.jpg	October 22, 2021
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Corazón Verde del Chaco Summary Document 2022.03.17 (English).pdf	March 21, 2022
Corazón Verde del Chaco Summary Document 2022.03.17 (Spanish).pdf	March 21, 2022
Atenil - 2022 Clasificacion de cobertura 2022.03.07.docx	March 21, 2022
Atenil S.A. Forest-nofo MAP.png	March 21, 2022
Atenil S.A. IPCC MAP.png	March 21, 2022
Clasificacion_2021-12-02_mmu4900.CPG	March 21, 2022

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Clasificacion_2021-12-02_mmu4900.shx	March 21, 2022
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Stratified_random_sampling_dec2021_v2.prj	March 21, 2022
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Stratified_random_sampling_dec2021_v2.shp	March 21, 2022
Stratified_random_sampling_dec2021_v2.shx	March 21, 2022
Atenil - Clasificacion de cobertura - Joel Mercado - V2.docx	March 21, 2022
Atenil - Clasificacion de cobertura - Joel Mercado - V2.pdf	March 21, 2022
PastDefor_Corazon_Verde_2020.cpg	March 21, 2022
PastDefor_Corazon_Verde_2020.dbf	March 21, 2022
PastDefor_Corazon_Verde_2020.prj	March 21, 2022
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PastDefor_Corazon_Verde_2020.shx	March 21, 2022
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Union_pastDefor_w_CurrentDefor.shx	March 21, 2022
Step4_Intersected_w_Strata.cpg	March 21, 2022
Step4_Intersected_w_Strata.dbf	March 21, 2022
Step4_Intersected_w_Strata.prj	March 21, 2022
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Step4_Intersected_w_Strata.sbx	March 21, 2022
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Step4_Intersected_w_Strata.shp.xml	March 21, 2022
Step4_Intersected_w_Strata.shx	March 21, 2022
Deforestation_2020_to_2021.cpg	March 21, 2022
Deforestation_2020_to_2021.dbf	March 21, 2022
Deforestation_2020_to_2021.prj	March 21, 2022
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CorazonVerde_PA_Strata_2022.02.16.shp.xml	March 21, 2022
CorazonVerde_PA_Strata_2022.02.16.shx	March 21, 2022
Chaco Wood Density 2022.04.14.xlsx	April 15, 2022
Corazón Verde del Chaco I Inventory 2022.04.14.docx	April 15, 2022
Corazón Verde del Chaco I Inventory Calcs 2022.04.14.xls	April 15, 2022

INFONA_2017_2018.cpg	May 9, 2022
INFONA_2017_2018.dbf	May 9, 2022
INFONA_2017_2018.prj	May 9, 2022
INFONA_2017_2018.sbn	May 9, 2022
INFONA_2017_2018.sbx	May 9, 2022
INFONA_2017_2018.shp	May 9, 2022
INFONA_2017_2018.shp.xml	May 9, 2022
INFONA_2017_2018.shx	May 9, 2022
Maria Auxioladora Land Overview 2022.05.18.docx	May 18, 2022
21045.00 Corazon Verde_Chaco Redd_Round 2 Findings 2022.05.29.xlsx	May 31, 2022
Corazón Verde del Chaco PD 2022.05.29 - clean version.docx	May 31, 2022
Corazón Verde del Chaco PD 2022.05.29 - track changes.docx	May 31, 2022
Corazón Verde del Chaco PD Calcs 2022.05.29.xlsx	May 31, 2022
Analysis of Deforestation Rate by Location 2022.05.28.xlsx	May 31, 2022
Chaco SOPs 2022.05.29 English track changes.docx	May 31, 2022
Chaco SOPs 2022.05.29 English.docx	May 31, 2022
Chaco SOPs 2022.05.29 Spanish track changes.docx	May 31, 2022
Chaco SOPs 2022.05.29 Spanish.docx	May 31, 2022
Daline Gomez pers comm.pdf	May 31, 2022
Plan de prevención y control de incendios_Proyecto Corazon Verde del Chaco_17032022.pdf	May 31, 2022
POLIGONO_PROYECTO.zip	May 31, 2022
Quadriz Paraguay Bank Statement March 2022.pdf	May 31, 2022
Quadriz Pro Forma (4-29-2022)a.xlsx	May 31, 2022
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Leakage calculations_2022_05_27a.docx	May 31, 2022
ASP_COMPLE.cpg	May 31, 2022
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ASP_COMPLE.shx	May 31, 2022
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DEPARTAMENTOS_PARAGUAY_2012.prj	May 31, 2022
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Indigenous_communities_Chaco_INDI_2017.shx	May 31, 2022
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Protected_areas.shx	May 31, 2022
21045.00 Corazon Verde_Chaco Redd_Round 2 Findings 2022.06.07.xlsx	June 7, 2022
Proxy Area Forest Type Analysis 2022.06.07.xlsx	June 7, 2022
~$getation Comparison Methods for Proxy Areas 2022.06.06.docx	June 7, 2022
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Vegetation Comparison Methods for Proxy Areas 2022.06.06.docx	June 7, 2022
GLOBCOVER2009_Validation_Report_2.2.pdf	June 7, 2022
Original Source Data GlobeCover 2009.txt	June 7, 2022
Atenil1Boundary_2021.01.20.cpg	June 7, 2022
Atenil1Boundary_2021.01.20.dbf	June 7, 2022
Atenil1Boundary_2021.01.20.prj	June 7, 2022
Atenil1Boundary_2021.01.20.sbn	June 7, 2022
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original_areas_to_compare.sbx	June 7, 2022

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original_areas_to_compare.shx	June 7, 2022
GlobCover_09_Chaco_ForestType_dissolve.cpg	June 7, 2022
GlobCover_09_Chaco_ForestType_dissolve.dbf	June 7, 2022
GlobCover_09_Chaco_ForestType_dissolve.prj	June 7, 2022
GlobCover_09_Chaco_ForestType_dissolve.sbn	June 7, 2022
GlobCover_09_Chaco_ForestType_dissolve.sbx	June 7, 2022
GlobCover_09_Chaco_ForestType_dissolve.shp	June 7, 2022
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GlobCover_09_Chaco_ForestType_dissolve.shx	June 7, 2022
VegComparison_GlobCover_09.cpg	June 7, 2022
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VegComparison_GlobCover_09.prj	June 7, 2022
VegComparison_GlobCover_09.sbn	June 7, 2022
VegComparison_GlobCover_09.sbx	June 7, 2022
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VegComparison_GlobCover_09.shp.xml	June 7, 2022
VegComparison_GlobCover_09.shx	June 7, 2022
21045.00 Corazon Verde_Chaco Redd_Round 3 Findings_20220618 Responses 2022.06.28.xlsx	July 5, 2022
21045.00_Corazon Verde del Chaco_CCBv3.1_Checklist-NCR_Round4_20220618 Responses 2022.06.28.docx	July 5, 2022
Corazón Verde del Chaco PD 2022.06.28 clean.docx	July 5, 2022
Corazón Verde del Chaco PD 2022.06.28 track changes.docx	July 5, 2022
Corazón Verde del Chaco PD Calcs 2022.06.28.xlsx	July 5, 2022
Quadriz Pro Forma (2022.06.28).xlsx	July 5, 2022
21045.00 Corazon Verde_Chaco Redd_Round 3 Findings_20220618 Responses 2022.07.21.xlsx	July 22, 2022
Corazón Verde del Chaco PD 2022.07.21 track changes.docx	July 22, 2022
Corazón Verde del Chaco PD 2022.07.21.docx	July 22, 2022
Corazón Verde del Chaco PD Calcs 2022.07.21.xlsx	July 22, 2022
Business Guidance Forest Carbon Marketing and Finance.pdf	July 22, 2022
Gasparri and le Polain de Waroux 2014.pdf	July 22, 2022
Paraguay-Market-Access-for-Agricultural-Products-Project.pdf	July 22, 2022
Propuesta-Ganaderia--Paraguaya-Sostenible-abril2022-1.pdf	July 22, 2022
Verra Deviation Correspondence 2022.07.19.pdf	July 22, 2022
yvy_jara_informe_oxfamenparaguay.pdf	July 22, 2022

Most common purchaser Chaco land analysis Pablo Engel.docx	July 22, 2022
Pablo Engel Email 2022.07.18.pdf	July 22, 2022
biomass_less_20.tif	July 26, 2022
biomass_less_20.tif.ovr	July 26, 2022
biomass_less_20.tif.vat.cpg	July 26, 2022
biomass_less_20.tif.vat.dbf	July 26, 2022
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chaco_region.prj	July 26, 2022
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elevation_shp.shx	July 26, 2022
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wpa_chaco_mades.shx	July 26, 2022
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agent_definition_25_07_2022.jpg	July 26, 2022
agent_definition_25_07_2022_sentinel2.jpg	July 26, 2022
chaco_properties_distance_analysis_files.zip	July 26, 2022

buffer_350km_lomaplataMarket.cpg	July 26, 2022
buffer_350km_lomaplataMarket.dbf	July 26, 2022
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slaughterhouses_location_points.cpg	July 26, 2022
slaughterhouses_location_points.dbf	July 26, 2022
slaughterhouses_location_points.sbn	July 26, 2022
slaughterhouses_location_points.sbx	July 26, 2022
slaughterhouses_location_points.shp	July 26, 2022
slaughterhouses_location_points.shp.xml	July 26, 2022
slaughterhouses_location_points.shx	July 26, 2022
21045.00 Corazon Verde_Chaco Redd_Round 4 Findings.xlsx	August 11, 2022
Corazón Verde del Chaco PD 2022.08.11 clean.docx	August 11, 2022
Corazón Verde del Chaco PD 2022.08.11 track changes.docx	August 11, 2022
Corazón Verde del Chaco PD Calcs 2022.08.10.xlsx	August 11, 2022

APPENDIX B: VCS NCR/CL/OFI

Item	1
VCS Standard Requirements 22 April 2021, v4.1 (Section)	General
VCS Standard VCS Version 4.1 Requirements Document 22 April 2021, v4.1 (Description)	3.2.2 Where projects are located within a jurisdiction covered by a jurisdictional REDD+ program, project proponents shall follow the requirements in this document and the requirements related to nested projects set out in the VCS Program document *Jurisdictional and Nested REDD+ Requirements*.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD
Aster Global Findings - Round 1	It is unclear to the audit team whether the Chaco region of Paraguay is covered by a jurisdictional REDD+ program.
Round 1 NCR/CL/OFI	CL: Please clarify in line with the finding.

Round 1 Response from Project Proponent (DD Month YYYY)	The following text was added to the Section 2.1.11 of the PDD: "As of 2022, there is no Jurisdictional REDD+ program operating in Paraguay. In a letter entitled "Nota Respuesta DNCC Nº 206 respuesta de apoyo registro y anidación CVCH.pdf" from Ulises Lovera at the Departamento de Mitigación, Dirección Nacional de Cambio Climático, Ministerio del Ambiente y Desarrollo Sostenible (MADES), MADES states: that it is aware of the REDD+ Projects that carried out by QUADRIZ and that the Corazón Verde del Chaco Project will be registered in the National Registry and nested in the National Program once MADES consolidates these instruments."
Aster Global Findings - Round 2	Thank you for providing the clarification and letter of support. The audit team reviewed the letter and additional PD text. This finding is closed.

Item	2
VCS Standard Requirements 22 April 2021, v4.1 (Section)	General
VCS Standard VCS Version 4.1 Requirements Document 22 April 2021, v4.1 (Description)	3.2.3 Where an implementation partner is acting in partnership with the project proponent, the implementation partner shall be identified in the project description. The implementation partner shall identify its roles and responsibilities with respect to the project, including but not limited to, implementation, management and monitoring of the project, over the project crediting period.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting	PDD Section 2.1.4, 2.4.4

Documents)	
Aster Global Findings - Round 1	The audit team reviewed the PDD and noted that James Eaton, Fabrizio Radice Gorostiaga, and Andrea Weiler are all identified in Section 2.4.4 as Project Management Partners. However, the audit team was unable to find language to satisfy this criteria.
Round 1 NCR/CL/OFI	CL: Please clarify in line with the finding.
Round 1 Response from Project Proponent (DD Month YYYY)	Text identifying implementation partners and their roles and responsibilities have been added to Section 2.1.4 of the PD to satisfy this requirement. Further, Fabrizio Radice Gorostiaga has been removed from the PD as he will not be affiliated with the project as a long term partner.
Aster Global Findings - Round 2	The audit team reviewed the updated PDD and confirmed this criteria is satisfied. This finding is closed.

Item	3
VCS Standard Requirements 22 April 2021, v4.1 (Section)	Baseline Scenario and Additionality
VCS Standard VCS Version 4.1 Requirements Document 22 April 2021, v4.1 (Description)	3.5.11 The baseline scenario for a project activity shall be determined for each designated geographic area, in accordance with the methodology applied to the project. Where a single baseline scenario cannot be determined for a project activity over the entirety of a geographic area, the geographic area shall be redefined or divided such that a single baseline scenario can be determined for the revised geographic area or areas.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y

Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Section 3.1.4 of PDD
Aster Global Findings - Round 1	The audit team understands that there are different regulations regarding the amount of deforestation allowed in different regions of the Chaco. Additionally, the audit team understands that large scale agriculture is more prevalent than cattle ranching in certain regions of the Chaco. As a result, it is unclear to the audit team how this criteria is satisfied.
Round 1 NCR/CL/OFI	CL: Please clarify how the current baseline scenario satisfies this criteria.
Round 1 Response from Project Proponent (DD Month YYYY)	In a March 2018 report by Carlos Antonio Giménez Larrosa entitled "Descripción de procesos y métodos utilizados para la reclasificación de ‘‘Tierras de cultivo’’ a ‘‘Cultivos Agrícolas’’, ‘‘Pasturas implantadas’’ y ‘‘Mosaico Agropecuario’’ de todo el territorio nacional, periodo 2000-2016." Giménez documents land use change trend in the Chaco (Región Occidental) of Paragauy, where during the period 2000 and 2016, 99.13% of forest loss was for pasture establishment while 0.25% of forest loss was converted for agricultural crops. This report "Final Product_Carlos Gimenez_vESP.pdf" has been provided in response to this finding. Further, it can be accessed at https://informacionpublica.paraguay.gov.py/portal/#!/ciudadano/solicitud/47503. Further, the following statement has been added to section 3.1.4 of the PDD "Giménez (2018) documents land use change trends in the Chaco (Región Occidental) of Paragauy during the period 2000 and 2016. Giménez found 99.13% of forest land lost was converted to pasture, while only 0.25% of forest lost was converted for agricultural crops."
Aster Global Findings - Round 2	Thank you for the clarification and additional evidence. The audit team reviewed the updated PDD and provided evidence and agrees with the PP that the most likely baseline scenario is deforestation for the conversion to pasture. This finding is closed.

Item	4
VCS Standard Requirements 22 April 2021, v4.1 (Section)	3.14 Quantification of GHG Emission Reductions and Removals

VCS Standard VCS Version 4.1 Requirements Document 22 April 2021, v4.1 (Description)	3.14.4 All GHG emission reductions shall be converted to CO2e using 100-year global warming potential (GWP) values. For GHG emission reductions occurring on or after 1 January 2021, all ex-ante estimates and ex-post calculations shall be converted to CO2e using GWP values from the IPCC Fifth Assessment Report (AR5). 9 See Table 2 for the GWP values for methane and nitrous oxide established in AR5.10 For GHG emission reductions occurring on or before 31 December 2020, all ex-ante estimates and ex-post calculations may be converted to CO2e using either the GWP values from the IPCC Fourth Assessment Report (AR4) or those from AR5. Projects that complete validation on or before 31 July 2021 may use GWP values from AR4 for ex-ante emission reduction estimates, though such projects shall use GWP values from AR5 for ex-post calculations. Table 2: Selected GWP values from the IPCC Fifth Assessment Report, Table 8.A.1 Eligible GHG Chemical Formula 100-year GWP value Carbon dioxide CO2 1 Methane CH4 28 Nitrous oxide N2O 265
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Section 3.3.3 of PDD,Corazón Verde del Chaco PD Calcs 2021.10.22
Aster Global Findings - Round 1	The audit team reviewed Section 3.3.3 of PDD and Corazón Verde del Chaco PD Calcs 2021.10.22 and found the project proponent is using the GWP values from AR4 for converting GHG emission reductions to CO2e. This criteria states "For GHG emission reductions occurring on or after 1 January 2021, all ex-ante estimates and ex-post calculations shall be converted to CO2e **using GWP values from the IPCC Fifth Assessment Report (AR5)."**
Round 1 NCR/CL/OFI	CL: Please update the PDD to include the correct IPCC values and if necessary update the emission reduction calculations.

Round 1 Response from Project Proponent (DD Month YYYY)	GWP values in the project workbook and project document have been updated to be inline with the IPCC Fifth Assessment Report (AR5). Further, all downstream GHG calculations will be updated upon resolution of findings affecting GHG calculations.
Aster Global Findings - Round 2	The audit team reviewed the updated PDD and confirmed this criteria is satisfied. This finding is closed.

Item	5
VCS Standard Requirements 22 April 2021, v4.1 (Section)	3.17 Methodology Deviations
VCS Standard VCS Version 4.1 Requirements Document 22 April 2021, v4.1 (Description)	3.17.2 Methodology deviations shall not negatively impact the conservativeness of the quantification of GHG emission reductions or removals, except where they result in increased accuracy of such quantification. Deviations relating to any other part of the methodology shall not be permitted.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD Section 3.1.6

Aster Global Findings - Round 1	The audit team reviewed the methodology deviations applied. There is no language in the PDD that clarifies the deviations' impacts on conservativeness.
Round 1 NCR/CL/OFI	CL: For each methodology deviation please clarify how the deviation impacts the conservativeness of the project in-line with requirement 3.17.2 of the VCS Standard.
Round 1 Response from Project Proponent (DD Month YYYY)	Text has been added to the PDD to demonstrate the appropriateness, increased accuracy, and/or conservativeness for each methodology deviation.
Aster Global Findings - Round 2	The audit team reviewed the updated PDD and confirmed that additional language has been added to the PDD that satisfies the requirements for methodology deviations. 1. However, the audit team was unable to find the evidence stated in the PDD for methodology deviation 6 "Ing. Agr. Daline Gómez, pers comm". 2. Additionally, the Methodology Deviation 6 in the PDD does not appear to be allowable under criteria 3.17.1 of the VCS Standard.
Round 2 NCR/CL/OFI	CL: Please provide all necessary evidence to support the statements made within the PDD. CL: Please clarify in-line with Finding 2.
Round 2 Response from Project Proponent (DD Month YYYY)	Documentation has been provided in the supporting evidence folder in response to this round of findings including a pdf of email communication entitled "Ing. Agr. Daline Gómez, pers comm". In response to finding 5, we propose removing the deviation and updating Section 3.2.1 with the following text and Table. We have provided these updates in a track changes version of the PD and have supplied the GIS files and calculation workbook supporting this analysis. See https://www.dropbox.com/sh/qnpt560ls0as8te/AAAwfn7XsTr_MujkhDYPC-XIa?dl=0 “While the previous forest type in the Chaco does not influence a landowners decision as to whether forest in the region is converted to pastureland (Ing. Agr. Daline Gómez, pers comm), the forest types in the proxy area prior to deforestation are in the same proportion (±20%) as those in the project area (see Figure 3.5b).” Table 3.5b. Comparison of forest types in the project area and proxy sites.

Aster Global Findings - Round 3	The audit team reviewed and conducted an independent GIS analysis with the GIS files provided with the link (https://www.dropbox.com/sh/qnpt560ls0as8te/AAAwfn7XsTr_MujkhDYPC-XIa?dl=0) and confirmed that the analysis is correctly done and calculated in the workbook. The audit team reviewed and conducted an independent GIS analysis provided with GIS files and confirmed that the forest types in the proxy area prior to deforestation are in the same proportion as those in the project area. The audit team reviewed all methodology deviations and confirmed that they are in compliance with the criteria related to allowable methodology deviations.

Item	6
VCS Methodology VM0007 Version 1.6 REDD+ Methodology Framework (REDD-MF) Sectoral Scope 14 (Section)	4 APPLICABILITY CONDITIONS
VCS Methodology VM0007 Version 1.6, REDD+ Methodology Framework (REDD-MF) Sectoral Scope 14 (Description)	· 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. Mangrove forests are excluded from any tree height requirement in a forest definition, as they consist of (close to) 100% mangrove species, which often do not reach the same height as other tree species, and occupy contiguous areas and their functioning as a forest is independent of tree height.
Applicability to Project (Y or N/A)	Y

Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Section 3.1.2 of PDD, GIS Review
Aster Global Findings - Round 1	The audit team reviewed GIS files and associated imagery and noted that there appear to be areas included in the project area that do not meet the definition of forest as stated in the PDD on page 130.
Round 1 NCR/CL/OFI	CL: Please provide a demonstration showing that the entire project area meets the definition of forest as required by the methodology.
Round 1 Response from Project Proponent (DD Month YYYY)	The project area has been updated in response to this finding. See "CorazonVerde_PA_Strata_2022.02.16.shp". Further all calculations have been updated in reponse to this finding. 1. At -22.276874, -58.432850 , the road has been removed from the project area. 2. At -22.323802, -58.366897 this area was already excluded from the project area.
Aster Global Findings - Round 2	The VVB reviewed the updated shapefile (CorazonVerde_PA_Strata_2022.02.16.shp) and confirmed that area that do not meet forest criteria has been removed and calculations are updated accordingly. This item is addressed and closed.

Item	7
VCS Methodology VM0007 Version 1.6 REDD+ Methodology Framework (REDD-MF) Sectoral Scope 14 (Section)	5 PROJECT BOUNDARY

VCS Methodology VM0007 Version 1.6, REDD+ Methodology Framework (REDD-MF) Sectoral Scope 14 (Description)	REDD The historical reference period is the temporal domain from which information on historical deforestation is extracted, analyzed and projected into the future. A historical reference period must be defined for all eligible REDD categories. The starting date of this period must be between 9 and 12 years in the past and the end date must be within two years of project start date.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD Section 3.2.1
Aster Global Findings - Round 1	The audit team reviewed Table 3.7 of Section 3.2.1 of the PDD and found that the start date of the reference period is 2014. It is unclear to the audit team how this requirement is satisfied as the requirements states **"The starting date of this period must be between 9 and 12 years in the past."**
Round 1 NCR/CL/OFI	CL: Please clarify in line with the finding.

Round 1 Response from Project Proponent (DD Month YYYY)	The VM0007MF,v1.6 requirement "The starting date of this [Historical Reference Period] must be between 9 and 12 years in the past and the end date must be within two years before project start date" only makes sense in terms of an unplanned REDD project where the rate of deforestation is defined over a distinct period of time, as planned REDD projects which do not have historical reference periods. Rather, the rate of deforestation for planned REDD projects is calculated using a valid verifiable plan or as in the case of this project, the rate must be established by examining proxy areas. One of criteria for proxy area, BL-PL states "Deforestation in the proxy area must have occurred within the 10 years prior to the baseline period." thus clearly conflicting with the VM0007MF,v1.6 Historical Reference Period requirement. This requirement does not specify the starting year for the deforestation in the proxy years. Rather, one of the parameters used in determining "D%planned,i,t" (i.e., the projected annual proportion of land that will be deforested in stratum i during year t) is the parameter "Yrspn". This parameters is the number of years over which deforestation occurred in land parcel pn in proxy area. This implies the rate of clearing is calculated based on the number of years where deforestation is known to occur rather than an historical reference period. Finally, the purpose of historical reference period is to ensure projects do not inflate baselines but rather have to construct their baselines on longterm historical trends over a large area. Planned REDD baselines are developed using knowledge of specific proxy areas and the number of years over which deforestation occurred in specific land parcels.
Aster Global Findings - Round 2	Thank you for the additional clarification. However, this criteria is explicit that the "historical reference period must be defined for all eligible REDD categories." The audit team reviewed Table 3.7 of Section 3.2.1 of the PDD and found that the start date of the reference period is 2014. It is unclear to the audit team how this requirement is satisfied as the requirements states "The starting date of this period must be between 9 and 12 years in the past."
Round 2 NCR/CL/OFI	CL: Please clarify in line with the finding and if necessary update the proxy area analysis to conform with the requirements of the VM0007 methodology.

Round 2 Response from Project Proponent (DD Month YYYY)	The following deviation was added to the PDD: "This project deviated from the VM0007MF,v1.6 requirement "The starting date of this [Historical Reference Period] must be between 9 and 12 years in the past and the end date must be within two years before project start date". This idea of a historical reference period only makes sense in terms of an unplanned REDD project where the rate of deforestation is defined over a distinct period of time, as opposed to the “number of years over which deforestation occurred in land parcel pn in proxy area” as defined in the BL-PL module. Notably, there is no mention of a historical reference period in the BL-PL module. The rate of deforestation for planned REDD projects is calculated using a valid verifiable plan or as in the case of this project, the rate must be established by examining proxy areas. One of criteria for identifying proxy areas, as stated in BL-PL module is "Deforestation in the proxy area must have occurred within the 10 years prior to the baseline period" thus clearly conflicting with the VM0007MF,v1.6 Historical Reference Period requirement. This requirement does not specify the starting year for the deforestation in the proxy years. Rather, one of the parameters used in determining "D%planned,i,t" (i.e., the projected annual proportion of land that will be deforested in stratum i during year t) is the parameter "Yrspn". This parameters is the number of years over which deforestation occurred in land parcel pn in proxy area. This implies the rate of clearing is calculated based on the number of years in which deforestation is known to occur rather than over a historical reference period. This change represents a deviation to “parameters available at validation”. This methodology deviation does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals because it does not affect the quantification of GHG emission reductions or removals."
Aster Global Findings - Round 3	As this requirement does not pertain to "criteria and procedures relating to monitoring or remeasurement", this not an allowable methodology deviation.
Round 3 NCR/CL/OFI	CL: Please clarify how the project satisfies this requirement.

Round 3 Response from Project Proponent (DD Month YYYY)	We requested Verra provide additional input in regard to this finding and they responsed "Regarding issue 1: Based on what you did provide, I agree that defining a 9 to 12 years historical reference level for an APD project might (but not necessarily) contradict VMD0006-BL-PL requirements to identify and assess deforestation in proxy areas. Given that it is not possible to deviate from those key requirements of VMD0006-BL-PL, I would indeed recommend deviating from the VM0007-MF, v1.6 requirements on the HRP instead. For the record, I suggest treating this as a methodology deviation. It should not be an issue to demonstrate that it doesn't impact the project conservativeness or accuracy, since VMD0006-BL-PL requirements are met." A pdf of the Verra correspondence (see "Verra Deviation Correspondence 2022.07.19") has been provided in response to this finding. As such we have left the deviation in the project document. It has been slightly revised in response to Verra feedback to read: "This project deviated from the VM0007MF,v1.6 requirement "The starting date of this [Historical Reference Period] must be between 9 and 12 years in the past and the end date must be within two years before project start date". This idea of a historical reference period only makes sense in terms of an unplanned REDD project where the rate of deforestation is defined over a distinct period of time, as opposed to the “number of years over which deforestation occurred in land parcel pn in proxy area” as defined in the BL-PL module. Notably, there is no mention of a historical reference period in the BL-PL module. One of criteria for identifying proxy areas, as stated in BL-PL module is "Deforestation in the proxy area must have occurred within the 10 years prior to the baseline period" thus clearly conflicting with the VM0007MF,v1.6 Historical Reference Period requirement. This requirement does not specify the starting year for the deforestation in the proxy years. Rather, one of the parameters used in determining "D%planned,i,t" (i.e., the projected annual proportion of land that will be deforested in stratum i during year t) is the parameter "Yrspn". This parameter is the number of years over which deforestation occurred in land parcel pn in proxy area. This change represents a deviation to “parameters available at validation.” This methodology deviation doesn't impact the project conservativeness or accuracy, since VMD0006-BL-PL requirements are met. Further, this deviation does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals because it does not affect the quantification of GHG emission reductions or removals."
Aster Global Findings - Round 4	The audit team reviewed the updated PDD and new methodology deviation. The VVB confirmed that the deviation is allowable as confirmed by Verra.

Item	8
VCS Methodology VM0007 Version 1.6 REDD+ Methodology Framework (REDD-MF) Sectoral	9 MONITORING

Scope 14 (Section)	
VCS Methodology VM0007 Version 1.6, REDD+ Methodology Framework (REDD-MF) Sectoral Scope 14 (Description)	The monitoring plan must address the following monitoring tasks, which must be included in the monitoring plan: • Monitoring of project implementation • Monitoring of actual carbon stock changes and greenhouse gas emissions • Monitoring of leakage carbon stock changes and greenhouse gas emissions • Estimation of ex-post net carbon stock changes and greenhouse gas emissions.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD Section 3.3.3, Inventory SOPs

Aster Global Findings - Round 1	Section 3.3.3 of the PD states "Sample plots will be randomly located in areas within the Project Area"; however, this is not the case as there are numerous plots located outside the project area. During the site visit the audit team found multiple issues in the Forest Inventory SOPs that need to be addressed: 1. The inventory SOPs state "To measure the slope of the sample plot using a clinometer, one field crew member stands in the plot center. Another crew member stands directly downslope (one plot radius away from the first crew member). The first crew member then aims the clinometer at the eye-level of the second crew member, directly downslope (i.e. perpendicular to the contour), and records the % slope displayed in the clinometer. The same procedure is repeated sighting directly upslope from the plot center, and the average % slope of the two measurements is recorded." However, during the site visit the audit team noted that slope was only being taken in 1 direction. As a result, the slope adjustments should be discarded. 2. During the site visit the audit team found that the borderline tree procedure was not followed and resulted in missing numerous borderline trees. Please update the plot QA/QC procedures to ensure the borderline procedure is followed in the future. 3. During the site visit the audit team found that trees were not marked at DBH. Please update the plot QA/QC procedures to ensure the marking of DBH is followed in the future or remove this requirement from the inventory SOPs. 4. During the site visit the audit team instances of a tree in which the trunk was dead but there were live branches coming out of the tree. Many times these dead trunks were at an angle of less than 45 degrees. Currently, the SOPs are unclear on how these situations should be handled. 5. During the site visit the audit team found that some of the ropes used to demarcate the boundary of the plot were at times not the correct length. 6. During the site visit the audit team found that the 0.5 x 0.5 meter quadrant used for litter sampling could easily be put together in a way that it was slightly larger than the intended size.
Round 1 NCR/CL/OFI	CL: Please update the language in the PD to accurately describe where sample plots are located. CL: 1. Please update the inventory quantification workbook to remove the slope adjustments. CL: 2,3. Please update the QA/QC procedures to ensure that these procedures are being followed. CL 4. Please add additional language to the inventory SOPs to describe how to handle this case that we saw repeatedly in the field. CL: 5,6. Please add language to the inventory SOPs indicating that these lengths should be checked systematically throughout the inventory.

Round 1 Response from Project Proponent (DD Month YYYY)	0) The language in the PD has been revised to "Sample plots will be randomly located and measured following the Project's standard operating procedures." 1) The SOPs have been updated such that "The slope (in percent, %) of each plot will be measured with a clinometer and recorded on the field data sheet when the slope exceeds 5%." Further, the inventory calculation workbook has been updated such that slopes are only corrected when slopes exceed 15%. 2) This issue was discussed in depth with the field team. The 23m plot will be reduced to 21m. Further, the inventory team will measure the distance of all trees near the border. 3) The crews will be reminded to mark trees at breast height. Further the QAQC procedures have been revised to read "To ensure accurate measurements, the height of diameter at breast height (1.3 m) will be will be marked and confirmed using a 1.3 meter dbh stick" 4) The following text was added to the SOPs "Should the trunk of a live tree split below dbh, one of the trunks maybe considered standing deadwood should it meet the other requirements of the SOPs." 5) The following text was added to the SOPs "To ensure accurate measurements, the length of the plot diameter ropes will be measured at the start of each week using a tape measure. " 6) The following text was added to the SOP "To ensure proper adherence to litter collection procedures, the dimensions of the quadrat used for collecting litter will be at the checked at start of each week using a tape measure or before each use if the quadrat is disassembled between plots."
Aster Global Findings - Round 2	The VVB reviewed the updated inventory SOPs and during the site visit confirmed that the project has properly followed the inventory SOPs. This finding is closed.

Item	9
VCS Methodology VM0007 Version 1.6 REDD+ Methodology Framework (REDD-MF) Sectoral	9 MONITORING

Scope 14 (Section)	
VCS Methodology VM0007 Version 1.6, REDD+ Methodology Framework (REDD-MF) Sectoral Scope 14 (Description)	To ensure that GHG fluxes are estimated in a way that is accurate, verifiable, transparent, and consistent across measurement periods, the project must establish and document clear standard operating procedures and procedures for ensuring data quality. At a minimum, these procedures must include: • Comprehensive documentation of all field measurements carried out in the project area. This document must be detailed enough to allow replication of sampling in the event of staff turnover between monitoring periods. • Training procedures for all persons involved in field measurement or data analysis. The scope and date of all training must be documented. • A protocol for assessing the accuracy of plot measurements using a check cruise and a plan for correcting the inventory if errors are discovered. • Protocols for assessing data for outliers, transcription errors, and consistency across measurement periods. • Data sheets must be safely archived for the life of the project. Data stored in electronic formats must be backed up.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD, Chaco SOPs 2021.07.01 English.docx, Corazón Verde del Chaco I Inventory 2021.10.13.docx, PDD
Aster Global Findings - Round 1	The audit team reviewed the PDD, Chaco SOPs 2021.07.01 English.docx, Corazón Verde del Chaco I Inventory 2021.10.13.docx, and found the documentation to adequately address most sub requirements of this requirement. However, the audit team could not find any evidence of "A protocol for assessing the accuracy of plot measurements using a check cruise and a plan for correcting the inventory if errors are discovered." being described.

Round 1 NCR/CL/OFI	CL: Please clarify if a check cruise was performed on the inventory, and if so, please provide any relevant documentation providing details on the check cruise.
Round 1 Response from Project Proponent (DD Month YYYY)	The following text was added to the SOPs "Periodically, each crew will re-measure individual sample plots measured by another crew. These remeasure plots should represent approximately a 10% resample. The sample point re-measured may be selected opportunistically, and a data sheet completed again. Make sure to mark the datasheet a "REMEASURE PLOT". Where differences are noted any procedural errors will be corrected before continuing with the inventory."
Aster Global Findings - Round 2	The VVB reviewed the updated inventory SOPs and during the site visit confirmed that the project has properly followed the inventory SOPs. This finding is closed.

Item	10
VCS Methodology VM0007 Version 1.6 REDD+ Methodology Framework (REDD-MF) Sectoral Scope 14 (Section)	9 MONITORING
VCS Methodology VM0007 Version 1.6, REDD+ Methodology Framework (REDD-MF) Sectoral Scope 14 (Description)	2) Commonly accepted principles of land use inventory and management are implemented. • Standard operating procedures (SOPs) and quality control/quality assurance (QA/QC) procedures for inventories including field data collection and data management must be applied. Use or adaptation of SOPs already applied in national land use monitoring, or available from published handbooks, or from the latest IPCC guidance documents (GPG–LULUCF, Reporting Guidelines, is recommended; • Apply SOPs, especially, for actions likely to cause peat disturbances; • The project plan, together with a record of the plan as actually implemented during the project must be available for validation or verification, as appropriate.
Applicability to Project (Y or N/A)	Y
Requirement Met	Y

(Y, N or Pending)	
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Chaco SOPs 2021.07.01 English.docx, Section 3.3.3 of PDD
Aster Global Findings - Round 1	Furthermore, according to Chapter 5 of the IPCC Good Practice Guidance for LULUCF "Standard sampling theory relies on random selection of a sample from the population". However, the population selected for the forest inventory consists of land outside the Redd Project Area. Additionally, according to Burkhart et al. 2019 "The ultimate objective of all sampling is to obtain reliable data from the population sampled and to make certain inferences about that population." Importantly, there is no guidance within the methodology or associated VCS documents that clearly states what the population should be. The audit team is of the opinion that the population refers to the project area. This issues has already been discussed in detail with the project proponents. The audit team is requesting the project proponent to reach out to VERRA to allow the program to weigh in on this issue.
Round 1 NCR/CL/OFI	CL: The definition of the population used by the project in the forest inventory needs to be discussed with VERRA to determine if this approach is appropriate.

Round 1 Response from Project Proponent (DD Month YYYY)	Cecilia Simon a Program Manager in Natural Climate Solutions at Verra provided clarification on this issue in am emailed dated February 3, 2022. This email states: "We have discussed your request internally. It is our understanding that the VVB has questions on whether the inventory plots should be restricted to the VCS Project Area, considering that the sampling population is not clearly stated under VM0007. Considering the specific circumstances of the project where the plots are implemented at the level of the project property, and the strata present in the population of interest is representative of the project area, Verra agrees that, for this project, it is ok for inventory plots for forest carbon values to be outside the project area but within the project property." Further documentation ("VCS Clarification Inventory Area 2022.02.03.pdf") of this email has been provided as part of the response to this finding. As Verra agrees that inventory plots for forest carbon values can be outside the project area but within the project property the sampling population is understood by the project proponents to be the project property as opposed to the project area.
Aster Global Findings - Round 2	The project has correctly stated what was discussed and approved by Verra. This criteria is satisfied.

Item	11
VCS AFOLU Non-Permanence Risk Tool, Version 4.0 19 September 2019 (Section)	Table 2 Financial Viability (FV)
VCS AFOLU Non-Permanence Risk Tool, Version 4.0 19 Septembe	h) Project has secured 80% or more of funding needed to cover the total cash out before the project reaches breakeven

r 2019 (Description)	
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Economic Additionality Analysis (10-14-2021).xlsx, Appendix 1. VCS Non-Permanence Risk Report
Aster Global Findings - Round 1	The audit team found no evidence to support the statement that "The project has secured 100% of funding needed to cover the total cash out before the project reaches breakeven".
Round 1 NCR/CL/OFI	CL: Please provide evidence to support the statement referenced in the finding.
Round 1 Response from Project Proponent (DD Month YYYY)	A revised proforma has been supplied in response to this finding. This proforma ("Economic Additionality Analysis 2022.01.21") indicates less than $300,000 is needed until project breakeven. We have provided a a banking screenshot "bank abstract Quadriz 20220211.jpg" and "Letter of Support from CFO to VVB.pdf" in response to this finding. Further, a bank statement (Investancia Bank Statement 2021.12.15.pdf) for Investancia, Quadriz's parent company has also been provided demonstrating secured funding.
Aster Global Findings - Round 2	The audit team reviewed the updated NPRT and found that the ex-ante projections in the PDD do not match the reported ex-ante VCUs in the PDD. The audit team also notes that it doesn't appear the reinventor cost is included in the in the analysis. Additionally, it is unclear to the audit team why there are no costs included for "technical development services", Validation/verification Support", and "Baseline revalidation work".

Round 2 NCR/CL/OFI	CL: Please clarify in line with the finding and provide evidence to support all statements.
Round 2 Response from Project Proponent (DD Month YYYY)	Please see the revised analysis in the excel workbooks "Quadriz Pro Forma (4-29-2022)a" and "REDD+ Economic Additionality Analysis 2022.04.29a" found in the supporting files to the responses to this round of findings. The ex-ante VCUs have been updated in the pro forma. The reinventor costs have been added. No costs were included for the line items “Technical Development Services”, “Validation/Verification Support”, and “Baseline Revalidation Work” in Quadriz’s Pro Forma and Investancia’s Pro Forma because the service provider will receive a revenue share from sale of VCUs (as included in the Pro Forma) instead of receiving development fees. The revenue in the Pro Forma has been adjusted accordingly. Further see the Quadriz Paraguay Bank Statement March 2022.pdf for documentation of funds.
Aster Global Findings - Round 3	The audit team confirmed that the ex-ante VCUs have been updated in the pro forma. The VVB confirmed that the reinventor costs have been added appropriately. Thank your for the clarification, this item is addressed. No further action is needed.

Item	12
VCS AFOLU Non-Permanence Risk Tool, Version 4.0 19 September 2019 (Section)	Table 2 Financial Viability (FV)
VCS AFOLU Non-Permanence Risk Tool, Version 4.0 19	i) **Mitigation**: Project has available as callable financial resources at least 50% of total cash out before project reaches breakeven

September 2019 (Description)	
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Economic Additionality Analysis (10-14-2021).xlsx, Appendix 1. VCS Non-Permanence Risk Report
Aster Global Findings - Round 1	The audit team found no evidence to support the statement that "The Project has 100% of financial resources available before the project reaches breakeven."
Round 1 NCR/CL/OFI	CL: Please provide evidence to support the statement referenced in the finding.
Round 1 Response from Project Proponent (DD Month YYYY)	See response to finding 11.
Aster Global Findings - Round 2	The audit team reviewed the updated bank statement and confirmed that the Project has 100% callable financial resources (cash) until the project breaks even.

Item	13
VCS AFOLU Non-Permanence Risk Tool, Version 4.0	Table 3 Opportunity Cost

19 September 2019 (Section)	
VCS AFOLU Non-Permanence Risk Tool, Version 4.0 19 September 2019 (Description)	e) NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Economic Additionality Analysis (10-14-2021).xlsx, Appendix 1. VCS Non-Permanence Risk Report
Aster Global Findings - Round 1	The audit team reviewed the Economic Additionality Analysis (10-14-2021) workbook and noted that for the values in the Cattle Ranches in Chaco tab, no evidence has been provided to support these values used. Additionally, the audit team was unable to find a comparison of the NPV scenario between cattle ranches and the carbon project.
Round 1 NCR/CL/OFI	CL: Please provide evidence to support the values used in the Cattle Ranches in Chaco tab. CL: Please provide an NPV comparison between the two land use scenarios.

Round 1 Response from Project Proponent (DD Month YYYY)	A revised proforma has been supplied in response to this finding ("Economic Additionality Analysis 2022.01.21") which include information on the NPV analysis. This analysis indicates the NPV for the baseline land use scenario is 11.9% more profitable than the carbon project. As such, the risk risk rating and PD has been updated. The cattle ranching stocking, overhead, and cost information and evidence is based on professional opinion from an individual with greater than 20 years experience in operating and managing cattle rancning in the region, Federico Montoya.
Aster Global Findings - Round 2	Thank you for providing the updated analysis. 1. The VCS NPRT states "The opportunity cost analysis shall include a net present value (NPV) analysis, covering the project crediting period." 2. The audit team was unable to find evidence to support the price for selling or for buying cattle. Considering the multiplier effect of these prices, it is important that the VVB has evidence to support these costs. The audit team reviewed found evidence via an independent internet search that the price of "live fed steer" in Paraguay is $1.50 per kilo. 3. Based on a review of the Economic Additionality Analysis 2022.01.21 workbook it appears that the annual wage for laborers is $3600; however, the minimum wage in Paraguay is $3960 per years. It is unclear to the VVB how the annual salary for a laborer is appropriate. 4. The Economic Additionality Analysis 2022.01.21 workbook does not appear to contain all costs relevant to project similar to what is identified in the Investancia and Quadriz Pro Forma (2-25-2022) workbooks. 5. Additionally, it is unclear to the audit team why revenues and expenses are different between the Economic Additionality Analysis 2022.01.21 and Investancia and Quadriz Pro Forma (2-25-2022) workbooks.
Round 2 NCR/CL/OFI	CL: Please provide an analysis that covers the entire crediting period. CL: Please provide verifiable evidence to support the prices used in the NPV analysis. CL: Please clarify in line with Finding 3, 4, and 5. If necessary please update the financial analyses in both workbooks.

Round 2 Response from Project Proponent (DD Month YYYY)	Please see the revised analysis in the excel workbooks "Quadriz Pro Forma (4-29-2022a)" and "REDD+ Economic Additionality Analysis 2022.04.29a" found in the supporting files to the responses to this round of findings. For #1, the NPV has been updated to 30-years for both the REDD+ project and a cattle ranch. For #2, the Project Proponent found a similar source from the USDA (see here https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName =Livestock%20and%20Products%20Annual_Buenos%20Aires_Paraguay_09-01-2020 or https://www.selinawamucii.com/insights/prices/paraguay/beef/). The figure used in the analysis is $800 for 500 kilograms (i.e., $1.60 per kilo). The Project Proponent has used the $800 figure, because prices are likely to increase post-COVID pandemic and over time, this price is likely to increase with inflation. For #3, the labor rate has been adjusted upwards in the Economic Additionality Analysis. For #4 and #5, the Economic Additionality Analysis is a comparison between a hypothetical cattle ranch and a hypothetical REDD+ project. In contrast, the Quadriz pro forma includes costs relevant to a specific and unique REDD+ project. For instance, most REDD+ projects have technical development costs. In contrast, Quadriz has structured a unique, revenue share agreement with its technical provider and there are no costs associated with this arrangement. This is why the two workbooks have slightly different costs, revenues and expenses.
Aster Global Findings - Round 3	The VVB reviewed the updated REDD+ Economic Additionality Analysis 2022.04.29a and is unclear why the Chaco REDD+ Project tab does not match the Quadriz Pro Forma (4-29-2022)a workbook. The VVB understands that the VCS NPRT analysis should be conducted not in a hypothetical nature but rather should be conducted against the actual predicted costs and revenues of the project.
Round 3 NCR/CL/OFI	CL: Please clarify in line with the finding. CL: Please update the Economic Additionality Analysis using project specific costs and revenues.

Round 3 Response from Project Proponent (DD Month YYYY)	This analysis has been revised such that the the 30 year NPV for the project has been updated in the Quadriz Pro Forma workbook , see "Quadriz Pro Forma (2022.06.28).xlxs". This workbook has been provided in response to this finding. This value is then compared to the 30 year NPV for ranching as documented in the workbook "REDD+ Economic Additionality Analysis 2022.04.29a" The resulting NPVs are: Ranching: NPV - 30 yrs is $17,304,130 Carbon Project: NPV - 30 yrs is $18,244,320 The opportunity risk cost does has not changed as a result of this analysis. Below is a discussion on the discount rates used in the net present value analysis, **Cattle** Although lower discount rates can be used for ranching investments, we believe the 20% discount rate used in this analysis justified for the project region. On page 155 of a document on sustainable cattle farming in Paraguay (i.e., Propuesta de Ganadería Paraguaya Sostenible), MADES the Paraguayan Ministry of the Environment and Sustainable Development state the discount rate for sustainable cattle farming is “3% in USD plus the risk premium”. The risk premium is defined as the investment return an asset is expected to yield in excess of the risk-free rate of return. While the risk premium can vary widely depending on the investor, it can also be seen as the desired return for the ranchers and farmers. The World Bank in a document on Market Access for Agricultural products in Paraguay gives an overview of the FIRR (Financial Internal Rate of Return) of several projects over a lifetime of 20 years. In Table A4.2a on page 67 the World Bank documents the financial internal rate of return for cattle production and commercialization to be 22% in USD. This is the rate that an investor can expect from there investment. When this 22% risk premium is added to the 3%, the discount rate would be 25% in USD. We therefore believe that a lower rate of 20% for a period of 30 years is justified for cattle ranching in Paraguay. The documents Propuesta de Ganadería Paraguaya Sostenible and Market Access for Agricultural Products Project have been provided in response to this finding. **Carbon** It is difficult to document the discount rate for carbon projects in Paraguay as the carbon credits produced are an emerging asset class in a developing country. With this in mind, institutional capital is difficult or impossible to obtain. In relation to discount rates, Covell (2011) in Business Guidance Forest Carbon Marketing and Finance states “Unfortunately, the actual cost of capital for forest carbon projects is much higher than 12%: it can legitimately be in the 50 to 100% range”. In a footnote, Covell goes on to state “If discount rates over 50% seem alarmingly high, please refer to the discussions of risk”. Regardless, James Eaton is repeatedly in conversations with carbon project specific investors which use a NPV discount rates in the range of 20-30% (pers. comm) for investment in carbon projects which have not yet been validated or registered with Verra. The pdf Business Guidance Forest Carbon Marketing and Finance has been supplied in response to this finding.
Aster Global Findings - Round 4	Thank you for the clarification and additional documentation. The audit team reviewed the updated NPV analysis and associated supporting documents and confirmed that this NPV analysis is appropriate.

Item	14

VCS AFOLU Non-Permanence Risk Tool, Version 4.0 19 September 2019 (Section)	Table 8 Political Risk
VCS AFOLU Non-Permanence Risk Tool, Version 4.0 19 September 2019 (Description)	b) Governance score of -0.79 to less than -0.32
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Appendix 1. VCS Non-Permanence Risk Report of PDD
Aster Global Findings - Round 1	The audit team reviewed the VCS-Risk-Report_Makame_2021-06-17 document and noted that most recent five years of data was not used.
Round 1 NCR/CL/OFI	CL: Please update the Worldwide Governance Indicator using the most recent five years of available data.
Round 1 Response from	The governance score has been recalculated using the most recent data and the PD has been updated.

Project Proponent (DD Month YYYY)	
Aster Global Findings - Round 2	The audit team reviewed the updated NPRT and confirms that the score is calculated correctly. This criteria is satisfied.

Item	15
VCS AFOLU Non-Permanence Risk Tool, Version 4.0 19 September 2019 (Section)	Table 10 Natural Risks
VCS AFOLU Non-Permanence Risk Tool, Version 4.0 19 September 2019 (Description)	a) Fire (F)
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Appendix 1. VCS Non-Permanence Risk Report of PDD

Aster Global Findings - Round 1	During the site visit the audit noted multiple instances of fire confirming the appropriateness of a Likelihood of less than every 10 years. Additionally, the audit saw recently burned areas where only the litter and deadwood pool would be impacted specifically, in the palm strata. In the forest strata the audit team found no evidence of fires. The audit team is reasonably assured that this risk rating is appropriate. The project states that there is a fire management plan; however, the plan has not been shared with the audit team.
Round 1 NCR/CL/OFI	CL: Please provide a copy of the fire management plan.
Round 1 Response from Project Proponent (DD Month YYYY)	The fire management plan is taking longer than expected. As such we are removing this as a mitigation factor for project validation. Once the fire management plan has been completed, we will revise the fire risk score to acknowldege this mitigaton factor and sumbit during project verification.
Aster Global Findings - Round 2	Thank you for the clarification. The VVB confirmed the mitigation was removed. This criteria is satisfied.
Round 2 NCR/CL/OFI	
Round 2 Response from Project Proponent (DD Month YYYY)	The fire management plan has been provided in response to this finding and risk mitigation score has been applied.
Aster Global Findings - Round 3	The audit team reviewed the provided fire management plan. The audit team confirms the fire management plan is sufficient and the claiming of the mitigation is appropriate.

Item	16
VCS AFOLU Non-Permanence Risk Tool, Version 4.0 19 September 2019 (Section)	Table 10 Natural Risks

VCS AFOLU Non-Permanence Risk Tool, Version 4.0 19 September 2019 (Description)	c) Extreme Weather (W)
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Appendix 1. VCS Non-Permanence Risk Report of PDD
Aster Global Findings - Round 1	Based on the evidence provided, this risk score is appropriate. The audit team did not find any additional evidence that leads to a different risk score. The audit team did not find any additional evidence that leads to a different score. The audit team notes that the project takes the mitigation score of 0.5; however, no evidence has been provided to support this mitigation score.
Round 1 NCR/CL/OFI	CL: Please remove the mitigation claim or provide evidence to support the claiming of the mitigation credit.
Round 1 Response from Project Proponent (DD Month YYYY)	The weather mitigation claim has been removed.

Aster Global Findings - Round 2	Thank you for the clarification. The VVB confirmed the mitigation was removed. This criteria is satisfied.

Item	17
VCS MODULE VMD0001 REDD METHODOLOGICAL MODULE: ESTIMATION OF CARBON STOCKS IN THE ABOVE- AND BELOW GROUND BIOMASS IN LIVE TREE AND NON-TREE POOLS (CP-AB) Version 1.1 11 October 2013 Sectoral Scope 14 (Section)	4 APPLICABILITY CONDITIONS
VCS MODULE VMD0001 REDD METHODOLOGICAL MODULE: ESTIMATION OF CARBON STOCKS IN THE ABOVE- AND BELOW GROUND BIOMASS IN LIVE	· Stocks of non-tree aboveground biomass are greater in the baseline than in the project scenario, and

TREE AND NON-TREE POOLS (CP-AB) Version 1.1 11 October 2013 Sectoral Scope 14 (Description)	
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD
Aster Global Findings - Round 1	Considering the baseline scenario is conversion to pasture it would seem that some non-tree aboveground biomass pools would be larger in the baseline scenario compared to the project scenario.
Round 1 NCR/CL/OFI	CL: Please clarify why it is appropriate to excluded non-tree aboveground biomass in the project boundary.
Round 1 Response from Project Proponent (DD Month YYYY)	The following text has been added to Section 3.1.2 of the project document "It is appropriate to exclude non-tree aboveground biomass in the project boundary as the baseline agent of deforestation disks pastureland every 2-4 years thus ensuring the non-tree aboveground biomass stocks are greater in the project scenario than the baseline."
Aster Global Findings - Round 2	The audit reviewed the updated PDD and based on observations on the site visit the audit team agrees that the exclusion of non-tree aboveground tree biomass is appropriate. This finding is closed.

Item	18
VCS MODULE VMD0001 REDD METHODOLOGICAL MODULE: ESTIMATION OF CARBON STOCKS IN THE ABOVE- AND BELOW GROUND BIOMASS IN LIVE TREE AND NON-TREE POOLS (CP-AB) Version 1.1 11 October 2013 Sectoral Scope 14 (Section)	Part 1, Option 1. Fixed Area Plots with Allometric Equation method
VCS MODULE VMD0001 REDD METHODOLOGICAL MODULE: ESTIMATION OF CARBON STOCKS IN THE ABOVE- AND BELOW GROUND BIOMASS IN LIVE TREE AND NON-TREE POOLS (CP-AB) Version	Step 2: Select or develop an appropriate and validated allometric equation for forest type/group of species j (e.g. tropical humid forest or tropical dry forest) or for each species or family j (group of species) found in the inventory (hereafter referred to as species group). Any equation selected may only be used if applicability has been demonstrated and validated per guidance in the parameters section below.

1.1 11 October 2013 Sectoral Scope 14 (Description)	
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Atenil 1 Inventory Calcs 2021.10.13.xlsx
Aster Global Findings - Round 1	Allometric applied for non-palms: Chave, Jérôme, Christophe Andalo, Sandra Brown, Michael A. Cairns, Jeffrey Q. Chambers, Derek Eamus, Horst Fölster et al. "Tree allometry and improved estimation of carbon stocks and balance in tropical forests." Oecologia 145, no. 1 (2005): 87-99. Allometric applied for palms: Goodman, R. C., Phillips, O. L., del Castillo Torres, D., Freitas, L., Cortese, S. T., Monteagudo, A., & Baker, T. R. (2013). Amazon palm biomass and allometry. Forest Ecology and Management, 310, 994-1004. The paper by Goodman et al. states "Species or genera were selected to include the six most dominant arborescent palm species in the Amazon — Iriartea deltoidea, Attalea butyracea, Oenocarpus bataua, Euterpe precatoria, Socratea exorrhiza, and Astrocaryum murumuru (Emilio et al., 2013) — and two prominent species in wetland forests, Mauritia flexuosa and Mauritiella spp. (Kahn, 1991; Roucoux et al., 2013). It is unclear to the audit team if the Chaco region of Paraguay falls within this region.

Round 1 NCR/CL/OFI	CL: Please clarify how the study area of the paper by Goodman et al. is appropriate for the Chaco region of Paraguay.
Round 1 Response from Project Proponent (DD Month YYYY)	Instead of using Goodman et al. we have updated the forest inventory such that: For palms, height and basal diameter measurements are used to estimate the aboveground volume of a paraboloid and then species level palm specific gravity estimated by Chave will be applied. The estimate of biomass for palms is therefore to be limited to the main trunk (bole) of the palm. Thus, for palms aboveground biomass (Mg) = 0.5*Π*(basal diameter(cm)/200)2*height(m)*specific gravity Further, we have included the following text in the PD: The forest inventory has deviated from the criteria for selection (i.e., the equation is based on a datasets comprising at least 30 trees, with an r2 that is ≥ 0.8) of the allometric equation related to palm biomass, however the equation used is likely to result in a conservative estimate of palm biomass for the following reasons: -Volume is calculated as the volume of a paraboloid rather than the volume of a cylinder; and -Only stem biomass is estimated, thus conservatively excluding other aboveground biomass including palm fronds. Further the SOPs have been updated to reflect this change.
Aster Global Findings - Round 2	The audit team reviewed the updated PDD and confirms that the use of the volume of a paraboloid for palms is appropriate as there are no palm allometric equations that meet the criteria of the methodology. Additionally, this deviation is likely conservative as only the volume of the stem is accounted for. This finding is closed.

Item	19
VCS MODULE VMD0001 REDD METHODOLOGICAL MODULE: ESTIMATION OF CARBON STOCKS IN THE ABOVE- AND BELOW GROUND BIOMASS IN LIVE TREE AND NON-	Part 2, Option 1: Fixed area plots with root to shoot ratio

TREE POOLS (CP-AB) Version 1.1 11 October 2013 Sectoral Scope 14 (Section)	
VCS MODULE VMD0001 REDD METHODOLOGICAL MODULE: ESTIMATION OF CARBON STOCKS IN THE ABOVE- AND BELOW GROUND BIOMASS IN LIVE TREE AND NON-TREE POOLS (CP-AB) Version 1.1 11 October 2013 Sectoral Scope 14 (Description)	Step 1: Calculate the belowground tree biomass carbon stock for each plot: The above ground tree biomass carbon stocks in each plot can be estimated by allometric equation method described in Part 1 Option 1.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y

Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Section 3.1.6 of PDD, Atenil 1 Inventory Calcs 2021.10.13.xlsx
Aster Global Findings - Round 1	The project applies the Cairns equation 1. The audit team noted that Cairn's specified this equation to be used with AGB estimates in Mg/ha. However, the project appears to apply this with tonnes/ha. It is unclear to the audit team if this is appropriate.
Round 1 NCR/CL/OFI	CL: Please clarify in line with the finding.
Round 1 Response from Project Proponent (DD Month YYYY)	1 Mg/ha = 1 ton/ha, Discussed with Shawn and Mansfield and mentioned removing this finding
Aster Global Findings - Round 2	The audit team confirms the Mg=1 ton. This finding is closed.

Item	20
VCS MODULE VMD0001 REDD METHODOLOGICAL MODULE: ESTIMATION OF CARBON STOCKS IN THE ABOVE- AND BELOW GROUND BIOMASS IN LIVE TREE AND NON-TREE POOLS (CP-AB)	6.1 Data and Parameters Available at Validation

Version 1.1 11 October 2013 Sectoral Scope 14 (Section)	
VCS MODULE VMD0001 REDD METHODOLOGICAL MODULE: ESTIMATION OF CARBON STOCKS IN THE ABOVE- AND BELOW GROUND BIOMASS IN LIVE TREE AND NON-TREE POOLS (CP-AB) Version 1.1 11 October 2013 Sectoral Scope 14 (Description)	fj(X,Y)
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y

Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Corazón Verde del Chaco PD Calcs 2021.10.22.xlsx
Aster Global Findings - Round 1	Allometric applied for non-palms: Chave, Jérôme, Christophe Andalo, Sandra Brown, Michael A. Cairns, Jeffrey Q. Chambers, Derek Eamus, Horst Fölster et al. "Tree allometry and improved estimation of carbon stocks and balance in tropical forests." Oecologia 145, no. 1 (2005): 87-99. Allometric applied for palms: Goodman, R. C., Phillips, O. L., del Castillo Torres, D., Freitas, L., Cortese, S. T., Monteagudo, A., & Baker, T. R. (2013). Amazon palm biomass and allometry. Forest Ecology and Management, 310, 994-1004. 1. For destructive sampling the methodology requires "Fell and weigh the aboveground biomass to determine the total (wet) mass of the stem, branch, twig, leaves, etc. Extract and immediately weigh subsamples from each of the wet stem and branch components, followed by oven drying at 70 degrees C to determine dry biomass;" However the Goodman et al. paper uses drying at 101 degrees Celsius. It is unclear how this study complies with the methodology. 2. Additionally, there is a note under Table 3 of the Goodman et al. paper that states " The family level model with dmfD2 Hstem is only valid for individuals with Hstem P 1 m; and the family-level models without a height term are only valid for individuals with Hstem > 3 m and 6 <= D < 40 cm." The audit team noted that this equation is applied to trees outside the height and diameter range. 3. Equation 3.21 is reported incorrectly in the PDD, specifically "(Mg)". The equation provides biomass in terms of kg.
Round 1 NCR/CL/OFI	CL: Please clarify in line with finding 1. CL: Please update the inventory calculations to remove all trees where the allometric is not valid or select another allometric equation. CL: Please update the PDD in line with finding 3.

Round 1 Response from Project Proponent (DD Month YYYY)	Instead of using Goodman et al. we have updated the forest inventory such that: For palms, height and basal diameter measurements are used to estimate the aboveground volume of a paraboloid and then species level palm specific gravity estimated by Chave will be applied. The estimate of biomass for palms is therefore to be limited to the main trunk (bole) of the palm. Thus, for palms aboveground biomass (Mg) = 0.5*Π*(basal diameter(cm)/200)2*height(m)*specific gravity Further, we have included the following text in the PD: The forest inventory has deviated from the criteria for selection (i.e., the equation is based on a datasets comprising at least 30 trees, with an r2 that is ≥ 0.8) of the allometric equation related to palm biomass, however the equation used is likely to result in a conservative estimate of palm biomass for the following reasons: -Volume is calculated as the volume of a paraboloid rather than the volume of a cylinder; and -Only stem biomass is estimated, thus conservatively excluding other aboveground biomass including palm fronds. Further the SOPs have been updated to reflect this change.
Aster Global Findings - Round 2	This finding is addressed. No further action is needed.

Item	21
VCS Module VMD0002 Version 1.0 REDD Methodological Module: Estimation of carbon stocks in the dead wood pool (CP-D) Sectoral Scope 14 (Section)	**II. Procedures**

VCS Module VMD0002 Version 1.0 REDD Methodological Module: Estimation of carbon stocks in the dead wood pool (CP-D) Sectoral Scope 14 (Description)	Step 1.1: Standing dead trees shall be measured using the same criteria (e.g. minimum DBH) used for measuring live trees. Stumps must be inventoried as if they are very short standing dead trees.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Chaco SOPs 2021.07.01 English.docx, Atenil 1 Inventory Calcs 2021.10.13.xlsx
Aster Global Findings - Round 1	The audit team reviewed the SOPs for inventorying live and dead trees and noted that . Live trees are measured >5 dbh for 8m radius plots and >10 dbh for 23m radius plots. For dead trees, >5 dbh is used across the board. It is unclear how this is appropriate.
Round 1 NCR/CL/OFI	CL: Please clarify in line with the finding or update the calculations for standing dead trees.
Round 1 Response from Project Proponent (DD Month YYYY)	The SOPs in this case are unclear. The following text was added to the SOPs to clarify: "Standing dead trees will be measures as follows: Plot A: 8m radius, all stems dbh ≥ 5 cm Plot B: 21m radius, all stems dbh ≥ 10 cm"

Aster Global Findings - Round 2	Thank you for the clarification. The audit team confirms this was the process used during the validation site visit. This item is closed.

Item	22
VCS Module VMD0002 Version 1.0 REDD Methodological Module: Estimation of carbon stocks in the dead wood pool (CP-D) Sectoral Scope 14 (Section)	**II. Procedures**
VCS Module VMD0002 Version 1.0 REDD Methodological Module: Estimation of carbon stocks in the dead wood pool (CP-D) Sectoral Scope 14 (Description)	Step 1.3: Biomass is estimated using an allometric equation or Biomass Conversion Expansion Factor (BCEF) calculation for live trees in the decomposition class 1; with no outward signs of decomposition (i.e. twigs remaining) wood density is assumed to be comparable to live tree. Calculations are detailed in the module CP-AB. In decomposition class 2, the estimate of biomass should be limited to the main trunk (bole) of the tree, in which case the biomass is calculated converting volume to biomass using the appropriate dead wood density class. Volume is estimated as either the volume of a cone if the top diameter cannot be measured (and is assumed to be zero), or a cylinder (using Smalian's formula) if the top diameter can be measured directly or by using an instrument such as a relascope or laser inventory instrument or estimated using a taper function. Height/length is determined as either the total height in case of a standing bole or the height at the base of the crown if the crown is persistent.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location	Chaco SOPs 2021.07.01 English.docx, Atenil 1 Inventory Calcs 2021.10.13.xlsx, Chaco Wood Density 2021.09.20.xlsx

in PD/MR or Supporting Documents)	
Aster Global Findings - Round 1	Biomass for trees in decomposition class 1 is estimated using the same allometric equation (Chave, Jérôme, Christophe Andalo, Sandra Brown, Michael A. Cairns, Jeffrey Q. Chambers, Derek Eamus, Horst Fölster et al. "Tree allometry and improved estimation of carbon stocks and balance in tropical forests." Oecologia 145, no. 1 (2005): 87-99.) The specific gravity used in calculation is listed as coming from Chave, Jérôme, et al. "Regional and phylogenetic variation of wood density across 2456 neotropical tree species." Ecological applications 16.6 (2006): 2356-2367. The audit team reviewed this citation and found that the average specific gravity for all tree species included in the study to be 0.645 g/cm3. However, the specific gravity used in the calculations is 0.695 g/cm3. It is unclear to the audit team how this value was obtained. Biomass for trees in decomposition 2 is estimated using appropriately calculated wood density values (see row 75 of this workbook) and the equation for the volume of a cone.
Round 1 NCR/CL/OFI	CL1: Please clarify how the specific gravity used in calculating biomass for decomposition class 1 tress was obtained.
Round 1 Response from Project Proponent (DD Month YYYY)	This value was used for less than 10% of species in the "Chaco Wood Density 2021.09.20.xlxs" database where species or genus specific values where not able to be estimated. The specific gravity used in the calculations, 0.695 g/cm3, was derived from Table 1, the "sd" reion in dry tropical forest of South America as found on page 2362 of the source "Chave, Jérôme, Helene C. Muller-Landau, Timothy R. Baker, Tomás A. Easdale, Hans ter Steege, and Campbell O. Webb. "Regional and phylogenetic variation of wood density across 2456 neotropical tree species." Ecological applications 16, no. 6 (2006): 2356-2367." This source has been provided in response to this finding.
Aster Global Findings - Round 2	The audit team reviewed the Chave paper and confirmed that the value of 0.695 is sourced correctly and appropriate for species with missing wood densities. This finding is closed.

Item	23

VCS Module VMD0003 Version 1.0 REDD Methodological Module: Estimation of carbon stocks in the litter pool (CP-L) Sectoral Scope 14 (Section)	II. PROCEDURES
VCS Module VMD0003 Version 1.0 REDD Methodological Module: Estimation of carbon stocks in the litter pool (CP-L) Sectoral Scope 14 (Description)	Equation 1
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Atenil 1 Inventory Calcs 2021.10.13.xlsx

Aster Global Findings - Round 1	The application of Equation 1 is correct. However, the project proponent uses 0.47 t C t-1 d.m as the carbon fraction (CF) when calculating $C_{LI,I}$. The "Sources of Data" section for the CF parameter in CP-L states **"Default value 0.37 t C t-1 d.m. can be used, or species specific values from the literature (e.g. IPCC Chapter 3.2: LUCF Sector Good Practice Guidance)."** It is unclear to the audit team how using 0.47 t C t-1 d.m as the carbon fraction in calculating CLI,i is appropriate.
Round 1 NCR/CL/OFI	CL: Please revise the calculation of CLI,I using the appropriate CF.
Round 1 Response from Project Proponent (DD Month YYYY)	The project did not use the default value provided in the CP-L module. Rather, the chosen value of 0.47 t C t-1 d.m as the carbon fraction is appropriate as it is in line with VCS guidance cited below. As stated in the VCS Standard v4.1 "Where external documents are referenced, such as the IPCC 2006 Guidelines for National GHG Inventories, and such documents are updated, the most recent version of the document shall be used." This value of 0.47 t C t-1 d.m is derived from page 4.48 of the aforementioned IPCC 2006 Guidelines for National GHG Inventories. This value corresponds with the value for "all parts of the tree" and was sourced from McGroddy et al., 2004. McGroddy et al., 2004 investigated C, N, and P in forest foliage and litter and used a carbon value of 47% of reported biomass, based on the mean of reported data. Finally, this value of 0.47 was also cited as the carbon fraction for foliage component in tropical and subtropical forest in the IPCC table on page 4.48, as sourced from Feldpausch et al., 2004.
Aster Global Findings - Round 2	Thank you for the clarification. However, the IPCC Good Practice Guidance for Land Use, Land-Use Change and Forestry Chapter 3.2 states "Sometimes data on litter pools are collected in terms of dry matter, not carbon. To convert to dry matter mass of litter to carbon, multiply the mass by a default value of 0.370 (Smith and Heath, 2002), not the carbon fraction used for biomass." Considering the litter values are adjusted to dry matter it seems that this guidance from IPCC specifically for litter is more accurate than the 0.47. If the project wishes to use the 0.47 value for the litter pool a methodology deviation will be required in or der for the VVB to determine whether this deviation is allowable. The methodology deviation should be appropriately described and justified in the PDD in-line with the requirements for methodology deviations stated in the VCS Standard.

Round 2 NCR/CL/OFI	CL: Please clarify in line with the finding.
Round 2 Response from Project Proponent (DD Month YYYY)	The following deviation has been added to the PD. "7) This project deviates from using the default value for the carbon fraction of dry litter matter as provided in the CP-L module (VMD0003, Version 1.0). Rather, a value of 0.47 t C t-1 d.m was used for this project. This carbon fraction value is appropriate as it is in line with VCS guidance that where “external documents are referenced, such as the IPCC 2006 Guidelines for National GHG Inventories, and such documents are updated, the most recent version of the document shall be used.” The default value provided in the CP-L module was sourced from IPCC 2003. The updated value of 0.47 t C t-1 d.m is derived from page 4.48 of the IPCC 2006 Guidelines for National GHG Inventories. This value corresponds with the value for "all parts of the tree" and was sourced from McGroddy et al., 2004. Finally, this value of 0.47 was also cited as the carbon fraction for foliage component in tropical and subtropical forest in the IPCC table on page 4.48, as sourced from Feldpausch et al., 2004. This represents a deviation to “data and parameters available at validation”. This methodology deviation is warranted as it increases the accuracy of the quantification of GHG emission reductions or removals."
Aster Global Findings - Round 3	The VVB reviewed the Methodology deviation and agrees with the PP that this deviation is allowable as it increases accuracy. This item is closed.

Item	24
Approved VCS Module VMD0005, Version 1.1 (20 November 2012), REDD Methodological Module: Estimation of carbon stocks in the long-term wood products pool (CP-W), Sectoral Scope 14 (Section)	Option 2: Commercial inventory estimation

Approved VCS Module VMD0005, Version 1.1 (20 November 2012), REDD Methodological Module: Estimation of carbon stocks in the long-term wood products pool (CP-W), Sectoral Scope 14 (Description	**Step 2:** Identify the wood product class(es) (ty; defined here as sawnwood, wood-based panels, other industrial roundwood, paper and paper board, and other) that are the anticipated end use of the extracted carbon calculated in Step 1.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Section 3.1 of PDD, Corazón Verde del Chaco PD Calcs 2021.10.22_AG_CHECK.xlsx
Aster Global Findings - Round 1	Sawnwood is identified as the sole wood product class. No timber harvest occurs in the baseline, but should it occur in future project instances, trees harvested "would have been made into sawnwood as is typical for the tropical hardwood species in the region." However, the audit was unable to find evidence to support this statement.
Round 1 NCR/CL/OFI	CL: Please provide verifiable evidence to support the statement regarding this parameter in the PDD.

Round 1 Response from Project Proponent (DD Month YYYY)	The following text was added to the PD. "Of the wood product clases identified in the CP-W module (i.e., sawnwood, wood-based panels, other industrial roundwood, paper and paper board, and other) only sawnwood is a commercial timber product occasionally harvested from Chaco forests (Javier Rodas Forest Engineer, pers. comm)." In general, the authorization of land for pasture consists of the clearing and subsequent burning of the remains of trees, with few cases where this biomass is used as wood, and it is currently under-utilized, being used as posts, firewood and other uses. It can be affirmed that the system implemented for land authorization does not give sufficient value to the forest resource and in turn degrades the fragile ecosystem of the Western Region of the country. (Arano et al. 2012). Further, in this study on sustainable forest management in a cattle ranch in the Humid Chaco, Arano et al. identifies only identfied sawnwood, including columns, rafters, and boards, as the potential wood product classes. See http://scielo.iics.una.py/scielo.php?script=sci_arttext&pid=S2305-06832012000200007
Aster Global Findings - Round 2	Thank you for the clarification. The audit team reviewed the evidence provided and confirms Sawnwood as the only category of wood products is appropriate. This finding is closed.

Item	25
VCS Module VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation Version 1.3 Sectoral Scope 14 (Section)	5.1.1

VCS Module VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation Version 1.3 Sectoral Scope 14 (Description)	The selection of class of agent must be justified through stratification of the region and demonstration with historical records that the identified class of agent is the most common purchaser of similar lands in the identified strata. Stratification must follow the following guidance and procedures:
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD
Aster Global Findings - Round 1	It is unclear to the audit team how this criteria is satisfied. Additionally, the audit team notes that the restrictions on how much land can be deforested is different throughout the grouped project area.
Round 1 NCR/CL/OFI	CL: Please clarify in line with the finding.

Round 1 Response from Project Proponent (DD Month YYYY)	The following text has been added to the PDD in response to this finding: "The class of agents has been stratified, such that only private lands > 1,000 ha have been chosen for proxy areas." We have added the following text to the PDD in response to this finding: "The most likely agent of deforestation is “A large scale agribusiness practicing farming on parcels larger than 1,000 ha”." The restrictions on how much land can be deforested is different throughout the grouped project area does not affect the choice of the class of agent. This evidence supporting this statement are the large agribussiness which are clearing land for pasture in the Chaco Biosphere Reserve in the nothern part of the Chaco.
Aster Global Findings - Round 2	The audit team reviewed the updated PDD and confirmed the addition of stratification for the class of agents. Based on the VVBs review of literature about the drivers of deforestation in the Chaco and description within the PDD, the audit team is reasonably assured that the stratification based on parcel size is appropriate and representative of the selected class of deforestation agents. However, this requirement states "Stratification must follow the following guidance and procedures: Strata must be spatially discrete and defined on the basis of forest carbon stocks. Strata must reflect biophysical parameters relating to forest productivity, and activity-driven parameters relating to distinct conversion practices." The audit team is unclear as to how this criteria is satisfied.
Round 2 NCR/CL/OFI	CL: Please clarify how the criteria pertaining to stratification related to the selection of the class of agents are satisfied. If necessary please add additional language to the PD and provide evidence to support these statements.

Round 2 Response from Project Proponent (DD Month YYYY)	The following deviation has been added to the PD "This project deviates from the BL-PL requirement which stipulates stratification of the class of agents of deforestation "must be spatially discrete and defined on the basis of forest carbon stocks. Strata must reflect biophysical parameters relating to forest productivity, and activity-driven parameters relating to distinct conversion practices." This deviation is warranted as there is limited spatial information on the extent of the most likely class of agents "A large scale agribusiness practicing farming on parcels larger than 1,000 ha". Stratification of the agent of deforestation would necessitate knowledge on the ownership of all privately held land throughout the Chaco. As this class of agents operates throughout the geographic limit of the grouped project area, the project proponent ensures that all project instances and proxy areas are not protected lands (i.e., natural monuments, national parks, natural reserves, Ramsar wetland sites) or indigenous lands and are larger than 1,000 ha. As detailed elsewhere in the project document, the baseline agent of deforestation is converting the native forest land to pasture and the decision to convert does not rely on forest productivity or activity-driven parameters. That said, project instances and proxy areas in which the agents of deforestation convert the land in the baseline are similar as detailed in the proxy area comparison analysis in Table 3.5. This change represents a deviation to "data and parameters available at validation". This methodology deviation does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals because it does not affect the quantification of GHG emission reductions or removals." While no comprehensive GIS layer of property boundaries exist in the Chaco. We have provided a shapefile of "POLIGONO_PROYECTO.shp" which is a collection of property boundaries. This file is from the "Dirección de Geomática del Ministerio del Ambiente y Desarrollo Sostenible - MADES". This file corresponds to the perimeter of properties for projects submitted to MADES.
Aster Global Findings - Round 3	The deviation states "This change represents a deviation to "data and parameters available at validation"." However, it is unclear to the VVB which parameter in the BL-PL module the project is deviating from.
Round 3 NCR/CL/OFI	CL: Please clarify in line with the finding.
Round 3 Response from Project Proponent (DD Month YYYY)	After feedback from Verra we have deleted the drafted deviation. We have restructured and revised the text in Section 3.2.1 on the Agent of Deforestation.

Aster Global Findings - Round 4	The VVB reviewed the stratification related to identifying the class of agents and confirms the analysis has been performed correctly. However, it is unclear to the VVB why no Activity related parameters have not been included in this analysis. To be clear the requirement states " The selection of class of agent must be justified through stratification of the region and demonstration with historical records that the identified class of agent is the most common purchaser of similar lands in the identified strata. Stratification must follow the following guidance and procedures: Strata must be spatially discrete and defined on the basis of forest carbon stocks. Strata must reflect biophysical parameters relating to forest productivity, **and activity-driven parameters relating to distinct conversion practices**. Furthermore, the audit team notes that we have been provided a set of files in a folder titled "Distance analysis"; however, it is unclear in what context this should be considered as there is narrative in the PD about how this fits into the stratification.
Round 4 NCR/CL/OFI	CL: Please clarify why no Activity related parameters have been included in the analysis. CL: Please provide enough details within the PD related to the Distance analysis so that the audit can understand the purpose of this analysis.
Round 4 Response from Project Proponent (DD Month YYYY)	Section 3.2.1 has been updated in response to this finding.
Aster Global Findings - Final	Thank you for the clarification. The audit team has reviewed the updated PDD and is reasonably assured this criterion is satisfied. This finding is closed. No further action is needed.

Item	26
VCS Module VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestati	5.1.3

on/forest degradation and planned wetland degradation Version 1.3 Sectoral Scope 14 (Section)	
VCS Module VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation Version 1.3 Sectoral Scope 14 (Description)	3. The proxy areas must have the same management and land use rights type as the proposed project area under business as usual
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or	PDD

Supporting Documents)	
Aster Global Findings - Round 1	The PDD states "It has similar management and land use rights as the project area under the business-as usual scenario, which are similar on large (>1,000 ha) private holdings throughout the Chaco (the areas are confirmed to be private lands by process of elimination – i.e., no overlap with GIS layers of state lands or indigenous lands)" However, the audit team was unable to find the shapefiles that were used to determine this.
Round 1 NCR/CL/OFI	CL: Please provide all shapefiles that were used in the "process of elimination"
Round 1 Response from Project Proponent (DD Month YYYY)	A file on the location of indigenous lands "Comunidades_Indigenas_Paraguay.shp" obtained from the Statistics Office CARTOGRAFÍA DIGITAL 2012 (https://www.dgeec.gov.py/microdatos/cartografia-digital-2012.php) has been supplied in response to this finding. Further, a GIS shapefile of protected areas "ASP_COMPLE.shp" was sourced from MADES Dirección de Geomática and has been provided in response to this finding. This file covers protected areas and is a combination of public and private lands. In certain cases, a parcel of land can be in two categories (e.g.., a national park but also a biosphere reseve). Protected areas included in this layer include: Areas Protegidas, Monumento Cientifico, Monumento Natural, Otras Categorias, Paisaje Protegido, Parque Nacional, Refugio de Vida Silvestre, Reserva Cientifica, Reserva de las Entidades Binacionales, Reserva de Recursos Manejados, Reserva Ecologica, Reserva Ictica, Reserva Natural, Reservas de la Biosfera Gran Chaco, Reservas de la Biosfera Mbaracay, Reservas de la Biosfera Rio Apa, Sitios Ramsar.
Aster Global Findings - Round 2	The audit team reviewed shapefiles " Comunidades_Indigenas_Paraguay.shp" and "ASP_COMPLE.shp" and confirmed there is no overlap of project area with state lands and indigenous lands. The audit team also reviewed the sources of shapefiles and confirmed that right shapefiles are sourced. This item is addressed and closed.

Item	27

VCS Module VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation Version 1.3 Sectoral Scope 14 (Section)	5.1.3
VCS Module VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation Version 1.3 Sectoral Scope 14 (Description)	5. 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).

Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD
Aster Global Findings - Round 1	The PDD states "Deforestation is inferred to be legally permitted as the property is georeferenced and registered with MADES" During the site visit (through independent observations and discussions with INFONA officials) the audit team confirmed that statements in the PD regarding land conversion practices are correct. However, during the meeting with INFONA there was mention that in the northern part of the Chaco only 50% of eligible forest area is legally allowed to be cleared. It is unclear to the audit team how the difference in the amount of allowable deforestation is handled. This is especially important to consider as this is a grouped project with a grouped project area that includes different deforestation restrictions.
Round 1 NCR/CL/OFI	CL: Please clarify how the differing amounts of legal deforestation between regions in the Chaco is incorporated into the baseline scenario.

Round 1 Response from Project Proponent (DD Month YYYY)	The PDD statement has been revised to read "Deforestation is legally permitted as the property is georeferenced and registered with MADES" Further, the area in the northern part of the Chaco where only 50% of eligible forest area is legally allowed to be cleared has already been incorporated in the PDD as this is a criteria having to do with "Legal Permissibility for Deforestation" as opposed to the baseline scenario. This has already been included in the PDD with the specific text "VI. Resolution 200/2001: About wildlife protected areas, in case of the property limits falls into the area of the Gran Chaco Biosphere, Art. 31 inc. c)." " Further, the text "which stipulates maintaining at least 50% of the property within the Gran Chaco Biosphere under natural conditions" was added to the previous statement in the PDD. This approach allows for differing amounts of legal deforestation between regions as this issue is handled at the grouped project level as all project instances have to follow the laws (i.e., different deforestation restrictions) pertaining to the delineation of areas for conversion to nonforest (i.e. the plan de uso process). This was made clear in the PDD in the statement: "Project Proponent has delineated the Project Area in accordance with Paraguayan law as specified below and made the remaining documentation (Items 3 - 8) available to MADES.
Aster Global Findings - Round 2	Thank you for the additional information. The audit team reviewed the PP's finding response and updated PDD. The audit team is concerned that the rate of deforestation as determined by the proxy area analysis would be different in the Gran Chaco Biosphere and the rest of the Chaco region because the agents of deforestation in proxy areas may not have deforested their land under the same criteria that the project lands must follow.
Round 2 NCR/CL/OFI	CL: Please clarify in line with the finding and provide verifiable evidence that the rate of deforestation as determined by the analysis of proxy areas is representative of the entire grouped project area.
Round 2 Response from Project Proponent (DD Month YYYY)	We have provided a calculation workbook, "Analysis of Deforestation Rate by Location 2022.05.28.xlxs" , in response to this finding. This analysis indicates there is no significant difference between the rates of clearing in the Biosphere Reserve and the rest of the Chaco. The rate of deforestation as determined by the analysis of proxy areas is therefore representative of the entire grouped project area.
Aster Global Findings - Round 3	Thank you for the clarification. The audit team independently recomputed the analysis and confirmed that the analysis indicates no significant difference between rates in the Biosphere Reserve and the rest of the Chaco. The audit team is reasonably assured the analysis of proxy areas is representative of the entire grouped project area.

Item	28

VCS Module VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation Version 1.3 Sectoral Scope 14 (Section)	5.1.3
VCS Module VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation Version 1.3 Sectoral Scope 14 (Description)	· 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 (±20%).

Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD
Aster Global Findings - Round 1	The PDD clearly states this criteria is not satisfied. Please use a proxy areas in line with the methodology.
Round 1 NCR/CL/OFI	NCR: Please update the proxy areas used as to comply with the methodology.
Round 1 Response from Project Proponent (DD Month YYYY)	This project deviates from applying the required criteria that "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 (±20%)". This project is unable to meet this criteria as there is a lack of spatial information on vegetation/forest types at fine spatial scales across the Chaco Region of Paraguay (Carlos Gimenes, pers comm, a local GIS and Remote Sensing professional). That said, this deviation will achieve the same level of accuracy as if this criteria was applied because previous forest/vegetation type in the Chaco does not influence a landowners decision as to whether forest in the region is converted to pasture land (Ing. Agr. Daline Gómez, pers comm). This is a deviation to the criteria and procedures as set out in the methodology." The text in the PDD has been updated in response to this issue.
Aster Global Findings - Round 2	Thank you for the clarification and additional detail added to the PDD. The audit team was unable to find a copy of the Ing. Agr. Daline Gomez's communication supporting the justification of the methodology deviation.
Round 2 NCR/CL/OFI	CL: Please provide the evidence used in support of this justification (professional opinion)

Round 2 Response from Project Proponent (DD Month YYYY)	Documentation has been provided in the supporting evidence folder in response to this round of findings including a pdf of email communication entitled "Ing. Agr. Daline Gómez, pers comm".
Aster Global Findings - Round 3	The audit team reviewed and conducted an independent GIS analysis with the GIS files provided with the link (https://www.dropbox.com/sh/qnpt560ls0as8te/AAAwfn7XsTr_MujkhDYPC-XIa?dl=0) and confirmed that the analysis is correctly done and calculated in the workbook. The audit team reviewed and conducted an independent GIS analysis provided with GIS files and confirmed that the forest types in the proxy area prior to deforestation are in the same proportion as those in the project area.

Item	29
VCS Module VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation Version 1.3 Sectoral Scope 14 (Section)	5.1.3

VCS Module VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation Version 1.3 Sectoral Scope 14 (Description)	· 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 (±20%). The ratio of slope classes “gentle” (slope <15%) to “steep” (slope ≥15%) in the proxy areas must be (±20%) the same of the ratio in the project area.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD
Aster Global Findings - Round 1	The PDD states "The project area is similar in vegetation, elevation, slope, and soil type to each proxy area." However, the audit team was unable to find the shapefiles used in this analysis.
Round 1 NCR/CL/OFI	CL: Please provide all the shapefiles that were used for this analysis.

Round 1 Response from Project Proponent (DD Month YYYY)	Elevation, slope, and soil type gis files have been provided in response to this finding.
Aster Global Findings - Round 2	The audit team reviewed provided gis files of slope, elevation and soil and confirmed the similarity of project area to the proxy area. This item is addressed and closed.

Item	30
VCS Module VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestation/forest degradation and planned wetland degradation Version 1.3 Sectoral Scope 14 (Section)	5.1.6
VCS Module VMD0006 Estimation of baseline carbon stock changes and greenhouse gas emissions from planned deforestati	Post-deforestation carbon stocks must be the long-term average stocks on the land following deforestation. Post-deforestation carbon stocks can be measured in proxy areas or values can be taken from credible and representative literature sources (e.g., the peer-reviewed literature or data published by the IPCC or the FAO). Where stocks accumulate through time the ultimate (highest) stock must be used and where stocks are in a cycle13 the mean stock across the cycle must be used.

on/forest degradation and planned wetland degradation Version 1.3 Sectoral Scope 14 (Description)	
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Corazón Verde del Chaco PD Calcs 2021.10.22.xlsx
Aster Global Findings - Round 1	It is unclear what the source of the post-deforestation stocks is. Additionally, it is unclear how this criteria is satisfied.
Round 1 NCR/CL/OFI	CL: Please clarify what the source of the data for the post-deforestation stocks are.

Round 1 Response from Project Proponent (DD Month YYYY)	This section has been revised to read: "Baseline post-deforestation carbon stocks are defined as the long-term average stocks in the baseline scenario. Lezcano et al. found that aboveground carbon stocks in pasture after deforestation within the Grouped Project Region to be 1.1 tC/ha. Using this value as a default value is conservative, as this value is greater than the value (0.0 tC/ha) used by local government agencies when developing Paraguay's national forest reference emissions level (UN-REDD funded FREL). This assumption was incorporated into Paraguay's national effort to develop their forest reference emissions level and is reasonable for cases where land has been fully deforested to make way for pasture. However, use of a post-deforestation aboveground carbon stocks of 0.0 tC/ha, as proposed, may not capture the reality where an occasional tree is not cleared or where regrowth occurs. Our average aboveground biomass stock value of 1.1 tons C per hectare is also similar to that found by Bonino (2006) for the grazed shrubby grasslands in the Chaco of Argentina, which was 1.37 tons C per hectare. Belowground biomass is estimated by applying the equation developed by Cairns et al. for an above ground biomass value of 2.34 tons dry biomass/ha. This resulted in a belowground biomass value of 0.74 dry biomass/ha or 0.35 tC/ha. Post-deforestation carbon stocks in the litter and deadwood pools are zero due to the presence of fire in conjunction with the presence of repeatedly clearing the scrubby regrowth in pastures every 2-3 years in the baseline scenario where regrowth occurs. " Further the mentioned sources have been provided as part of the response to this finding. Finally, net GHG accounting will be revised as part of this finding.
Aster Global Findings - Round 2	Thank you for the clarification and additional detail added to the PDD. The audit team was unable to find a copy of the Ing. Agr. Daline Gomez's communication supporting the justification of the methodology deviation.
Round 2 NCR/CL/OFI	
Round 2 Response from Project Proponent (DD Month YYYY)	Documentation has been provided in the supporting evidence folder in response to this round of findings including a pdf of email communication entitled "Ing. Agr. Daline Gómez, pers comm".

Item	31

VCS Methodology VMD0009 Version 1.3 08 September 2020 Sectoral Scope 14 Estimation of emissions from activity shifting for avoiding planned deforestation and planned degradation (LK-ASP) (Section)	5.1.1.3 Option 1.3: Deforestation Projections
VCS Methodology VMD0009 Version 1.3 08 September 2020 Sectoral Scope 14 Estimation of emissions from activity shifting for avoiding planned deforestation and planned degradation (LK-ASP) (Description)	**Option 1.3b** Use the guidance provided in module BL-PL, Part 1.2 (Area of deforestation Aplanned,i) to identify all the areas that may be expected to be converted to non-forest land by the agent/class outside the project boundaries during the baseline period (Aplanned,I,OP). Apply Section 1.3 (Rate of deforestation D%planned,i,t) of module BL-PL to estimate the rate of deforestation (area deforested per year, ha yr-1) in such areas (D%planned,i,t,OP). The new calculated forest clearance in stratum i in year t by the baseline agent of the planned deforestation where no leakage is occurring (NewRi,t) is thus the average number of hectares deforested per year in all of the agent´s concessions, as follows: **See Equation 4 on page 8.**
Applicability to Project (Y or N/A)	Y

Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD, Corazón Verde del Chaco PD Calcs 2021.10.22.xlsx
Aster Global Findings - Round 1	The project appropriately applies Section 1.3 of the BL-PL module. Currently, Aplanned,I,OP is equal to 9,683,338 calculated as "the forested area of the Chaco eligible for deforestation at the project start (9,715,197 ha) minus the project area (31,858.6 ha)." However, the audit team is unclear how the 9,715,197 ha number was reached. For example, does this number consider national parks in the Chaco region or the differing rates of allowable deforestation, etc.?
Round 1 NCR/CL/OFI	CL: Please clearly state in the PDD the process for determining all values used to calculate the parameter Aplanned,I,OP. Additionally, please provide all the necessary shapefiles and evidence needed to support the use of the this value so the audit team can ensure all criteria in Section 1.2 of the BL-PL module are satisfied.
Round 1 Response from Project Proponent (DD Month YYYY)	In response to this finding, this value has been updated to "6,680,287 ha". This calculation is documented in the workbook "Finding 31 Leakage Parameter 2022.02.18.xlxs". Further a series of GIS Files have been pulled together in the folder "Leakage_calculations_files_CHACO". These files have been used to generate the values as documented in the workbook. The text surrounding this parameter has also been updated in the PDD. "The value of the parameter Aplanned,I,OP is conservatively calculated as the total area of forest in the Chaco after removing the forested portion of protected areas, indigenous forested area, and forested areas which would be protected according to plan de uso laws."

Aster Global Findings - Round 2	1. The VVB reviewed and conducted an independent analysis with the GIS files provided in the folder ""Leakage_calculations_files_CHACO". However, the VVB could not get the result that matches with the value reported for "Aplanned,i,OP" in the PD. 2. The VVB noted that there are differences between the ASP_COMPLE shapefile and the indigenous_communities_INDI_2017 layer and it is unclear which shapefile was used in the analysis and why these shapefiles differed. 3. It is unclear to the VVB if it is appropriate to only select the forested areas within the WPAs and Indigenous communities as these entire areas (regardless of forest cover or not) cannot fall within the "Total area of planned deforestation outside the project boundaries." 4. The audit team found that using the indigenous_communities_INDI_2017 shapefile only in the grouped project area (the entire Chaco) results in about 326,000 hectares. As a result, it is unclear to the audit team which files were used to determine the values for "Remaining forest which is part of the Indigenous Communities land (i.e. land that does not overlaps with WPAs)"
Round 2 NCR/CL/OFI	CL: Please clarify in line with the findings.

Round 2 Response from Project Proponent (DD Month YYYY)	1) This analysis has been redone to transparently track calculations in response to this finding. GIS files have been provided in the "Files supporting Finding 31" folder. This folder contains a folder with the 1. Original Files and 2. Results. The Results files contain 4 shapefiles which document: 1) the area of forest in the Chaco Region of Paraguay, 2) the total area of Protected Areas in the Chaco, and 3) the total area of Indigenous Areas in the Chaco, 4) the chaco region. Further the calcuations of parameter "Aplanned,i,OP" use the areas as determined in the above GIS files and have been incorporated in Leakage Emission s tab of the project calculcation workbook. The following text surrounding this parameter has also been updated in the PDD. "The value of the parameter Aplanned,I,OP is conservatively calculated as the total area of forest in the Chaco after removing protected areas, indigenous area, and forested areas which would be protected according to plan de uso laws." 2) ASP_COMPLE shapefile is the original file for the protected areas in the country and the indigenous_communities_INDI_2017 is the original file for the indiginous areas in the country . 3) We have revised our analysis to remove the entire protected areas and indiginous areas, 4) We have revised out analsis to remove the entire indiginous area reguadless of whether it its forested or if it overlaps WPAs.
Aster Global Findings - Round 3	1. The VVB reviewed GIS files from "Files supporting Finding 31" and confirmed that Aplanned, I, OP is updated correctly. The VVB also confirmed that the value is correctly reported in the updated workbook. The VVB also confirmed the text is updated in the justification section in Table 3.34 of the PDD. 2. The VVB reviewed and confirmed the shapefiles correspond to files as stated in the response by the PP. 3. The VVB conducted an independent analysis with GIS files provided in the folder "Files supporting Finding 31" and confirmed that forest area has been revised by removing the entire protected areas and indigenous areas. 4 The VVB conducted an independent analysis with GIS files provided in the folder "Files supporting Finding 31" and confirmed that the entire indigenous area has been removed. Items addressed and closed.

Item	32

VCS Methodology VMD0009 Version 1.3 08 September 2020 Sectoral Scope 14 Estimation of emissions from activity shifting for avoiding planned deforestation and planned degradation (LK-ASP) (Section)	5.1.3 STEP 3: Monitor All Areas Deforested by Baseline Agent of Deforestation Through the Years in Which Planned Deforestation was Forecast To Occur
VCS Methodology VMD0009 Version 1.3 08 September 2020 Sectoral Scope 14 Estimation of emissions from activity shifting for avoiding planned deforestation and planned degradation (LK-ASP) (Description)	All areas deforested by the baseline agent of deforestation must be monitored. Areas of deforestation may be anywhere in the host country. There is no requirement to track international leakage. **See Equation 6 on Page 9.**
Applicability to Project (Y or N/A)	Y

Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD, Corazón Verde del Chaco PD Calcs 2021.10.22.xlsx
Aster Global Findings - Round 1	The audit team confirmed Equation 6 is applied correctly. However, it is unclear to the audit team how AdefLK,i,t is calculated.
Round 1 NCR/CL/OFI	CL: Please clarify how the parameter AdefLK,i,t is calculated and provide all supporting evidence to support the use of this value.
Round 1 Response from Project Proponent (DD Month YYYY)	This value has been updated in response to this finding to 151,447.18 ha. This new value was derived from a landuse change report prepared for the government of Paraguay which document the amount of land converted from forest to pasture in the Chaco Region of Paraguay. This value was derived from the 2015-2016 value for "Cambios de Tierra Forestales a Pasturas implantadas" in the Chaco Region (Region Occidental) of Paraguay as found in: Larrosa, Carlos Antonio Giménez. 2018. Descripción de procesos y métodos utilizados para la reclasificación de ‘‘Tierras de cultivo’’ a ‘‘Cultivos Agrícolas’’, ‘‘Pasturas implantadas’’ y ‘‘Mosaico Agropecuario’’ de todo el territorio nacional, periodo 2000-2016. Proyecto “Colaboración para los Bosques y la Agricultura”. Report prepared for WWF, Instituto Forestal Nacional, and the Gobierno Nacional.
Aster Global Findings - Round 2	The VVB reviewed the report and confirmed correct value is used from the report. This item is addressed.

Item	33
VCS Module VMD0011 Version 1.0 REDD Methodological Module: Estimation	Applicability

of emissions from market effects (LK-ME) Sectoral Scope 14 (Section)	
VCS Module VMD0011 Version 1.0 REDD Methodological Module: Estimation of emissions from market effects (LK-ME) Sectoral Scope 14 (Description)	This module is applicable for calculating market-effects leakage from REDD projects that are anticipated to reduce levels of wood harvest substantially and permanently. When REDD project activities result in reductions in wood harvest, it is likely that production could shift to other areas of the country to compensate for the reduction.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PD Section 3.1.1
Aster Global Findings - Round 1	The audit team noted that this module is not included in Section 3.1.1 of the PDD.
Round 1 NCR/CL/OFI	CL: Please clarify why this module is not included in Section 3.1.1 of the PDD.

Round 1 Response from Project Proponent (DD Month YYYY)	The following text has been added to Section 3.1.1: "LK-ME “VMD0011 Estimation of emissions from market-effects”, version 1.1"
Aster Global Findings - Round 2	The audit team reviewed the updated PDD and confirmed that the appropriate module has been added. This finding is closed.

Item	34
VCS Module VMD0011 Version 1.0 REDD Methodological Module: Estimation of emissions from market effects (LK-ME) Sectoral Scope 14 (Section)	Applicability
VCS Module VMD0011 Version 1.0 REDD Methodological Module: Estimation of emissions from market effects (LK-ME) Sectoral Scope 14 (Description)	· The baseline is calculated using BL-DFW AND fuel wood or charcoal is harvested for commercial markets
Applicability to Project (Y or N/A)	Y

Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD Section 3.2.3
Aster Global Findings - Round 1	The PDD states "As there is no fuelwood or charcoal collection by the baseline agent of deforestation and no peatland in the country, market leakage is limited to leakage through decreased timber harvest as calculated in Equation 3.16." However, based on web searches conducted by the audit team it is clear that there is a large charcoal industry. It is unclear to the audit team why charcoal production is not accounted for. Additionally based on a published peat map of South America (second link below) there is clearly Peat within the grouped project area. For reference for the project team here is the link to one of the many articles documenting charcoal production in the Chaco. https://news.mongabay.com/2017/07/charcoal-and-cattle-tearing-apart-the-gran-chaco/ https://data.cifor.org/dataset.xhtml?persistentId=doi:10.17528/CIFOR/DATA.00058
Round 1 NCR/CL/OFI	CL: Please clarify in line with the finding and if necessary please incorporate charcoal production in-line with the methodology. CL: Please update the PDD to ensure that a process is in place for including additional project instances that may be on peatland. Additionally, please update the PDD to reflect that there is actually peat land within the project area, unless verifiable evidence can be presented that this is not true.

Round 1 Response from Project Proponent (DD Month YYYY)	CL1 The BL-DFW module is to be used to estimate degradation from fuelwood collection and charcoal production in the baseline case. This module was envisioned to be used where degradation occured over an extended period of time and did not neccessarily lead to deforestation. This module is not applicable where the land is being deforested directly in the baseline case such as in this planned REDD project. This is confirmed in section 5.1.1 of VM0007MF, v1.6 module, which states "Where multiple baselines exist (e.g., planned deforestation, unplanned deforestation, forest degradation, degraded land) there must be no overlap in boundaries between areas appropriate to each of the baselines. Thus, two project types cannot occur on the same piece of land." This requirement ensures no double double counting exists. Further, it is conservative to exclude degradation emissions in the baseline, as degradation is monitored in the with project case. This is further confirmed in that the BL-DFW module is "not applicable" for an APD project as identified in Table 4 of VM0007MF, v1.6, page 10. CL2 According to the Global Peatland Map, there are no peatlands in Paraguay. See file "GloPeMap.PNG" provided in response to this finding. Citation: United Nations Environment Programme. 2021. THE GLOBAL PEATLAND MAP 2.0. https://wedocs.unep.org/20.500.11822/37571 The following sentence was added to Section 3.1.2 of the PDD: "The Global Peatland Map 2.0 Indicates there are no peatlands within Paraguay."United Nations Environment Programme. 2021. THE GLOBAL PEATLAND MAP 2.0. https://wedocs.unep.org/20.500.11822/37571
Aster Global Findings - Round 2	1. Thank you for the clarification. The VVB agrees with the PP's statements and is reasonably assured it is appropriate to excluded the BL-DFW module. 2. Thank you for the clarification and the additional evidence. The VVB reviewed the UN peatland map provided by PP and confirmed that there are no peatlands within the Chaco Region.

Item	35
Approved VCS Module VMD0013, Version 1.2 (08 September 2020), Estimation of greenhouse gas emissions from	5.1 Estimation of Emissions Due to Biomass Burning (Ebiomassburn,i,t)

biomass and peat burning (E–BPB) , Sectoral Scope 14 (Section)	
Approved VCS Module VMD0013, Version 1.2 (08 September 2020), Estimation of greenhouse gas emissions from biomass and peat burning (E–BPB) , Sectoral Scope 14 (Description)	Equation 1
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD, Corazón Verde del Chaco PD Calcs 2021.10.22.xlsx

Aster Global Findings - Round 1	Ebiomassburn,i,t for the baseline is calculated using the correct equation, however, GWP values used in calculation are from AR4. Section 3.14.4 of the VCS Standard v4.1 states "For GHG emission reductions occurring on or after 1 January 2021, all ex-ante estimates and ex-post calculations shall be converted to CO2e using **GWP values from the IPCC Fifth Assessment Report (AR5). "** Additionally, Bi,t is calculated incorrectly. See finding in Bi,t calculation cell.
Round 1 NCR/CL/OFI	CL: Please update calculation of Ebiomassburn,n,l,t using GWP values from AR5 and corrected value for Bi,t.
Round 1 Response from Project Proponent (DD Month YYYY)	GWP values in the project workbook and project document have been updated to be inline with the IPCC Fifth Assessment Report (AR5). Further, all downstream GHG calculations will be updated upon resolution of findings affecting GHG calculations. Further, the calculation of Bi,t in the project excel workbook (i.e., cells C57, D57, E57 on the "Parameters" tab) has been updated to include litter stocks.
Aster Global Findings - Round 2	The VVB reviewed the updated Baseline workbook and confirmed that the correct GWP values are applied. This finding is closed. The audit team reviewed the updated Baseline workbook and confirmed that equation 2 is applied correctly. This finding is closed.

Item	36
Approved VCS Module VMD0013, Version 1.2 (08 September 2020), Estimation of greenhouse gas emissions from biomass and peat burning (E–BPB) , Sectoral Scope 14 (Section)	5.1 Estimation of Emissions Due to Biomass Burning (Ebiomassburn,i,t)

Approved VCS Module VMD0013, Version 1.2 (08 September 2020), Estimation of greenhouse gas emissions from biomass and peat burning (E–BPB) , Sectoral Scope 14 (Description)	Equation 2
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD, Corazón Verde del Chaco PD Calcs 2021.10.22.xlsx
Aster Global Findings - Round 1	Bi,t is calculated incorrectly. CLI,I parameter is not included in calculation. Additionally, the value for CLI,I is incorrectly calculated. See finding in VMD003 CP-L v1.0 tab of this workbook.
Round 1 NCR/CL/OFI	CL1: Please update calculation off Bi,t to include CLI,i. CL2: Please update calculation of CLI,I in line with finding in VMD003 CP-L tab of this workbook.
Round 1 Response from Project Proponent	The calculation of Bi,t in the project excel workbook (i.e., cells C57, D57, E57 on the "Parameters" tab) has been updated to include litter stocks. The calculation of CLI,I has been discussed in our response to Finding 23.

(DD Month YYYY)	
Aster Global Findings - Round 2	The audit team reviewed the updated Baseline workbook and confirmed that equation 2 is applied correctly. This finding is closed.

Item	37
Approved VCS Module VMD0013, Version 1.2 (08 September 2020), Estimation of greenhouse gas emissions from biomass and peat burning (E–BPB) , Sectoral Scope 14 (Section)	6.1 Data and Parameters and Validation
Approved VCS Module VMD0013, Version 1.2 (08 September 2020), Estimation of greenhouse gas emissions from biomass and peat burning (E–BPB) , Sectoral Scope 14 (Description)	COMFi

Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD, Corazón Verde del Chaco PD Calcs 2021.10.22.xlsx
Aster Global Findings - Round 1	The project applies COMFi=0.45. Value for primary open tropical forest (Table 2.6 of IPCC, 2006). However, it is unclear to the audit team how this value is appropriate.
Round 1 NCR/CL/OFI	CL: Please provide verifiable evidence to support the use of this value.
Round 1 Response from Project Proponent (DD Month YYYY)	COMFi has been updated to 0.50. This value for primary moist tropical forest (Table 2.6 of IPCC, 2006) is appropriate and the precipcipation in the projet area is >1000mm/yr. Further, all downstream GHG calculations will be updated upon resolution of findings affecting GHG calculations.
Aster Global Findings - Round 2	The project proponent's response correctly states that the Initial Project Instance is located in the region of the Chaco that receives >1000mm/year in precipitation. However, the larger grouped project area contains areas that do not meet this precipitation threshold and therefore 0.50 is not appropriate. Additionally, the audit team noted that that in the Parameters table for the COMFi parameter, the comments section appears to not be appropriate for this parameter.
Round 2 NCR/CL/OFI	CL: Please clarify in line with the finding and update the PD accordingly.
Round 2 Response from Project Proponent (DD Month YYYY)	The following text was added to the parameter Table for COMFi For all new project instances located in areas with an average annual precipitation of less than 1000 mm/yr, a COMF value of 0.36 derived for “All primary tropical forests” will be used as there is no specific value listed in Table 2.6 for “Primary tropical dry forest”. The comments setion of the Parameter COMFi has been revised /deleted in response to this finding.

Aster Global Findings - Round 3	The audit team confirmed the use of a COMF value of 0.36 is appropriate, as no specific value is listed in Table 2.6. The audit team confirms that the comments section of the Parameter COMFi has been appropriately revised. Item closed.

Item	38
Approved VCS Module VMD0013, Version 1.2 (08 September 2020), Estimation of greenhouse gas emissions from biomass and peat burning (E–BPB) , Sectoral Scope 14 (Section)	6.1 Data and Parameters and Validation
Approved VCS Module VMD0013, Version 1.2 (08 September 2020), Estimation of greenhouse gas emissions from biomass and peat burning (E–BPB) , Sectoral Scope 14 (Description)	GWPg
Applicability to Project (Y or N/A)	Y

Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	PDD, Corazón Verde del Chaco PD Calcs 2021.10.22.xlsx
Aster Global Findings - Round 1	Values used in calculation are from AR4. Section 3.14.4 of the VCS Standard v4.1 states "For GHG emission reductions occurring on or after 1 January 2021, all ex-ante estimates and ex-post calculations shall be converted to CO2e **using GWP values from the IPCC Fifth Assessment Report (AR5). "**
Round 1 NCR/CL/OFI	CL: Please update emission calculations using GWP values from AR5.
Round 1 Response from Project Proponent (DD Month YYYY)	GWP values in the project workbook and project document have been updated to be inline with the IPCC Fifth Assessment Report (AR5). Further, all downstream GHG calculations will be updated upon resolution of findings affecting GHG calculations. Further, the calculation of Bi,t in the project excel workbook (i.e., cells C57, D57, E57 on the "Parameters" tab) has been updated to include litter stocks.
Aster Global Findings - Round 2	The VVB reviewed the updated Baseline workbook and confirmed that the correct GWP values are applied. This finding is closed. The audit team reviewed the updated Baseline workbook and confirmed that equation 2 is applied correctly. This finding is closed.

Item	39
Approved VCS Module VMD0015, Version 2.2 (08 September 2020), Methods for monitoring GHG emissions	6.2 Data and Parameters Monitored for Verification

and removals in REDD and CIW projects, Sectoral Scope 14 (Section)	
Approved VCS Module VMD0015, Version 2.2 (08 September 2020), Methods for monitoring GHG emissions and removals in REDD and CIW projects, Sectoral Scope 14 (Description)	The PRA shall consist of semi-structured interviews / questionnaires.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Consolidated PRAs.xlsx, Aggregated Degradation Surveys (March 2021) PDD

Aster Global Findings - Round 1	The audit team reviewed the results of the PRA and is concerned that there were only three interviewees. Additionally, considering one of the communities denied the project entry it is unclear how monitoring related to their harvesting of fuelwood will be monitored.
Round 1 NCR/CL/OFI	CL: Please clarify how many community members are in this community? CL: Please clarify how the project will monitor degradation from the community where the project was denied entry.
Round 1 Response from Project Proponent (DD Month YYYY)	The following text has been incorporated in Section 2.1.6 of the PDD "Maria Auxiliadora has 20 families and San Isidro has 14 families. The Maria Auxiliadora indigenous community do not use the land within the Initial Project Instance and it is assumed, due to distance and difficult access, that the San Isidro indigenous community also do not use the land within the Initial Project Instance. Outside of the 20-kilometer buffer, neither people living in the nearest city of La Victoria, nor those people living in the community known as Estancia Km. 11, are allowed access to this privately owned property. " The Maria Auxiliadora has 110 community members. We estimate 56-70 people in the San Isidro community, but do not know the actual number of community members. The following text has been added to the Monitoring Illegal Degradation Section of the PDD. "Degradation surveys will be conducted for communities who give consent to being interviewed and are reliant on the project area . Only three interviews were initially carried out because the community decided they did not want to do more interviews at the time due to the length of the interview and the type of consultations carried out. The propoject proponent respected the desires of the communities and what was requested by the leader and other community members with the hope of establishing better relations as trust and communications grow over time. It is the projects hope to provide community benefits in the hope of improving community relations and knowledge and conservation of forest resources in the region of the project
Aster Global Findings - Round 2	As there is no minimum number of survey respondents required, during site visit interviews with the participating community in which no one indicated that degradation was occurring within the project area, and considering the significant distance between the two communities in the project zone and the project area the audit team is reasonably assured that there is no degradation occurring in the project area. This finding is closed.

Item	40
Approved VCS Module VMD0016, Version 1.2, REDD Methodological Module: Methods for stratification of the project area (X-STR), Sectoral Scope 14 (Section)	5.1 Stratification of Aboveground Biomass in REDD Project Activities
Approved VCS Module VMD0016, Version 1.2, REDD Methodological Module: Methods for stratification of the project area (X-STR), Sectoral Scope 14 (Description)	At the project start and whenever biomass stocks are re-measured (i.e., at least every 10 years), the project proponent must demonstrate after inventory that within the project area there are no unidentified (i.e., not previously stratified) discrete clusters of sample plots/points representing >10% of samples in the project area that consistently differ (i.e., each sample plot/point estimate) from the overall project mean by ±20%. In the event that such a cluster of points is identified, a new stratum will be delineated. Area limits of the new stratum, encompassing the cluster, can be determined on the basis of existing vegetation class maps, interpretation of aerial photographs or high-resolution satellite imagery.
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or	PDD, Geospatial files

Supporting Documents)	
Aster Global Findings - Round 1	It is unclear to the audit team how this criteria is satisfied.
Round 1 NCR/CL/OFI	CL: Please clarify for the audit team how this criteria is satisfied.
Round 1 Response from Project Proponent (DD Month YYYY)	The following deviation has been added to the PDD: "Avery and Burkhart explain the purpose of stratifying the forest inventory area is to divide the area into relatively homogenous subpopulations, such that the variance of each subpopulation (or strata) is less than the variance of the total population. In this manner, stratification improves the efficiency of a forest inventory. Similarly, Pearson et al. states in their "Sourcebook for land use, land-use change and forestry projects " To facilitate fieldwork and increase the accuracy and precision of measuring and estimating carbon, it is useful to divide the project area into sub-populations or “strata” that form relatively homog¬enous units. In general, stratification also decreases the costs of monitoring because it typically diminishes the sampling efforts necessary, while maintaining the same level of confidence (it does so because there is a smaller variation in carbon stocks in each stratum than in the whole area).” While stratification is desirable to reduce variability and decrease the uncertainty surrounding the mean biomass estimates of the forest inventory, post-stratification (i.e. further stratification after the forest inventory has been completed) is not warranted when the desired uncertainty has already been achieved. This project deviates from the requirement of the X-STR module that: “the project proponent must demonstrate after inventory that within the project area there are no unidentified (i.e., not previously stratified) discrete clusters of sample plots/points representing >10% of samples in the project area that consistently differ (i.e., each sample plot/point estimate) from the overall project mean by ±20%”. A deviation from this procedure is reasonable as the above criteria contradicts other guidance also found within the X-STR module: “the project area may be stratified ex ante, and this stratification may be revised ex post for monitoring purposes.” This post-stratification approach is not warranted where the cumulative uncertainty for the REDD+ project (i.e., parameter NERREDD+_ERROR) is less than the allowable uncertainty +/- 15% of NERREDD+ at the 95% confidence level. This methodology deviation does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals as it does not affect the quantification of GHG emission reductions or removals at all."

Aster Global Findings - Round 2	The audit team reviewed this section of the methodology in detail alongside the Aster Global Biometricians and determined that this finding was issued erroneously. Section 5.1 of the X-STR module states "the areas of strata delineated prior to allocation of inventory plots using stratified sampling are known exactly and require no accuracy assessment" and "at the project start and whenever biomass stocks are re-measured (i.e., at least every 10 years), the project proponent must demonstrate after inventory that within the project area **there are no unidentified (i.e., not previously stratified**) discrete clusters of sample plots/points representing >10% of samples in the project area that consistently differ (i.e., each sample plot/point estimate) from the overall project mean by ±20%" Because the project delineated strata prior to the allocation of inventory plots and all there are no unidentified discrete clusters of sample points, this criterion is not applicable and therefore the Methodology Deviation is no longer warranted.
Round 2 NCR/CL/OFI	CL: Please update the PDD in-line with the finding.
Round 2 Response from Project Proponent (DD Month YYYY)	The following deviation has been delete in the PDD: 7) Avery and Burkhart explain the purpose of stratifying the forest inventory area is to divide the area into relatively homogenous subpopulations, such that the variance of each subpopulation (or strata) is less than the variance of the total population. In this manner, stratification improves the efficiency of a forest inventory. Similarly, Pearson et al. state in their "Sourcebook for land use, land-use change and forestry projects " To facilitate fieldwork and increase the accuracy and precision of measuring and estimating carbon, it is useful to divide the project area into sub-populations or “strata” that form relatively homog¬enous units. In general, stratification also decreases the costs of monitoring because it typically diminishes the sampling efforts necessary, while maintaining the same level of confidence (it does so because there is a smaller variation in carbon stocks in each stratum than in the whole area).” While stratification is desirable to reduce variability and decrease the uncertainty surrounding the mean biomass estimates of the forest inventory, post-stratification (i.e. further stratification after the forest inventory has been completed) is not warranted when the desired uncertainty has already been achieved. This project deviates from the requirement of the X-STR module that: “the project proponent must demonstrate after inventory that within the project area there are no unidentified (i.e., not previously stratified) discrete clusters of sample plots/points representing >10% of samples in the project area that consistently differ (i.e., each sample plot/point estimate) from the overall project mean by ±20%”. A deviation from this procedure is reasonable as the above criteria contradicts other guidance also found within the X-STR module: “the project area may be stratified ex ante, and this stratification may be revised ex post for monitoring purposes.” This post-stratification approach is not warranted where the cumulative uncertainty for the REDD+ project (i.e., parameter NERREDD+_ERROR) is less than the allowable uncertainty +/- 15% of NERREDD+ at the 95% confidence level. This methodology deviation does not negatively impact the conservativeness of the quantification of GHG emission reductions or removals as it does not affect the quantification of GHG emission reductions or removals at all.

Aster Global Findings - Round 3	The audit team confirms the deviation has been appropriately removed from the PDD.

Item	41
Approved VCS Tool VT0001,Version 3.0 (1 February 2012), TOOL FOR THE DEMONSTRATION AND ASSESSMENT OF ADDITIONALITY IN VCS AGRICULTURE, FORESTRY AND OTHER LAND USE (AFOLU) PROJECT ACTIVITIES, Sectoral Scope 14 (Section)	2.1 Step 1. Identification of alternative land use scenarios to the proposed VCS AFOLU project activity
Approved VCS Tool VT0001,Version 3.0 (1 February 2012), TOOL FOR THE DEMONSTRATION AND ASSESSMENT OF ADDITIONALITY IN VCS AGRICULTURE, FORESTRY AND	a) Identify realistic and credible land-use scenarios that would have occurred on the land within the proposed project boundary in the absence of the AFOLU project activity under the VCS (For example, continuation of the pre-project land-use, including continued degradation, deforestation or switch to land-use typical for region where the VCS AFOLU project is planned to located, establishing agricultural plantation, tourist resort, hunting area/farm, utilizing regionally typical forms of funds investment or other economical attractive activities).

OTHER LAND USE (AFOLU) PROJECT ACTIVITIES, Sectoral Scope 14 (Description)	
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Section 2.2.1 of PDD
Aster Global Findings - Round 1	Section 2.2.1 of the PDD states that in the absence of the project, the landowner would have sold the land. The new land owner would have submitted a request to convert up to 75% of the native forest to cattle land. During the site visit the audit team learned that there is also substantial expansion of large scale agriculture specifically related to soy crops. It is unclear to the audit team why this land use scenario was not considered.
Round 1 NCR/CL/OFI	CL: Please clarify in line with the finding and if necessary please update the additionality assessment.

Round 1 Response from Project Proponent (DD Month YYYY)	Section 2.2.1 of the PD has been revised in response to this finding. The following text has been added "While cattle pasture is by far the most common reason for land conversion in the Chaco at present, it is possible—albeit much less likely—that soy bean agriculture will expand into the region. As a growing global commodity, soy beans can be a valuable cash crop. In South America, 7.9 million hectares of forest were converted to soy production between 2001-2015. While Paraguay has suffered deforestation at the hands of soy, this has overwhelmingly been in the east of the country, and is not yet very prevalent the Chaco; in 2019, 98% of soy agriculture in Paraguay was in the Atlantic, and 86% of forest conversion for soy occurred there too. According to the World Resource Institute's Global Forest Watch, "Soy cannot yet be considered a significant direct driver of deforestation in the Paraguayan Chaco, and conversion of forests is mainly linked to other commodities." Nevertheless, it is a risk, as the Atlantic forest in Paraguay has been further protected since 2004 by a Zero Deforestation law, making any conversion there illegal." Further, soy has been added as an alternative land use scenario.
Aster Global Findings - Round 2	Thank you for the clarification. Section 2.2.3 does not appear to be updated to align with the updates to Section 3.1.4 and 3.1.5. It also appears some text may have been erroneously been included in Section 2.2.3.
Round 2 NCR/CL/OFI	CL: Please clarify in line with the finding and update the PD if necessary.
Round 2 Response from Project Proponent (DD Month YYYY)	The text in Section 2.2.3 has been updated inline with this finding.
Aster Global Findings - Round 3	The audit team reviewed the updated Section 2.2.3 of the MR. All credible land use scenarios identified in Section 3.14 and 3.15 of the MR have not been considered pertaining to community and biodiversity additionality.
Round 3 NCR/CL/OFI	CL: Please update Section 2.2.3 of the MR to include all credible alternative land use scenarios identified in Section 3.1.4 and 3.1.5.
Round 3 Response from Project Proponent (DD Month YYYY)	Please see section 2.2.3 of the PD for revised text which has been updated to include text on each alternative land use scenario including Conversion to agriculture includes both of the following alternative land use scenarios: 1) conversion to soybean agriculture; and 2) conversion to pasture. and Maintain forest cover includes both of the following alternative land use scenarios: 1) continuation of pre-project land use; and 2) the project activity on the land without being registered as a VCS AFOLU project.

Aster Global Findings - Round 4	The audit team confirmed Section 2.2.3 of the PD has been appropriately updated in line with the finding. Item closed.

Item	42
Approved VCS Tool VT0001,Version 3.0 (1 February 2012), TOOL FOR THE DEMONSTRATION AND ASSESSMENT OF ADDITIONALITY IN VCS AGRICULTURE, FORESTRY AND OTHER LAND USE (AFOLU) PROJECT ACTIVITIES, Sectoral Scope 14 (Section)	2.1 Step 1. Identification of alternative land use scenarios to the proposed VCS AFOLU project activity
Approved VCS Tool VT0001,Version 3.0 (1 February 2012), TOOL FOR THE DEMONSTRATION AND ASSESSMENT OF ADDITIONALITY IN VCS AGRICULTURE, FORESTRY AND	The scenarios should be feasible for the project area taking into account relevant national and/or sectoral policies (Laws, statutes, regulatory frameworks or policies implemented since 11 November 2001 that give comparative advantage to less emissions-intensive technologies or activities relative to more emissions-intensive technologies or activities need not be taken into account) and circumstances, such as historical land uses, practices and economic trends.

OTHER LAND USE (AFOLU) PROJECT ACTIVITIES, Sectoral Scope 14 (Description)	
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Section 2.2.1 of PDD
Aster Global Findings - Round 1	The PP provides evidence supporting the feasibility of the scenario including published studies documenting deforestation in the Chaco region as well as maps showing the agricultural expansion from 1990-2020. However, it is unclear to the audit team how the differences in the maximum amount of land that is allowed to be cleared is incorporated into the land use scenarios.
Round 1 NCR/CL/OFI	CL: Please clarify in line with the finding.
Round 1 Response from Project Proponent (DD Month YYYY)	The maximum amount of land that is allowed to be cleared is not incorporated into the land use scenarios, nor is it required to be. The baseline scenario is conversion to pasture. The project area is limited to areas identified for conversion, and delineated, as part of the Alternative Use Plan and therefore following all local laws and regulation (as specified in the PD).

Aster Global Findings - Round 2	Thank you for the clarification. The project has elected to conduct a simple cost analysis, which is appropriate, and appropriately documented all costs associated with the VCS AFOLU project and has demonstrated that the activity produces no financial benefits other than VCS related income. This finding is closed.

Item	43
Approved VCS Tool VT0001,Version 3.0 (1 February 2012), TOOL FOR THE DEMONSTRATION AND ASSESSMENT OF ADDITIONALITY IN VCS AGRICULTURE, FORESTRY AND OTHER LAND USE (AFOLU) PROJECT ACTIVITIES, Sectoral Scope 14 (Section)	2.1 Step 1. Identification of alternative land use scenarios to the proposed VCS AFOLU project activity
Approved VCS Tool VT0001,Version 3.0 (1 February 2012), TOOL FOR THE DEMONSTRATION AND ASSESSMENT OF ADDITIONALITY IN VCS AGRICULTURE, FORESTR	iii) If applicable, activities similar to the proposed project activity on at least part of the land within the project boundary of the proposed VCS AFOLU project at a rate resulting from:

Y AND OTHER LAND USE (AFOLU) PROJECT ACTIVITIES, Sectoral Scope 14 (Description)	
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Section 2.2.1, Section 3.1.4 of PDD
Aster Global Findings - Round 1	It is unclear to the audit team why a land use scenario meeting this criteria is not considered.
Round 1 NCR/CL/OFI	CL: Please clarify in line with the finding.
Round 1 Response from Project Proponent (DD Month YYYY)	See response to finding 41.
Aster Global Findings - Round 2	There is no land use scenario in the additionality assessment that includes a VCS AFOLU project in only part of the project area. However, it is not required by the methodology. This finding is closed.

Item	44
Approved VCS Tool VT0001,Version 3.0 (1 February 2012), TOOL FOR THE DEMONSTRATION AND ASSESSMENT OF ADDITIONALITY IN VCS AGRICULTURE, FORESTRY AND OTHER LAND USE (AFOLU) PROJECT ACTIVITIES, Sectoral Scope 14 (Section)	2.1.2 Sub-step 1b. Consistency of credible land use scenarios with enforced mandatory applicable laws and regulations
Approved VCS Tool VT0001,Version 3.0 (1 February 2012), TOOL FOR THE DEMONSTRATION AND ASSESSMENT OF ADDITIONALITY IN VCS AGRICULTURE, FORESTRY AND OTHER LAND USE (AFOLU) PROJECT ACTIVITIES, Sectoral	i) Demonstrate that all land use scenarios identified in the sub-step 1a: are in compliance with all mandatory applicable legal and regulatory requirements;

Scope 14 (Description)	
Applicability to Project (Y or N/A)	Y
Requirement Met (Y, N or Pending)	Y
Evidence Used to Assess (Location in PD/MR or Supporting Documents)	Section 2.2.1, Section 3.1.4 of PDD
Aster Global Findings - Round 1	The audit team understands that maximum allowable deforestation within certain regions of the Chaco are 50% rather than 75%. It is unclear how the baseline scenario is in in compliance with this more restrictive allowable deforestation threshold.
Round 1 NCR/CL/OFI	CL: Please clarify in line with the finding.
Round 1 Response from Project Proponent (DD Month YYYY)	The baseline scenario is conversion to pasture. The project area is limited to areas identified for conversion, and delineated, as part of the Alternative Use Plan and therefore following all local laws and regulation (as specified in the PD). There is no issue as to whether 50% or 75% of the property is allowed for clearing as all laws and regulations are complied with.
Aster Global Findings - Round 2	Thank you for the clarification. This finding is closed.

APPENDIX C: CCB NCR/CL/OFI

- **General Section**
- **G1 Project Goals, Design and Long-term Viability**

Indicator G1.1 – Identify the primary Project Proponent which is responsible for the project's design and implementation and provide contact details.	Project Description (PD) title page block and PD section 2.1.3 identify Quadriz Paraguay S.A. as the Project Proponent with Marcel van Heesewijk as the primary contact. Contact information is provided in the PD title page block.
Evidence Used to Assess Conformance:	Project Description v1.0 (22 October 2021) title block information and PD section 2.1.3, site visit interviews with project management staff and project consultant.
Findings:	Project Proponent has been properly identified and contact information properly provided. Site visit interviews substantiate the role of the Project Proponent in project planning and development, including in the planned implementation of project activities. Item closed.
Date Closed:	5 January 2022

Indicator G1.2 – Define the project's climate, community and biodiversity objectives.	PD Section 2.1.1 includes nearly 2 pages of information about the project and the project activities planned for implementation.
Evidence Used to Assess Conformance:	PD Section 2.1.1, CCB Standards v3.1, CCB & VCS Project Description template instructions; interview with project proponent and project management staff
Findings:	CCB & VCS Project Description template instructions for Section 2.1.1 are: Provide a summary description of the project to enable an understanding of the nature of the project and its implementation, including the following (no more than one page): • A summary description of the technologies/measures to be implemented by the project. • The location of the project. • An explanation of how the project is expected to generate GHG emission reductions or removals. • A brief description of the scenario existing prior to the implementation of the project. • An estimate of annual average and total GHG emission reductions and removals. • The project's climate, community and biodiversity objectives. PD Section 2.1.1 provides a summary description of the technologies/measures to be implemented which

	consists of undertaking a VCS and CCB avoided planned deforestation project. PD Section 2.1.1 identifies the general location as the Paraguayan Chaco. PD Section 2.1.1 identifies avoided planned deforestation as the means by which the project is expected to generate GHG emission reductions or removals and further identifies the intention for this to be a grouped project that can be scaled to over 200,000 hectares (ha) of privately owned land. PD Section 2.1.1 does not clearly identify or provide a brief description of the scenario existing prior to the implementation of the project. PD Section 2.1.1 does not provide an estimate of annual average and total GHG emission reductions and removals. PD Section 2.1.1 identifies several objectives, but the objectives are not all clearly defined with a purpose in alignment with a climate, community, or biodiversity objective. Some of the summary descriptions provided following the list of objectives include information that appears to not provide commitments for implementation of specific activities, and some of the information is not clear or appears to conflict with information presented elsewhere in the PD. • The objective of "Forego Clearing and Conversion of the Project Area to Pasture" is explicit, but appears to reflect a landowner action, not the project objective. This objective does not indicate that planned deforestation for other purposes, such as agriculture, is included as part of the objective. This objective description also includes a comment regarding other undefined measures the project is undertaking with the private landowner to generate alternative revenue streams for forest areas, which do not appear to be described elsewhere in the PD. • The objective of "Health Services" appears to not be a full commitment for implementation under this project based on the language in this summary and language presented elsewhere in the PD. • The objective of "Raise Project Awareness" appears to not be a full commitment for implementation under this project based on the language in this summary and language presented elsewhere in the PD.

	• The purpose of the objective "Patrol and Monitor Deforestation" appears to include other activities geared towards preventing deforestation. Information presented in this section on the guard houses is not clear. • The purpose of establishing a Project Headquarters in the Chaco is understood. It is not clearly stated how this objective aligns with a specific CCB objective. The objective of establishing a secondary headquarters adjacent to the Project Area does not appear to be a full commitment for implementation. • The purpose of the objective "Monitor Wildlife in the Area" is not clearly identified. The species identified in this section is not the taxon as presently defined and listed by IUCN as Endangered. • PD Section 1.2 appears to equate Education with Training and appears to identify the same benefit to the same number of community members under both standardized benefit metrics.
Non-conformance Request (NCR):	A non-conformance was noted for this section based on required information not presented for two items required by the CCB & VCS Project Description template. Please provide the information required in this summary section concerning the scenario existing prior to the implementation of the project and an estimate of annual average and total GHG emission reductions and removals. Clarification is requested for the purpose of each identified objective and identifying how they align with clearly stated or defined CCB objectives. Clarification is requested to more clearly identify the conditions under which grouped project eligibility is being established. Clarification is requested for PD Section 1.2 for how training can be counted as "education" under CCB standardized benefit metrics. An opportunity for improvement was identified for condensing the summary description presented in Section 2.1.1 to no more than one page per the instructions presented in the CCB & VCS Project Description template.
Date Issued:	5 January 2022

Project Proponent Response/Actions and Date:	Section 2.1.1. has been revised and condensed to one page. (21 January 2022)
Evidence Used to Close NCR:	VVB confirmed PD Section 2.1.1 has been revised to include information on scenario existing prior to implementation of project and also now includes an estimate of annual average and total GHG emission reductions and removals. Clarification has been provided in PD Section 2.1.1 to demonstrate alignment of activities with CCB objectives. Clarification has been provided in PD Section 1.2 to differentiate benefits proposed for training versus education. PD Section 2.1.1 has been condensed onto one page. Item closed.
Date Closed:	21 February 2022

Indicator G1.3 – Provide the location (country, sub-national jurisdictions(s)) and a brief overview of the basic physical and social parameters of the project.	PD Section 2.1.5 provides information and mapping for the specific project area identified as the first project instance covered by the planned grouped project. Digital files were provided for the boundaries of the project area for this first project instance. PD Section 2.1.6 provides information for social parameters within the general Chaco region.
Evidence Used to Assess Conformance:	PD Sections 2.1.5 and 2.1.6, digital files of project area, CCB & VCS Project Description template instructions
Findings:	Descriptions provided for physical parameters are mostly provided as summaries for the Chaco region as a whole and the specific conditions for some parameters are not clearly identified for the first project instance property covered by this PD. Site-specific information for the first project instance property is provided for rainfall, surface hydrology stream features and forest cover. • A fuller description of the hydrology conditions (subsurface condition, or areas with seasonal flooding) is not described for the first project instance property. • Vegetation types specific to the first project instance property are not clearly identified in this section. The generalized vegetation description provided in PD Section 2.1.5 for the Chaco area is not clear and does not fully align with information presented in Figure 1.7. Descriptions for social parameters are mostly provided as summaries for the Chaco region as a whole or in part. The PD clearly states there are no

	communities living within the Project Area, which is understood in this context to be the first project instance property covered by this PD. • The term "Project" appears to be used to refer to the anticipated overall grouped project in some situations and in other situations to the property comprising the first project instance covered by this PD. The terms "Initial Project Area" and "Initial Project Instance" also appear to be used interchangeably throughout the document, along with other possible terms for this property. • PD Section 2.1.6 states that a local community, "Estancia Km. 11" is located within 20 km of the "Project", but Figure 2.2 depicts this community as more than 20 km from the Initial Project Instance property. Figure 2.1.6 does depict two indigenous communities as being within 20 km of the Initial Project Instance property which is in agreement with the description presented on indigenous communities in PD Section 2.1.6. • PD Section 2.1.6 does not identify whether the specific land use or economic activities present on the property comprising the first project instance covered by this PD. This section does not identify whether indigenous communities or the nearest non-indigenous local community have access to this privately held property for any purposes. • The information presented for "Relevant Historic Conditions" appears to be based on the larger landholding of which this Initial Project Instance property is a part. This section does not appear to clearly present relevant historic conditions pertaining specifically to the carbon component as required by the guidance in the CCB & VCS Project Description template instructions.
Clarification Request (CL):	Please provide clarification throughout the document through consistent use of terminology to describe the various components of the "Project", "Project Area" and property comprising the initial instance covered by the PD. Please provide clarification within Sections 2.1.5 and 2.1.6 for the various physical and social parameters as they are applicable to the property comprising the initial instance covered by the PD.

	Please provide clarification for the relevant historic conditions as they pertain specifically to the carbon component of the project.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	"Project," "Project Area," "Project Instance" has been clarified throughout the PD. Reference to Km. 11 being within 20km of the initial project, which was an error, has been removed from the PD. Additional hydrology, land use / economic activities, and history of carbon information have been added to the PD, Section 2.1.5 and 2.1.6. Further, Figure 1.7 has been removed. (21 January 2022)
Evidence Used to Close CL:	VVB confirmed PD Section 2.1.5 now provides clear descriptions and definitions for "Initial Project Area", "Initial Project Instance", "Initial Project Property", "Initial Project Zone", "Project Zone", and "Corazón Verde del Chaco Project" (or "Project"). Terminology consistently applied throughout PD. VVB confirmed PD revised to correct information on communities within 20 km of the Initial Project Instance, to provide additional information on hydrology, land use/economic activities, and relevant history related to carbon stocks. Item closed.
Date Closed:	21 February 2022

Indicator G1.4 - Define the boundaries of the Project Area where project activities aim to generate net climate benefits and the Project Zone where project activities are implemented.	The CCB Standards v3.1 define 'project area' as the land area in which project activities aim to generate net climate benefits. The CCB Standards v3.1 define 'Project zone' as the area encompassing the project area in which project activities that directly affect land and associated resources, including activities such as those related to provision of alternative livelihoods and community development, are implemented. For grouped projects, the project zone also includes all potential project areas (i.e., all potential new land areas in which project activities that aim to generate net climate benefits may be implemented in the future after the initial validation).

	PD Section 2.1.7 provides maps identifying initial project area and project zone for initial project area, and grouped project boundary.
Evidence Used to Assess Conformance:	PD Section 2.1.7, digital files of project area, CCB & VCS Project Description template instructions, site visit interviews with project management staff and project consultant
Findings:	PD Section 2.1.7 Figure 2.6 identifies the initial project area. Figure 2.2 identifies a project zone for the initial project area. Figure 2.3 identifies the limits of the three Departments as constituting the limits of the grouped project boundary. PD Section 2.1.7 does not narratively describe or define the boundaries of the Project Area or the Project Zone or identify how they were determined.
Clarification Request (CL):	Because this is intended to be a grouped project, please provide clarification for the extent of the initial project area and how it was defined and determined. Because this is intended to be a grouped project, please provide clarification for the extent of the project zone for the initial project area and how it was defined and determined. Because this is intended to be a grouped project, please provide clarification for the extent of grouped project zone and how it was defined and determined.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	The following has been added to the beginning of Section 2.1.7.: “The extent of the Initial Project Instance was determined as the area of the property as defined in Quadriz’s contract with Atenil. An Alternative Use Map was then prepared for this property to indicate which areas of the property are eligible for clearing in the baseline (see Figure 2.4). The resulting area was further limited to include only existing forest at the time of the project start. Finally, a buffer along the primary road was generated and removed from the eligible Initial Project Instance area. The extent of the project zone for the initial project area is a 20 km buffer around the initial project property. The extent of the grouped project zone will be the combination of 20km buffers around each project property.” (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 2.1.7 has been revised to provide clarification on the extent of the initial project area and how it was defined and determined. Terminology used is consistent with the descriptions and definitions provided in PD Section

	2.1.5. The section also provides updated maps to depict proposed project activities identified within the Initial Project Instance. Item closed.
Date Closed:	22 February 2022

Indicator G1.5 - Explain the process of stakeholder identification and analysis used to identify Communities, Community Groups and Other Stakeholders.	PD Section 2.1.8 provides a summary of the stakeholder identification process utilized for this project, referencing the Social and Biodiversity Impact Assessment (SBIA) Manual for REDD+ Projects: Part 2 – Social Impact Assessment Toolbox.
Evidence Used to Assess Conformance:	PD Section 2.1.8, PD Appendix 2, SBIA Manual for REDD+ Projects: Part 2, site visit interviews with project management staff and project consultant
Findings:	The process by which stakeholders were identified is not clearly presented. Instructions for PD Section 2.1.8 from the CCB & VCS Project Description template are to explain the process of stakeholder identification and analysis, which should include an assessment of rights, interests, and relevance to the project, used to identify communities, community groups within them, and other stakeholders. • PD Section 2.1.8 is not clear on how the ranking table (Table 2.1) was used for the Initial Project Instance or would be used for other instances within the grouped project determination. • PD Section 2.1.8 does not identify the process by which Communities were included or not included for consideration. • PD Section 2.1.8 does not identify how Community Groups were assessed or document why Community Groups are not being considered for this project. • PD Section 2.1.8 states that the Project Proponents conducted a detailed stakeholder identification and engagement process. Information has not been provided documenting the engagement process with each of the stakeholders identified in Appendix 2.
Clarification Request (CL):	Please provide clarification for the process used for stakeholder identification and the analysis used to identify Communities, Community Groups, and other Stakeholders. Please provide clarification for the process used to exclude identification of Community Groups as part of this process. Please clarify how and whether

	Community Groups should be considered for other project instances under the grouped project. Please provide clarification for the engagement process used as part of the stakeholder identification and/or analysis.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.1.8 and Appendix 1 have been revised to better explain how the ranking table was used for the Initial Project Instance and how the ranking table will be used for other project instances. Section 2.1.8 and Appendix 1 were also revised to identify the process by which communities were included (or not) and for how community groups were assessed. IADB has been removed as an "Other Stakeholder," as they are not very involved with REDD+ work in Paraguay. Guyra Paraguay / BirdLife International and Solidaridad Network will be engaged in 2022. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed the PD has been revised to provide the clarification requested. Appendix 1 of the PD provides a detailed explanation of the stakeholder identification and ranking process. Rights, interest, and relevance of each identified stakeholder group has been provided. The PD also identifies potential community groups identified through the engagement process and provides an explanation for why ethnic community groups were not considered independently of each other within the communities located within 20 km of the first project instance. The PD is clear on the process by which local communities and potential community groups are to be considered for future project instances. Item closed.
Date Closed:	22 February 2022

Indicator G1.6 -List all Communities, Community Groups and Other Stakeholders identified using the process explained in G 1.5.	PD Section 2.1.9 refers to PD Appendix 2 for the list of stakeholders identified for the project.
Evidence Used to Assess Conformance:	PD Section 2.1.9 and Appendix 2, CCB & VCS Project Description template instructions
Findings:	Instructions for Indicator G1.5 within PD Section 2.19 from the CCB & VCS Project Description template are to list all communities, community groups, and other stakeholders, including a description of how each stakeholder was identified and their relevance to project activities. Additional instructions for

	grouped projects are provided separately under Indicator G1.13. PD Section 2.1.9 does not clearly identify the relevance to project activities for all stakeholders listed through the process covered by Indicator G1.5, or why some of these entities are listed as stakeholders. PD Section 2.1.9 nor Appendix 2 list the specific Communities identified as part of the project zone elsewhere in the PD, and PD Section 2.1.8 is not clear on why Community Groups are not being considered by this project.
Clarification Request (CL):	Please clarify which Communities are included by the project and why Community Groups are not included. Please clarify the relevance to project activities of all other stakeholders listed in the PD. An opportunity for improvement exists to renumber Appendix 2 (Stakeholder Identification Table) as Appendix 1 consistent with the CCB & VCS Project Description template and to move (and renumber) the VCS Non-Permanence Risk Report into the Appendix designated for Project Risks or Additional Information.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	The Stakeholder Identification Table has been moved to Appendix 1 and the VCS Non-Permanence Risk Report has been moved to Appendix 2. The new Appendix 1 has been updated to identify the relevance of project activities to all stakeholders and updated to include specific communities. Section 2.1.8 has been revised to clarify why Community Groups are not being considered by the project. Section 2.1.9 has been updated to clarify which communities are included. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed the PD has been revised to provide the clarification requested. Appendix 1 of the PD provides a detailed explanation of the stakeholder identification and ranking process. Rights, interest, and relevance of each identified stakeholder group has been provided. PD Section 2.1.9 also identifies potential community groups identified through the engagement process and provides an explanation for why community groups were not considered independently of each other

	within the communities located within 20 km of the first project instance. The VVB opted to make changes in the Appendix sequencing as identified by the opportunity for improvement, and now aligns more closely with the template. Item closed.
Date Closed:	22 February 2022

Indicator G1.7 - Provide a map identifying the location of Communities and the boundaries of the Project Area(s), of the Project Zone, including any High Conservation Value areas (identified in CM1 and B1), and of additional areas that are predicted to be impacted by project activities identified in CL3, CM3 and B3.	PD Section 2.1.7 presents maps identifying the location of Communities in relation to the Initial Project Instance property and project zone for the Initial Project Instance property (Figure 2.2), boundaries of the project area for the Initial Project Instance property (Figure 2.6), and project zone for the grouped project boundary (Figure 2.3).
Evidence Used to Assess Conformance:	PD Section 2.1.7, PD Section 4.1.3 (for CM1.2), PD Sections 4.3.1 through 4.3.3 (for CM3.1 through CM3.3), PD Section 5.1.2 (for B1.2), PD Sections 5.3.1 through 5.3.2 (for B3.1 through B3.3), PD Figure 3.3 (for CL3 – Leakage), site visit interviews with project management staff, site visit interviews with community leader and community members in Maria Auxiliadora indigenous community
Findings:	PD Section 2.1.7 states that the main HCV identified by the Maria Auxiliadora indigenous community is the Chaco Forest. Site visit interviews by the VVB suggested that the HCV identified by the community was more limited in nature, appearing to be reflected more by the 30,000 ha of community lands rather than by the entire Chaco. The San Isidro indigenous community was not visited due to lack of permission and a reported unwillingness by the community to participate in discussions or other involvement with the project. In the absence of direct confirmation from the San Isidro indigenous community, it would be assumed that their main HCV area would be their communal lands for the same reasons identified by the nearby Maria Auxiliadora indigenous community. PD Section 2.1.7 does not contain a map identifying community lands of the Maria Auxiliadora indigenous community, or of the San Isidro indigenous community. PD Section 5.1.2 identifies the Chaco Forest as a HCV related to biodiversity. PD Section 2.1.7 does

	not contain a map depicting the area of Chaco Forest identified as HCV within the project zone either for the initial instance property or for the grouped project zone. Figure 2.3, the grouped project boundary, presented in PD Section 2.1.7 depicts the same area as the potential offsite leakage zone identified under CL3 as presented in Figure 3.3 in PD Section 3.1.3.
Clarification Request (CL):	Please provide clarification on the extent of area(s) considered to provide HCV for the indigenous communities within the project zone of the Initial Project Instance property and as appropriate, please depict these HCV areas on mapping within PD Section 2.1.7. Please also identify the locations of any other project activities, such as the established project headquarters, on mapping within PD Section 2.1.7.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	A map has been added to Section 2.1.7. to identify the community lands of the Maria Auxiliadora and San Isidro community lands and their HCV in the initial project zone. Another map was added to identify the location of the Project's regional Chaco headquarters at Santa Rosana, the Project's local headquarters, and the visitor center, along with the location of the two guard houses. (21 January 2022)
Clarification Request (CL):	The VVB confirmed PD Section 2.1.7 has been revised to provide mapping depicting the location of identified project activities including project headquarters and planned visitor center and guard houses on the first project instance property. Mapping provided in the PD depicts the locations of the indigenous communities within the initial project zone, but the area mapped for the Maria Auxiliadora indigenous community appears much smaller than the approximately 30,000-ha extent the VVB understood from interviews with the Maria Auxiliadora indigenous community leader constituted community lands identified as being used for forest products and hunting and that may be considered an HCV area for this community. Please provide clarification as appropriate for the extent of lands legally recognized or otherwise

	identified by the indigenous communities in the project zone as community lands or otherwise being utilized and that may be considered HCV. This information is being requested to substantiate the assertion there is no overlap between the Initial Project Instance and area reported as utilized by the Maria Auxiliadora for forest products and hunting, or by any other indigenous community for similar uses.
Date Issued	22 February 2022
Project Proponent Response/Actions and Date:	The official land area for the Maria Auxiliadora, as recognized by the Paraguayan Government and as reported by LandMark, is approximately 90 hectares. This is the area included in the PD. The 30,000 hectares reported by the Maria Auxiliadora community might be their historical lands. During the community consultations and interviews with the Maria Auxiliadora, a map of the Initial Project Instance was shown and it was stated there was no overlap or use of the Initial Project Instance. Footnotes to explain this discrepancy have been added to the PD. (25 February 2022)
Clarification Request:	The VVB confirmed a footnote has been added to provide clarification for the officially recognized land area for the Maria Auxiliadora indigenous community. The mapping source referenced in the footnote, LandMark (http://www.landmarkmap.org/map/), identifies the location and extent of indigenous lands consistent with the presentation of these areas in Figure 2.2A of the PD. Information available through the website Tierras Indígenas (https://www.tierrasindigenas.org/Mapa) reviewed by the VVB also substantiates the extent of land depicted in Figure 2.2A of the PD for the Maria Auxiliadora and San Isidro indigenous communities. The discrepancy between the official land area identified for the Maria Auxiliadora indigenous community in the PD, reported as approximately 90 hectares, and the 30,000 hectares of lands mentioned during the site visit interview with the leader and members of the Maria Auxiliadora community requires more detailed clarification than what is currently available to the VVB. Resolution of this finding is pending the opportunity to seek additional clarification from the indigenous community, and appropriate government representatives from the Instituto Paraguayo del

	Indígena, regarding lands that are legally titled to the community and other lands available for use by the community that would be considered HCV to the community. The VVB has requested the opportunity to meet with the community leader of Maria Auxiliadora again during the pending second site visit, and has requested the Project Proponent make appropriate efforts to seek a meeting for the VVB with the San Isidro indigenous community as well.
Date Issued:	22 March 2022
Project Proponent Response/Actions and Date:	In response to your inquiry on the 30,000 ha block owned by Maria Auxioladora we have prepared the attached. It outlines: 1) A 30,113 ha property, called Riacho Mosquito, which appears to be titled but not georeferenced. 2) This property appears to be titled land shared between the communities of Boquerón Cué, Machete Vaina, María Auxiliadora, Castilla, and San Isidro Km 39. 3) The steps taken and resources used to arrive at the above conclusions. 4) The Riacho Mosquito property does not overlap any of the project area. Please let us know if you have any questions in this regard. (Via email 18 May 2022)
Findings (Round 4):	Indicator G1.7 requires the Project Proponent provide a map identifying the location of Communities and the boundaries of the Project Area(s), of the Project Zone, including any High Conservation Value areas (identified in CM1 and B1), and of additional areas that are predicted to be impacted by project activities identified in CL3, CM3 and B3A. Although mapping and descriptions provided to the VVB as supplemental documentation identify the approximately 30,000 ha of land identified as titled to the Maskoi Indigenous Communities including Maria Auxiliadora and San Isidro, and several other indigenous communities in the vicinity of Puerto Casado, the extent of this shared community land is not identified in Section 2.1.7 of the PD or in figures within the PD. The PD has not been updated to incorporate the information provided by the supplemental materials, and the PD contains statements about the status of the approximately 30,000-ha indigenous community lands that conflict with the supplemental information provided on 18 May 2022. The approximately

	30,000-ha community lands are identified in text as an HCV for the indigenous community, but the extent of this HCV is not depicted on maps of the project zone. The supplemental information provided to the VVB identified variations in the boundaries and size of the community property, identified as Riacho Moquito, with size attributed as between 30,113 ha and 30,614 ha.
Nonconformance Request (NCR):	Please address requirements for Indicator G1.7 in line with the findings. Please also provide clarification for the appropriate legal status, size, and boundaries of the indigenous community lands that constitute the HCV within the project zone.
Date Issued:	15 June 2022
Project Proponent Response/Actions and Date:	The text within the PD has been updated to clarify the 30,113 ha community lands (i.e., Riacho Mosquito) owned by the local communities. The following footnote was added to the PDD "According to the Atlas de Comunidades de Pueblos Indígenas en Paraguay, DGEEC, 2012- page 260 (document based on the last census of 2012). The communities Boquerón Cué, Machete Vaina, María Auxiliadora, Castilla, and San Isidro Km 39 share titled lands. These lands are titled in the name of Riacho Mosquito which has 30,113 ha of the legal area that is consistent to the registry of Riacho Mosquito." Further Figure 2.8a has been updated.
Evidence Used to Close NCR:	The VVB reviewed the Atlas de Comunidades de Pueblos Indígenas en Paraguay and confirmed the referenced communities share titled lands in the name of Riacho Mosquito and that the appropriate footnote has been added for clarification. The VVB confirmed that Figure 2.8a has been appropriately updated to portray the extent of the area referred to as Riacho Mosquito, which were confirmed by the indigenous community. Item closed.
Date Closed:	05 July 2022

Indicator G1.8 - Briefly describe each project activity and the expected outputs, outcomes and impacts of the	PD Section 2.1.11 describes six main project activities. A Project Activities and Theory of Change Table is presented for each of the six project activities.

activities identifying the causal relationships that explain how the activities will achieve the project's predicted climate, community and biodiversity benefits.	
Evidence Used to Assess Conformance:	PD Section 2.1.11, interviews with project management staff and project consultant
Findings:	The PD presents each identified project activity and describes the expected outputs, outcomes, and impacts of the activities. Causal relationships are identified along with explanations of how the Project Proponent anticipates the activities will achieve the project's predicted CCB benefits. The "Health Services" section appears to suggest that this benefit would not be offered with implementation of just the first project instance. The "Establish a Project Headquarters" section does not appear to be clearly linked to a climate, community, or biodiversity benefit. The "Raise Project Awareness" section provides information in the text narrative that does not appear to be reflected in the activity description or outputs, outcomes, or impacts. The "Monitor Wildlife in the Area" section identifies monitoring wildlife as a project activity, but the relevance of the proposed monitoring to the project's objectives is not clearly described. The "Monitor Wildlife in the Area" section also identifies the tapeti as an endangered species within the Chaco region, which is based on confusion created by IUCN by its recent adoption of a redefined species concept for this taxon. The taxon or taxa of tapeti present within Paraguay are not the more narrowly defined "*Sylvilagus brasiliensis*" taxon now listed as endangered by IUCN (which is a former subspecies limited to the coastal zone of two states of eastern Brazil).
Clarification Request (CL):	Please provide clarification of the status of the Chaco Med objective and whether it would be a benefit implemented with the first project instance of the planned group project. Please provide clarification for whether establishing a visitor center is a project objective and should be an activity described with expected outputs, outcomes, and impacts.

	Please provide clarification for how establishing the project headquarters is linked to a climate, community, or biodiversity benefit. Please provide clarification for the objective of monitoring wildlife. Please also provide clarification on the status of cottontail species (*Sylvilagus* sp.) documented within the project area or project zone.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.1.11 has been updated. In addition, all references to the *Sylvilagus brasiliensis* have been removed from the PD. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed clarification has been provided within PD Section 2.1.11 for the project objectives as well as how the identified project activities identified by the Project Proponent, through outputs, outcomes, and impacts, contribute to the project's predicted climate, community, and biodiversity benefits. Item closed.
Date Closed:	22 February 2022

Indicator G1.9 - Define the project start date and lifetime, and GHG accounting period and biodiversity and community benefits assessment period if relevant, and explain and justify any differences between them. Define an implementation schedule, indicating key dates and milestones in the project's development.	PD Section 2.1.13 contains a table listing key dates and milestones achieved through August 2021, along with selected milestones anticipated for completion of validation and expected registration, and tentative dates for second rounds of community surveys and wildlife monitoring. PD Sections 2.1.14 through 2.1.16 address other aspects of the project lifetime, crediting period, and CCB benefits assessment period.
Evidence Used to Assess Conformance:	PD Sections 2.1.13 through 2.1.16, adjustment in schedule for initial verification, interviews with project management staff, review of support documents provided by Project Proponent justifying project start date used
Findings:	PD Section 2.1.14 defines the project start date and provides justification for this date as the project start date which is supported by supplemental documents provided to the VVB. PD Section 2.1.15 Table 2.2 defines the project lifetime, GHG crediting period, and benefits assessment period, all of which are identified as 1 July 2020 through 30 June 2050, a 30-year period. The PD identifies the potential to renew the agreement with the landowner. PD Section 2.1.16 clearly states there are no differences between the

	Benefits Assessment Period and Project Crediting Period. PD Section 2.1.13 contains a table listing key dates and milestones achieved through August 2021, along with selected milestones anticipated for completion of validation and expected registration, and tentative dates for second rounds of community surveys and wildlife monitoring. One adjustment was noted for the anticipated schedule related to the tentative date for completing the first monitoring report for the initial project implementation and verification of the monitoring report. Per notification from the Project Proponent, completion of the first monitoring period and report and subsequent verification is now anticipated in 2022 rather than 2021. An opportunity for improvement was noted regarding addition of future milestones anticipated for the project for reference during the next verification period, such as baseline updates and tentative second verification period.
Clarification Request (CL):	Please provide clarification in Section 2.1.13 for the new anticipated dates for the first verification.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	The PD has been updated with the anticipated dates for the initial verification, as well as the anticipated dates for the baseline updates and the tentative second verification. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed the Implementation Schedule has been updated to reflect the change in anticipated validation and first verification. The Project Proponent opted to include anticipated future milestones for second monitoring and verification and project baseline revision. Item closed.
Date Closed:	22 February 2022

Indicator G1.10 - Identify likely natural and human-induced risks to the expected climate, community and biodiversity benefits during the project lifetime and outline measures needed and *taken* to mitigate these risks.	PD Section 2.1.18 addresses potential natural and human-induced risks and outlines potential mitigation measures needed to minimize these risks.
Evidence Used to Assess Conformance:	PD Section 2.1.18, site visit interviews with project management staff, indigenous community members, landowner, and INFONA staff

Findings:	Site visit interviews substantiated the three main risks identified in PD 2.1.18. The mitigative measures identified in PD 2.1.18 appear to be appropriate measures that would minimize these risks following implementation. An opportunity for improvement was noted for removing the information concerning invasive species, which appears to be redundant with PD Section 5.2.6. The risk for these introductions was determined to not be likely and therefore does not need to be included in PD Section 2.1.18, which requires only identifying "likely" risks. An opportunity for improvement does not require action by the Project Proponent for the VVB to close this item. Item closed.
Project Proponent Response/Actions and Date:	The invasive species information in Section 2.1.18 has been removed from the PD. (21 January 2022)
Evidence Used to Close OFI:	The Project Proponent opted to address the OFI and the VVB confirmed the changes to PD Section 2.1.18 as noted by the Project Proponent. Item closed.
Date Closed:	22 February 2022

Indicator G1.11 - Describe the measures needed and *taken* to maintain and enhance the climate, community and biodiversity benefits beyond the project lifetime.	PD Section 2.1.19 provides general discussion regarding potential benefit permanence.
Evidence Used to Assess Conformance:	PD Section 2.1.19, site visit interviews with project management staff and landowner
Findings:	PD Section 2.1.19 does not clearly identify the measures needed to maintain and enhance the CCB benefits beyond the project lifetime. Interviews with project management staff and landowner identified the potential but not specific plans, or commitment, for measures needed to maintain or enhance the CCB benefits beyond the project lifetime. Some of the potential benefits (specifically visitor center and Chaco med) appear to be described in other parts of the PD as contingent on other project instances added to the grouped project.
Clarification Request (CL):	CCB & VCS Project Description template instructions for Section 2.1.19 are to describe the measures needed and designed to maintain and enhance the climate, community, and biodiversity benefits beyond the project lifetime. Please provide clarification in Section 2.1.19 to clearly identify how the measures identified are measures needed and

	specifically designed to maintain and enhance the CCB benefits beyond the project lifetime. Please clarify whether the visitor center and Chaco med facility/program will be implemented if no other project instances are added to the grouped project.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.1.19 has been updated to clarify the measures needed and specifically designed to maintain and enhance the CCB benefits beyond the project lifetime. Section 2.1.19 was also updated to clarify that the visitor center and Chaco Med will be implemented even if no other project instances are added to the grouped project. (21 January 2022)
Evidence Used to Close CL:	The VVB has reviewed the clarifications provided in PD Section 2.1.19. The descriptions provided in PD Section 2.1.19 more clearly identify and describe measures identified by the Project Proponent as needed to maintain and enhance the climate, community, and biodiversity benefits beyond the project lifetime. Item closed.
Date Closed:	22 February 2022

Indicator G1.12 - Demonstrate that financial mechanisms adopted, including actual and projected revenues from GHG emissions reductions or removals and other sources, provide an adequate actual and projected flow of funds for project implementation and to achieve the project's climate, community and biodiversity benefits.	PD Section 2.1.20 provides a general summary describing a detailed pro forma developed by the Project.
Evidence Used to Assess Conformance:	PD Section 2.1.20, PD Section 2.1.11, review of supplemental financial information provided by Project Proponent, interview with project management staff, review of project benefits proposed by the Impact Reforestation in the Chaco Project (a separate VCS/CCB project under validation)
Findings:	CCB & VCS Project Description template instructions for Section 2.1.20 are to demonstrate that financial mechanisms adopted provide an adequate actual and projected flow of funds for project implementation and to achieve the project's climate, community and biodiversity benefits, and to provide evidence of actual and/or projected

	revenues from GHG emissions reductions and/or removals and/or other sources. Financial information provided for VVB review is not clear on how project activities identified as community benefits, for example Chaco Med and the proposed Visitor Center, are accounted for and whether projected flow of funds is adequate for implementation of these project activities. Financial mechanisms are not clear on contributions of the Impact Reforestation in the Chaco Project and the Corazon Verde del Chaco Project towards the Chaco Med and Visitor Center identified as community benefits being proposed under both VCS/CCB projects by different Project Proponents.
Clarification Request (CL):	Please provide clarification on how community benefits proposed under the Corazon Verde del Chaco project are accounted for and how or whether projected flow of funds would be adequate for implementation of the project's proposed community benefits. Additionally, please provide evidence to support statements made regarding the costs of implementation of community benefits. Please provide clarification for the financial mechanism covering contributions for both the Impact Reforestation in the Chaco Project and the Corazon Verde del Chaco Project towards the Chaco Med and Visitor Center, as well as any other identified community benefits being claimed by both projects.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	A detailed pro forma has been developed to clarify the funds needed for community benefits and to clarify how funding will be shared between for Impact Reforestation in the Chaco Project and the Corazon Verde del Chaco Project. In addition, a Letter of Support from Quadriz's CFO has been prepared. (14 February 2022)
Clarification Request (CL):	Please provide clarification as to why there are no costs associated with the line items "Technical Development Services", "Validation/Verification Support", and "Baseline Revalidation Work" in Quadriz's Pro Forma. If necessary, please update this workbook.

	Please provide clarification as to why inventory costs in Year 2021 appear to only account for a single inventory and do not include the re-inventory cost in Quadriz's Pro Forma. If necessary, please update this workbook. Please provide clarification as to why there are no costs associated with the line items "Technical Development Services" and "Validation/Verification Support", in Investancia's Pro Forma. If necessary, please update this workbook. The VVB found no line item for airstrip construction. It is unclear to the VVB how Chaco Med operates without multiple airstrips. Please clarify why there is no line item for airstrip/s construction/renting fee that will be necessary to operate Chaco Med. The PDD states "The Project Proponent is currently looking into where to house the medical services." The VVB was unable to find a line item related to housing medical services that is part of Chaco Med. Please clarify how costs associated with where medical services (a physical building) from Chaco Med are to be conducted are incorporated into the cash flow analysis. Please clarify how costs associated with medical care such as medical supplies, medical devices, etc. from Chaco Med are incorporated into the cash flow analysis.
Date Issued:	22 February 2022
Project Proponent Response/Actions and Date:	No costs were included for the line items "Technical Development Services", "Validation/Verification Support", and "Baseline Revalidation Work" in Quadriz's Pro Forma and Investancia's Pro Forma because the service provider will receive a revenue share from sale of VCUs (as included in the Pro Forma) instead of receiving development fees. The revenue in the Pro Forma has been adjusted accordingly. Quadriz (and Investancia) will not have to contract multiple airstrips and nor are there going to be costs associated with landing fees. Thus, this line item has been excluded from the Pro Forma. Additional explanatory language has been added to the PD in Section 2.1.11. The costs for the construction of a physical building for Chaco Med has been added to the Pro Forma,

	along with the extra costs for Quadriz for a second forest inventory. (25 February 2022)
Clarification Request (CL):	The VVB acknowledges and confirms that additional information and clarification has been provided in the Pro Forma and in PD Section 2.1.11. Based on the response provided for the airstrips planned to be used to support Chaco Med, further clarification will be required for two items: 1) to identify the nearest airstrip or airstrips that would be proposed to provide future Chaco Med service for the Maria Auxiliadora indigenous community; and 2) to identify how the community members of the Maria Auxiliadora would access the Chaco Med services. The VVB noted during site visit interviews that the Maria Auxiliadora community leader identified access to appropriate and reliable transportation during medical emergencies as a concern for the community. Community Impacts (Indicator CM2.1) findings may need to be reconsidered depending on these accessibility concerns. Clarification will also be required regarding discrepancies in the emissions reductions reported in the Pro Forma and PD. Full resolution of this Finding is pending completion of the VCS validation of carbon stocks during the pending second site visit, and resolution of associated VCS findings.
Date Issued:	22 March 2022
Project Proponent Response/Actions and Date:	
Findings (Round 4):	No response was provided to this finding and the VVB did not identify any changes in the PD addressing the request for clarification regarding access to ChacoMed by residents of Maria Auxiliadora. The VVB noted during site visit interviews that the Maria Auxiliadora community leader identified access to appropriate and reliable transportation during medical emergencies as a concern for the community. Community Impacts (Indicator CM2.1) findings may need to be reconsidered depending on these accessibility concerns. Discrepancies in the emissions reductions reported in the Pro Forma and PD, and the potential impact of these discrepancies on availability and flow of funds to support climate, community, and biodiversity benefits are being addressed through the concurrent

	VCS review. Full resolution of this Finding was pending completion of the VCS validation of carbon stocks during the second site visit, and resolution of associated VCS findings.
Clarification Request (CL):	Please provide clarification in the PD in line with the findings. Please provide clarification for two items: 1) to identify the nearest airstrip or airstrips that would be proposed to provide future Chaco Med service for the Maria Auxiliadora indigenous community; and 2) to identify how the community members of the Maria Auxiliadora would access the Chaco Med services.
Date Issued:	15 June 2022
Project Proponent Response/Actions and Date:	The following text was added to Section 2.1.11: “Chaco Med will initially be accessed by Maria Auxiliadora by contacting Quadriz which will facilitate and provide local transport to the Chaco Med Facility. This may include transport to the airstrip nearest the Maria Auxiliadora community, namely “Pista Municipal de Puerto Casado” which is located in Barrio Don Bosco (Coordinates: 22°17'13.8"S 57°55'57.7"W).”
Evidence Used to Close CL:	The audit team confirmed that the text added to Section 2.1.11 of the PDD adequately addresses the VVB’s findings. Item closed.
Date Closed:	05 July 2022

Indicator G1.13 - Specify the Project Area(s) and Communities that may be included under the grouped project approach, *and identify any new Project Area(s) and Communities that have been included in the project since the last CCB validation or verification.*	Indicator G1.13 is identified as to be included as part of PD Section 2.1.9 by the CCB & VCS Project Description template.
Evidence Used to Assess Conformance:	PD Section 2.1.9, PD Appendix 2
Findings:	Information on project area(s) and communities that may be included under the grouped project approach is not presented in PD Section 2.1.9.
Non-conformance Request (NCR):	CCB & VCS Project Description template instructions for Section 2.1.9 for grouped projects are to identify communities that may join the project. A non-conformance was noted in that the PD does not identify communities that may join the project. Please provide information in PD Section 2.1.9 as required for specifying the project area(s) and

	identifying communities that may join the project under the grouped project.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.1.9 has been revised to identify which communities may join the project. (21 January 2022)
Evidence Used to Close NCR:	The VVB confirmed the Project Proponent has revised PD Section 2.1.9 to state that all communities living within Project Areas and all communities living within 20 km of future project instances may be considered for inclusion under the grouped project approach. Item closed.
Date Closed:	22 February 2022

Indicator G1.14 - Specify the eligibility criteria and process for project expansion under the grouped project *and demonstrate that these have been met for any new Project Areas and Communities that have been included in the project since the last validation or verification against the CCB Standards.*	PD Section 2.1.21 outlines general points identified as applying to all new grouped project instances.
Evidence Used to Assess Conformance:	PD Section 2.1.21, referenced sections identified in PD Section 2.1.21, CCB & VCS Project Description template instructions for Section 2.1.21
Findings:	Indicator G1.14 requires specifying the eligibility criteria for project expansion under the grouped project. PD Section 2.1.21 references 12 points identified as applying to all new grouped project instances. Most of these points reference other sections of the PD. Many of the referenced sections of the PD do not appear to fully or clearly support the statement of the point in PD Section 2.1.21. Some of the referenced sections appear to be specific to the first project instance property. Indicator G1.14 requires specifying the process for project expansion under the grouped project. PD Section 2.1.21 does specify the process for project expansion under the grouped project.
Non-conformance Request (NCR):	A non-conformance was noted for Section 2.1.12 in that the process for project expansion under the grouped project is not specified. Please specify the process for project expansion under the grouped project.

	Please provide clarification within PD Section 2.1.12 for the specific eligibility criteria for project expansion under the grouped project.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.1.21 has been revised to specify the process for project expansion under the grouped project. Can the auditors provide more information on the statement "Many of the referenced sections of the PD do not appear to fully or clearly support the statement of the point in PD Section 2.1.21. Some of the referenced sections appear to be specific to the first project instance property" Rework 2.1.21 Example provide health services or access to health services, such as build hospital and buy plane (21 January 2022)
Evidence Used to Close NCR:	The VVB confirmed PD Section 2.2.1 has been revised as stated by the Project Proponent to specify the process for project expansion under the grouped project. The VVB provided general clarification during a call to review Round 1 findings. The VVB confirmed revisions made within PD Section 2.1.21 as well as sections referenced in PD Section 2.1.21 have been revised as appropriate to clarify actions and activities specific to the first project instance versus eligibility requirements and contributions to project objectives to be required from future project instances added to the grouped project. Item closed.
Date Closed:	22 February 2022

Indicator G1.15 - Establish scalability limits, if applicable, and describe measures needed and *taken* to address any risks to climate, community and biodiversity benefits if the project expands beyond those limits.	PD Section 2.1.21 part 2 identifies the objective for scaling conservation activities to "over 300,000 ha". The PD further states that up to this project size the project "does not face severe scalability limits". PD Section 2.1.21 part 3 states that scalability limits for a 300,000+ hectares REDD+ project in the Chaco Region of Paraguay are not applicable.
Evidence Used to Assess Conformance:	PD Section 2.1.21, interviews with project management staff
Findings:	Interviews with senior project management staff substantiate that the Project Proponent has the economic and managerial capacity and expertise to scale the project to 300,000 ha or more. No

	negative impacts were identified on biodiversity from scaling the project to 300,000 ha or more. The PD is not clear whether the 300,000 ha threshold is being proposed as the scalability limit for this grouped project. Based on the statement in the PD that up to this size (in reference to "over 300,000 hectares"), the project does not face "severe scalability limits", it is not clear whether scalability limits are applicable, and if so, whether a risk mitigation approach is applicable.
Clarification Request (CL):	Please clarify whether the 300,000-ha threshold is being proposed as the scalability limit for this grouped project.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.1.21 part 3 has been revised to specify that incorporating 300,000 hectares, or more, is the goal of this grouped project, not the Project's threshold. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 2.1.21 has been revised to clarify 300,000 hectares in the goal of the grouped project, not the scalability limit. The Project Proponent provided additional explanation for how management risks would be minimized if the grouped project exceeds the 300,000-hectare goal. Item closed.
Date Closed:	22 February 2022

- **G2 Without-project Land Use Scenario and Additionality**

Indicator G2.1 - Describe the most likely land-use scenario within the Project Zone in the absence of the project, describing the range of potential land-use scenarios and the associated drivers of land use changes and justifying why the land-use scenario selected is most likely. It is allowable for different locations within the Project Zone to have different without-project land use scenarios.	PD Section 2.2.1 provides a description of land use scenarios without the project and provides a series of aerial images (Figures 2.8 through 2.13) depicting forest loss in the Chaco region for agricultural expansion between 1990 and 2020. PD Section 2.2.2 identifies the most likely baseline scenario as conversion of the "Project Area" to pasture. PD Section 2.2.2 refers to PD Sections 3.1.4 and 3.1.5 for more information on the identification and justification of the without-project land use scenario and additionality.
Evidence Used to Assess Conformance:	PD Sections 2.2.1 and 2.2.2, PD Sections 3.1.4 and 3.1.5, PD Figures 2.4 and 3.6, interviews with project management staff, interview with landowner, interviews with government agency staff from INFONA and MADES
Findings:	The VVB site visit interview with the landowner for the Initial Project Instance property substantiates the most likely land-use scenario for this property as

	being conversion of forest within the identified Project Area to cattle pasture consistent with the alternative land use map provided as PD Figure 2.4. Interviews with government officials from INFONA and MADES substantiated the process by which planned conversion is permitted in the Chaco region. The interview with the landowner also substantiated the recent sale of two other portions of the company's larger landholding, and that these portions are in the process of conversion of forested areas to agricultural use. An opportunity for improvement was noted for PD Section 2.2.1. Several of the citations for deforestation rates in the Chaco appeared to be relatively old and citations for more recent rates, if available, may more accurately reflect current conditions in the region. An opportunity for improvement does not require action by the project proponent for the VVB to close this item. Item closed.
Project Proponent Response/Actions and Date:	Ok. (21 January 2022)
Evidence Used to Close OFI:	The Project Proponent opted to address the OFI and the VVB confirmed the Project Proponent provided additional information on deforestation in Paraguay with more recently dated citations. Item closed.
Date Closed:	22 February 2022

Indicator G2.2 - Document that project benefits including climate, community and biodiversity benefits would not have occurred in the absence of the project, explaining how existing laws, regulations and governance arrangements, or lack of laws and regulations and their enforcement, would likely affect land use and justifying that the benefits being claimed by the project are truly 'additional' and would not have occurred without the project. Identify any distinct climate, community and biodiversity benefits intended for use as offsets and specify how additionality is established for each of these benefits.	PD Section 2.2.3 describes the additionality identified by the Project Proponent for the Project's community and biodiversity benefits and refers to PD Sections 3.1.4 and 3.1.5 for more information. PD Section 2.2.4 states the community and biodiversity benefits are not intended to be used as offsets, and that the only offsets generated from the Project are verified emission reductions (VERs).
Evidence Used to Assess Conformance:	PD Sections 2.2.3 and 2.2.4, PD Sections 3.1.4 and 3.1.5, interviews with project management staff,

	interview with landowner, interviews with government agency staff from INFONA and MADES, interview with wildlife monitoring consultant
Findings:	CCB & VCS Project Description template instructions for Section 2.2.3 are: Document that community, and biodiversity project benefits would not occur in the absence of the project. Explain how existing laws, regulations, and governance arrangements, or lack of laws and arrangements, would likely affect land use in the absence of the project. Demonstrate that project activities would not have been implemented under the without-project scenario due to significant financial, technological, institutional or capacity barriers. If project activities are required by law, demonstrate that pertinent laws are not being enforced. PD Section 2.2.3 states that without the project, several community benefits would not occur, including Chaco med. Chaco med is also identified as a benefit by another project under validation, Impact Reforestation in the Chaco Project (Verra project ID 2496). PD Section 2.2.3 states that "conversion of land to cattle pastures, and the subsequent fencing off of the land, would for example, impact a wide-range of species", and identifies a few specific species. The statement about fencing requires clarification based on field observations of existing fencing on the first instance project property and interview with the wildlife monitoring consultant that the fencing commonly used for cattle pastures in the region does not prevent passage by peccaries or other Chacoan wildlife. At least three of the four cited species are reported to also utilize pasture habitats in proximity to forested areas. The statement regarding "countless birds" is overly broad and ambiguous. PD Section 2.2.3 does not explain how existing laws, regulations, and governance arrangements, or lack of laws and arrangements, would likely affect land use in the absence of the project. This information appears to be provided in other sections of the PD. PD Section 2.2.3 refers to PD Sections 3.1.4 and 3.1.5 for identification and justification of the without-project land used scenario and additionality, but makes no definitive statement regarding project activities would not have been implemented under

	the without-project scenario due to significant financial, technological, institutional or capacity barriers. CCB & VCS Project Description template instructions for Section 2.2.3 include the statement: "This section should not include any information on climate benefits." PD Section 2.2.3 includes a statement regarding VERs.
Clarification Request (CL):	Please provide clarification for the following: • Clarification for what community benefits could or may occur as a result of other planned VCS/CCB projects in the region in the absence of the current Corazon Verde del Chaco project. • Clarification for biodiversity statements as identified in the Findings, and clarification for how and what biodiversity project benefits would not occur in the absence of the project. • Clarification in Section 2.2.3 regarding how existing laws, regulations, and governance arrangements, or lack of laws and arrangements, would likely affect land use in the absence of the project. • Clarification in Section 2.2.3 regarding project activities that would not have been implemented under the without-project scenario due to significant financial, technological, institutional or capacity barriers. An opportunity for improvement was noted in Section 2.2.3 regarding the statement on VERs. As noted in the CCB & VCS Project Description template instructions for Section 2.2.3, this section should not include any information on climate benefits.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.2.3. has been revised. The following sentence has been removed from Section 2.2.4: "Likewise, the only offsets to be generated from the Project is verified emission reductions (VERs)." The community and biodiversity statements were also clarified to describe how and what community and biodiversity project benefits would not occur in the absence of the project. (21 January 2022)

Evidence Used to Close CL:	The VVB confirmed PD Section 2.2.3 has been revised to provide appropriate clarification that: the proposed community benefits would not occur in the absence of other CCB/VCS projects in the area; biodiversity benefits related directly to project activities for avoided deforestation; existing legal and regulatory requirements to undertake activities similar to the project activity and the most likely scenario (conversion to pasture) without project would be accomplished through legal approvals; and that financial barriers would be an impediment to implementation of planned project activities in the absence of the REDD+ project. Item closed.
Date Closed:	22 February 2022

- **G3 Stakeholder Engagement**

Indicator G3.1 - Describe how full project documentation has been made accessible to Communities and Other Stakeholders, how summary project documentation (including how to access full documentation) has been actively disseminated to Communities in relevant local or regional languages, and how widely publicized information meetings have been held with Communities and Other Stakeholders.	PD Section 2.3.1 identifies the ways identified by the Project Proponent by which full project documents have been and will continue to be made available to communities and other stakeholders. PD Section 2.3.2 identifies how the Project Proponent proposed to disseminate summary project documentation, including information required for G1.1-9, will be actively disseminated to communities. PD Section 2.3.3 summarizes informational meetings identified by the Project Proponent as held with various stakeholders.
Evidence Used to Assess Conformance:	PD Sections 2.3.1 through 2.3.3, review of Verra and Quadriz websites, review of support documentation provided (MP3 recordings), site visit observations and interviews with project management staff and Maria Auxiliadora indigenous community
Findings:	The full project document (PD) under validation was confirmed by the VVB as available on the Verra website. The full PD document was not able to be located on the Quadriz website, but a reference to the location on the Verra website was identified in a blog posting through the Quadriz website. The summary document for the PD, in Spanish, was confirmed by the VVB as available on the Verra website. A physical copy was identified as available at Quadriz's headquarters located at Estancia Santa Rosanna.

	PD Section 2.3.1 states that the "project documents will be distributed to local communities and other stakeholders, including to local schools, the mayor's office, etc.". Site visit interviews with the leader and community members of Maria Auxiliadora indigenous community substantiated that project management staff had visited the community to discuss information about the project. Literacy in Spanish appears to be limited for some members of the community, and discussions by project management staff as well as interviews by the VVB during the site visit were conducted in both Guarani as well as Spanish. Full project documentation or summary documentation in Spanish does not appear to have been provided to the community, although the community leader confirmed the community had limited access to the internet through the community school and through community family members living outside the community. The PD is not clear on how specific communities will be selected for distribution of full project documents. PD Section 2.3.2 identifies a specific individual, Fredy Montoya, the Field Manager at Investancia / Quadriz Paraguay S.A., as the means by which summary information and monitoring results will be actively disseminated to communities. Site visit interviews with Fredy Montoya and the leader and community members of the Maria Auxiliadora indigenous community substantiated that Mr. Montoya had discussed the project and provided a narrative summary of the PD contents with the indigenous community. The PD is not clear on the process for disseminating summary project documentation if Mr. Montoya leaves the organization or for future project instances under the grouped project over the expected 30-year life of the project. CCB & VCS Project Description template instructions for Section 2.3.3 are to describe informational meetings with communities and local stakeholders and how they were publicized. PD Section 2.3.3 does not describe the informational meetings with communities or how they were publicized. PD Section 2.3.3 does not describe the informational meetings with the local landowners and government officials but does describe how they were publicized or set up. Site visit interviews substantiated that informational meetings had been held with the landowner and INFONA, and a

	teleconference interview substantiated that informational meetings had been held with MADES. The VVB does not have information supporting whether informational meetings had been held with other stakeholders identified by the Project Proponent other than project consultants and participants identified as stakeholders.
Clarification Request (CL):	Please clarify, as appropriate, the following: • Please identify where on the Quadriz website the full project documents may be found. • Please provide an update, if available, on whether the full documents will also be "registered and posted on the Paraguayan Government's designated website", and provide a link to this website. • Please clarify whether full project documents and/or project summaries will be provided to local communities or how specific communities will be selected for distribution of full project documents and/or summaries for this first project instance, as well as future project instances under the grouped project. • Please clarify whether the full project information will be provided to local Chaco TV and radio stations, or whether notification of availability of full project documents will be provided to these media outlets. • Please provide clarification within Section 2.3.3 describing the informational meetings with communities and how they were publicized. • Please provide clarification within Section 2.3.3 describing the informational meetings with landowners and identified government stakeholders. • Please provide clarification on whether informational meetings were held with other stakeholders identified in PD Appendix 2, and if so, please describe these meetings and how they were publicized or set up.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Quadriz added a news article on their website about the Project's Public Comment Period, where there was a direct link to the Project's full documents at the Verra Registry. Quadriz has also uploaded the PD to their website as a download option (see here: https://quadriz.com/ and here: https://quadriz.com/wp-content/uploads/Corazon-Verde-del-Chaco-PD-2021.09.15.pdf).

	The radio announcement did mention that anyone can access the full project documents by searching for the Project ID (VCS 2611) at the Verra Registry or at the Quadriz website under the blog section. As of January 17, 2022, there is no further update on the full documents being "registered and posted on the Paraguayan Government's designated website." The website link has been added to the PD. The Project will seek registration and posting of the project documents as soon as possible. Further, Sections 2.3.1, 2.3.2, and 2.3.3. were further updated. (21 January 2022)
Evidence Used to Close CL:	The VVB acknowledges the clarification provided for reviewing evidence regarding postings announcing the availability of the project description document. The VVB confirmed PD Sections 2.3.1, 2.3.2, and 2.3.3 have been revised to provide clarification for how project documents or summary documents as determined appropriate will be, and have, been made available or disseminated for public review and/or comment, to provide additional information on informational meetings with stakeholders. Item closed.
Date Closed:	22 February 2022

Indicator G3.2 - Explain how relevant and adequate information about potential costs, risks and benefits to Communities has been provided to them in a form they understand and in a timely manner prior to any decision they may be asked to make with respect to participation in the project.	PD Section 2.3.4 describes how the Project Proponent provided information about potential costs, risks, and benefits to a local community.
Evidence Used to Assess Conformance:	PD Section 2.3.4, site visit interviews with project management staff, site visit interviews with project consultant, and site visit interviews with the leader and community members of the Maria Auxiliadora indigenous community
Findings:	Site visit interviews substantiated that there are no communities living within or utilizing the first project instance property. Site visit interviews substantiated that relevant and adequate information about the project had been discussed with the Maria Auxiliadora indigenous community, which is within the project zone for the first project instance. The site visit also substantiated that the community had

	participated in interviews for the PRA. The leader of this community confirmed that the community does not rely on or visit the first instance project property and would not bear potential costs or risks from the project. The leader was appreciative of the benefits to the community that the project identified. PD Section 2.3.4 refers to the PRA being administered to "communities". PD Section 4.1.1 states that the "communities" at San Isidro had been visited twice by Quadriz but the "communities" would like more time to decide whether to participate in the Project. Interviews with project management staff indicated an unwillingness of the San Isidro indigenous community to discuss the project and a general hostility towards outsiders.
Clarification Request (CL):	Please provide clarification in PD Section 2.3.4 for which communities in the project zone for this project instance were visited and whether all local communities in the project zone for this instance were provided with relevant and adequate information about potential costs, risks, and benefits in a form they understood.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	"Communities" has been changed to "community." In addition, Section 2.3.4. has been updated. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 2.3.4 has been revised to provide appropriate clarification for efforts to meet with the two indigenous communities within the first project instance project zone, as well as summary description that the potential community costs, risks, and benefits were explained. As previously indicated, the VVB site visit and interviews with the Maria Auxiliadora indigenous community leader and community members substantiated that relevant and adequate information about the project had been discussed with the Maria Auxiliadora indigenous community. The VVB was not able to meet with the indigenous community at San Isidro during the site visit, but concurs it is reasonable to assume that this indigenous community would be similar to the nearby indigenous community of Maria Auxiliadora in terms of not using or accessing the project area, and in terms of likely costs, risks, and benefits of the project. The VVB intends to issue a Forward Action Request (FAR) for this item for the VVB to review and re-assess at verification.

	Item closed (with FAR).
Date Closed:	22 February 2022
Forward Action Request (FAR):	The VVB at verification is requested to review and re-assess, as appropriate, efforts by the Project Proponent to try to engage with the San Isidro community as committed to in the PD. Specifically, the VVB at verification is requested to make appropriate efforts to meet with the indigenous community at San Isidro, if permission can be obtained from the community to do so, to confirm that potential costs, risks, and benefits from participation in the project, if they choose or chose to do so, were provided to them in a manner they understood. Item closed for validation.

Indicator G3.3 - Describe the measures taken, and communications methods used, to explain to Communities and Other Stakeholders the process for validation and/or verification against the CCB Standards by an independent Auditor, providing them with timely information about the Auditor's site visit before the site visit occurs and facilitating direct and independent communication between them or their representatives and the Auditor.	PD Section 2.3.5 describes the process by which the Project Proponent identified monitoring results will be disseminated to communities, and how the validation and verification audit process would be explained. PD Section 2.3.6 provides the Project Proponent's description for how communities and other stakeholders will be informed of the auditor's site visit and identifies the intent for direct and independent communication with local communities and other stakeholders.
Evidence Used to Assess Conformance:	PD Sections 2.3.5 and 2.3.6, site visit observations, site visit interviews with Maria Auxiliadora indigenous community, landowner for Initial Project Instance property, and INFONA
Findings:	Site visit interviews substantiated representatives from the Project Proponent had met with the Maria Auxiliadora indigenous community and had described the validation and verification process and the had notified the community of the auditor's site visit in a timely manner. Site visit interviews also substantiated that the landowner for the first instance project property and government stakeholders had also been notified of the validation and verification process and of the auditor's site visit in a timely manner. The Project Proponent facilitated direct and independent communication during the site visit for the auditor and the Maria Auxiliadora indigenous community, landowner for the first project instance property, and INFONA.

	CCB & VCS Project Description template instructions for Sections 2.3.5 and 2.3.6 include the requirement to specifically address communication methods for how communities and other stakeholders are informed of the process for CCB validation and verification and for the auditor site visit. PD Sections 2.3.5 and 2.3.6 do not clearly identify the method by which this information was communicated.
Clarification Request (CL):	Please provide clarification in the appropriate sections for the communication methods used for the communities and other stakeholders, as appropriate, to inform them of the validation and verification process and of the auditor's site visit. An opportunity for improvement was noted in PD Section 2.3.6 (and elsewhere in the PD) to avoid use of first names only when referring to project management staff involvement in different actions.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Clarification was added to several sections, including Section 2.3.5, for the communication methods used for the communities to inform them of the validation and verification process and of the auditor's site visit. Last names were added throughout the PD. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 2.3.5 has been revised to provide clarification for the communication methods used to notify the community about the VVB site visit and purpose of the site visit. The VVB noted that the Project Proponent opted to address the OFI and has included full names in place of previously used first names for project management staff. Item closed.
Date Closed:	22 February 2022

Indicator G3.4 - Describe how Communities including all the Community Groups and Other Stakeholders have influenced project design and *implementation* through Effective Consultation, particularly with a view to optimizing Community and Other Stakeholder benefits, respecting local customs, values and institutions and maintaining high conservation values. Project	PD 2.3.7 provides a summary of stakeholder and project participant consultations identified by the Project Proponent and identifies where these meetings influenced project design.

proponents must document consultations and indicate if and how the project design and implementation has been revised based on such input. A plan must be developed and *implemented* to continue communication and consultation between the project proponents and Communities, including all the Community Groups, and Other Stakeholders about the project and its impacts to facilitate adaptive management throughout the life of the project.	
Evidence Used to Assess Conformance:	PD Sections 2.3.7 and 2.3.8, interviews with project management staff and project consultant, site visit interviews with Maria Auxiliadora indigenous community leader and community members, interview with landowner for first project instance property, interviews with government staff from INFONA and MADES
Findings:	Site visit interviews substantiate that the Project Proponent consulted the identified stakeholders and that the project design considered input received from some of these meetings. Section 2.3.7 does not appear to include information on meetings with all stakeholders identified in Appendix 2, or how or whether these other stakeholders may have influenced project design. Section 2.3.7 does not appear to identify how or whether indigenous communities within the project zone for the first project instance may have affected project design.
Non-conformance Request (NCR):	Please provide clarification for whether consultations were held with all stakeholders identified in Appendix 2 and whether or how these stakeholders may have influenced project design. Please provide clarification for how or whether consultations with the indigenous communities within the project zone may have influenced project design.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.3.7 has been modified to clarify that project design did not change as a result of consultations with the Maria Auxiliadora indigenous community. Section 2.3.7 and Appendix 1 have been updated to include all stakeholders identified. (21 January 2022)

Evidence Used to Close NCR:	The VVB confirmed PD Section 2.3.7 has been revised to clarify that the Maria Auxiliadora indigenous community is being voluntarily included in project benefits and did not seek additional benefits to the ones offered by the Project Proponent. The VVB confirmed PD Section 2.3.7 has been revised to identify efforts planned to reach out to other identified stakeholders to solicit suggestions they may have on project design. Based on information provided by the Project Proponent, the VVB concurs these stakeholders do not utilize or have rights to the project area property, and the Project Proponent is free to voluntarily choose to modify or not modify the project design based on the input of these other stakeholders. The VVB confirmed that in recognition of transportation concerns for indigenous communities, the Project Proponent revised PD Section 2.3.8 to provide a commitment by the Project Proponent to either meet in person with these communities or will offer to provide for their transportation to facilitate continued community participation. Item closed.
Date Closed:	22 February 2022

Indicator G3.5 - Demonstrate that all consultations and participatory processes have been undertaken directly with Communities and Other Stakeholders or through their legitimate representatives, ensuring adequate levels of information sharing with the members of the groups.	PD Section 2.3.9 describes information sharing that has occurred.
Evidence Used to Assess Conformance:	PD Section 2.3.9, site visit interviews with Maria Auxiliadora indigenous community leader and members, site visit interview with landowner for first project instance property, site visit interviews with project management staff and project consultant
Findings:	CCB & VCS Project Description template instructions for Section 2.3.9 are to demonstrate that all consultations and participatory processes have been undertaken directly with communities and other stakeholders or through their legitimate representatives, and to provide justification that adequate levels of information sharing has occurred. PD Section 2.3.9 provides adequate summary of the level of information sharing that has occurred, with

	substantiation of representative examples through site visit interviews and review of supplemental materials provided or available on-line. PD Section 2.3.9 does not provide information or documentation that all consultations have been undertaken directly with communities and other stakeholders or through their legitimate representatives. Site visit interviews substantiate consultations and participatory processes have been undertaken directly with the legal landowner representatives for the first instance project property and with the Maria Auxiliadora indigenous community.
Non-conformance Request (NCR):	Please provide clarification in Section 2.3.9 for how the consultations and participatory processes have been undertaken directly with communities and other stakeholders or through their legitimate representatives.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.3.9 has been revised to provide clarification that consultations and participatory processes have been undertaken directly with the legal landowner representatives for the first instance project property and with the Maria Auxiliadora indigenous community. (21 January 2022)
Evidence Used to Close NCR:	The VVB confirmed PD Section 2.3.9 has been revised to provide clarification that project meetings were held with the landowner's legal representatives. The PD has also been revised to clarify meetings with the Maria Auxiliadora indigenous community included community leader Hermenegildo Vera. The VVB substantiated during site visit interviews that Mr. Vera was confirmed by community members as the legally elected leader of the community. Additional clarification was provided in PD Section 2.3.9 regarding consultations with government officials; the VVB substantiated during site visit interviews that government agencies identified by the Project Proponent as Other Stakeholders for the project were the appropriate legal entities to consult for this project. Item closed.
Date Closed:	22 February 2022

Indicator G3.6 - Describe the measures needed and *taken* to enable effective participation, as appropriate, of all Communities,	PD Section 2.3.10 describes the measures identified by the Project Proponent as needed or taken to enable effective participation with local communities as well as stakeholders based in Asunción.

including all the Community Groups, that want and need to be involved in project design, implementation, monitoring and evaluation throughout the project lifetime, and describe how they have been implemented in a culturally appropriate and gender sensitive manner.	
Evidence Used to Assess Conformance:	PD Section 2.3.10, interviews with project management staff
Findings:	PD Section 2.3.10 identifies project management staff's ability to communicate in Spanish and Guarani and local origins/presence as measures needed or taken to enable effective participation by communities and other stakeholders. CCB & VCS Project Description template instructions for Section 2.3.10 are to describe the measures needed and designed to enable the effective participation, as appropriate, of all communities, and to demonstrate the culture- and gender-sensitivity of implementation of such measures. PD Section 2.3.10 does not clearly identify measures needed and designed to enable the effective participation, as appropriate, of all communities, and to demonstrate the culture- and gender-sensitivity of implementation of such measures. PD Section 2.3.8 identifies meetings for stakeholders to be held at either Quadriz's Asunción headquarters or Quadriz's local Chaco headquarters at Estancia Santa Rosanna, with Estancia Santa Rosanna specifically identified for meetings with local communities. Site visit interviews with the leader for Maria Auxiliadora indigenous community identifies transportation as a major concern and limitation for the community. Site visit observations substantiate the difficulty this community may face for participating in meetings at Estancia Santa Rosanna.
Non-conformance Request (NCR):	Please provide clarification as appropriate to describe the measures needed and designed to enable the effective participation, as appropriate, of all communities, and to demonstrate the culture- and gender-sensitivity of implementation of such measures.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.3.8 has been revised to clarify that Quadriz will meet in person with communities or will provide

	for their transportation to mitigate the concerns over the lack of transportation. PD Section 2.3.10 has been revised to clearly identify measures needed and designed to enable the effective participation, as appropriate, of all communities, and to demonstrate the culture- and gender-sensitivity of implementation of such measures. (21 January 2022)
Evidence Used to Close NCR:	The VVB confirmed that in recognition of transportation concerns for indigenous communities, the Project Proponent revised PD Section 2.3.8 to provide a commitment by the Project Proponent to either meet in person with these communities or will offer to provide for their transportation to facilitate continued community participation. The VVB confirmed that PD Section 2.3.10 has been revised to provide clarification for measures the Project Proponent identified as needed for enabling effective participation by community members and how these measures will be implemented in an appropriate and gender-sensitive manner. Item closed.
Date Closed:	22 February 2022

Indicator G3.7 - Describe the measures needed and *taken* to ensure that the project proponent and all other entities involved in project design and implementation are not involved in or complicit in any form of discrimination or sexual harassment with respect to the project.	PD Section 2.3.11 presents the measures identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 2.3.11; Investancia Holding B.V. Health, Safety and Environment Policy and Procedures Manual; interview with project administrative staff and project management staff
Findings:	PD Section 2.3.11 identifies Quadriz as an equal opportunity employer and identifies the need to include anti-discrimination protocols in the HSE for new employees and for filing in the Estancia Santa Rosanna office. CCB & VCS Project Description template instructions for Section 2.3.11 are to describe the measures needed and designed to ensure that all entities involved in project design and implementation are not involved in, or complicit in, any form of discrimination (e.g., discrimination based

	on gender, race, religion, sexual orientation or other habits) or sexual harassment with respect to the project. PD Section 2.3.11 does not clearly describe the measures needed and designed to ensure full compliance with all aspects of this requirement. The Project Proponent's HSE Policy and Procedures manual clearly identifies sexual harassment and racial discrimination as causes for verbal or written warning and possible dismissal. Site visit interviews with project administrative staff and project management staff substantiate the statement in PD Section 2.3.11 that the HSE is planned to be updated and revised to include anti-discrimination protocols. Site visit interviews substantiate employees are informed of anti-harassment and anti-discrimination policies upon hiring. Site visit interviews with female employees substantiated female employees have not been subjected to discrimination or sexual harassment with respect to the project or project personnel.
Clarification Request (CL):	Please provide clarification within PD Section 2.3.11 for all measures needed and designed to ensure that all entities involved in project design and implementation are not involved in, or complicit in, any form of discrimination (e.g., discrimination based on gender, race, religion, sexual orientation or other habits) or sexual harassment with respect to the project.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.3.11 has been revised to specify the measures needed and designed to ensure that no entities involved in project design and implementation are involved in, or complicit in, any form of discrimination or sexual harassment. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 2.3.11 has been revised to provide clarification for the specific measures needed and designed to ensure that no entities involved in project design and implementation are involved in, or complicit in, any form of discrimination or sexual harassment. The PD identifies the anti-discrimination policies and procedures, independent audits, and feedback and grievance procedure. Item closed.
Date Closed:	22 February 2022

Indicator G3.8 - Demonstrate that a clear grievance redress procedure has been formalized to address disputes with Communities and Other Stakeholders that may arise during project planning, implementation and evaluation with respect but not limited to, Free, Prior and Informed Consent, rights to lands, territories and resources, benefit sharing, and participation. The project shall include a process for receiving, hearing, responding to and attempting to resolve Grievances within a reasonable time period. The Feedback and Grievance Redress Procedure shall take into account traditional methods that Communities and Other Stakeholders use to resolve conflicts. The Feedback and Grievance Redress Procedure shall have three stages with reasonable time limits for each of the following stages. First, the Project Proponent shall attempt to amicably resolve all Grievances, and provide a written response to the Grievances in a manner that is culturally appropriate. Second, any Grievances that are not resolved by amicable negotiations shall be referred to mediation by a neutral third party. Third, any Grievances that are not resolved through mediation shall be referred either to a) arbitration, to the extent allowed by the laws of the relevant jurisdiction or b) competent courts in the relevant jurisdiction, without prejudice to a party's ability to submit the Grievance to a competent supranational adjudicatory body, if any. The Feedback and Grievance Redress Procedure must be publicized and accessible to	PD Sections 2.3.12 and 2.3.13 present the measures identified by the Project Proponent to address this indicator.

Communities and Other Stakeholders. Grievances and project responses, including any redress, must be documented and made publicly available.	
Evidence Used to Assess Conformance:	PD Section 2.3.12, interviews with project management staff, interview with landowner for Initial Project Instance property, interview with Maria Auxiliadora indigenous community leader and members, interview with staff from MADES
Findings:	CCB & VCS Project Description template instructions for Section 2.3.12 are: Document the project's grievance redress procedure. Demonstrate that the procedure includes: • A process for receiving, hearing, responding to and attempting to resolve grievances within a reasonable time period, which takes into account traditional conflict resolution methods. • Three stages, each with reasonable time limits: attempt at resolution, mediation and arbitration or courts. PD Section 2.3.12 outlines the project's proposed grievance redress procedure. PD Section 2.3.12 generally identifies processes for different stakeholders, but is not clear on specific processes for receiving, hearing, responding to and attempting to resolve grievances within a reasonable time period, which takes into account traditional conflict resolution methods. PD Section 2.3.12 does not identify arbitration or courts as the third stage for any of the grievance processes. On-site interviews determined that members of the Maria Auxiliadora indigenous community and staff members were not generally familiar with a formal grievance procedure, but were aware of who to talk to in an initial effort at resolution. PD Section 2.3.12 identifies MADES as the entity to refer to for unresolved grievance with a local community of other stakeholder, and refers specifically to a Safeguards Information System and a mechanism for receiving complaints and claims related to forest carbon projects. The interview with MADES determined that the safeguards process appears to still be in development and may not yet be ready for implementation, but may be included as part of forthcoming regulations.

	CCB & VCS Project Description template instructions for Section 2.3.13 are to describe how the feedback and grievance redress procedure is publicized and accessible, and how grievances and project responses are documented and made publicly available. PD Section 2.3.13 does not identify the process by which grievances and project responses are or will be documented.
Non-conformance Request (NCR):	A non-conformance was noted for Indicator G3.8. Please document how the project's grievance procedure meets or will meet all requirements of Indicator G3.8.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.3.13 has been updated with the latest understanding of MADES' grievance redress procedure which has not been finished and made public as of January 17, 2022. (21 January 2022)
Evidence Used to Close NCR:	The VVB confirmed PD Section 2.3.12 has been revised to provide an update for the status of intended grievance redress procedure through MADES, as well as to provide a summary of the procedures included within the draft MADES plans. PD Section 2.3.12 has also been revised to clearly state that if necessary Quadriz will utilize the nationally competent courts as the third stage for any of the grievance processes. Information provided by the Project Proponent demonstrates that both the proposed MADES process, if implemented, as well as the alternative if the MADES process is not implemented, would or will meet requirements of Indicator G3.8. Item closed.
Date Closed:	22 February 2022

Indicator G3.9 - Describe measures needed and *taken* to provide orientation and training for the project's workers and relevant people from the Communities with an objective of building locally useful skills and knowledge to increase local participation in project implementation. These capacity building efforts should target a wide range of people in the Communities, with special attention to women and vulnerable and/or marginalized people. Identify how training is	PD Section 2.3.14 presents the measures identified by the Project Proponent to address this indicator.

passed on to new workers when there is staff turnover, so that local capacity will not be lost.	
Evidence Used to Assess Conformance:	PD Section 2.3.14, interviews with project consultant, interviews with project management staff and administrative staff, interviews with forestry consultant, interviews with project staff
Findings:	CCB & VCS Project Description template instructions for Section 2.3.14 are to: Describe measures needed and designed to provide orientation and training for those employed through project activities and relevant people from the communities. The orientation and training must have an objective of building locally useful skills and knowledge to increase local participation in project implementation. Identify how local capacity is not lost through staff turnover. PD Section 2.3.14 provides a summary of trainings identified as needed or held to date. Site visit interviews substantiate training identified in the PD as held to date was provided as described. PD Section 2.3.14 does not clearly identify what orientation and training are needed and designed with an objective of building locally useful skills and knowledge to increase local participation in project implementation. PD Section 2.3.14 does not identify how local capacity is not lost through staff turnover.
Non-conformance Request (NCR):	A non-conformance was noted for Indicator G3.9. Please document how the project's orientation and training measures meet or will meet all requirements of Indicator G3.9.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.3.14 has been revised. (21 January 2022)
Evidence Used to Close NCR:	The VVB confirmed PD Section 2.3.14 has been revised to provide explanation for orientation and training for personnel involved in the project, and to identify measures being implemented to prevent loss of capacity through staff turnover. Item closed.
Date Closed:	22 February 2022

Indicator G3.10 - *Demonstrate* that people from the Communities are given an equal opportunity to fill all work positions (including	PD Section 2.3.15 presents the measures identified by the Project Proponent to address this indicator.

management) if the job requirements are met. Explain how workers are selected for positions and where relevant, describe the measures needed and *taken* to ensure Community members, including women and vulnerable and/or marginalized people, are given a fair chance to fill positions for which they can be trained.	
Evidence Used to Assess Conformance:	PD Section 2.3.15, interviews with project administrative staff, interviews with project management staff
Findings:	PD Section 2.3.15 describes the commitment by the Project Proponent to employ people from nearby communities, including reaching out to indigenous communities in the vicinity. Site visit observations and interviews determined that there are few employment opportunities currently associated with the first instance project property. Guards currently assigned to the property are understood to have been recruited from areas other than the immediate vicinity or closest indigenous community. Site visit interviews substantiate that project management staff and project employees based in Asunción and the project headquarters in Estancia Santa Rosanna, including managerial positions, were hired through an open process that provided equal opportunity for qualified individuals or individuals identified as able to be trained for the position. Women were confirmed as employed in management positions with the project.
Clarification Request (CL):	Please clarify how measures are designed to ensure community members, specifically indigenous community members in closest proximity to the first project instance property, are given a fair chance to fill positions for which they can be trained.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Additional clarification has been added to Section 2.3.15. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed that PD Section 2.3.15 has been revised to provide clarification for measures designed to ensure community members, particularly indigenous community members within the project zone, will be provided with a fair opportunity to fill positions available in the future and for employment. Item closed.
Date Closed:	22 February 2022

Indicator G3.11 - Submit a list of all relevant laws and regulations covering worker's rights in the host country. Describe measures needed and *taken* to inform workers about their rights. Provide assurance that the project meets or exceeds all applicable laws and/or regulations covering worker rights and, where relevant, demonstrate how compliance is achieved.	PD Section 2.3.16 identifies the relevant laws and regulations related to worker's rights.
Evidence Used to Assess Conformance:	PD Section 2.3.16, International Labour Organization webpage for Paraguay (2019), site visit interview with project administrative staff and project management staff
Findings:	PD Section 2.3.16 identifies four relevant laws or regulations covering worker's rights in Paraguay. Review of the ILO webpage for Paraguay substantiates these are identified as the appropriate laws or regulations. PD Section 2.3.16 also identifies measures needed and taken by the project team to inform workers about their rights. Site visit interviews with project administrative staff and project management staff substantiates that these measures are undertaken with workers. Site visit observations substantiated the presence of items required by labor law (minimum salaries) was posted on the wall at Estancia Santa Rosanna. CCB & VCS Project Description template instructions for Section 2.3.15 also include the requirement to provide assurance the project meets or exceeds each of the relevant laws and regulations related to worker's rights in Paraguay. PD Section 2.3.15 does not provide this assurance.
Non-conformance Request (CL):	Please provide clarification in PD Section 2.3.15, as appropriate, whether the Project Proponent assures the project meets or exceeds each of the relevant laws and regulations related to worker's rights in Paraguay, and where relevant, demonstrate how compliance is achieved.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	PD Section 2.3.16 has been updated to state "Quadriz assures the project meets or exceeds each of the relevant laws and regulations related to worker's rights in Paraguay." (21 January 2022)

Evidence Used to Close CL:	The VVB confirmed PD Section 2.3.16 has been revised to clearly provide the assurance that the Project meets or exceeds each of the relevant laws and regulations related to worker's rights in Paraguay. Site observations and interviews previously substantiated items related to demonstrating how compliance is achieved. Item closed.
Date Closed:	22 February 2022

Indicator G3.12 - Comprehensively assess situations and occupations that might arise through the implementation of the project and pose a substantial risk to worker safety. Describe measures needed and *taken* to inform workers of risks and to explain how to minimize such risks. Where worker safety cannot be guaranteed, project proponents must show how the risks are minimized using best work practices in line with the culture and customary practices of the communities.	PD Section 2.3.17 identifies several risks to worker safety identified by the Project Proponent that could arise due to project implementation.
Evidence Used to Assess Conformance:	PD Section 2.3.17, site visit observations, interviews with project management staff, interviews with project consultant and forestry consultant; Investancia Health, Safety and Environment Policy and Procedures manual
Findings:	PD Section 2.3.17 identifies several key risks associated with workers associated with field work in the Chaco area in general and first instance project property in particular. Site visit observations and interviews with project management staff, project consultant, and forestry consultant substantiate these as key risks for consideration. Other risks identified during onsite observations and during site interviews included driving on roads with dust clouds creating hazardous conditions, heat and dehydration related illnesses during fieldwork, and potentially hostile confrontations with illegal hunters or timber thieves. PD Section 2.3.17 generally describes measures needed to inform workers of risks and to explain how to minimize such risks for most of these identified risks but does not clearly describe need measures or provide explanations on how to minimize all the identified risks. PD Section 2.3.17 is not clear on how workers will be informed of each of these risks.

	These risks or minimization measures are not identified in the Project Proponent's HSE Policy and Procedures manual provided to the VVB.
Clarification Request (CL):	Please provide clarification whether PD Section 2.3.17 should include the additional risks identified by the VVB during onsite observations and interviews. Please provide clarification in PD Section 2.3.17 for how workers will be informed of all occupational safety risks identified as associated with the project and site conditions. Please clarify whether these risks will be addressed in updates to the HSE Policy and Procedures manual.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	The additional risks identified have been added to the PD Section 2.3.17. These additional risks will also be added to the latest version of the HSE Policy and Procedures manual to help inform workers of the known risks. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 2.3.17 has been revised to include the additional risks identified during the site visit and interviews. The PD identifies addition to the HSE Policy and Procedures manual as the means to help inform workers of risks, and any future identified risks. Item closed.
Date Closed:	22 February 2022

- **G4 Management Capacity**

Indicator G4.1 - Describe the project's governance structures, and roles and responsibilities of all the entities involved in project design and implementation. For grouped projects, identify any new entities included in the project since the last validation or verification against the CCB Standards.	PD Section 2.4.1 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 2.4.1
Findings:	CCB & VCS Project Description template instructions for Section 2.4.1 include the requirement to describe the project's governance structures, and roles and responsibilities of all entities involved in project design and implementation.

	PD Section 2.4.1 provides a chart depicting the overall organizational business structure for Investancia Holding B.V., and a chart listing several organizations or individuals involved in the project but does not describe the roles and responsibilities of all entities involved in project design and implementation. Most if not all of this information appears to be presented in other locations of the PD.
Clarification Request (CL):	Please provide clarification within PD Section 2.4.1 for the description of the project's governance structures, and roles and responsibilities of all entities involved in project design and implementation.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	The roles and responsibilities for all entities have been added to the PD in Section 2.4.1. (21 January 2022)
Evidence Used to Close CL:	The VVB has confirmed PD Section 2.4.1 has been revised to provide appropriate clarification for the project's governance structure including roles and responsibilities for the entities involved in project design and implementation. Item closed.
Date Closed:	22 February 2022

Indicator G4.2 - Document key technical skills required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills. Document the management team's expertise and prior experience implementing land management and carbon projects at the scale of this project. If relevant experience is lacking, the proponents must either demonstrate how other organizations are partnered with to support the project or have a recruitment strategy to fill the gaps.	PD Sections 2.4.2, 2.4.3, and 2.4.4 present the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Sections 2.4.2 through 2.4.4, site visit interviews with selected individuals of the project management team, interviews with James Eaton, Fabrizio Radice Gorostiaga, and Andrea Weiler
Findings:	PD Section 2.4.2 identifies key technical skills identified as required to successfully implement the project. The VVB reviewed this list and concurs this list is appropriate for this project. One key technical

	skill that appears to be missing from this list is Community assessment and monitoring. PD Section 2.4.3 identifies the management team and documents the relevant expertise and prior experience identified by the Project Proponent for each listed individual. Site visit interviews were conducted with three of the members of the management team. The interviews substantiated these individuals possessed relevant experience and expertise for project implementation. Review of the credential summaries provided for the other two management team members supported the relevance of their expertise and experience for project implementation. PD Section 2.4.4 identifies three key individuals from other organizations with whom the Project Proponent has partnered to support the project to provide specific relevant experience. Interviews with these three individuals substantiated these individuals possessed relevant experience and expertise appropriate for their support to project implementation. Several of the key technical skills identified in PD Section 2.4.2 as required to successfully implement the Project are not clearly identified as within the expertise or experience of key management team members or partnership organizations/individuals listed in PD Sections 2.4.3 or 2.4.4.
Non-conformance Request (NCR):	Please provide clarification for how each of the key technical skills identified in PD Section 2.4.2 are provided by project management staff or other partnering organizations or key advisors, or demonstrate that there is a recruitment strategy to fill these gaps.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Clarification has been added to section 2.4.2 and 2.4.3 of the PD, including an elaboration on Gabriela Viñales' experience with stakeholder assessment and community monitoring. (21 January 2022)
Evidence Used to Close NCR:	The VVB confirms PD Section 2.4.2 has been revised to provide information on how each of the key technical skills identified in PD Section 2.4.2 are or will be provided by project management staff or other partnering organizations or key advisors. PD Section 2.4.3 has been revised to include additional

	information on relevant experience for Gabriela Viñales regarding social safeguards and working with indigenous communities. Item closed.
Date Closed:	22 February 2022

Indicator G4.3 - Document the financial health of the implementing organization(s). Provide assurance that the Project Proponent and any of the other entities involved in project design and implementation are not involved in or are not complicit in any form of corruption such as bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion, and collusion, and describe any measures needed *and taken* to be able to provide this assurance.	PD Sections 2.4.5 and 2.4.6 present the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Sections 2.4.5 and 2.4.6, site visit interviews with Project Proponent and project management staff, review of supplemental financial information provided to VVB
Findings:	Initial findings were held pending VCS validation of financial risk aspects of project. The Project Proponent provided supplemental financial information to document the financial health for Quadriz, including a letter of support from Quadriz's CFO attesting that Quadriz has sufficient financial resources to fund the project, and identifying specific, internal, non-restricted funds made available to develop the project. PD Section 2.4.6 provides the assurance that the Project Proponent is not involved in, or complicit in, any form of corruption such as bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion, and collusion. PD Section identifies B corporation certification and independent audits as measures needed and to be taken to provide this assurance. Additional financial risk items are being validated as part of the VCS validation. Item closed.
Date Closed:	22 February 2022

- **G5 Legal Status and Property Rights**

Indicator G5.1 - Describe and map statutory and customary tenure/use/access/management rights to lands, territories and resources in the Project Zone including individual and collective rights and including overlapping or conflicting rights. If applicable, describe measures needed and *taken* by the project to help to secure statutory rights. *Demonstrate* that all Property Rights are recognized, respected, and supported.	PD Sections 2.5.1 and 2.5.2 present the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Sections 2.5.1 and 2.5.2, interviews with landowner for first instance project property, interviews with Maria Auxiliadora indigenous community leader
Findings:	CCB & VCS Project Description template instructions for Section 2.5.1 are to describe and map tenure, use, access and management rights to lands, territories and resources in the project zone. PD Section 2.5.1 describes the tenure for the project areas for all grouped project instances as being privately owned. PD Section 2.5.1 does not describe or map tenure, use, access, and management rights to lands, territories, and resources in the project zone for the first project instance property or project zone for the grouped project region. PD Figure 2.2 identifies the project zone identified for the first project instance. Interviews with the landowner for the first project instance and with the Maria Auxiliadora indigenous community leader, combined with review of PD Figures 2.2 and 3.6 provided some information about land tenure within the project zone identified by the Project Proponent for this Initial Project Instance. PD Section 2.5.2 identifies the property rights for the project area for the Initial Project Instance property. Review of support documents regarding land ownership and the agreement between the Project Proponent and landowner for the first project instance property support the statements in PD Section 2.5.2.
Non-conformance Request (NCR):	A non-conformance was noted for PD Section 2.5.1. Please provide appropriate documentation within PD Section 2.5.1 to satisfy applicable requirements of Indicator G3.9.

Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	A map of land tenure within, and surrounding, the project zone has been added to Section 2.5.1. (21 January 2022)
Evidence Used to Close NCR:	The VVB confirmed clarification for, and a map of, land tenure within, and surrounding, the project zone for the Initial Project Instance has been added to PD Section 2.5.1. Based on the clarification for the project zone provided in PD Section 2.1.5 for Indicator G1.3, the VVB concurs the map and description provided in PD Section 2.5.1 satisfy the requirements for Indicator G5.1.
Date Closed:	22 February 2022

Indicator G5.2 - *Demonstrate* with documented consultations and agreements that a. the project will not encroach uninvited on private property, community property, or government property, b. the Free, Prior, and Informed Consent5 *has been obtained* of those whose property rights are affected by the project through a transparent, agreed process. Free, Prior and Informed Consent is defined as: - **'Free'** means no coercion, intimidation, manipulation, threat and bribery; - **'Prior'** means sufficiently in advance of any authorization or commencement of activities and respecting the time requirements of their decision-making processes; - **'Informed'** means that information is provided that covers (at least) the following aspects a. the nature, size, pace, reversibility and scope of any proposed project or activity; b. the reason/s or purpose of the project and/or activity; c. the duration of the above;	PD Section 2.5.3 presents the information identified by the Project Proponent to address this indicator.

d. the locality of areas that will be affected; e. a preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks and fair and equitable benefit sharing in a context that respects the precautionary principle; f. personnel likely to be involved in the execution of the proposed project (including Indigenous Peoples, private sector staff, research institutions, government employees, and others); and g. procedures that the project may entail; and - **'Consent'** means that there is the option of withholding consent and that the parties have reasonably understood it. - Collective rights holders must be able to participate through their own freely chosen representatives and customary or other institutions following a transparent process for obtaining their Free, Prior and Informed Consent that they have defined. c. appropriate restitution or compensation has been allocated to any parties whose lands have been or will be affected by the project.	
Evidence Used to Assess Conformance:	PD Section 2.5.3, interview with landowner for Initial Project Instance property, interviews with project management staff, interview with Maria Auxiliadora indigenous community leader and members
Findings:	PD Section 2.5.3 clearly states that the project will occur on private property and will not encroach on other private property, community property, or government lands. PD Section 2.5.3 clearly presents how free, prior and informed consent was obtained from the landowner for the first instance project property. Interviews with the landowner substantiate that FPIC was obtained. Interviews with the Maria Auxiliadora indigenous community leader and members substantiated that the community had

	no claims to the first instance project property and none of their property rights would be affected by the project. Item closed.
Date Closed:	5 January 2022

Indicator G5.3 - *Demonstrate* that project activities do not lead to involuntary removal or relocation of Property Rights Holders from their lands or territories, and does not force them to relocate activities important to their culture or livelihood. If any relocation of habitation or activities is undertaken within the terms of an agreement, the project proponents must *demonstrate* that the agreement was made with the Free, Prior, and Informed Consent of those concerned and includes provisions for just and fair compensation.	PD Section 2.5.4 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 2.5.4, interview with landowner for Initial Project Instance property, interviews with project management staff, interview with Maria Auxiliadora indigenous community leader and members
Findings:	PD Section 2.5.3 clearly states that the project activities do not lead to any involuntary removal or relocation of property rights holders from their lands or territories and does not force rights holders to relocate activities important to their culture or livelihood. Interviews with the landowner substantiate that project activities do not lead to any involuntary removal or relocation of property rights holders from their lands or territories and does not force rights holders to relocate activities important to their culture or livelihood. Interviews with the Maria Auxiliadora indigenous community leader and members substantiated that the community had no claims to the first instance project property and none of their property rights would be affected by the project. Item closed.
Date Closed:	5 January 2022

Indicator G5.4 - Identify any illegal activities that could affect the project's climate, community or biodiversity impacts (e.g. illegal logging) taking place in the Project	PD Section 2.5.5 presents the information identified by the Project Proponent to address this indicator.

Zone and describe measures needed and *taken* to reduce these activities so that project benefits are not derived from illegal activities.	
Evidence Used to Assess Conformance:	PD Section 2.5.5, interviews with project management staff, interviews with project consultant and project forestry consultant, site visit observations
Findings:	PD Section 2.5.5 identifies three main illegal activities that could negatively affect the Project's CCB impacts. PD Section 2.5.5 identifies appropriate measures designed and undertaken or planned to be undertaken to reduce these activities. Site visit interviews and site visit observations substantiate the activities already undertaken and substantiate activities to be undertaken are appropriate to reduce these activities. No project benefits would be derived from illegal activities. Item closed.
Date Closed:	5 January 2022

Indicator G5.5 -Identify any ongoing or unresolved conflicts or disputes over rights to lands, territories and resources and also any disputes that were resolved during the last twenty years where such records exist, or at least during the last ten years. If applicable, describe measures needed and *taken* to resolve conflicts or disputes. *Demonstrate* that no activity is undertaken by the project that could prejudice the outcome of an unresolved dispute relevant to the project over lands, territories and resources in the Project Zone.	PD Section 2.5.6 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 2.5.6, interview with landowner for Initial Project Instance property, interviews with project management staff; landowner and title documents, carbon rights agreement documents
Findings:	PD Section 2.5.6 states that there are no ongoing or unresolved conflicts or disputes over the rights to the Project Area's lands and resources to the best of the Project Proponent's and landowner's knowledge. Site visit interviews substantiate that neither party is aware of known ongoing or unresolved conflicts or disputes or any that have been resolved during the past 20 years. Support documents provided to the VVB support the landowner's title to the property for

	the first project instance and support the claim by the Project Proponent for the carbon rights for the project. Item closed.
Date Closed:	5 January 2022

Indicator G5.6 - Submit a list of all national and local laws and regulations in the host country that are relevant to the project activities. Provide assurance that the project is complying with these and, where relevant, demonstrate how compliance is achieved.	PD Section 2.5.7 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 2.5.7, review of IUCN publication (2019) on forest protection laws in Paraguay, interviews with government staff at MADES and INFONA, interviews with project management staff
Findings:	CCB & VCS Project Description template instructions for Section 2.5.7 are to submit a list of all national, regional and local laws, statutes and regulatory frameworks in the host country that are relevant to the project activities, and to provide assurance that the project is complying with these and, where relevant, demonstrate how compliance is achieved. PD Section 2.5.7 provides a description of laws identified by the Project Proponent as pertinent and relevant to project activities. This list and description are consistent with information on forestry protection laws of Paraguay available through an IUCN publication (2019). Interviews with government staff at MADES and INFONA substantiated this list to cover pertinent and relevant laws appropriate to clearing of forests within the project area. PD Section 2.3.16 identifies relevant laws and regulations related to worker's rights, which would be applicable to employees of the project are not duplicated in PD Section 2.5.7. Review of the PD and interviews with project proponent staff identified other proposed project activities that may be regulated. PD Section 2.5.7 does not identify laws, statutes, or regulatory requirements that may be pertinent and relevant to other project activities or proposed activities identified in the PD such as operating Chaco Med, constructing or operating a visitor center, or interactions with indigenous communities.

Clarification Request (CL):	PD Section 2.5.7 states that the project is in compliance with all laws, statutes, and regulatory requirements. Please provide clarification for the applicability of this statement and, where relevant, demonstrate how compliance is achieved. Please provide clarification for whether other national, regional and local laws, statutes and regulatory frameworks in Paraguay are relevant to other project activities identified in the PD in addition to those identified for clearing of native ecosystems and please clarify through appropriate assurance that the project is complying with these and, where relevant, demonstrate how compliance is achieved.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.5.7 has been updated to demonstrate compliance with the laws and to also demonstrate the Project's activities are also in compliance with all national, regional and local laws. (14 February 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 2.5.7 has been revised to include national, regional and local laws, statutes and regulatory frameworks in Paraguay relevant to other project activities identified in the PD, including Chaco Med and the Visitor Center. The VVB confirmed PD Section 2.5.7 has been revised to identify how the Project Proponent will demonstrate compliance with relevant national, regional and local laws, statutes and regulatory frameworks. Item closed.
Date Closed:	22 February 2022

Indicator G5.7 - Document that the project has approval from the appropriate authorities, including the established formal and/or traditional authorities customarily required by the Communities.	PD Section 2.5.8 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 2.5.8, interviews with government staff at MADES and INFONA, interview with Maria Auxiliadora indigenous community leader
Findings:	CCB & VCS Project Description template instructions for Section 2.5.8 are to document that the project has approval from appropriate authorities, including established formal and/or traditional authorities customarily required by the communities. PD Section 2.5.8 identifies the project approval was received from the landowners, but does not identify

	whether the project needs or has approval from appropriate authorities. Site visit interviews with the leader of the Maria Auxiliadora indigenous community substantiated that the project proponent received appropriate permission for conducting PRAs with the community.
Clarification Request (CL):	Please clarify whether the project needs or has received, as appropriate, approvals from government authorities.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	The Project just needs approval from the landowner (i.e., not from governmental authorities) and this language has been added to Section 2.5.8 of the PD. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 2.5.8 has been revised to clearly state the project is on privately owned land and does not require approvals from government authorities. Item closed.
Date Closed:	22 February 2022

Indicator G5.8 - Demonstrate that the Project Proponent(s) has the unconditional, undisputed and unencumbered ability to claim that the project will or did generate or cause the project's climate, community and biodiversity benefits.	PD Section 2.5.9 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 2.5.9, interviews with landowner and project proponent, review of supplemental documents provided by project proponent including Letter of Agreement for Verified Carbon Unit Credits, and legal review memo (Propiedad del Carbono en Tierras Privadas)
Findings:	CCB Standards v3.1 states that project ownership may be accorded to the project proponent(s) in one of several ways, including the following circumstance cited by the project proponent in PD Section 2.5.9: Project ownership arising by virtue of a statutory, property or contractual right in the land, vegetation or conservational or management process that generates GHG emission reductions and/or removals, community and biodiversity benefits (where such right includes the ownership of such reductions or removals, community and biodiversity benefits and the project proponent has not been divested of such ownership).

	A Letter of Agreement for Verified Carbon Unit Credits was provided to The VVB by the project proponent to substantiate the contractual rights of the project proponent for the development of verified carbon unit (VCU) credits. The map and description of the property subject to this agreement is consistent with the map and description provided as Figure 2.14 in PD Section 2.5.9. Interview with the landowner substantiated the existence of an agreement between the project proponent and landowner covering the project lifetime regarding land management and carbon rights during the stated project lifetime. In addition, the project proponent provided a memorandum summarizing a legal review and opinion regarding Paraguayan laws regarding carbon rights to further substantiate the project proponent's claim to carbon rights arising from project activities.
Clarification Request (CL):	PD Section 2.5.9 refers to a "Letter of Agreement for Verified Emission Reduction Credits"; please clarify whether this is the same document provided to the VVB entitled "Letter of Agreement for Verified Carbon Unit Credits". PD Section 2.5.9 states under the subsection entitled "Transfer of carbon rights" that the agreement will be registered under the Real Right of Forest Surface (Derecho Real de Superficie Forestal), and that through this registration carbon rights are transferred from Atenil S.A. to Quadriz Paraguay S.A. Please provide clarification on whether this registration has occurred, and if so, please provide documentation of this registration for VVB review.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	PD Section 2.5.9, and throughout the PD, has been updated to correctly state a "Letter of Agreement for Verified Carbon Unit Credits." This registration Real Right of Forest Surface (Derecho Real de Superficie Forestal) has not taken place yet, but is expected to be completed later in 2022 and documentation of this registration will be provided during the next monitoring, reporting and verification event. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 2.5.9 has been revised to correct the referenced document name.

	The VVB confirmed PD Section 2.5.9 has been revised to provide an update and clarification for the status of the transfer of carbon rights. Documentation provided, supported by interview with landowner, substantiate the agreement between the project proponent and landowner covering the project lifetime regarding land management and carbon rights during the stated project lifetime.
Date Closed:	22 February 2022

Indicator G5.9 - Identify the tradable climate, community and biodiversity benefits of the project and specify how double counting is avoided, particularly for offsets sold on the voluntary market and generated in a country participating in a compliance mechanism.	PD Section 2.5.10 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 2.5.10, CCB Program Rules v3.1, interview with government agency staff with MADES
Findings:	PD Section 2.5.10 states that other than VCUs with CCB tags issued under Verra's VCS and CCB Standards, there will be no other environmental or social credits sought for the Project. PD Section 2.5.10 states that double counting will be avoided through use of Verra's registry system, by working closely with the Paraguay government, and by periodically undertaking a project portfolio audit. Use of Verra's registry system would help ensure the avoidance of double-counting of CCB benefits through VCS' completeness review process as identified in section 4.3.7 of CCB Program Rules v3.1. The VVB interview with MADES staff substantiated that there is not a national REDD program currently in place, but one has been under consideration and may be in development. The VVB has determined that the Project Proponent's proposed periodic undertaking of a project portfolio audit is an appropriate measure that would help ensure the avoidance of double-counting. Item closed.
Date Closed:	5 January 2022

- **Climate Section**
- **CL1 Without-Project Climate Scenario**

A Climate Section Waiver is applicable to Indicators CL1 – CL4 as these elements are addressed via the VCS portion of the verification. Per the *Rules for the Use of the CCB Standards* (December 2013), a Climate Section Waiver is applicable for projects using the CCB *Third Edition.*

- The Climate section of the CCB Standards Third Edition is used to demonstrate a project's net positive climate benefits and not for claiming greenhouse gas (GHG) emissions reductions and removals units for use as offsets. CL1-4 is not required for projects that have met the requirements of a Recognized GHG Program.
- The Validation or Verification Report shall include evidence in the form of a positive validation or verification statement following the procedure of the Recognized GHG Program that the project meets the requirements of the Recognized GHG Program (for the appropriate time period, in the case of verification).
- If a project is not successfully validated or verified to the standards of a recognized GHG program at the time of its validation or verification to the CCB Standards, it shall demonstrate conformance with the CCB Standards Climate Section CL1-4.
- If a Project meets the requirements of a Recognized GHG Program resulting in a waiver of the Climate section of the CCB Standards, the project must be verified to the CCB Standards at the same time and every time that it is verified to the Recognized GHG Program.
- **GL1 Climate Change Adaptation Benefits**

Indicator GL1.1 - Identify likely regional or sub-national climate change and climate variability scenarios and impacts, using available studies, and identify potential changes in the local land use scenario due to these climate change scenarios in the absence of the project.	PD Section 3.4 states the Project does not seek to be validated to the Gold Level for climate change adaptation benefits.
Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for climate change adaptation benefits.
Date Closed:	5 January 2022

Indicator GL1.2 - Demonstrate that current or anticipated climate changes are having or are likely to have an impact on the well-being of Communities and/or the conservation status of biodiversity in the Project Zone and surrounding regions.	PD Section 3.4 states the Project does not seek to be validated to the Gold Level for climate change adaptation benefits.
Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for climate change adaptation benefits.
Date Closed:	5 January 2022

Indicator GL1.3 - Describe measures needed and *taken* to assist Communities and/or	PD Section 3.4 states the Project does not seek to be validated to the Gold Level for climate change adaptation benefits.

biodiversity to adapt to the probable impacts of climate change based on the causal model that explains how the project activities will achieve the project's predicted adaptation benefits.	
Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for climate change adaptation benefits.
Date Closed:	5 January 2022

Indicator GL1.4 - Include indicators for adaptation benefits for Communities and/or biodiversity in the monitoring plan. *Demonstrate* that the project activities assist Communities and/or biodiversity to adapt to the probable impacts of climate change. Assessment of impacts of project activities on Communities must include an evaluation of the impacts by the affected Communities.	PD Section 3.4 states the Project does not seek to be validated to the Gold Level for climate change adaptation benefits.
Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for climate change adaptation benefits.
Date Closed:	5 January 2022

- **Community Section**
- **CM1 Without-Project Community Scenario**

Indicator CM1.1 - Describe the Communities at the start of the project and significant community changes in the past, including well-being information, and any community characteristics. Describe the social, economic and cultural diversity within the Communities and the differences and interactions between the Community Groups.	PD Sections 4.1.1 and 4.1.2 present the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Sections 4.1.1 and 4.1.2, site visit interviews with Maria Auxiliadora community leader and members, interviews with project management staff and landowner
Findings:	PD Section 4.1.1 states that to the best of the Project Proponent's knowledge, there are no local

	communities or Indigenous Peoples who live in, or use, the Project Area. CCB Program Definitions for CCB Version 3 define communities as: All groups of people—including Indigenous Peoples, mobile peoples and other local communities—who derive income, livelihood or cultural values and other contributions to well-being from the project area at the start of the project and/or under the with-project scenario. In cases where numerous small communities can be shown to have homogeneous patterns of social organization, political structure and livelihoods, these communities may be identified and listed as a community. In identification of communities, it is permitted to consider significance of user populations and of their level of use such that distant or intermittent user groups who have very limited dependence on the site need not be defined as communities. Site visit observations combined with map review and site visit interviews substantiated there are no groups of people living in the project area of the first project instance and no groups of people who derive income, livelihood, or cultural values and other contributions to well-being from the project area at the start of the project. Interview with the landowner substantiated that the property is private property not open to general public access and that there is no known use of the property by indigenous groups. Guards hired to man a post on the road through the site were identified as hired from a distant community located closer to Asuncion, and these employees would be considered to constitute a user group with limited dependence on the site based on solely on current employment, and as such would not need to be defined as a community. The PD identified two indigenous communities as the closest communities to the project area, with both communities as the only communities located within the 20-kilometer project zone depicted for the project area in PD Figure 2.2. Neither community is identified as using the project area. The PD identified only one of these communities as interested in participating in the Project at this time. Site visit interviews with the Maria Auxiliadora community leader and members substantiated the summary description for this community as presented in PD Section 4.1.1. Maria Auxiliadora community

	members stated they did need to travel to the project area for hunting, medicinal plants, firewood, or other timber or non-timber forest products, and that their own 30,000-hectare community land area was sufficient to provide for the needs of the community. The community leader substantiated there were 30 families and 156 people within the community. Interviews with project management staff determined that the second indigenous community considered for inclusion in the project, San Isidro, was not interested in participating or discussing the project at the time of their initial contact and was not willing to grant permission for outsider visitation at this time. This community is located near Mariz Auxiliadora and has fewer community members. The VVB has determined that the PD has reasonably determined are no local communities or indigenous peoples who live in or use the Project Area. The VVB has determined the Project Proponent's inclusion of the Maria Auxiliadora indigenous community as part of the project is a voluntary measure, and that PD Section 4.1.1 provides a reasonable description of community characteristics and diversity within this small community at the start of the project. The VVB has determined that appropriate efforts were made by the Project Proponent to initiate contact with the San Isidro indigenous community, but that further efforts at contacts with this community would require permission granted by the community. PD Section 4.1.2 identifies community groups not previously defined or described in PD Sections 2.1.8 or 2.1.9. See findings for Indicator G1.5 and G1.6.
Clarification Request (CL):	Please provide clarification for interactions between communities and community groups, as appropriate, following resolution of clarification requests identified in findings for Indicators G1.5 and G1.6.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.1.8 and Section 2.1.9 have both been revised to align with Section 4.1.2. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed the community groups identified and addressed in PD Section 4.1.2 were identified as clarifications provided in PD Sections 2.1.8 and 2.1.9. The VVB confirmed clarification has been provided in PD Section 4.1.2 for the communities within the project zone for the Initial Project Instance,

	and interactions among the community groups identified by the Project Proponent. Item closed.
Date Closed:	22 February 2022

Indicator CM1.2 - Evaluate whether the Project Zone includes any of the following High Conservation Values (HCVs) related to community well-being and describe the qualifying attributes for any identified HCVs: a. Areas that provide critical ecosystem services; b. Areas that are fundamental for the livelihoods of Communities; and c. Areas that are critical for the traditional cultural identity of Communities. Identify the areas that need to be managed to maintain or enhance the identified HCVs.	PD Section 4.1.3 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 4.1.3, PD Section 2.1.7 and Figure 2.2, site visit interviews with Maria Auxiliadora indigenous community leader and members
Findings:	Instructions for Indicator CM1.2 within PD Section 4.1.3 from the CCB & VCS Project Description template are to complete the table in Section 4.1.3 for each of the following HCVs related to community well-being in the project zone: • Areas that provide critical ecosystem services. • Areas that are fundamental for the livelihoods of communities. • Areas that are critical for the traditional cultural identity of communities. Instructions for Indicator CM1.2 within PD Section 2.1.7 from the CCB & VCS Project Description template are to provide a map of the project zone including any high conservation value (HCV) areas identified in Section 4.1.3. PD Section 4.1.3 provides a general description of the Chaco Forest as the HCV identified for the Maria Auxiliadora indigenous community. Figure 2.2 in PD

	Section 2.1.7 does not identify the HCV area identified in PD Section 4.1.3 for the project zone. Site visit interviews with the community leader and community members in Maria Auxiliadora indigenous community indicated that the community lands of 30,000 ha were identified as the area of High Conservation Value to the community rather than the Chaco Forest as a whole. The community leader identified their lands as sufficient to meet the needs of the community for hunting, wood products, and other non-timber forest products. Community members indicated that based on the sufficiency of their own lands, and the distance involved, they did not venture onto the property comprising the Initial Project Instance. The site visit interview determined that the Maria Auxiliadora community recognized that activities outside their community lands may affect environmental factors of concern to their community lands, such as water quality and populations of mobile animals that are hunted by community members, such as peccaries. PD Section 4.1.3 does not differentiate between the Chaco Forest as a whole and specific extent of area considered by the Maria Auxiliadora indigenous community to be the HCV area for the community. PD Section 4.1.3 does not provide a clear description for how the criteria are met for defining the HCV for this community. Other HCV areas that may be applicable to other communities are not identified within the project zone. PD Section 4.1.3 makes a broad statement for the need to conserve the entire Chaco Forest, which appears to be beyond the scope of the area that may be the HCV identified as appropriate for the Maria Auxiliadora indigenous community.
Clarification Request (CL):	Please provide clarification for the following items: • information on the extent of community lands for the indigenous communities within the project zone, including any indigenous community or communities not participating in the project but whose community lands may be located within the project zone for the first project instance; • the extent of the Chaco Forest identified by the Maria Auxiliadora indigenous community as an HCV area;

	• the rationale for determining the extent of this HCV area based on its significance for community well-being; • whether any additional areas within the project zone may meet criteria to be considered HCVs by other communities; and • the extent of the area(s) that need to be managed to maintain or enhance the HCV specifically identified as present within the project zone.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.1.7 and Section 4.1.3 are now in alignment. A map depicting the community's HCV has been added to both sections. A discussion on additional areas within the project zone that may meet criteria to be considered HCVs by other communities and a discussion to the extent the Initial Project Instance needs to be managed to maintain the Chaco Forest (HCV) specifically identified as present within the project zone have been added to section 4.1.3. (21 January 2022)
Clarification Request (CL):	The VVB confirmed PD Section 4.1.3 has been revised to provide mapping depicting the locations of the indigenous communities within the initial project zone, but the area mapped for the Maria Auxiliadora indigenous community appears much smaller than the approximately 30,000-ha extent of community lands attributed to the Maria Auxiliadora indigenous community as an HCV for the community. The VVB confirmed PD Section 4.1.3 has been revised to provide clarification for the rationale for the including this area as HCV, and the extent of area of the HCV and Chaco Forest as a whole that need to be managed to maintain or enhance the identified HCV. Please provide clarification as appropriate for the extent of lands legally recognized or otherwise identified by the indigenous communities in the project zone as community lands or otherwise being utilized and that may be considered HCV. This information is being requested to substantiate the assertion there is no overlap between the Initial Project Instance and area reported as utilized by the Maria Auxiliadora for forest products and hunting, or by any other indigenous community for similar uses.
Date Issued:	22 February 2022

Project Proponent Response/Actions and Date	The official land area for the Maria Auxiliadora, as recognized by the Paraguayan Government and as reported by LandMark, is approximately 90 hectares. This is the area included in the PD. The 30,000 hectares reported by the Maria Auxiliadora community might be their historical lands. During the community consultations and interviews with the Maria Auxiliadora, a map of the Initial Project Instance was shown and it was stated there was no overlap or use of the Initial Project Instance. Footnotes to explain this discrepancy have been added to the PD. These mapping sources substantiate no other indigenous communities are known from the project zone. (25 February 2022)
Clarification Request (CL):	The VVB confirmed a footnote has been added to provide clarification for the officially recognized land area for the Maria Auxiliadora indigenous community. The mapping source referenced in the footnote, LandMark (http://www.landmarkmap.org/map/), identifies the location and extent of indigenous lands consistent with the presentation of these areas in Figure 4.1 of the PD. Information available through the website Tierras Indígenas (https://www.tierrasindigenas.org/Mapa) reviewed by the VVB also substantiates the extent of land depicted in Figure 4.1 of the PD for the Maria Auxiliadora and San Isidro indigenous communities. The discrepancy between the official land area identified for the Maria Auxiliadora indigenous community in the PD, reported as approximately 90 hectares, and the 30,000 hectares of lands mentioned during the site visit interview with the leader and members of the Maria Auxiliadora community requires more detailed clarification than what is currently available to the VVB. Resolution of this finding is pending the opportunity to seek additional clarification from the indigenous community, and appropriate government representatives from the Instituto Paraguayo del Indígena, regarding lands that are legally titled to the community and other lands available for use by the community that would be considered HCV to the community. The VVB has requested the opportunity to meet with the community leader of Maria Auxiliadora again

	during the pending second visit, and has requested the Project Proponent make appropriate efforts to seek a meeting for the VVB with the San Isidro indigenous community as well.
Date Issued:	22 March 2022
Project Proponent Response/Actions and Date	In response to your inquiry on the 30,000 ha block owned by Maria Auxioladora we have prepared the attached. It outlines: 5) A 30,113 ha property, called Riacho Mosquito, which appears to be titled but not georeferenced. 6) This property appears to be titled land shared between the communities of Boquerón Cué, Machete Vaina, María Auxiliadora, Castilla, and San Isidro Km 39. 7) The steps taken and resources used to arrive at the above conclusions. 8) The Riacho Mosquito property does not overlap any of the project area. Please let us know if you have any questions in this regard. (Via email 18 May 2022)
Evidence Used to Close CL:	A VVB staff representative revisited the Maria Auxiliadora community on 3 May 2022 and the community leader confirmed his understanding that Maskoi (Maskoy) community lands constituted approximately 30,000 ha and stated that the original map and property title are in the Vicariate of Puerto Casado. The VVB reviewed the supplemental information provided by the Project Proponent via email 18 May 2022, that describes and provided maps of the approximately 30,000-ha indigenous community lands. Discrepancies in the mapping and descriptions provided are being addressed through findings issued for Indicator G1.7. For the purposed on Indicator CM1.2, the VVB determined that the information provided substantiates the information provided by the Maria Auxiliadora community leader that their community lands do not overlap with the project boundaries, but a portion of these community lands are located within the project zone. The Maria Auxiliadora community leader also stated his belief that protecting the forest on the project site would benefit the indigenous community by providing additional habitat for wide-ranging wildlife species that may enter the indigenous community lands. Item closed.
Date Closed:	15 June 2022

Indicator CM1.3 - Describe the expected changes in the well-being conditions and other characteristics of Communities under the without-project land use scenario, including the impact of likely changes on all ecosystem services in the Project Zone identified as important to Communities.	PD Section 4.1.3 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 4.1.4, interviews with Maria Auxiliadora indigenous community leader and members
Findings:	Instructions for Indicator CM1.2 within PD Section 4.1.4 from the CCB & VCS Project Description template are to describe the expected changes in the well-being conditions and other characteristics of communities and community groups under the without-project land use scenario. PD Section 4.1.4 provides general statements and description regarding how clearing of forest in the project area and conversion to cattle ranch may affect the Maria Auxiliadora indigenous community. The connection is not clear between each of these statements and how they would result in expected changes to existing community well-being.
Clarification Request (CL):	Please provide clarification for how changes identified in PD Section 4.1.4 specifically address existing conditions and other characteristics of communities and community groups, as appropriate, following resolution of clarification requests identified in findings for Indicators G1.5 and G1.6.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 4.1.4. has been revised to specifically address how changes in the without-project scenario would impact the Maria Auxiliadora community. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 4.1.4 has been revised to clarify expected changes in the well-being conditions and other characteristics of communities in the project zone for the first project instance, and for community groups clarified in PD sections 2.1.8 and 2.1.9. addressing Indicators G1.5 and G1.6. Item closed.
Date Closed:	22 February 2022

- **CM2 Net Positive Community Impacts**

Indicator CM2.1 - Use appropriate methodologies to assess the impacts, including predicted and actual, direct and indirect benefits,	PD Section 4.2.1 presents the information identified by the Project Proponent to address this indicator.

costs and risks, on each of the identified Community Groups (identified in G1.5) resulting from project activities under the with-project scenario. The assessment of impacts must include changes in well-being due to project activities and an evaluation of the impacts by the affected Community Groups. This assessment must be based on clearly defined and defendable assumptions about changes in well-being of the Community Groups under the with-project scenario, including potential impacts of changes in all ecosystem services identified as important for the Communities (including water and soil resources), over the project lifetime.	
Evidence Used to Assess Conformance:	PD Section 4.2.1, PD Section 2.1.8, interviews with project management staff, interviews with Maria Auxiliadora indigenous community leader and members
Findings:	Instructions for Indicator CM2.1 within PD Section 4.2.1 from the CCB & VCS Project Description template are to complete the table for each community group to describe the anticipated impacts resulting from project activities under the with-project scenario, and to explain and justify key assumptions, rationale and methodological choices and explain how the affected groups have participated in the evaluation of impacts. The instructions are to also provide all relevant references. Indicator CM2.1 requires that the community groups required to be identified by Indicator G1.5 be addressed; PD Section 2.1.8, which is the section for addressing Indicator G1.5, does not identify any community groups. PD section 4.2.1 provides several impacts that would appear to be broadly applicable to some, but not all, potentially definable community groups. The connection is not clear between some of the impacts identified are or would be benefits for the sole community identified as participating in the project.
Clarification Request (CL):	Please provide clarification for each of the impacts identified in PD Section 4.2.1 would specifically be anticipated to impact each community group, as appropriate, following resolution of clarification

	requests identified in findings for Indicators G1.5 and G1.6.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 2.1.8 and Section 4.2.1 have been updated to identify the community groups at Maria Auxiliadora and to justify why the community groups at Maria Auxiliadora are not considered distinct community groups. Section 4.2.1 has also been updated to specify the anticipated impacts are for the Maria Auxiliadora community. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 4.2.1 has been revised to provide clarification for the community groups identified by the revisions to PD Section 2.1.8. The VVB concurs the impacts presented represent reasonable expected or actual impacts to the communities identified in the project zone for the Initial Project Instance, and the PD appropriately identifies types of benefits/costs/risks and changes in well-being. Item closed.
Date Closed:	22 February 2022

Indicator CM2.2 - Describe measures needed and *taken* to mitigate any negative well-being impacts on Community Groups and for maintenance or enhancement of the high conservation value attributes (identified in CM1.2) consistent with the precautionary principle.	PD Section 4.2.2 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 4.2.2, interviews with project management staff, interviews with Maria Auxiliadora indigenous community leader and members
Findings:	PD section 4.2.2 states there are no negative community impacts expected to result from the Project, and references information obtained through the PRA to support this assertion. Site visit interviews with the Maria Auxiliadora indigenous community leader and members substantiated there would not be any negative well-being impacts anticipated from the project, and therefore no mitigation measures would be needed. Although instructions for Indicator CM2.2 within PD Section 4.2.1 from the CCB & VCS Project Description template relate to addressing community groups, the VVB determined that in the absence of identifiable negative community impacts, there would also be no

	identifiable negative impacts on community groups within the community. Item closed.
Date Closed:	5 January 2022

Indicator CM2.3 - *Demonstrate* that the net well-being impacts of the project are positive for all identified Community Groups compared with their anticipated well-being conditions under the without-project land use scenario (described in CM1).	PD Section 4.2.3 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 4.2.3, interviews with project management staff, interviews with Maria Auxiliadora indigenous community leader and members
Findings:	Instructions for Indicator CM2.3 within PD Section 4.2.3 from the CCB & VCS Project Description template are to demonstrate that the anticipated net well-being impacts of the project are predicted to be positive for all identified community groups compared with their anticipated well-being conditions under the without-project land use scenario. Although site visit interviews with the Maria Auxiliadora indigenous community leader and members indicated that the net well-being impacts of the project are expected to be positive compared to existing conditions without-project, resolution of this finding is contingent on resolution of requests for clarification and closing of findings identified for Indicators CM1.1 through CM1.3.
Clarification Request (CL):	Please clarify impacts on all identified community groups, as appropriate in PD Section 4.2.3, following resolution of findings for Indicators CM1.1 through CM1.3.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 4.2.3. has been revised to be in alignment with CM1.1 through CM1.3. (21 January 2022)
Evidence Used to Close Cl:	The VVB confirmed PD Section 4.2.3 has been revised as described. Based on the clarification provided for community groups considered for the Initial Project Instance, the VVB concurs based on documentation provided and through site visit interviews that the net well-being impacts of the project would be positive for all identified community groups compared to their anticipated well-being conditions under the without-project scenario. Item closed.

Date Closed:	22 February 2022

Indicator CM2.4 - *Demonstrate* that no High Conservation Values (identified in CM1.4) are negatively affected by the project.	PD Section 4.2.4 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 4.2.4, interviews with project management staff, interviews with Maria Auxiliadora indigenous community leader and members
Findings:	PD Section 4.2.4 states that because the project is an avoided deforestation, forest conservation project, the community's High Conservation Values will not be negatively impacted. Site visit interviews with the Maria Auxiliadora indigenous community leader and members substantiated that protecting natural vegetation cover on the project area property would not negatively affect HCVs for the community. Item closed.
Date Closed:	5 January 2022

- **CM3 Other Stakeholder Impacts**

Indicator CM3.1 - Identify any potential positive and negative impacts that the project activities are likely to cause on the well-being of Other Stakeholders.	PD Section 4.3.1 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 4.3.1, PD Section 2.1.9 and Appendix 2
Findings:	Instructions for Indicator CM3.1 within PD Section 4.3.1 from the CCB & VCS Project Description template are to identify any potential positive and negative impacts that the project activities are likely to cause on the well-being of other stakeholders. CCB Program Definitions v3.0 identifies "Other Stakeholders" as all groups other than communities who can potentially affect or be affected by the project activities and who may live within or outside the project zone. The process used for identifying "Other Stakeholders" is described in PD Section 2.1.8, and PD Section 2.1.9 refers to PD Appendix 2 for a description of other stakeholders. PD Section 4.3.1 provides generalized potential impacts but does not identify the specific entities identified as Other Stakeholders in PD Appendix 2, and does not address potential positive and negative impacts that the project activities are likely to cause on the well-being of Other Stakeholders identified in PD Appendix 2. PD Section 4.3.1 also appears to identify potential impacts to adjacent landowners, a

	group not identified or described as Other Stakeholders in PD Section 2.1.9 or Appendix 2.
Clarification Request (CL):	Please provide clarification, as appropriate, for potential positive and negative impacts that the project activities are likely to cause on the well-being of each of the entities identified as "Other Stakeholders" in PD Section 2.1.9 and/or Appendix 2.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	A chart has been added to Section 4.3.1 to specify the Other Stakeholders (which is now in alignment with Appendix 1) and the specific positive impacts and potential negative impacts for each. (21 January 2022)
Evidence Used to Close CL:	The VVB confirms clarification has been provided in PD Section 4.3.1 for potential positive and negative impacts that the project is likely to cause on the well-being of each of the entities identified as "Other Stakeholders" in the Appendix now located as Appendix 1. Review of the identified likely impacts along with interviews with representatives from several of the identified other stakeholders substantiates potential positive and negative impacts are appropriately identified for other stakeholders. Item closed.
Date Closed:	22 February 2022

Indicator CM3.2 - Describe the measures needed *and taken* to mitigate the negative well-being impacts on Other Stakeholders.	PD Section 4.3.2 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Sections 4.3.1 and 4.3.2, PD Section 2.1.9 and Appendix 2
Findings:	Findings for this indicator are pending resolution of findings for Indicator CM3.2.
Clarification Request (CL):	Please provide clarification, as appropriate, for measures needed to mitigate the negative well-being impacts on Other Stakeholders following appropriate determination of negative impacts to any Other Stakeholder following clarification requested for Indicator CM3.1.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 4.3.2 has been updated. (21 January 2022)
Evidence Used to Close CL:	The VVB confirms clarification has been provided in PD Section 4.3.2 to identify measures needed to mitigate negative well-being impacts on Other Stakeholders based on clarification provided in PD

	4.3.1 on potential negative impacts identified for the Other Stakeholders addressed. Item closed.
Date Closed:	22 February 2022

Indicator CM3.3 - Demonstrate that the project activities do not result in net negative impacts on the well-being of Other Stakeholders.	PD Section 4.3.3 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Sections 4.3.1 through 4.3.3, PD Section 2.1.9 and Appendix 2
Findings:	Findings for this indicator are pending resolution of findings for Indicators CM3.1 and CM3.2.
Clarification Request (CL):	Please provide clarification, as appropriate, that demonstrates project activities do not result in net negative impacts on the well-being of Other Stakeholders following clarification requested for Indicators CM3.1 and CM3.2.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 4.3.3. has been updated to be aligned with Sections 4.3.1 and 4.3.2. (21 January 2022)
Evidence Used to Close CL:	The VVB confirms clarification provided in PD Sections 4.3.1 and 4.3.2 substantiate the project activities would not be expected to result in net negative impacts on the well-being of the identified Other Stakeholders. The VVB confirmed PD Section 4.3.3 has been revised to provide clarification for how net impacts are expected to be positive. Item closed.
Date Closed:	22 February 2022

- **CM4 Community Impact Monitoring**

Indicator CM4.1 - Develop and implement a monitoring plan that identifies community variables to be monitored, Communities, Community Groups and Other Stakeholders to be monitored, the types of measurements, the sampling methods, and the frequency of monitoring and reporting. Monitoring variables must be directly linked to the project's objectives for Communities and Community Groups and to predicted outputs, outcomes and impacts identified in the project's causal model related to the well-being of Communities (described in G1.8). Monitoring must	PD Section 4.4.1 presents the information identified by the Project Proponent to address this indicator.

assess differentiated impacts, including and benefits, costs and risks, for each of the Community Groups and must include an evaluation by the affected Community Groups.	
Evidence Used to Assess Conformance:	PD Section 2.1.1, PD Section 2.1.11, PD Section 4.4.1, interviews with project management staff
Findings:	Instructions for Indicator CM4.1 within PD Section 4.4.1 from the CCB & VCS Project Description template are to: Present a monitoring plan that identifies communities, community groups and other stakeholders to be monitored, variables to be monitored, types of measurements and sampling methods, and the frequency of monitoring and reporting for each type and method. The monitoring plan must: • Be based on variables directly linked to the project's objectives for communities and community groups and to predicted outputs, outcomes and impacts identified in the project's causal model related to the well-being of communities. • Assess differentiated impacts for each of the community groups and include an evaluation by the affected community groups. Community objectives were identified as requiring clarification for Indicator G1.2 (PD Section 2.1.1) and Indicator G1.8 (PD Section 2.1.11). Community groups were identified as requiring clarification for Indicators G1.5 and G1.6 (PD Sections 2.1.8 and 2.1.9). PD Section 4.4.1 provides summaries for undertaking PRA and Degradation surveys, which are part of the VCS requirements, but does not provide a clear link between these proposed monitoring activities and the CCB requirements to base the monitoring plan on variables directly linked to the project's objectives for communities and community groups, and to predicted outputs, outcomes, and impacts identified in the project's causal model related to well-being of communities (PD Section 2.1.11). PD Section 4.4.1 does not provide a clear plan for differentiating impacts for community groups, which would require resolution of findings for Indicator G1.6 for the VVB to fully assess.

	PD Section 4.4.1 identifies surveys drafted for the visitor center and Chaco Med, but the details of these components of the monitoring plan are not included in the PD.
Clarification Request (CL):	Please provide clarification, as appropriate, for the monitoring plan to clearly link the monitoring activities to variables directly linked to the project's objectives for communities and community groups, and to predicted outputs, outcomes, and impacts identified in the project's causal model related to well-being of communities. Please provide clarification for how the monitoring plan addresses differentiating impacts for all identified community groups, as appropriate, following resolution of findings for Indicator G1.6.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	The community objective has been clarified throughout the PD. The PD has also been revised to clarify the community groups at Maria Auxiliadora and why they are not being viewed as distinct community groups. Also, section 4.4.1 has been updated to include additional information on the visitor survey and Chaco Med survey. (21 January 2022)
Clarification Request (CL):	The VVB confirmed PD Section 4.4.1 has been revised to clearly link monitoring activities to variable directly linked to the project's objectives for communities, and the reason why community groups identified within the community in the project zone for the first project instance are not proposed for monitoring independent of the community as a whole. The VVB confirmed the Project Proponent included detailed information on the surveys proposed for Chaco Med and the Visitor Center. Monitoring frequency for surveys for the Chaco Med and Visitor Center is reported in PD Section 4.4.1 as anticipated to be regular, but specific frequency and reporting of monitoring or results is not clear. Please provide clarification as appropriate on frequency of monitoring and reporting of monitoring results for all aspects of the community monitoring plan.
Date Issued:	22 February 2022
Project Proponent Response/Actions and Date:	Section 4.4.1 has been updated to clarify the frequency of monitoring and reporting of monitoring results for all aspects of the community monitoring plan. (25 February 2022)

Evidence Used to Close CL:	The VVB confirmed PD Section 4.4.1 has been revised to clarify the frequency of monitoring and reporting of monitoring results for the components of the community monitoring plan.
Date Closed:	22 March 2022

Indicator CM4.2 - Develop and implement a monitoring plan to assess the effectiveness of measures taken to maintain or enhance all identified High Conservation Values related to community well-being.	PD Section 4.4.1 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 4.4.1, PD Section 4.1.3, interviews with project management staff
Findings:	Instructions for Indicator CM4.2 within PD Section 4.4.1 from the CCB & VCS Project Description template are to develop a monitoring plan to assess the effectiveness of measures taken to maintain or enhance all identified HCVs related to community well-being. Community well-being HCVs were identified as requiring clarification for Indicator CM1.2 (PD Section 4.1.3). PD Section 4.4.1 identifies regular monitoring of canopy cover using satellite imagery analysis, but the monitoring plan is not clear on how the effectiveness of measures taken will be assessed in specific relationship to maintaining or enhancing the HCVs related to community well-being specifically for the Maria Auxiliadora indigenous community.
Clarification Request (CL):	Please provide clarification, as appropriate, for how the monitoring plan will assess the effectiveness of measures taken to maintain or enhance all identified HCVs related to community well-being, as appropriate, following resolution of findings for Indicator CM1.2.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 4.4.1 has been updated to explain how the monitoring plan will assess the effectiveness of measures taken to maintain all identified HCVs related to community well-being (i.e., large contiguous forested areas near their communal lands). (21 January 2022)
Clarification Request (CL):	The VVB confirmed PD Section 4.4.1 has been revised to provide explanations for how the Project

	Proponent identifies the monitoring plan will assess the effectiveness of measures taken to maintain identified HCVs related to community well-being. The revised text does not clearly identify how the actions identified would provide the required assessment of effectiveness of these measures. Please provide clarification for how the monitoring plan would assess the effectiveness of the measures identified.
Date Issued:	22 February 2022
Project Proponent Response/Actions and Date:	Section 4.4.1 has been updated to assess the effectiveness of measures taken to maintain all identified HCVs (i.e., the Chaco Forest) related to community well-being. (25 February 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 4.1.1 has been revised to clarify how the monitoring plan would assess the effectiveness of the measures identified for HCVs related to community well-being.
Date Closed:	22 March 2022

Indicator CM4.3 - Disseminate the monitoring plan, and any results of monitoring undertaken in accordance with the monitoring plan, ensuring that they are made publicly available on the internet and summaries are communicated to the Communities and Other Stakeholders through appropriate means.	PD Section 4.4.2 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 4.4.2, interviews with project management staff, interviews with Maria Auxiliadora indigenous community leader and members
Findings:	PD Section 4.4.2 identifies how the current community monitoring plan was disseminated, and how results of monitoring undertaken in accordance with the monitoring plan will be disseminated. Review of the Verra website confirmed the posting of the PD that includes the community monitoring plan as currently proposed, as well as Spanish (and English) summary documents. Interviews with leader and members of the Maria Auxiliadora indigenous community substantiated their general understanding of the availability of the PD and monitoring plan. Site visit interviews with the indigenous community substantiated that general information on the plans was communicated in Guarani, which demonstrates an appropriate means

	of notification for the communication, and the VVB confirmed that the community had the ability to have the information translated from Spanish into Guarani through the abilities of various community members or community member relatives. Item closed.
Date Closed:	5 January 2022

- **GL2 Exceptional Community Benefits**

Indicator GL2.1 - a. Demonstrate that Smallholders/Community Members or Communities either own or have management rights, statutory or customary, individually or collectively, to land in the Project Area. The Smallholders/Community Members or Communities have rights to claim that their activities will or did generate or cause the project's climate, community and biodiversity benefits. OR b. Demonstrate that the Project Zone is in a low human development country OR in an administrative area of a medium or high human development country in which at least 50% of the households within the Communities are below the national poverty line.	PD Section 4.5 states the Project does not seek to be validated to the Gold Level for exceptional community benefits.
Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for exceptional community benefits.
Date Closed:	5 January 2022

Indicator GL2.2 - *Demonstrate* that the project generates short-term and long-term net positive well-being benefits for Smallholders/ Community Members. Include indicators of well-being impacts on Smallholder/Community Members in the monitoring plan. The assessment of impacts must include changes in well-being due to project activities and an evaluation of the impacts by the affected Smallholders/Community Members.	PD Section 4.5 states the Project does not seek to be validated to the Gold Level for exceptional community benefits.

Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for exceptional community benefits.
Date Closed:	5 January 2022

Indicator GL2.3 - Identify, through a participatory process, risks for the Smallholders/Community Members to participate in the project, including those related to tradeoffs with food security, land loss, loss of yields and short-term and long-term climate change adaptation. Explain how the project is designed to avoid such tradeoffs and the measures taken to manage the identified risks. Include indicators of risks for Smallholders/Community Members in the monitoring plan.	PD Section 4.5 states the Project does not seek to be validated to the Gold Level for exceptional community benefits.
Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for exceptional community benefits.
Date Closed:	5 January 2022

Indicator GL2.4 - Identify Community Groups that are marginalized and/or vulnerable. *Demonstrate* that the project generates net positive impacts on the well-being of all identified marginalized and/or vulnerable Community Groups. *Demonstrate* that any barriers or risks that might prevent benefits going to marginalized and/or vulnerable Smallholder/Community Members have been identified and addressed. *Demonstrate* that measures are taken to identify any marginalized and/or vulnerable Smallholders/Community Members, whose well-being may be negatively affected by the project, and that measures are taken to avoid, or when unavoidable to mitigate, any such impacts.	PD Section 4.5 states the Project does not seek to be validated to the Gold Level for exceptional community benefits.

Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for exceptional community benefits.
Date Closed:	5 January 2022

Indicator GL2.5 - Demonstrate that the project generates net positive impacts on the well-being of women and that women participate in or influence decision-making and include indicators of impacts on women in the monitoring plan.	PD Section 4.5 states the Project does not seek to be validated to the Gold Level for exceptional community benefits.
Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for exceptional community benefits.
Date Closed:	5 January 2022

Indicator GL2.6 - Describe the design and implementation of a benefit sharing mechanism, demonstrating that Smallholders/Community Members have fully and effectively participated in defining the decision-making process and the distribution mechanism for benefit sharing; and demonstrating transparency, including on project funding and costs as well as on benefit distribution.	PD Section 4.5 states the Project does not seek to be validated to the Gold Level for exceptional community benefits.
Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for exceptional community benefits.
Date Closed:	5 January 2022

Indicator GL2.7 - Explain how relevant and adequate information about predicted and actual benefits, costs and risks has been communicated to Smallholders/Community Members and provide evidence that the information is understood.	PD Section 4.5 states the Project does not seek to be validated to the Gold Level for exceptional community benefits.

Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for exceptional community benefits.
Date Closed:	5 January 2022

Indicator GL2.8 - Describe the project's governance and implementation structures, and any relevant self-governance or other structures used for aggregation of Smallholders/Community members, and demonstrate that they enable full and effective participation of Smallholders/Community Members in project decision-making and implementation.	PD Section 4.5 states the Project does not seek to be validated to the Gold Level for exceptional community benefits.
Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for exceptional community benefits.
Date Closed:	5 January 2022

Indicator GL2.9 - Demonstrate how the project is developing the capacity of Smallholders/Community Members, and relevant local organizations or institutions, to participate effectively and actively in project design, implementation and management.	PD Section 4.5 states the Project does not seek to be validated to the Gold Level for exceptional community benefits.
Evidence Used to Assess Conformance:	
Findings:	Not applicable, the Project is not seeking to be validated to the Gold Level for exceptional community benefits.
Date Closed:	5 January 2022

- **Biodiversity Section**
- **B1 Biodiversity Without-Project Scenario**

Indicator B1.1 - Describe biodiversity within the Project Zone at the start of the project and threats to that biodiversity, using appropriate methodologies.	PD Section 5.1.1 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.1.1, supplemental reports for camera trapping data (June through September 2021), site observations, interviews with biodiversity monitoring consultant and project staff

Findings:	Instructions for Indicator B1.1 within PD Section 5.1.1 from the CCB & VCS Project Description template are to describe the biodiversity within the project zone at the start of the project and threats to that biodiversity, to explain and justify key assumptions, rationale and methodological choices, and to provide all references. PD Section 5.1.1 provides a general description of the biodiversity of the Chaco region, and identifies deforestation trends as a threat to many of these species, and provides references for some of the information presented on Chaco biodiversity. Many of the species mentioned in the general description of Chaco biodiversity appear to be species that also occupy grasslands and pastures as well as Chaco forests based on literature review and site observations. PD Section 5.1.1 does not describe biodiversity specific to the Project Zone for the project area, or provide clear documentation for how the proposed conversion of the project area from Chaco forest habitats to cattle ranch or agricultural lands would affect biodiversity.
Clarification Request (CL):	Please provide clarification for the biodiversity documented or expected to occur within the habitats present within the project zone at the start of the project and threats to that biodiversity. Please explain and justify key assumptions, rationale, and methodological choices, and provide references as appropriate.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	PD Section 5.1.1. has been updated to describe the specific biodiversity identified in the Project Zone and how conversion to a cattle ranch or agricultural lands could affect the wildlife. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 5.1.1 has been revised to provide clarification for biodiversity documented or expected to occur within the initial project zone at the start of the project and identifies threats to that biodiversity. An opportunity for improvement was noted for the list of mammals photo-documented in the project area and initial project zone between June and November 2021 by including all mammal species photo-documented; some medium to large mammal species listed in the monthly reports provided to the VVB do not appear to be listed in PD Section 5.1.1. In addition, white-lipped peccary is not included on

	this list although it is noted as present with accompanying photograph 5.2 in PD Section 5.5.1. An opportunity for improvement does not require action by the Project Proponent for the VVB to close this item. Item closed.
Date Closed:	22 February 2022

Indicator B1.2 - Evaluate whether the Project Zone includes any of the following High Conservation Values (HCVs) related to biodiversity and describe the qualifying attributes for any identified HCVs: a. Globally, regionally or nationally significant concentrations of biodiversity values; i. protected areas ii. threatened species iii. endemic species iv. areas that support significant concentrations of a species during any time in their lifecycle. b. Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance; c. Threatened or rare ecosystems.	PD Section 5.1.2 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.1.2, literature review including IUCN website/data, site observations, supplemental reports for camera trapping data (June through September 2021), interviews with biodiversity monitoring consultant and project staff
Findings:	PD Section 5.1.2 identifies three general HCVs: Chaco Forest, Threatened and Endangered Species, and Endemic Species. PD Section 5.1.2 does not clearly reference the justification for inclusion of “Chaco Forest” as an HCV. PD Section 5.1.2 does not clearly identify whether any of the referenced threatened and endangered

	species with ranges extending into the Chaco region have been found or are expected to occur within habitats present within the Project Zone. PD Section 5.1.2 references tapeti (*Sylvilagus brasiliensis*) as an endangered species of the Chaco, which is based on confusion created by IUCN by its recent adoption of a redefined species concept for this taxon. The taxon or taxa of tapeti present within Paraguay are not the more narrowly defined "*Sylvilagus brasiliensis*" taxon now listed as endangered by IUCN (which is a former subspecies limited to a narrow strip of land adjacent to the coast of two states of eastern Brazil, Pernambuco and Alagoas). In addition, figures provided to support two species as suggested existing in and around the Project Area, Chacoan peccary and giant otter, appear to show range maps that may not include the Project Area. Camera trap monitoring results provided to the VVB covering June through September 2021 identified the presence on the project site of species categorized by IUCN as Vulnerable; the IUCN category "Vulnerable" is considered by CCB Standards v3.1 to constitute Threatened species. PD Section 5.1.2 does not provide documentation for whether these would constitute globally, regionally, or nationally significant concentrations. PD Section 5.1.2 identifies two Endemic species but provides no documentation that either species is present within the Project Zone. Interviews with project management staff, biodiversity monitoring consultant, and government agency staff identified the project area property as part of an area that may be considered an area that would appear to meet criterion (b) under this indicator, but this is not represented in PD Section 5.1.2.
Clarification Request (CL):	Please provide clarification for how each of the identified HCVs meets a specific criterion or criteria for this indicator. Please provide clarification, as appropriate, for other items identified in the findings for this indicator.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 5.1.2 has been updated to justify the inclusion of the Chaco Forest as an HCV, the referenced threatened and endangered species with ranges extending into the Chaco region has been revised, and the endemic species table has been

	removed. References to *Sylvilagus brasiliensis* have been removed from the PD. Section 5.1.2 has also been updated to state that "Although the jaguar is only considered near threatened, and the giant armadillo is considered vulnerable, according to Andrea Weiler, the concentration of these species would qualify as HCVs at the national and regional levels." (21 January 2022)
Evidence Used to Close CL:	The VVB has confirmed PD Section 5.1.2 has been revised to provide clarification for how each of the identified biodiversity-related HCVs meets a specific criterion or criteria for this indicator. The PD provides appropriate citations for referenced information, including a link to the list of nationally listed Endangered Species maintained by MADES. Information presented in the PD is consistent with information substantiated during the VVB site visit and interviews. Item closed.
Date Closed:	22 February 2022

Indicator B1.3 - Identify the areas that need to be managed to maintain or enhance the identified HCVs.	PD Section 5.1.2 presents the information identified by the Project Proponent to address this indicator. The CCB & VCS Project Description template incorrectly attributes this indicator number to PD Section 5.1.3, but this indicator represents the Focal Area section required within PD Section 5.1.2 table(s).
Evidence Used to Assess Conformance:	PD Section 5.1.2, literature review including IUCN website/data, site observations, interviews with biodiversity monitoring consultant and project staff
Findings:	Instructions for the Focal Area item from the CCB & VCS Project Description template are to identify the area(s) that need to be managed to maintain or enhance the associated HCV. PD Section 5.1.2 provides generalizations for conserving the Chaco Forest as the focal area for each of the three HCVs identified in PD Section 5.1.2, and for species appears to be based on general ranges rather than habitat requirements. PD Section 5.1.2 does not clearly identify specific area(s) that need to be managed to maintain or enhance the associated HCV.
Clarification Request (CL):	Please provide clarification for each of the Focal Areas in PD Section 5.1.2, as appropriate, following

	resolution of clarification requests identified in findings for Indicator B1.2.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 5.1.2 has been revised to explain why the entire forested areas of the initial project area needs to be conserved due to habitat requirements. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed the Focal Areas sections of PD Section 5.1.2 have been revised to provide appropriate clarification for each biodiversity-related HCV to demonstrate why the entire forested area of the initial project area needs to be conserved. Item closed.
Date Closed:	22 February 2022

Indicator B1.4 - Describe how the without-project land use scenario would affect biodiversity conditions in the Project Zone.	PD Section 5.1.3 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.1.3, literature review including IUCN website/data, site observations, interviews with biodiversity monitoring consultant and project staff
Findings:	Instructions for the Without-project Scenario for Biodiversity within PD Section 5.1.3 from the CCB & VCS Project Description template are to describe how the without-project land use scenario would affect biodiversity conditions in the project zone. PD Section 5.1.3 provides a general narrative for the Chaco region based on a cited reference. PD Section 5.1.3 does not clearly present how a without-project land use scenario would affect biodiversity conditions in the Project Zone for the project area. Literature review and interview with the biodiversity monitoring consultant indicate the two species referenced in PD Section 5.1.3 appear to also utilize pasture lands in the Chaco region, particularly where clearing has been undertaken in accordance with approved use plans that protect appropriate patches of native forest vegetation and riparian buffers.
Clarification Request (CL):	Please provide clarification for the without-project land use scenario and how it would affect biodiversity conditions in the Project Zone.
Date Issued:	5 January 2021
Project Proponent Response/Actions and Date:	Section 5.1.3 has been updated to clarify the without-project land use scenario and how it would affect biodiversity conditions in the project zone. (21 January 2022)

Evidence Used to Close CL:	The VVB confirmed PD Section 5.1.3 has been revised to provide clarification for the without-project land use scenario for the Initial Project Instance and how it could affect biodiversity conditions. Item closed.
Date Closed:	22 February 2022

- **B2 Net Positive Biodiversity Impacts**

Indicator B2.1 - Use appropriate methodologies to estimate changes in biodiversity, including assessment of predicted and actual, positive and negative, direct and indirect impacts, resulting from project activities under the with-project scenario in the Project Zone and over the project lifetime. This estimate must be based on clearly defined and defendable assumptions.	PD Section 5.2.1 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.2.1, interviews with government agency staff from MADES and INFONA, interview with biodiversity monitoring consultant, interview with landowner
Findings:	PD Section 5.2.1 identifies two biodiversity elements and provides expected impacts resulting from project activities under the with-project scenario. The first biodiversity element, “Tree cover and habitat availability” does not clearly state the biodiversity element of concern. “Habitat” is a broad ecological concept and would be habitats would be available following conversion of natural forested habitat to pasture or agricultural use. The second biodiversity element, “Population of endemic, threatened and endangered species” states the estimated change would result in greater population of endemic, threatened, and endangered species. This greater population is attributed to avoiding deforestation which is identified as helping maintain canopy cover and expand habitat availability. The justification provided for change is not clear on how conserving existing forested habitats in the project area would result in expanded habitat availability or result in greater populations of endemic, threatened, or endangered species.
Clarification Request (CL):	Please provide clarification for the habitat referred to for the first biodiversity element and provide clarification as appropriate for the estimated change

	and justification of change for this biodiversity element. Please provide clarification for the population trends identified for endemic, threatened, and endangered species, and provide clarification as appropriate for the estimated change and justification of change for this biodiversity element.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	"Tree cover and habitat availability" has been changed to "Tree canopy cover and availability of Chaco Forest habitat." Clarification for the population trends has also been added. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 5.2.1 has been revised to provide clarification for the habitat identified as a biodiversity element, and to provide clarification for estimated changes and justifications of change. The Project Proponent identified appropriate methods for making these determinations. Item closed.
Date Closed:	22 February 2022

Indicator B2.2 - *Demonstrate* that the project's net impacts on biodiversity in the Project Zone are positive, compared with the biodiversity conditions under the without-project land use scenario (described in B1).	PD Section 5.2.3 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.2.3, site visit observations, interview with biodiversity monitoring consultant, interviews with government agency staff with MADES and INFONA, interview with landowner
Findings:	Instructions for Indicator B2.2 within PD Section 5.2.3 from the CCB & VCS Project Description template are to demonstrate that the project's anticipated net impacts on biodiversity in the project zone will be positive compared with conditions under the without-project land use scenario. PD Section 5.2.3 states that the net biodiversity impact from the Project would be positive, and provides examples of ecological benefits. PD Section 5.2.3 does not provide clear rationale for how this conclusion was reached. PD Section 5.2.3 identifies forest clearing for cattle ranching as the likely land use scenario without the Project. PD Section 2.1.7 identifies forested areas to remain on

	the project area property, and interviews and literature review suggest that these areas help maintain some biodiversity on properties where new land uses are approved through MADES for forested tracts in the Chaco region. Based on interviews with landowner, biodiversity monitoring consultant, and government agency staff, literature review, and review of the "without-project scenario" the VVB concurs the net impact of the Project on existing biodiversity in the Project Zone dependent on large, contiguous blocks of natural Chaco habitat types, particularly such as the mosaic of natural habitats present on the project area property, would be positive compared to conversion of the project area to cattle pasture.
Clarification Request (CL):	Please provide clarification in PD Section 5.2.3 to demonstrate how the project's net impacts on biodiversity in the Project Zone are positive compared with the biodiversity conditions under the without-project land-use scenario. Please provide clarification whether the PD's use of the term "shall have" signifies a mandate for the project, and if so, please provide additional clarification for how this will be defined and measured.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	"Shall have" has been changed to "is expected to." Section 5.2.3. has been updated to further clarify how the project's net impacts on biodiversity in the Project Zone are positive compared with the biodiversity conditions under the without-project land-use scenario. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 5.2.3 has been revised to provide clarification for how the project's net impacts on biodiversity in the project zone would be positive compared to biodiversity conditions under the without-project land use scenario. The VVB confirmed the term "shall" was removed from this section and no further clarification for this previous potential action is now required. Item closed.
Date Closed:	22 February 2022

Indicator B2.3 - Describe measures needed and *taken* to mitigate negative impacts on biodiversity and any measures needed and *taken* for	PD Section 5.2.2 presents the information identified by the Project Proponent to address this indicator.

maintenance or enhancement of the High Conservation Value attributes (identified in B1.2) consistent with the precautionary principle.	
Evidence Used to Assess Conformance:	PD Section 5.2.2, PD Section 5.1.2, PD Sections 2.1.1 and 2.1.11, interview with project management staff
Findings:	Instructions for Indicator B2.3 within PD Section 5.2.2 from the CCB & VCS Project Description template are to describe measures needed and designed to mitigate negative impacts on biodiversity and any measures needed and designed for maintenance or enhancement of the HCV attributes, and to explain how such measures are consistent with the precautionary principle. PD Section 5.2.2 states the Project is unlikely to have any negative impacts on biodiversity because the project conservation and avoided deforestation project. The VVB concurs this general conclusion is correct and no mitigation measures would be needed. PD Section 5.2.2 does not describe measures needed for maintenance or enhancement of the biodiversity HCV attributes consistent with the precautionary principle. Some of these measures appear to be identified in other sections of the PD.
Clarification Request (CL):	Please provide clarification in PD Section 5.2.2 for measures needed for maintenance or enhancement of the biodiversity HCV attributes consistent with the precautionary principle.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Clarification has been added to Section 5.2.2 for measures needed to maintain of the biodiversity HCV attributes (i.e., the Chaco Forest and vulnerable, threatened and endangered species) consistent with the precautionary principle. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 5.2.2 has been revised to provide clarification for specific actions identified by the Project Proponent as needed for maintenance or enhancement of the biodiversity attributes. The VVB concurs these actions are consistent with the precautionary principle by addressing potential threats. Item closed.
Date Closed:	22 February 2022

Indicator B2.4 - *Demonstrate* that no High Conservation Values (identified	PD Section 5.2.4 presents the information identified by the Project Proponent to address this indicator.

in B1.2) are negatively affected by the project.	
Evidence Used to Assess Conformance:	PD Section 5.2.4, PD Section 5.1.2, interview with biodiversity monitoring consultant and project staff
Findings:	Instructions for Indicator B2.4 within PD Section 5.2.4 from the CCB & VCS Project Description template are to demonstrate that no HCVs related to biodiversity are negatively affected by the project. PD Section 5.2.4 states that no biodiversity HCVs are negatively affected by the Project because the Project is a conservation project. PD Section 5.2.4 does not clearly demonstrate the rationale for this statement or demonstrate how other project activities identified as anticipated or possibly occurring on the project area property would not negatively affect HCVs.
Clarification Request (CL):	Please provide clarification that demonstrates that no biodiversity HCVs would be negatively affected by project activities.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 5.2.4 has been updated to provide further rationale. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 5.2.4 has been revised to provide clarification on how the project would protect biodiversity HCVs and to demonstrate that neither of the identified biodiversity HCVs would be negatively affected by project activities. Item closed.
Date Closed:	22 February 2022

Indicator B2.5 - Identify all species used by the project and *show* that no known invasive species are introduced into any area affected by the project and that the population of any invasive species does not increase as a result of the project.	PD Sections 5.2.5 and 5.2.6 present the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Sections 5.2.5 and 5.2.6, site visit observations, interviews with project management staff
Findings:	PD Section 5.2.5 states that no species are used for the REDD+ project. Site observations and interviews with project management staff substantiate the current condition of the project area property and no reforestation or introduction of species is proposed. PD Section 5.2.6 lists invasive species identified as present in the project area region based on review of

	the Global Invasive Species Database, and states that the Project will not introduce any of these species. Site observations and interviews with project management staff substantiate no introduction of invasive species is proposed and based on the current condition of the project area property, project activities are not anticipated to facilitate the spread of invasive species into the project area or project area property. Item closed.
Date Closed:	5 January 2022

Indicator B2.6 - Describe possible adverse effects of non-native species used by the project on the region's environment, including impacts on native species and disease introduction or facilitation. Justify any use of non-native species over native species.	PD Section 5.2.7 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Sections 5.2.6 and 5.2.7, site visit observations, interviews with project management staff
Findings:	PD Section 5.2.7 states this indicator is not applicable based on the Project not using any non-native species in the Project Zone. Site observations and interviews with project management staff substantiate no non-native species are used or planned for use by the Project. Item closed.
Date Closed:	5 January 2022

Indicator B2.7- *Guarantee* that no GMOs are used to generate GHG emissions reductions or removals.	PD Section 5.2.8 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.2.8, interviews with project management staff
Findings:	PD Section 5.2.8 clearly states that "the Project will not use any GMOs to generate GHG emissions reductions or removals." Site observations and interviews with project management staff substantiate the current condition of the project area property and no reforestation or introduction of species is proposed. The statement by the Project Proponent in PD Section 5.2.7 provides the necessary guarantee. An opportunity for improvement was identified for deleting the phrase "Not applicable" from the PD Section 5.2.7 statement based on the requirement for providing a guarantee in this section.

	Item closed.
Project Proponent Response/Actions and Date:	"Not applicable," has been removed from the PD in Section 5.2.7 and Section 5.2.8. (21 January 2022)
Evidence Used to Close OFI:	The Project Proponent opted to address the OFI. The VVB confirmed the phrase "Not applicable" was removed from PD Sections 2.7 and 2.8.
Date Closed:	22 February 2022

Indicator B2.8 - Describe the possible adverse effects of, and justify the use of, fertilizers, chemical pesticides, biological control agents and other inputs used for the project.	PD Section 5.2.9 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.2.9, site visit observations, interviews with project management staff
Findings:	PD Section 5.2.9 states that the Project does not anticipate using any inputs, including fertilizers, chemical pesticides, or biological control agents during the project lifetime. Site observations and interviews with project management staff substantiate the current condition of the project area property and substantiate inputs are not needed or anticipated to be used for the project. Item closed.
Date Closed:	5 January 2022

Indicator B2.9 - Describe the process for identifying, classifying and managing all waste products resulting from project activities.	PD Section 5.2.10 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.2.10, PD Sections 2.1.1 and 2.1.11, site visit observations, interviews with project management staff
Findings:	Instructions for Indicator B2.9 within PD Section 5.2.10 from the CCB & VCS Project Description template are to describe the process for identifying, classifying and managing all waste products resulting from project activities. PD Section 5.2.10 states that the Project "shall" use very little waste products and that the field manager will use "standard local protocols" for waste management. PD Section 5.2.10 does not describe the process for identifying, classifying, and managing all waste products resulting from project activities.
Non-conformance Request (NCR):	Please provide clarification, as appropriate, to describe the process for identifying, classifying, and managing all waste products resulting from project activities. Please provide clarification whether the

	PD's use of the term "shall use" signifies a mandate for the project, and if so, please provide additional clarification for how this will be defined and measured.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	The phrase "shall use" was changed to "will strive." Additional clarification has also been added. (21 January 2022)
Evidence Used to Close NCR:	The VVB confirmed PD Section 5.2.10 has been revised to provide information to address the process for identifying, classifying, and managing all waste products resulting from project activities. Item closed.
Date Closed:	22 February 2022

- **B3 Offsite Biodiversity Impacts**

Indicator B3.1 - Identify potential negative impacts on biodiversity that the project activities are likely to cause outside the Project Zone.	PD Section 5.3.1 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.3.1, site visit observations, interviews with project management staff and landowner, interviews with government agency staff from MADES and INFONA
Findings:	PD Section 5.3.1 states there are no negative offsite impacts on biodiversity outside the Project Zone resulting from project activities. Site visit observations and interviews with project management staff, landowner, and government agency staff did not identify any potential negative impacts on biodiversity outside the Project Zone likely to result from project activities. Item closed.
Date Closed:	5 January 2022

Indicator B3.2 - Describe the measures needed and *taken* to mitigate these negative impacts on biodiversity outside the Project Zone.	PD Section 5.3.1 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.3.1, site visit observations, interviews with project management staff and landowner, interviews with government agency staff from MADES and INFONA
Findings:	Based on no negative impacts identified as likely on biodiversity outside the Project Zone, no mitigation measures would be warranted. Item closed.
Date Closed:	5 January 2022

Indicator B3.3 - Evaluate unmitigated negative impacts on biodiversity outside the Project Zone and compare them with the project's biodiversity benefits within the Project Zone. Justify and demonstrate that the net effect of the project on biodiversity is positive.	PD Section 5.3.2 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Sections 5.3.1 and 5.3.2, site visit observations, interviews with project management staff and landowner, interviews with government agency staff from MADES and INFONA
Findings:	PD Section 5.3.2 states the net effect of the Project on biodiversity is positive. Based on site visit observations and interviews with project management staff, landowner, and government agency staff, there are no unmitigated negative impacts identified as likely on biodiversity outside the Project Zone. The VVB concurs the net effect of the project on biodiversity is positive.
Date Closed:	5 January 2022

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- **B4 Biodiversity Impact Monitoring**

Indicator B4.1 - Develop and implement a monitoring plan that identifies biodiversity variables to be monitored, the areas to be monitored, the sampling methods, and the frequency of monitoring and reporting. Monitoring variables must be directly linked to the project's biodiversity objectives and to predicted activities, outcomes and impacts identified in the project's causal model related to biodiversity (described in G1.8).	PD Section 5.4.1 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.4.1, PD Section 2.1.11, site observations, supplemental reports for camera trapping data (June through September 2021), interviews with biodiversity monitoring consultant and project staff
Findings:	Instructions for Indicator B4.1 within PD Section 5.4.1 from the CCB & VCS Project Description template are to: Present a monitoring plan that: • Identifies biodiversity variables to be monitored, which should be directly linked to the project's biodiversity objectives and to predicted outputs, outcomes and impacts

	identified in the project's causal model related to biodiversity. • Identifies the areas to be monitored. • Identifies the types of measurements, the sampling methods, and the frequency of monitoring and reporting to be used. PD Section 5.4.1 presents information about ongoing monitoring that has been initiated using wildlife cameras. PD Section 5.4.1 does not identify specific biodiversity variables to be monitored. Findings for Indicator G1.8, as addressed in PD Section 2.1.11, included a requirement to clarify the objective of monitoring wildlife. PD Section 5.4.1 identifies areas to be monitored as randomly selected, representative sites. PD Section 5.4.1 states that the first study conducted in June 2021 placed cameras in three "strata" on the project area property, with "strata" in this context referring to delineated habitat types, and not forest strata in an ecological context. PD Section 5.4.1 does not provide a clear plan for how future camera placement would be linked to the project's biodiversity objectives. PD Section 5.4.1 identifies the types of measurements to be taken with the cameras, the sampling method, and the general frequency of monitoring. PD Section 5.4.1 does not identify the frequency of reporting.
Clarification Request (CL):	Please provide clarification for the specific biodiversity variables to be monitored, as appropriate, following resolution of the request for clarification for the findings for Indicator G1.8. Please clarify the purpose of the monitoring and the intended outcome. Please provide clarification for areas to be monitored. Please provide clarification for the frequency of reporting.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 5.4.1 has been revised. The biodiversity objective has been clarified throughout the PD. The specific biodiversity variables to be monitored has been updated. The frequency has been clarified to take place every 5 years (as opposed to

	approximately every 4-5 years). Further, how future sites will be selected has also been added. (21 January 2022)
Evidence Used to Close CL:	The VVB confirmed PD Section 5.4.1 has been revised to provide appropriate clarification for the specific biodiversity variables to be monitored, the areas to be monitored, and the frequency of monitoring and reporting. Item closed.
Date Closed:	22 February 2022

Indicator B4.2 - Develop and implement a monitoring plan to assess the effectiveness of measures taken to maintain or enhance all identified High Conservation Values related to globally, regionally or nationally significant Biodiversity (identified in B1.2) present in the Project Zone.	PD Section 5.4.1 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.4.1, PD Section 2.1.11, site observations, supplemental reports for camera trapping data (June through September 2021), interviews with biodiversity monitoring consultant and project staff
Findings:	Instructions for Indicator B4.1 within PD Section 5.4.1 from the CCB & VCS Project Description template are to: Present a monitoring plan that: • Assesses the effectiveness of measures taken to maintain or enhance all identified HCVs related to globally, regionally or nationally significant biodiversity present in the project zone. PD Section 5.4.1 does not present a monitoring plan that demonstrates how it would assess the effectiveness of measures taken to maintain or enhance all identified HCVs related to globally, regionally, or nationally significant biodiversity present in the project.
Non-conformance Request (NCR):	A non-conformance was noted for Indicator B4.2. Please provide a monitoring plan that demonstrates how it would assess the effectiveness of measures taken to maintain or enhance all identified HCVs related to globally, regionally, or nationally significant biodiversity present in the project.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	The monitoring plan has been updated to demonstrate how the Project will assess the

	effectiveness of measures taken to maintain all identified HCVs related to globally, regionally, or nationally significant biodiversity present (i.e., the Chaco Forest and vulnerable, threatened and endangered species) in the project. (21 January 2022)
Evidence Used to Close NCR:	The VVB confirmed PD Section 5.4.1 has been revised to provide information for how the biodiversity monitoring plan would assess the effectiveness of measures to maintain or enhance both identified biodiversity HCVs identified as present in the project zone. The VVB concurs the proposed monitoring plan would appropriately track the project's biodiversity objectives. Item closed.
Date Closed:	22 February 2022

Indicator B4.3 - Disseminate the monitoring plan and the results of monitoring, ensuring that they are made publicly available on the internet and summaries are communicated to the Communities and Other Stakeholders through appropriate means.	PD Section 5.4.2 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.4.2, interviews with project management staff
Findings:	PD Section 5.4.2 describes how and where the biodiversity monitoring plan and results will be disseminated, including being made publicly available on the internet and summaries communicated to local communities and other stakeholders. Review of Verra's website substantiates the initial version of the monitoring plan, as embedded within the PD and in summaries in English and Spanish, have been posted and are available on the internet. The VVB has concluded the Project Proponent's plans for disseminating the monitoring plan and results of monitoring reasonably meet criteria established for CCB. Item closed.
Date Closed:	5 January 2021

- **GL3 Exceptional Biodiversity Benefits**

Indicator GL3.1 - Demonstrate that the Project Zone includes a site of high biodiversity conservation priority by meeting either the vulnerability *or* irreplaceability criteria defined below, identifying the	PD Section 5.5.1 presents the information identified by the Project Proponent to address this indicator.

'Trigger' species that cause(s) the site to meet any of the following qualifying conditions and providing evidence that the qualifying conditions are met: 1.1 Vulnerability Regular occurrence of a globally threatened species (according to the IUCN Red List) at the site: a. Critically Endangered (CR) and Endangered (EN) species - presence of at least a single individual; or b. Vulnerable species (VU) - presence of at least 30 individuals or 10 pairs. OR 1.2 Irreplaceability A minimum proportion of a species' global population present at the site at any stage of the species' lifecycle according to the following thresholds: a. Restricted-range species - species with a global range less than 50,000 km2 and 5% of global population at the site; or b. Species with large but clumped distributions - 5% of the global population at the site; or c. Globally significant congregations - 1% of the global population seasonally at the site; or d. Globally significant source populations - 1% of the global population at the site.	
Evidence Used to Assess Conformance:	PD Section 5.5.1, site observations, supplemental reports for camera trapping data (June through September 2021), review of IUCN citations provided in PD, literature review, interviews with biodiversity monitoring consultant and project staff
Findings:	Instructions for Indicator GL3.1 within PD Section 5.5.1 from the CCB & VCS Project Description template are: At any site in the project zone, demonstrate the presence of at least a single individual of a species on the IUCN Red List that is critically endangered or endangered, or the presence of at least 30 individuals or 10 pairs of a vulnerable species. OR

	Demonstrate that at least part of a species' global population is present at the site at any stage of the species' lifecycle according to either of the following thresholds: • At least five percent of the global population of a restricted-range species or a species with large but clumped distributions. • At least one percent of a species' global population uses the site at least seasonally (globally significant source populations or globally significant congregation). PD Section 5.5.1 references tapeti (*Sylvilagus brasiliensis*) as an endangered species documented in the Project Zone or in targeted areas for the grouped project. Review of the IUCN listing and associated literature cited indicates that although the taxon identified as "tapeti (*Sylvilagus brasiliensis*)" would have been correct under an historic, broader species concept, the taxon that now carries the IUCN designation of endangered refers solely to a more narrowly defined "*Sylvilagus brasiliensis*" taxon which is a former subspecies limited to a narrow strip of land adjacent to the coast of two states of eastern Brazil, Pernambuco and Alagoas. The taxon or taxa of rabbits within Paraguay, under the species revision being used by IUCN, would no longer be *Sylvilagus brasiliensis*, but may now be referable to another taxon or taxa of *Sylvilagus* apparently not yet assessed by the IUCN for endangered, threatened, or vulnerable designation. PD Section 5.5.1 does not provide demonstration that any of the necessary triggers for GL3.1 are met. Camera monitoring reports for June through September do not provide demonstration that any Endangered or Critically Endangered species have yet been documented, and do not provide demonstration that any Vulnerable species populations meet the necessary trigger for GL3.1.
Non-conformance Request (NCR):	Based on clarification for the taxon of *Sylvilagus* designated as Endangered, and apparent absence of demonstration for the presence of any of the necessary triggers for GL3.1, the Project appears to be in non-conformance with GL3.1. Please provide documentation to demonstrate whether the Project meets any of the criteria for GL3.1.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Reference to *Sylvilagus brasiliensis* has been removed from the PD.

	Section GL3.1 has been updated to demonstrate a nationally endangered species (i.e., the jaguar), according to MADES, has been identified at the Project and that it is likely at least 30 individuals from IUCN listed Vulnerable species (giant anteater, lowland tapir, giant armadillo, and white-lipped peccary) are present at the Project. (21 January 2022)
Evidence Used to Close NCR:	The VVB confirmed PD Section 5.5.1 has been revised to identify five appropriate trigger species for the project and provides information for how each trigger species meets the qualifying criteria. Information provided in PD Section 5.5.1 includes the cited sources for how population estimates were determined for each of the trigger species and how just using the most conservative estimate for each trigger species would demonstrate the Initial Project Instance property would meet the required criteria. The approach used by the project proponent would be considered even more conservative based on consideration of just the Initial Project Instance property and not the project zone for this property. The VVB concurs the information provided substantiates the project would meet requirements for Indicator GL3.1. Item closed.
Date Closed:	22 February 2022

Indicator GL3.2 - Describe recent population trends of each of the Trigger species in the Project Zone at the start of the project and describe the most likely changes under the without-project land use scenario.	PD Section 5.5.2 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.5.2, PD Section 5.5.1 and findings for Indicator GL3.1, interviews with biodiversity monitoring consultant and project staff
Findings:	Instructions for Indicator GL3.2 within PD Section 5.5.2 from the CCB & VCS Project Description template are to describe trends in trigger species populations. PD Section 5.5.2 identifies three trigger species, Chacoan peccary, tapeti, and crowned solitary eagle, and provides general range-wide trend data for each species as cited from IUCN Red List information. Please see findings for Indicator GL3.1 regarding the confusion caused by IUCN over tapeti and why

	individuals of the *Sylvilagus* species found in the project area and project zone would not be the same taxon designated by IUCN as endangered and therefore cannot be considered a trigger species. PD Section 5.5.2 states that Chacoan peccary and crowned solitary eagle have not yet been photographed at the Project but asserts their range encompasses the Project Area. Review of the IUCN-credited range map for Chacoan peccary in PD Section 5.1.2 does not appear to substantiate the assertion that the range of this species overlaps the project area. "Trigger" species are defined in Indicator GL3.1 as a species that causes the site to meet any of the qualifying conditions for GL3.1. Documentation is not provided to demonstrate that Chacoan peccary meets the requirements to be a trigger species. Review of information on the IUCN Red List webpage for crowned solitary eagle indicates this species is primarily found in grasslands and also occurs in extensive cattle ranches as well as chaco habitats. Crowned solitary eagle is not identified in PD Section 5.5.1 and no documentation is provided for its presence in the project zone.
Clarification Request (CL):	Following resolution of the non-conformance identified by findings for Indicator GL3.1, please provide clarification for population trends within the project zone as appropriate for trigger species meeting the qualifying conditions for GL3.1. Please also provide clarification as appropriate for descriptions of most likely changes under the without-project land-use scenario for each trigger species.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Reference to *Sylvilagus brasiliensis* has been removed from the PD, along with reference in Section 5.5.1 and 5.5.2 to the crowned solitary eagle and the Chacoan peccary. Section 5.5.2 has been revised for the population trends and impact of the without-project land use scenario on the following trigger species: the jaguar (nationally endangered species according to MADES) and the IUCN listed Vulnerable species (giant anteater, lowland tapir, giant armadillo, and white-lipped peccary). (21 January 2021)

Evidence Used to Close CL:	The VVB confirmed PD Section 5.5.2 has been revised to identify population trends within the project zone for appropriately selected trigger species for the project and provides appropriate descriptions for changes identified as most likely to occur under the without-project land use scenario. Item closed.
Date Closed:	22 February 2022

Indicator GL3.3 - Describe measures needed and *taken* to maintain or enhance the population status of each Trigger species in the Project Zone, and to reduce the threats to them based on the causal model that identifies threats to Trigger species and activities to address them.	PD Section 5.5.2 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.5.2, PD Section 5.5.1 and findings for Indicators GL3.1 and GL3.2, interviews with biodiversity monitoring consultant and project staff
Findings:	Based on findings presented for Indicators GL3.1 and GL3.2, additional documentation is required to demonstrate whether trigger species are present within the project zone. PD Section 5.5.2 will require clarification for Indicator GL3.3 following resolution of non-conformance and clarification requests for these other two indicators.
Clarification Request (CL):	Following resolution of the non-conformance identified by findings for Indicator GL3.1 and resolution of clarification request for Indicator GL3.2, please provide clarification as appropriate for measures needed and designed to maintain or enhance the population status of each trigger species in the project zone, and to reduce the threats to them if possible. If possible, please also estimate the number of each trigger species that will be in the project zone at the end of the project.
Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Measures needed and designed to maintain or enhance the population status of each trigger species in the project zone, and to reduce the threats to them, have been added to section 5.5.2. At this early stage of the Project (i.e., results of wildlife cameras is only available from June to November 2022), it is not possible to estimate the number of each trigger species that will be in the project zone at the end of the project. (21 January 2022)

Evidence Used to Close CL:	The VVB confirmed PD Section 5.5.2 has been revised to identify measures needed and designed to maintain or enhance the population status of each trigger species in the project zone, and to reduce the threats to them if possible. The VVB confirmed PD Section 5.5.2 addresses the PD Template instructions regarding estimating the number of each trigger species anticipated to be in the project zone at the end of the project by stating that it is not possible at this time to provide these estimates. Item closed.
Date Closed:	22 February 2022

Indicator GL3.4 - Include indicators of the population trend of each Trigger species and/or the threats to them in the monitoring plan and demonstrate the effectiveness of measures needed and taken to maintain or enhance the population status of Trigger species.	PD Section 5.4.1 presents the information identified by the Project Proponent to address this indicator.
Evidence Used to Assess Conformance:	PD Section 5.4.1, findings for Indicators GL3.1 through GL3.3, literature review
Findings:	Instructions for Indicator GL3.4 within PD Section 5.4.1 from the CCB & VCS Project Description template are that if the project intends to meet the Gold Level for exceptional biodiversity benefits (GL3), it must also include indicators of the population trend of each trigger species and/or the threats to such species within the monitoring plan. Indicator 3.4 also requires demonstration of the effectiveness of measures needed to maintain or enhance the population status of each trigger species. The monitoring plan presented in PD 5.4.1 does not include indicators of the population trend of each trigger species and/or the threats to such species within the monitoring plan. PD Section 5.4.1 does not provide the required demonstration of the effectiveness of measures needed to maintain or enhance the population status of trigger species.
Non-conformance Request (NCR):	A non-conformance was identified for GL3.4 within PD Section 5.4.1. Following resolution of the non-conformance identified by findings for Indicator GL3.1 and resolution of clarification requests for Indicators GL3.2 and GL3.3, please provide required information, as appropriate, to satisfy requirements for Indicator GL3.4.

Date Issued:	5 January 2022
Project Proponent Response/Actions and Date:	Section 5.4.1 has been revised to include a discussion of the trigger species' population trend and/or threats to such species. (21 January 2022)
Evidence Used to Close NCR:	The VVB confirmed PD Section 5.4.1 has been revised to provide appropriate clarification for the specific indicator to be monitored, availability of forest habitat within the project areas, which addresses the threat to these indicator species, and is an acceptable method identified by CCB Standards v 3.1 Section GL3. The VVB confirmed PD Section 5.4.1 has been revised to provide information for how the biodiversity monitoring plan would assess the effectiveness of measures to maintain or enhance the population status of trigger species. The VVB concurs these measures would provide the required demonstration of the effectiveness of measures needed to maintain or enhance the population status of trigger species. Item closed.
Date Closed:	22 February 2022

Validation/Verification Report Requirements for Public Comment Period

CCBA 30 Day Public Comment Period Dates:	6 October 2021 through 5 November 2021
Please describe all ways in which the 30 day comment period was publicized, especially in regard to local stakeholders. Supply copies (newspaper ads, emails, etc.) when possible.	The 30-day comment period was publicized on Verra's website, on Quadriz's website, and through MP3 recordings in Spanish and Guarani provided to local radio stations. Copies of the website documentation and MP3 recordings were provided to the VVB.
How many comments were received?	Via CCBA Website: none Via local stakeholder meetings/direct contacts: none
Supply copies of all comments submitted to the auditors, if any were received during the comment period.	No comments were reported as received or provided to VVB.
Respond to all comments appropriately, and show whether these comments caused modifications in some aspect of the project or PDD.	N/A - no comments received.