

VERIFICATION REPORT FOR CORAZÓN VERDE DEL CHACO PROJECT



Document Prepared by AENOR INTERNACIONAL S.A.U.

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Summary

AENOR INTERNATIONAL S.A.U (AENOR) has performed the second verification of the “Corazón Verde del Chaco Project” in Paraguay on the basis of Voluntary Carbon Standard (VCS) and Climate, Community & Biodiversity standard (CCB), as well as the host country criteria. The period covered by this verification report is from 01 January 2022 to 31 December 2022.

AENOR conducted the verification under VCS Standard version 4.4 and the CCB Standard Third Edition, by reviewing the monitoring report and supporting evidence submitted by the project proponent. The purpose of verification is to have an independent, third party assess the project design. In particular, the project's emission reduction calculation; the monitoring plan implementation, and the project's compliance with relevant VCS and CCB requirements.

This project is an Agriculture, Forestry and Other Land Use (AFOLU) project under the Reducing Emissions from Deforestation and Degradation (REDD) project category. Specifically, the project is of the “Avoided Planned Deforestation (APD)” project category. The project area is located in the Departments of Presidente Hayes, Alto Paraguay, and Boquerón, with the first project instance located in the Department of Presidente Hayes, Paraguay.

Throughout this monitoring period, the project has continued to implement project activities that contribute to the creation of GHG emissions reductions. The project's main goals during this monitoring period were to mitigate deforestation pressures and the associated greenhouse gas emissions in the region, to provide social programs to improve the livelihoods of community members living in the vicinity of the Project, and the preservation of biodiversity, particularly medium-to-large mammals in the project areas.

In order to confirm that the monitoring report as documented meets the stated requirements and identified criteria, the verification consisted of the following three phases: i) a desk review of the project monitoring report and monitoring plan implementation; ii) follow-up interviews with project stakeholders with an on-site visit as well as review of project activities; iii) the resolution of outstanding issues and internal technical review followed by the issuance of the final verification report and opinion. In the course of the verification process 5 Corrective Actions Requests (CAR) and 3 Clarifications (CL) were raised for both VCS and CCB, all have been successfully closed.

The purpose of the visit assessment was to determine the conformance of the project with respect to the VCS Version 4 Standard; the Third Edition of the CCB Standard; The field visit took place from 26/06/2023 to 30/06/2025, in which the auditors visited the project area, interviewed key stakeholders, staff and other related experts, and also reviewed the CCB-VCS-MR and supporting documents. The scope of the verification was to assess the conformance of information in the project design document with the VCS and CCB standards.

AENOR verification team assessed the calculations and can confirm the GHG emission reductions during this monitoring period amount to 1,272,472 tCO₂e (without discounting buffer emissions) for the whole crediting period, with an overall non-permanence risk rating of 12%. AENOR's verification team is able to confirm that the project is well managed, and results are well supported. Monitoring plans are effective, and the project proponent has developed enough procedures and tools for data management.

Hence, once all issued detected were appropriately solved, AENOR carried out a final verification report and deems with reasonable level of assurance that the project complies with all the verification criteria for VCS and CCB. The assessment team has no restrictions or uncertainties with respect to the compliance of the project with the verification criteria, hence, the audit team concludes that the net GHG emissions reductions, for the lands included in the project boundary at verification stage has been quantified in accordance with VCS rules.

Table of Contents

1	Introduction.....	4
1.1	Objective	4
1.2	Scope and Criteria	4
1.3	Level of Assurance.....	5
1.4	Summary Description of the Project	5
2	Verification Process.....	6
2.1	Audit Team Composition (<i>Rules 4.3.1</i>)	6
2.2	Method and Criteria.....	7
2.3	Document Review	8
2.4	Interviews	9
2.5	Site Inspections	10
2.6	Resolution of Findings.....	11
2.7	Eligibility for Validation Activities	12
3	Validation Findings.....	12
3.1	Participation under Other GHG Programs	12
3.2	Methodology Deviations.....	12
3.3	Project Description Deviations (<i>Rules 3.5.7 – 3.5.10</i>)	13
3.4	Minor Changes to Project Description (<i>Rules 3.5.6</i>).....	13
3.5	Grouped Project (G1.13 – G1.15, G4.1)	13
4	Verification Findings.....	14
4.1	Public Comments (<i>Rules 4.6</i>)	14
4.2	Summary of Project Benefits.....	14
4.3	General.....	23
4.4	Climate	33
4.5	Community	46
4.6	Biodiversity	51
4.7	Additional Project Implementation Information	57
4.8	Additional Project Impact Information	57
5	Verification Conclusion	57
	APPENDIX I: LIST OF EVIDENCE.....	59
	APPENDIX II: FINDINGS	61
	Corrective Action Request (CARs)	61
	Clarifications (CLs).....	67
	APPENDIX III: ATTENDANCE LISTS	70

1 INTRODUCTION

1.1 Objective

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

- The extent to which methods and procedures, including monitoring procedures, have been implemented in accordance with the validated project description, including the monitoring plan.
- The extent to which GHG emission reductions reported in the monitoring report are materially accurate.
- The accuracy of the processes and activities carried out under the CCB standards which have also been implemented under the monitoring plan.

1.2 Scope and Criteria

Verification Scope: The scope of the verification audit is to verify the emissions reductions of the project, against the Verified Carbon Standard, the identified methodology, the validated CCB and VCS PDD and the MR throughout the monitoring period from 01 January 2022 to 31 December 2022.

The objectives of this audit included a verification of the projects calculated emission reductions with the Verified Carbon Standard requirements and any additional requirements of VCS AFOLU projects. In addition, the audit assessed the project with respect to the validated baseline scenarios presented in the CCB-VCS-PD and the fulfilment of the Climate, community, and biodiversity criteria against the CCB Standard.

The scope was defined as follows:

- The project and its baseline scenarios;
- The physical infrastructure, activities, technologies and processes of the project;
- The GHG sources, sinks and/or reservoirs those are applicable to the project;
- The types of GHGs that are applicable to the project;
- The project monitoring period; and
- The climate, community, and biodiversity benefits, including Biodiversity gold distinction.

The verification assessment was performed in accordance with the requirements detailed in section 4 of the VCS standard, including the following documents:

- VCS Program Guide, v4.3
- VCS Standard, v4.4
- Program Definitions, v4.3
- AFOLU Non-Permanence Risk Tool, v4.0
- Climate, Community & Biodiversity Standards, v3.1
- CCB Program Rules, v3.1

1.3 Level of Assurance.

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

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

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

1.4 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 Presidente Hayes, Paraguay. The initial instance contains an allowable crediting area of approximately 20,515.0 hectares of forested land within the overall project area and instance, 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 (REDD+MF) v1.6 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:

- Foregoing Selling of Property, the Clearing and Conversion of the Project Areas;
- Providing Healthcare Services;
- Raising Project Awareness;
- Patrolling and Monitoring Deforestation;
- Establishing the Project Headquarters; and

- Monitoring 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 VERIFICATION PROCESS

2.1 Audit Team Composition (*Rules 4.3.1*)

Name	Position in the team
Daniel Bermejo	Lead Auditor
Adrián Vidal	Lead Auditor
Pablo Moreno	Auditor
Marcos Recio	Auditor in trainee
Javier Cócera	Technical Reviewer

The auditors are native Spanish speakers, and they are fluent in English. The auditors have experience in social, ecological and cultural issues and they have been auditing CDM, VCS, CCB and GS projects in AENOR.

Daniel Bermejo is a Forest Engineer with a master's degree in sustainable finance. He began his career in private consulting, working on topics such as climate risk analysis and TCFD risks, forestry development, agriculture and forestry banking standards, environmental footprint projects and sustainability reporting. He has worked at AENOR since 2022 and has already participated as an auditor in several AFOLU projects in different carbon schemes, such as VCS, CCB, FCPF, Cercarbono and BCR. He is an expert in Climate, Community and Biodiversity aspects and has worked in LATAM, North America, Africa and Europe countries. He speaks Spanish, English and French fluently.

Adrián Vidal is a Forest Engineer, with a Master's degree in Forest Engineering from the Technical University of Madrid, and a Postgraduate Diploma in Climate Change from the National University of Quilmes and the National University of Jujuy. Adrián works at the Climate Change Unit in AENOR and has more than 7 years of professional experience in forestry and sustainability. Currently, he audits projects under several international programs such as VCS, CCB and Gold Standard, and under jurisdictional programs such as the FCPF Carbon Fund of the World Bank or REDD Early Movers. Prior to joining AENOR, he worked at the Basque Centre for Climate Change (BC3) carrying research in global governance, national policies, and modelling of Agriculture, Forestry and other Land Use (AFOLU) mitigation measures. He worked at the AFOLU Unit of the Transparency division of UNFCCC, providing support to the intergovernmental climate change process on issues related to land-use, land-use change

and forestry (LULUCF), agriculture and REDD+. He also has experience in research, urban forestry, landscape forest restoration and environmental consultancy, and collaborated in the Global Forest Survey project of FAO.

Pablo Moreno is a Forest Engineer, and he has a Master's Degree in Forest engineering and management, both carried out in Technical University of Madrid. Pablo currently works in the Climate Change Unit in AENOR and has more than 3 years of experience in forestry and sustainability. He has worked since he stated his master's studies close to the environment in different ways. The main branch of his career has been forest management, operations management, technical analysis, working with GIS and field work as well as quality assessment and R&D development in forestry production-related topics in search of efficiency and process optimization. The other path of his career has been focused to sustainability consultancy and research and climate change. He has worked in different countries: Spain, U.S.A. and Australia. In AENOR, he is working with international projects, mainly in Africa and South America. He is a native Spanish speaker proficient in English and holds a basic level of French. Pablo's focus has always been working towards a true sustainable development not forgetting communities and a long-term approach.

Marcos Recio has more than 2 years of professional experience in forestry and sustainability. He has worked since finishing his university studies closed to the environment and climate change. The main branch of his career has been the energy efficiency and the forest management. The other path of his career has been focused to renewable energies and integrated management systems. He has worked in different countries: Spain, Senegal, Paraguay among other countries. In AENOR he is working with international projects, mainly in and South America, Africa, above all in Perú. Most of the projects he is working on are AFOLU and UNFCCC verifications and validations.

Javier Cócera is a forest engineer with a master in forest management. He has developed his career focused to the forest management. Mainly he has been working through sustainability in two ways: in forestry consultancy, developing forest management plans, working with GIS and LiDAR both in the field and the office and getting experience of the forest resources; and in developing environmental footprint projects and sustainability reports. Currently, Javier is working in AENOR for more than one year as auditor focused in AFOLU projects and working with projects in LATAM, Africa and Asia.

2.2 Method and Criteria

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

AENOR carried out this verification report and deems with reasonable level of assurance that the project complies with all the verification criteria.

The verification has been performed through a deep desk review, site visit to the project, interviews with local stakeholders, and interviews with relevant personnel responsibly for monitoring. The verification activities in which risks were assessed were the evaluations of the monitoring system (data flow, data control procedures, etc.) but mainly the quality of raw data as well as sources and the spreadsheet calculations. The sample methods assessed the project components that match with key characteristics in

the entire documentation to be examined and the requirements of the VCS and CCB. In addition, sampling was designed to yield insights and observation that closely align with the real context onsite, the current project status and its alignment with the validated project documentation.

AENOR reproduced and verified 100% of sheets in the spreadsheet of emission reduction calculations /8/, land cover analysis /19/ and the data-calculations carried out in those sheets for the monitoring period 1 January 2022 – 31 December 2022 for the project area. The project area was 100% checked using the GIS database and shape files /9-18/. The carbon calculations were also 100% verified and crosschecked with validated values.

AENOR decided to carry out a deep and meticulous review of the sheets due to the following reasons:

- To verify the correct application of the methodology (formulae, equations.) and checked that data required to calculate the GHG emission reductions are appropriately provided.

Based on the assessment carried out, AENOR confirms with a reasonable level of assurance that the claimed emission reductions are free from material errors, omissions or misstatements.

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

- Sufficient evidence available: The project participant has provided the 100% of data used in the calculations to achieve the final amount of GHG emission reductions reported.
- Nature of evidence: The raw data were collected from reliable sources. They are detailed in the project documents and have been provided to the verification team and the most relevant are appropriately detailed in the Appendix I.
- Cross-checked evidence: AENOR cross-checked the collected information through an on-site inspection to the project area and reproducing calculations.

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

2.3 Document Review

The monitoring report /1/, project description /4/, and supporting documentation were carefully reviewed for conformance to the verification criteria and consistency with the Project Description. The audit team examined the baseline data gathered from the baseline determined for this Region, spreadsheets used to enter, and compile information required by the methodology and reproduced the GHG emissions reductions calculations presented in the spreadsheet models to obtain same results than those appearing in the Monitoring report. The Non-Permanence Risks Report /7/ for this monitoring period was assessed, as well.

Appendix I to this report details the list of documents provided by PP and reviewed by AENOR during the process.

2.4 Interviews

The AENOR's verification team conducted interviews with project developers; local stakeholders; and key personnel involved in the project activity, in order to confirm selected information and to resolve issues identified in the document review.

The field visit took place from 26/06/2023 to 30/06/2023 in which the auditors visited the project area, interviewed key stakeholders, staff and other related experts, and also reviewed the monitoring report and supporting documents. The people interviewed were those directly affected or involved in the project activity and, in some cases, were just indirectly affected. Finally, some activities stated within the MR were also reviewed during the on-site visit and verified with the information provided.

The scope of the verification was to assess the conformance of information in the monitoring report with the VCS and CCB requirements.

The following table summarizes the interviews carried out during the process.

Name	Role/Relation to the project	Date of the meeting
Juan Vázquez	Forest guard – Los Guardianes	27/06/2023
Cristian García	Forest guard – Los Guardianes	27/06/2023
Néstor Arévalos	Forest guard – Los Guardianes	27/06/2023
Florencia Arano	Monitoring manager - Quadriz	27/06/2023
James Eaton	Technical carbon partner - Quadriz	27/06/2023
Carlos Giménez	Technical carbon partner - Quadriz	27/06/2023
Federico Montoya	Field manager - Quadriz	27/06/2023
Javier Rodas	Forest inventory manager - Quadriz	27/06/2023
Antonio Flor Acosta	Patrolling assistant - Quadriz	28/06/2023
Feliciano Cabañas	Surveillance manager - Quadriz	28/06/2023
Estela Almiola	Housekeeper - Quadriz	28/06/2023
Hermenegildo Vera	María Auxiliadora Community leader	28/06/2023
Samuel Torales	María Auxiliadora Community teacher	28/06/2023
Carolina Chamorro	María Auxiliadora Community member	28/06/2023
Patricia Vera	María Auxiliadora Community law student	28/06/2023
Diego M. Puente	CEO Victoria Paraguay / Atenil	29/06/2023
Nicole Thiessen	Gerente Comercial Victoria Paraguay	29/06/2023

Name	Role/Relation to the project	Date of the meeting
Andrea Weiler	FACEN-UNA Researcher	29/06/2023
Ulises Lovera	Climate Change National Director – DNCC/MADES	29/06/2023
Joaquín Sandoval	External Consultant - DNCC/MADES	29/06/2023
Antonella Piacentini	Climate Change Mitigation Manager – DNCC/MADES	29/06/2023
Gabriela Viñales	General manager - Quadriz	29/06/2023
Cristina Goralewski	President - INFONA	18/07/2023
Antonella Mascheroni	Strategic Planning Director - INFONA	18/07/2023

Interviews with the INFONA staff were carried on remotely due to agenda incompatibility during the site visit.

The completed participant list can be found on Appendix III, at the end of this report.

2.5 Site Inspections

The objectives of the on-site inspections performed were mainly to cross check the description provided in the monitoring report, related to the VCS and CCB requirement implemented by the proponent, including:

- Ensuring that the geographic area of the project, as reported in the CCB-VCS-PD and the accompanying KML file, is in conformance with Section 3.11.1 of the VCS Standard.
- Performing a risk-based review of the project area to ensure that the project conforms to all other requirements of the VCS rules and the methodology.
- Observing the Project Proponent's evidence and collect and record data in order to assess whether data collection techniques conform to the monitoring plan and related documentation and to evaluate data quality control systems.
- Selecting samples of data and information for verification in order to meet a reasonable level of assurance and to meet the materiality requirements of the project, as required by Section 4.1.8 of the VCS Standard.
- Performing a risk-based review of the project area to ensure that the project is in conformance the eligibility requirements of the VCS rules and the applicability conditions of the methodology; and
- Interviewing national authorities to confirm that the project operates in accordance with current permits and authorizations and its relationship with local actors and communities.
- Interviewing key personnel involved in the mentoring and observing monitoring practices.
- Verify activities in the project zone.

The following issues, among others, were assessed in-situ during the field visit:

- Project Zone /9-18/
- Illegal activities
- Monitoring System
- Trainings
- Biodiversity monitoring /52/
- QA/QC
- Dissemination documents /2-3//28-3/
- Types of beneficiaries
- SOPs and Policies /48-51/

2.6 Resolution of Findings

All documentation provided by the Project Proponent was assessed against the most recent version of the relevant VCS guidance document. Several clarification requests (CL) and corrective action requests (CAR) were raised and submitted to the Project Proponent, which addressed them either by providing to the audit team the requested information or by making the appropriate corrections. Updated versions of the documentation were submitted by the Project Proponent and the audit team reassessed them against the guidance documentation. This process was repeated iteratively until all CLs and CARs were fully resolved. Specifically, 5 CARs and 3 CLs were reported.

On the previous verification assessment 2 Forward Action Requests (FARs) were raised, as assessed by reviewing the verification report for the 2020-2021 monitoring period /6/. As such, the following assessments were carried out:

1. The audit team re-assessed the continued efforts by the Project Proponent to try to engage with the San Isidro community as committed to in the PD, specifically relating to CCB Indicator G3.2, to communicate the potential costs, risks, and benefits derived from participation in the project, if they choose to do so.

The audit team confirmed that there are no stakeholders other than the landowner benefiting from using the project area, as they do not use, possess rights or benefits from the project area property without the project. As such, the participation of the San Isidro community in the project is voluntary, as it is for the María Auxiliadora community. Nonetheless, the project proponent kept trying to reach out for the San Isidro community, but they do not want to participate in the project for the time being. This was further substantiated by interviewing Hermenegildo Vera, the leader of the María Auxiliadora community, and project staff.

The audit team also made efforts to meet with the indigenous community at San Isidro, but no permission could be obtained from the community to do so. It must be pointed out that these communities are very reluctant to be contacted by strangers, as evidenced in the visit to the María

Auxiliadora community. Although the majority of the community was present during the meeting with them, participating actively or standing on the background, only a handful of members was willing to sign the list of attendees.

2. The audit team reviewed the hiring process for workers hired during the present monitoring period to ensure that in conformance with the validated PD, specifically in relation to CCB Indicator G3.10, community members from the Maria Auxiliadora community have been given a fair chance to fill positions for which they can be trained. People from the Maria Auxiliadora community, and also from the nearby villages of Puerto Casado, Vallemi and the vicinities, are given an equal opportunity to fill all work positions, including management positions if the job requirements are met, as could be corroborated by the audit team in the interviews with the community members.

During the 2022 monitoring period, a guard service called "Los Guardianes" was hired, replacing the previous guard who was hired in October 2021. While the Project aims to hire personnel from the local area as much as possible, the guard service "Los Guardianes" hired Paraguayan nationals that were not from the project area nor from the Maria Auxiliadora community. The audit team confirmed through site interview that the Maria Auxiliadora community and nearby villages were given a fair chance to fill positions, but this guard service was selected due to their previous experience in this type of works and expertise in firearms safety.

Also, during the 2022 monitoring period, Alberto Esquivel was hired as Head of Biodiversity Monitoring, to replace Yolanda Ramos. Given the specific technical expertise required for this position, no suitable candidates from the community applied, and the audit team deems that Quadriz carried out a fair hiring process. All findings issued by the AENOR audit team during the verification process have been closed for both VCS and CCB Standards. All findings issued during the verification process, and the inputs for their closure, are described in Appendix II of this report.

2.6.1 Forward Action Requests

No FARs were raised to the PP during this verification assessment.

2.7 Eligibility for Validation Activities

AENOR has not conducted validation activities as part of this verification. Nonetheless, AENOR holds accreditation for validation and verification for the sectoral scope 14. Agriculture, Forestry, Land Use.

3 VALIDATION FINDINGS

3.1 Participation under Other GHG Programs

The project has not been registered, and is not seeking registration, under any other GHG programs. The project has already been validated and registered under the VCS and CCB Program. This is not the first verification period.

3.2 Methodology Deviations

No new methodology deviations were proposed during this monitoring period. All previous methodology deviations stated in the PD were assessed during validation.

3.3 Project Description Deviations (Rules 3.5.7 – 3.5.10)

There are no deviations during this monitoring period to the Project's description.

3.4 Minor Changes to Project Description (Rules 3.5.6)

There have been no community or biodiversity changes to project design that would either require or not require a project description deviation that occurred during the monitoring period compared with the validated project description. Project implementation and monitoring have been done in conformance with the Climate, Community & Biodiversity Standards criteria and indicators.

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

This is a Grouped Project, but no new project instances or communities have been added or identified since project submission:

1) New Project Areas and Communities (G1.13)

No new project instances or communities have been added.

2) Removed Project Areas and Communities (G1.13)

No project instances or communities have been removed.

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

There are no new project instances or communities to demonstrate eligibility criteria for.

4) Scalability Limits for Grouped Projects (G1.15)

Scalability limits for a 300,000+ hectares REDD+ project in the Chaco Region of Paraguay are not applicable, as this is the goal of this grouped project, not the Project's threshold.

5) Risk Mitigation for Grouped Projects (G1.15)

There are no serious scalability limits, as each project instance will have their own funds and own management.

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.

6) Project Zone Map (G1.13)

Not applicable – no additional communities or project areas were added to the Project during the 2022 monitoring period.

7) Changes to Management (G4.1)

There were no changes to the management structure, roles, and/or responsibilities that resulted from new entities joining the Project during the 2022 monitoring period, other than the addition of “Los Guardianes” as an Other Entity.

4 VERIFICATION FINDINGS

4.1 Public Comments (*Rules 4.6*)

For the current verification of the 2022 monitoring period, the public comment period dates were May 26, 2023 to June 25, 2023. No comments were received.

4.2 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. AENOR is reasonably assured that the project has appropriately identified and justified all achievements that are reported in Section 1 of the MR, and these benefits/achievements are appropriately substantiated these with information provided throughout the MR.

Section 1.1 of the MR identifies several unique expected benefits of the Project not captured by the standardized benefit metrics in Section 1.2 of the MR.

Achievements during the Monitoring Period	MR Section Reference	VVB Assessment
1) Chaco Med Flights: During the 2022 monitoring period, Quadriz spoke with pilots specialized in emergency flights about the technical specifications of the airplane models, Quadriz developed an estimated budget for the conditioning of such an aircraft, and during visits to the Maria Auxiliadora community, the community informed Quadriz again that the transfer to emergency care centers is a problem and that Chaco Med remains a desired benefit from the Project.	4	The audit team verified that the achievements during the monitoring period are accurate and substantiated with information provided in the MR and through stakeholder interviews.
2) Visitors to the Visitor Center: During the 2022 monitoring period, the main activity related to the visitor center was the restoration of its infrastructure. This includes, but is not limited, to acquiring: furniture, a water well, a solar panel, a generator, Wi-Fi service, construction of the manager's house, and equipment for visitors (e.g., crockery, towels, and sheets).	4	The audit team verified that the achievements during the monitoring period are accurate and substantiated through direct observation during the onsite visit.
3) Wildlife Cameras Deployed: Quadriz's wildlife cameras were installed at the initial project instance from June 2021 to May 2022 (i.e., including during the 2022 monitoring period). In May 2022, the first study using wildlife cameras was concluded and final reports were delivered in July 2022. During January to May	5	The audit team verified that the achievements during the monitoring period are accurate and substantiated with supporting evidence (Biodiversity report /52/) and

2022, the cameras recorded additional vulnerable and threatened species. During this time, such vulnerable, threatened and endangered species photographed include the giant armadillo (<i>Prionomys maximus</i> ; considered Vulnerable by the IUCN Red List) and the lowland tapir (<i>Tapirus terrestris</i> ; considered Vulnerable), along with the maned wolf (<i>Chrysocyon brachyurus</i>), the ocelot (<i>Leopardus pardalis</i>), and the jaguar (<i>Panthera onca</i>), which are considered by MADES to be nationally endangered.		through direct observation during the onsite visit.
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Section 1.2 of the MR describes the Standardized Benefits of the Project as follows:

Category	Metric	Achievements during Monitoring Period	MR Section Reference	VVB Assessment
GHG emission reductions & removals	Net estimated emission removals in the project area, measured against the without-project scenario	Not applicable	N/A	The audit team determined this metric is appropriately marked Not Applicable, as Project activities do not generate emissions removals.
	Net estimated emission reductions in the project area, measured against the without-project scenario	1,272,472 tCO ₂ e	3	The audit team confirmed through review of quantification methods in line with the chosen methodology the net estimated emission reductions (ex post) in the project measured against the without-project scenario.
Forest cover	For REDD projects: Number of hectares of reduced forest loss in the project area measured against the without-project scenario	4,544 hectares	3	The audit team confirmed through a review of quantification methods, remote sensing analyses, and site visit observations this value is appropriate.

Category	Metric	Achievements during Monitoring Period	MR Section Reference	VVB Assessment
	For ARR projects: Number of hectares of forest cover increased in the project area measured against the without-project scenario	Not applicable	N/A	The audit team determined this project benefit is appropriately marked Not Applicable, as no afforestation/reforestation activities are implemented.
Improved land management	Number of hectares of existing production forest land in which IFM practices have occurred as a result of the project's activities, measured against the without-project scenario	Not applicable	N/A	The audit team determined this project benefit is appropriately marked Not Applicable, as no improved forest management activities are implemented.
	Number of hectares of non-forest land in which improved land management has occurred as a result of the project's activities, measured against the without-project scenario	Not applicable	N/A	The audit team determined this project benefit is appropriately marked Not Applicable, as no improved land management activities are implemented.

Category	Metric	Achievements during Monitoring Period	MR Section Reference	VVB Assessment
Training	Total number of community members who have improved skills and/or knowledge resulting from training provided as part of project activities	15-20 community members	4	The audit team confirmed through site visit observations, interviews with project staff and community members, and review of project documentation, that the achievements during the monitoring period are appropriately reported.
	Number of female community members who have improved skills and/or knowledge resulting from training provided as part of project activities of project activities	12-15 community members	4	The audit team confirmed through site visit observations, interviews with project staff and community members, and review of project documentation, that the achievements during the monitoring period are appropriately reported.
Employment	Total number of people employed in of project activities expressed as number of full-time employees	5-10 full-time people (i.e., for instance, forest guards and Quadriz full-time staff).	4	The audit team confirmed through site visit observations, interviews with project staff and community members, and review of project documentation, that the achievements during the monitoring period are appropriately reported.
	Number of women employed in project activities, expressed as number of full-time employees	4 full-time women (i.e., Quadriz full-time staff and wildlife biologist).	4	The audit team confirmed through site visit observations, interviews with project staff and community members, and review of

Category	Metric	Achievements during Monitoring Period	MR Section Reference	VVB Assessment
				project documentation, that the achievements during the monitoring period are appropriately reported.
Livelihoods	Total number of people with improved livelihoods or income generated as a result of project activities	25-50 people (i.e., income generation due to being hired as forest guards and due to being hired by Quadriz; local landowner will receive revenue; and local communities at Maria Auxiliadora benefitting from Project's forest conservation activities, along with the trainings on snake awareness, first aid, and implementing vegetable gardens).	4	The audit team confirmed through site visit observations, interviews with project staff and community members, and review of project documentation, that the achievements during the monitoring period are appropriately reported.
	Number of women with improved livelihoods or income generated as a result of project activities	10-25 women	4	The audit team confirmed through site visit observations, interviews with project staff and community members, and review of project documentation, that the achievements during the monitoring period are appropriately reported.
Health	Total number of people for whom health services were improved as a result of project	Chaco Med is a future activity and during the 2022 monitoring period, there were little, to no, people	4	The audit team confirmed through site visit observations, interviews with project staff and community

Category	Metric	Achievements during Monitoring Period	MR Section Reference	VVB Assessment
	activities, measured against the without-project scenario	who benefitted from the Project's health services.		members, and review of project documentation, that the achievements during the monitoring period are appropriately reported.
	Number of women for whom health services were improved as a result of project activities, measured against the without-project scenario	Chaco Med is a future activity and during the 2022 monitoring period, there were little, to no, women who benefitted from the Project's health services.	4	The audit team confirmed through site visit observations, interviews with project staff and community members, and review of project documentation, that the achievements during the monitoring period are appropriately reported.
Education	Total number of people for whom access to, or quality of, education was improved as a result of project activities, measured against the without-project scenario	The visitor center is a future activity and thus, there were little, to no, people who benefitted from the Project's educational services. However, in 2022, Quadriz gave two scholarships to girls from the Maria Auxiliadora community. In addition, a computer and school supplies were delivered to the community.	4	The audit team confirmed through site visit observations, interviews with project staff and community members, and review of project documentation, that the achievements during the monitoring period are appropriately reported.

Category	Metric	Achievements during Monitoring Period	MR Section Reference	VVB Assessment
	Number of women and girls for whom access to, or quality of, education was improved as a result of project activities, measured against the without-project scenario	The visitor center is a future activity and thus, there were little, to no, women who benefitted from the Project's educational services. However, in 2022, Quadriz gave two scholarships to girls from the Maria Auxiliadora community. In addition, a computer and school supplies were delivered to the community.	4	The audit team confirmed through site visit observations, interviews with project staff and community members, and review of project documentation, that the achievements during the monitoring period are appropriately reported.
Water	Total number of people who experienced 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 audit team confirmed the achievements during the monitoring period are appropriately reported marked Not Applicable, as no people directly rely on drinking water from the project area.
	Number of women who experienced increased water quality and/or improved access to drinking water as a result of project activities, measured against the without-project	Not applicable	N/A	The audit team confirmed the achievements during the monitoring period are appropriately reported marked Not Applicable, as no people directly rely on drinking water from the project area.

Category	Metric	Achievements during Monitoring Period	MR Section Reference	VVB Assessment
	scenario			
Well-being	Total number of community members whose well-being ⁹ was improved as a result of project activities	25-50 community members	4	The audit team confirmed through site visit observations, interviews with project staff and community members, and review of project documentation, that the achievements during the monitoring period are appropriately reported.
	Number of women whose well-being was improved as a result of project activities	10-25 women	4	The audit team confirmed through site visit observations, interviews with project staff and community members, and review of project documentation, that the achievements during the monitoring period are appropriately reported.
Biodiversity conservation	Change in the number of hectares significantly better managed by the project for biodiversity conservation, ¹⁰ measured against the without-project scenario	31,858.6 ha	3	The audit team confirmed through site visit observations, interviews with project staff and community members, and review of project documentation, that the achievements during the monitoring period are appropriately reported.

Category	Metric	Achievements during Monitoring Period	MR Section Reference	VVB Assessment
	Number of globally Critically Endangered or Endangered species ¹¹ benefiting from reduced threats as a result of project activities, ¹² measured against the without-project scenario	0 Endangered or Critically Endangered species (per the IUCN) were identified at the Project Zone during the monitoring period. However, the maned wolf (<i>Chrysocyon brachyurus</i>), the ocelot (<i>Leopardus pardalis</i>), and the jaguar (<i>Panthera onca</i>), which are considered by MADES to be nationally endangered, were photographed.	5	The audit team confirmed through review of monitoring reports provided for the monitoring period and through interviews with project biodiversity monitoring staff that during the monitoring period no species categorized by IUCN as globally Critically Endangered or Endangered were documented as present within the project zone defined for the initial project instance. The audit team determined this is consistent with the PD not identifying the presence of these species within the project zone defined for the initial project instance.

In opinion of AENOR, the expected benefits are credible and well defined based on the project nature, the designed project activities and on the supporting documents provided by the PP and the evidence received during the on-site interviews to stakeholders carried by the audit team, records checked and field records.

All the estimated benefits are monitorable considering the monitoring plan developed by the PP and all the benefits that will not be monitored are appropriately labelled as Not applicable.

The audit team deems that the estimated benefits by the end of the project lifetime reported on the PD are credible, as they are based on the current participants and achievements of the project from the project start date to the date of issue of the PD. The VVB has reviewed the statements and the evidence provided and deems that the information is reliable and correct.

4.3 General

4.3.1 Implementation Status (G1.9)

Section 2.2 of the monitoring report provides the relevant milestones occurred during the last years in the project area related to the management and development of the project to understand its implementation status. These milestones are directly linked with the success to implement and achieve the goals established by the project in the community and biodiversity areas.

Tables in section 2.2.1 of the monitoring report provide complete information of activities carried out and impacts of these activities for the goals of the project. Project objectives and activities to reach them are analysed with their outputs and outcomes for the present monitoring period.

The most important milestones are described in the in section 2.2.1 of the monitoring report. The following table summarizes the assessment carried out by the audit team:

Date	Milestone(s) in the Project's development and implementation	VVB Assessment
2013, January	Investancia Paraguay S.A. is established.	Prior to start date.
2013, May	Investancia Holding B.V. is established in the Netherlands.	Prior to start date.
2015, October	Construction of the local Chaco headquarters at Estancia Santa Rosanna is initiated.	Prior to start date.
2019, February	Quadriz B.V. is established in the Netherlands.	Prior to start date.
2020, February to April	Ostrya Conservation undertakes REDD+ feasibility study in Paraguay.	Prior to start date.
2020, April 29	Development Agreement signed between Ostrya Conservation and Investancia.	Confirmed by interviewing Ostrya and Investancia staff during the onsite visit.
2020, July 1	Quadriz Paraguay S.A. and ATENIL S.A. agreed to terms for the development of a planned REDD+ forest conservation project.	Confirmed by interviewing Quadriz and ATENIL staff during the onsite visit.
2020, September 28	Letter of Agreement for Verified Carbon Unit Credits, signed between Quadriz Paraguay S.A. and ATENIL S.A.	Confirmed by interviewing Quadriz and ATENIL staff during the onsite visit.
2021, March	Quadriz conducts initial community survey, known as a Degradation Survey, around Corazón Verde del Chaco I.	Confirmed with the Degradation Surveys /32-36/.
2021, March 12	Quadriz Paraguay S.A. officially registered on March 12, 2021.	Confirmed by interviewing Quadriz staff during the onsite visit.
2021, June	Quadriz Paraguay S.A., in conjunction with Andrea Weiler, installs the first round of wildlife cameras as part of the biodiversity impact monitoring plan.	Confirmed by reviewing the Biodiversity report /52/, and interviewing Quadriz staff and Andrea Weiler during the onsite visit.
2021, August	Quadriz conducts follow up community surveys, known as a Participatory Rural Assessment (PRA), around Corazón Verde del Chaco I.	Confirmed with the Participatory Rural Assessment documents /37-40/.
2021, November 18	Signature of updated Letter Agreement with DRSF between Atenil and Quadriz called "Acuerdo para créditos por unidades verificadas de carbono ATENIL –QUADRIZ."	Confirmed with the Agreement for Verified Carbon Unit Credits /41/, signed by both parties.
2022, May	The first round of wildlife cameras as part of the biodiversity impact monitoring plan	Confirmed by reviewing the Biodiversity report /52/, and

Date	Milestone(s) in the Project's development and implementation	VVB Assessment
	concludes.	interviewing Quadriz staff and Andrea Weiler during the onsite visit.
2022, September	Quadriz's fire control and prevention plan is socialized and validated with INFONA and WWF.	Confirmed by reviewing the fire control and prevention plan /49/ and interviewing INFONA staff.
2022, December	Visitor center reconditioned.	Confirmed through observations made during the onsite visit and interviews with Quadriz staff.
2022-2023	Initial monitoring and verification undertaken, with subsequent verifications to take place at least every five years thereafter.	Confirmed with the verification report /6/ of the first monitoring period.
March 2023	VCS-CCB validation of grouped REDD+ project achieved.	Confirmed with the validation report /5/ and representation.
April-May 2023 (anticipated)	Expected registration and initial verification of grouped REDD+ project for 2020- 2021 monitoring period.	As it was an estimation, since Verra has to carry out the project review report, the project verification of 2020-2021 monitoring period was completed on 01 June 2023, as confirmed with verification report /6/.
2023	Second monitoring and verification undertaken for 2022 monitoring period.	Current assessment.
2023 (anticipated)	The tentative, second round of community surveys to take place. The plan is to undertake the community surveys approximately every two years.	As expected from the start date.
2025 (anticipated)	Third monitoring and verification undertaken, if not sooner.	As expected from the start date.
2026 (anticipated)	The tentative, second round of using wildlife cameras to take place. The plan is to undertake the biodiversity impact monitoring plan using wildlife cameras approximately every five years.	As expected from the start date.
2030 (anticipated)	Project's baseline revision to take place.	As expected from the start date.

After reviewing the listed documents AENOR's verification team confirmed the most important dates of the project schedule.

During this verification process, AENOR has not detected any project changes in regards of the project title, its purposes or objectives. As such, the project activity accurately reflects the proposed project which mainly consists in alleviating deforestation and degradation pressures on the forests, improving biodiversity conditions and the quality of life of population in the area. Through interviews with key staff and evidence provided, the auditor team ratified the main objectives of the project activity, that result in the SD contributions described in the MR.

Besides, the project has not participated nor been rejected under any other GHG programs. GHG emission reductions generated by the project are not included in an emission trading program or any other mechanism that includes GHG allowance trading. The project has not received or sought any other form of environmental credit.

Hence, after a complete review of the different documents provided and the on-site visit, AENOR is able to confirm that the project implementation is in accordance with the project description contained in the validated CCB-VCS-PD /4/ and final version of the monitoring report /1/. There are not material discrepancies between project implementation and the monitoring report.

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

Section 2.2.6 of the monitoring report addresses the natural and human induced risks and how the project considered several initiatives to diminish these risks to the project benefits. The identified risks are:

- Encroachment into the Project Areas by local farmers;
- The presence of anthropogenic fire in this dry forest ecosystem; and
- The potential for illegal logging, hunting, or other unapproved use of the land, including narcotrafficking.

Those risks were verified on the onsite visit, taking pictures of nearby properties affected by fires, and confirming the presence of deforestation agents in the zone by interviewing stakeholders and direct observation. No sign of impacts of narcotrafficking were found on the project area by the audit team.

There are no known risks throughout the Project Zone associated with invasive species, pest or disease infestation, or risks associated with in-migration from outside communities, as stated in the MR. None of these risks occurred during the monitoring period, as verified on the onsite visit.

The PP has calculated the rating associated to the risks through the Non-Permanence Risk Report. The audit team has reviewed the information provided in the MR /1/, the validated PDD /4/, the previous MR and the NPRR /8/. Specifically, an exhaustive assessment of the NPRR /8/ has been carried out, analyzing the complementary information and attached evidence, and found that there have been no changes in any risk category (internal, external, or natural) since the previous verification. During the site visit, the audit team asked the stakeholders about the potential risks of the project, the likelihood of natural risks and how they might affect the project, and confirmed the information described in the NPRR.

The Project Proponents have been taken reasonable steps to mitigate the identified risks since the previous monitoring period, regularly monitoring deforestation via onsite forest guard patrols, camera traps, and the periodic review of satellite imagery. This ensures quick identification of encroachment by local farmers or fire.

During the 2022 monitoring period, the following mitigation measures were taken, as verified on the onsite visit:

- A guard house was built to deter individuals interested in illegal logging, hunting, or other unapproved use of the land.
- A guard service, called "Los Guardianes" was hired for the area /26-27/, who are in charge of patrols and in charge of the entrance to the property. This new guard service replaced the previous guard who was hired in October 2021;
- A Fire Prevention and Control Plan /49/ was finalized in March 2022;
- Patrols officially started during the first quarter of 2022; and
- A patrol log started during the last quarter of 2022.

AENOR deems that the Project Proponent correctly identified the risks to the project, and it is implementing actions to reduce or diminish the negative impacts of these risks in the benefits on the Climate, community and biodiversity.

4.3.3 Community and Biodiversity Benefit Permanence (G1.11)

The audit team reviewed the PD and the MR to ensure the project is implementing plans to maintain and enhance CCB benefits beyond its lifetime. As such, and regarding the measures described in Section 2.2.7 of the MR:

- The audit team confirmed via site visit interviews that the project proponent is continuing to engage with the landowner of the initial project instance, the National University of Asunción, the Paraguayan Government and local communities to ensure the necessary ongoing management and monitoring of the project.
- The audit team reviewed supporting documentation /46/ to confirm that the project has developed a pro forma to model the costs and revenues of the project, specifically in relation to ensuring funding of project activities.
- Through site visit interviews with project staff and technical consultants, the verification team confirmed that the project is exploring options to ensure the ongoing conservation of the project area beyond the Project Lifetime.
- Through site visit interviews and a review of supplemental materials the audit team confirmed that the project proponent is continuing to engage with different stakeholders to help other landowners and the Paraguayan Government undertake additional conservation projects such as REDD+.
- Through site visit observations and interviews with the project staff, the audit team confirmed that necessary construction enhancements to the future visitor center building have occurred, and steps have been taken to gather the necessary information to better inform the design of the Chaco Med program.

Hence, AENOR determined that reasonable measures have been taken to enhance project benefits beyond the project lifetime in accordance with the validated project description.

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

The audit team reviewed the PD for actions identified as needed for comparison to actions identified in the MR as having been taken for ensuring stakeholder access to information, interviewing community members to substantiate the access to information documented in the PD and the MR. Through site visit interviews and observations and collection of on-site reports submitted to the participating community, the audit team substantiated that full project documentation has been made accessible in appropriate local languages to communities and other stakeholders during this verification period. This information was corroborated by a document signed by Hermenegildo Vera, leader of the María Auxiliadora community, certifying the receipt of the Summary Documents /28/, and the bill for the radio announcement /29/

The efforts made to provide relevant and adequate information about potential costs, risks, and benefits to community members and other stakeholders are consistent between the PD and MR and include

discussions and meetings at different project stages. These actions were confirmed during the site visit and through the review of the community surveys, known as Degradation Surveys /32-36/ and a Participatory Rural Assessments (PRAs) /37-40/.

Additionally, through site visit interviews, the audit team found the participating community is aware of the verification process, the site visit, and that the audit team would be visiting their community to conduct interviews. The audit team is reasonably assured the project has taken appropriate actions to explain the verification process to the participating community, as further evidenced by the review of the PRAs documents /37-40/, that explain the verification process. Through site visit interviews conducted during the site visit, the audit team confirmed that the other stakeholders understand the verification process, being reasonably assured that the project has taken appropriate actions to explain the verification process to other stakeholders.

In conclusion, after the review of supplemental documentation provided by the project and observations and information collected via interviews during the site visit, AENOR is reasonably assured that the project has carried out effective community consultation.

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

The audit team reviewed Section 2.3.7 of the MR against the validated PD, which describes numerous stakeholder consultations with communities and stakeholders identified in its Appendix 1, stating where these meetings influenced project implementation. Interviews conducted by the audit team with the identified stakeholders (ATENIL, MADES, INFONA, FACEN-UNA, María Auxiliadora Community), described in Section 2.4 of this report, substantiated that the project consulted all of them, directly or through their legitimate representatives, and that the project design considered input received from some of these meetings, as evidenced during the visit to María Auxiliadora Community, when they handed a proposal /31/ to the project proponents for their consideration, regarding the provision of school material.

The audit team reviewed Section 2.3.8 of the MR against the PD, which describes the processes the project will use throughout its lifetime to consider input and adaptive management. These processes include ongoing meetings with stakeholders either in person or at several identified locations, implementing Degradation Surveys and the Participatory Rural Assessments (PRAs) to continuously identify and update risks, costs, and benefits to local community members. Stakeholder input on project implementation has been documented through said PRAs /37-40/ and Degradation Surveys /32-36/ files, that were presented to the audit team as evidence.

Based on information provided by the project and substantiated through interviews with the stakeholders identified in the PD, the audit team determined that there are no stakeholders other than the landowner benefiting from using the project area, as they do not use, possess rights or benefits from the project area property without the project. As such, the María Auxiliadora community is being voluntarily included in project benefits, and the project has voluntarily chosen to modify or not modify the project design based on the input of these other stakeholders, based on its feasibility and benefits to the community.

On-site interviews with the community leader and members, as well as other stakeholders, and review of supporting documentation /32-40/ provide evidence that the information exchange described in Section 2.3.9 of the MR has occurred and that the project's plan for continued communication is being implemented as described in the validated PD. Additional explanations provided by the project demonstrate that project meetings have taken place with the identified stakeholders. The audit team concludes that the stakeholder

consultation channels and the plan for ongoing communication described in the validated PD are being followed.

Therefore, for all the reasons explained above, the audit team concluded that the project has conducted effective community consultation.

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

The audit team reviewed Section 2.3.10 of the MR against the validated PD, which describes the measures identified by the project as needed or taken to enable effective participation with local communities. Site visit interviews with the Maria Auxiliadora community substantiated that community members are proficient in either Spanish or Guaraní, the project counts with staff who are Paraguay nationals and are able to communicate with communities in either Guaraní or Spanish, possessing 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 were conducted in person with both a male and female staff representative present to ensure a gender-sensitive approach. As explained in Section 4.3.5. of this report, PRAs /37-40/ and Degradation Surveys /32-36/ were used to incorporate the effective participation of the community in project implementation, monitoring, and evaluation.

Therefore, the audit team determined that the Project Proponent has taken the necessary measures to enable effective participation in a culturally appropriate and gender sensitive manner, and the project enabled community participation in project implementation.

4.3.7 Anti-discrimination (G3.7)

The project proponent has developed and implemented an equal opportunity policy in order to ensure compliance with CCB Standards and to avoid discrimination or harassment based on gender, race, religion, and sexual orientation, as they stated in section 2.3.11 of the MR.

The audit team confirmed that they have different policies and procedures that assure that they are not involved in or complicit in any form of discrimination or sexual harassment with respect to the project through the review of the presented supporting documents (Quadriz's HSE Policy and Procedures manual /48/).

Site visit interviews by AENOR with staff and community members did not reveal any instances of discrimination or sexual harassment. On the opposite, the audit team could check that women possess a very important weight in the project and in the directive team.

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

A grievance redress procedure is detailed in the MR, being consistent with the grievance procedure outlined in the validated PD. If a conflict arises between Quadriz and the private landowner, both parties will seek to resolve the issue and if they are unable to do so, mediation will be sought. If necessary, Quadriz will utilize the nationally competent courts, as the third stage for any of the grievance processes. If there are any grievances with staff (i.e., such as personnel issues), the issue will be initially handled by local Quadriz management. If there is any unresolved grievance with a local community or other stakeholder, Quadriz will refer the matter to the Ministerio del Ambiente y Desarrollo Sostenible (MADES; Ministry of Environment and Sustainable Development), which will act as the Project's third-party ombudsman. Specifically, MADES

has a Safeguards Information System and has a mechanism for receiving complaints and claims related to forest carbon projects.

The MR states that no grievances were raised during this verification period. The audit team substantiated this claim through site visit interviews with community members and project workers, none of whom had filed a grievance or knew of anyone who had. The interview with representatives from MADES further confirmed that no grievance or complain was submitted to them in relation to the project. Additionally, the PRAs documents /37-40/ provide evidence that the Grievance Redress Procedure is explained to the community and states a phone number in case any complain arises.

Moreover, the audit team could confirm that community members – including from the Maria Auxiliadora community – did not submit any specific grievances related to forest patrols, usage rights, or other impacts of the project during the 2022 monitoring period, as the Project is being implemented on private property and there are no overlapping customary usage rights. The VVB was able to verify during the site visit, interviews and desk review process that the grievance procedure is well known by the Maria Auxiliadora community and no complaints were submitted in this regard.

The audit team is reasonably assured that no grievances arose during this monitoring period and is thus relying on the project's anticipated adherence to the grievance redress policy outlined in the PD should a grievance arise.

4.3.9 Worker Relations (G3.9 – G3.12)

The audit team confirmed that Section 2.3.13 of the MR describes the measures needed, and designed, to provide orientation and training to workers. Interviews with the community and workers, and site visit observations substantiate training as reported in the MR occurred and progress towards building capacity for project staff was achieved. The audit team is reasonably assured the substantiated capacity built during this verification will not be lost.

People from the Maria Auxiliadora community, and also from the nearby villages of Puerto Casado, Vallemi and the vicinities, are given an equal opportunity to fill all work positions, including management positions if the job requirements are met, as could be corroborated by the audit team in the interviews with the community members. During the site visit, the audit team confirmed via interviews with the leader and representative community members from Maria Auxiliadora that project staff have spoken to the community about potential future employment opportunities. During the present monitoring period, there were 4 job positions that were opened to be filled by the project and they were not filled by someone from the Maria Auxiliadora community, as no member of the community possessed the skillset and technical knowledge required for the position of Head of Biodiversity Monitoring or forest guard. The audit team asked to different workers, men and women, about the hiring process, and found no sign of any type of discrimination. The audit team determined the project's workers were Paraguayan nationals, including individuals originally from the three departments constituting the validated grouped project area.

The audit team confirmed relevant laws and regulations related to worker's rights are described in 2.3.15 of the MR are consistent with the laws and regulations described in Section 2.3.16 of the PD. The audit team reviewed the International Labour Organization (ILO) webpage for Paraguay and determined the ILO webpage did not identify any changes to these relevant laws and regulations during the monitoring period.

Through review of project documentation and additional clarification supported by site visit interviews and observations, the audit team substantiated that the project is adhering to all relevant laws and regulations covering worker's rights. Site visit interviews with current project staff substantiated they have a job contract, compliance with national laws, and had been informed of their rights and the measures designed to inform workers of their rights in the future were substantiated as appropriate.

AENOR asked about the costs, risks and benefits of the project in relation to the daily tasks of the employees and rest of stakeholders. AENOR gathered valuable information about the risks, considering that the conditions of the countryside in the Chaco region are not easy according to health, economy, and safety. The interviewees recognized that they were informed about potential risks related to their job and what measures were provided by Quadriz to mitigate such risks. Also, they were informed about the costs and benefits. The interviewees mentioned that thanks to the Corazón Verde del Chaco Project, they have a better wellbeing compared to the without project scenario.

AENOR has interviewed several people and contrasted the information with the different evidence to demonstrate the health, safety, the environment policies and procedures /48/ are in place. After the review of all this information, and direct observations on the onsite visit (presence of safety equipment such first aid kits and fire extinguishers, warning signs, fire safety assembly point, etc.) the VVB considers that the PP complies with the policies and the information of the MR. Therefore, AENOR is able to confirm that the project developer is taking the necessary measures regarding occupational safety of workers.

In order to mitigate the risk of the project staff of potential hostile confrontations with illegal hunters, loggers or narcotraffickers, the Project employed forest guards that carry protective equipment and firearms as a deterrent to trespassers, mitigating the risk to themselves. During the site visit, the audit team interviewed the guards from Los Guardianes and verified the access control to the property in the main access point, where the guards control and guarantee the access to the property with registry entry of all visitors. There, the audit team was able to substantiate that Los Guardianes employees had wide experience and training in firearms as well as in handling hostile confrontations. During the patrol activities, the forest guards keep a continuous communication between them to minimize risks (for example, securing the presence of more than one guard during the registry entry when there is a visitor trying to access to the property). In the case that the person who wants to enter the project area carries any firearm, the guards do not allow their access, and back off the gate, reducing the likelihood of confrontations. Therefore, for all these reasons, AENOR is able to confirm that the project developer is taking the necessary measures to mitigate potential risks to the project workers of hostile confrontations with illegal hunters or loggers.

AENOR determined reasonable assurance was provided in the MR regarding worker relations. The audit team can confirm that all activities are carried out within the framework of the project are in accordance with current regulations. AENOR did not detect incompliance with them checking the documents provided and interviewing the workers, who have been informed about risks of the works and received training about safety matters. Therefore, the project fulfils with G3.9 – G3.12 CCB requirements related to worker relations, and the project upholds the intent and design presented in the validated project description.

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

The audit team reviewed Sections 2.4.2, 2.4.3, and 2.4.4 of the PD, which identify the required technical skills to successfully implement the project 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 modelling, project management, local knowledge and fluency in Spanish and Guarani, and sale of carbon offset credits. Through site visit interviews with project management staff, support staff, and technical consultants, and a review of their CVs /20-25/, the audit team determined the project proponent and the implementation partner, having a large amount of experience in international forest carbon projects and other development projects, possess the required technical and management skills required to continue to implement the project successfully in accordance with the validated project description and has appropriately reported these requirements in the MR.

The project provided supplemental financial information to document the financial health of Quadriz, including the Financial Audit Report /47/, project cash flow and break-even /45/, demonstrating 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, the audit team determined the financial health of the implementing organization would be adequate to support the project over its lifetime.

The audit team considers that the project management has defined and set a strong and comprehensive framework to prevent the commitment any kind of illicit acts by project staff. Interviews with the Project Proponent, project management staff, technical consultants, and community members did not identify any concerns the project or project staff are complicit in any form of corruption, such as bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion, or collusion; being consistent with the information stated in Section 2.4.5 of the MR.

Therefore, in the opinion of AENOR, the project team has the capacity to implement the project in accordance with the validated project description.

4.3.11 Commercially Sensitive Information (Rules 3.5.13 – 3.5.14)

All documentation related to the financial health of the implementing organizations and the projects have been provided to the auditor team in a separate confidential annex. In the opinion of AENOR, the exclusion of this financial information of the MR is justified due to be considered commercially sensitive information.

There is no commercially sensitive information related to the monitoring of GHG emissions reductions.

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

The project's recognition of property rights is explained in Section 2.5.1 of the MR, being consistent with the description in Section 2.5.2 of the PD. The project area has not changed since the previous verification, and no additional project instances have been added. The audit team assessed provided ownership documents /44/, further substantiated by site visit interviews with the landowner and Project Proponent, and confirmed the land of the Initial Project Instance is privately owned (the land use and access rights are owned by the landowner). The audit team substantiated that the landowner has provided consent to the Project Proponent for the use of the property in developing a REDD+ project through the review of the contract between the landowner and the Project Proponent /41-43/. Review of provided geospatial files /9-19/, landownership documents /44/, and the agreement between the landowner and Project Proponent /41-43/, along with the onsite boundary check of the property, substantiated the accuracy of the map of tenure, use, access and management rights to lands, territories, and resources in the project zone. As such, the audit team determined all property rights are recognized, respected, and supported.

The audit team reviewed Section 2.5.2 of the MR that states the project is taking place on private property and thus not encroach on other private property, community property, or government lands and found this to be consistent with Section 2.5.3 of the PD. The audit team confirmed that Free, Prior and Informed Consent (FPIC) was established with the landowner of the project through the discussion and eventual signing of a contract between the landowner and Project Proponent. 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, and further supported by site interviews with community members and the landowner, the audit team confirmed the project is respecting the property rights of both the landowner and the identified community.

Section 2.5.3 of the MR states 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 community leader and community members of the Maria Auxiliadora substantiated this statement and that the community had no claims to the first instance project property, and none of their property rights would be affected by the project.

Section 2.5.4 of the MR identifies three main potential illegal activities, including encroachment, fire, and poaching, in accordance with Section 2.5.5 of the validated PD. No perceived positive benefits are anticipated from these illegal activities. Measures designed and undertaken to reduce encroachment and fire include on-the-ground patrols, periodic aerial surveillance, and satellite imagery analysis. Measures designed and undertaken to reduce poaching include installation of guard houses, forest patrols, a Fire Prevention and Control Plan /49/ and periodic biodiversity monitoring. Site visit interviews with the forest guards and project staff and direct observations (such as fire damage spotted on the neighboring property while this damage was absent on the project area due to firebreaks, the presence of guard control and warning signs) substantiate that the identified measures have been undertaken to reduce illegal activities that could affect the project's impacts and have been appropriately reported on in the MR.

Section 2.5.5 of the MR states there are no known ongoing disputes or conflicts within the project area. Site visit interviews did not identify any known ongoing disputes or conflicts.

Therefore, through substantiation of all claims made in the MR pertaining to protecting rights of Indigenous Peoples, communities and other stakeholders, the audit team determined the project is in accordance with the CCB Standards and the validated PD throughout this verification period.

4.3.13 Legal Status (G5.6)

The list of laws and regulations considered relevant to the project is provided in Section 2.5.6 of the MR, being consistent with the laws identified in the PD. Through site visit interviews conducted with the project team, confirmation via direct consultation with national institutions such as MADES and INFONA, and a review of satellite imagery, the audit team is reasonably assured that the project complies with relevant laws and regulations, including the applicable environmental protection figures. Compliance with such environmental protection figures, such as the "Reserva Forestal" or "Cortinas", were further confirmed in situ with GPS and drone overflying. No sign of impacts of narcotrafficking were found on the project area by the audit team.

The audit team was able to substantiate that no community groups or individuals are allowed to hunt in the project area in the with-project scenario by reviewing the relevant laws and regulations described in Section 2.5.4 of the PD and by asking MADES about this topic on the onsite interview.

4.4 Climate

4.4.1 Accuracy of GHG Emission Reduction and Removal Calculations

The verification team performed an intensive review of all input data, parameters, formulae, calculations, conversions, statistics and resulting uncertainties and output data to ensure consistency with the VCS documentation, methodology and associated tools, and the CCB-VCS-PD. Further, the verification team reproduced the calculations to ensure the accuracy of the results. Inventory data, formulas, and calculations were provided by project proponents in spreadsheet format to ensure all formulas were accessible for review. The verification team recalculated subsets of the analysis 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, as required by the VCS Standard. When needed, the project proponent also provided a step-by-step overview of select calculations to ensure the verification team understood the approach and could confirm its consistency with the methodologies and CCB-VCS-PD, with remote meetings and onsite during the audit in June 2023. Where applicable, references for analysis methods or default values were checked against relevant scientific literature for best practice. The audit team reviewed and confirmed uncertainty calculations in detail, as prescribed by the methodology. As uncertainty was below the allowable threshold dictated by the methodology, the project appropriately did not apply an uncertainty deduction for this monitoring period.

For this monitoring period, the project utilized the forest inventory plots and resulting analysis that were validated in the PD, complying with VCS Standard v4.4. To monitor deforestation in the project area and leakage belt, the project conducted a remote sensing analysis as described in Section 3.1.3 of the MR. The audit team reviewed satellite imagery to assess any disturbance or deforestation, in addition to on-the-ground checks at different spots from the site visit. Sentinel 2 sensor data was assessed for the beginning and end of the reporting period to monitor the project area and detect any land cover changes. The project conducted a Participatory Rural Assessment (PRA) /37-40/ and Degradation Surveys /32-36/, which were used to determine if forest degradation was occurring within the project area and determine the level of immigration. The verification confirmed the results of the PRA through on-site interviews with the Maria Auxiliadora Community and the review of supporting documentation /32-40/.

The verification team assessed the parameters listed in section 3.1 of the final version of the monitoring report, including fixed (available at validation) and monitored parameters and considered that they are complete and in accordance with the applied methodology and validated CCB-VCS-PD.

An overview of the data and parameters monitored, are included in the table below. This is not an exhaustive list of all monitored parameters that are available for verification, but all were data checked as part of the comprehensive desktop review:

Parameter /Data Unit	Accuracy of GHG emission reductions and removals	Whether methods and formulae set out in the PD have been followed	Appropriateness of default values
AdefLK,i,t	The Verification Team confirmed that this parameter was appropriately calculated by conservatively using the amount of land converted from forest lands to other land uses in Paraguay for 2020. This is deemed a conservative value as it addresses deforestation in the whole country and not only the associated with the baseline agent. Therefore, the area to be monitored in this monitoring period was the entire country. The calculated value of this parameter for the monitoring period is 279,334.80 ha.	This parameter was calculated in- line with the validated PDD, as it followed the same approach as validated and previously verified (monitored through secondary sources, and accounting for all deforestation agents).	Not applicable.
Δ CBSL,PA,planned (tCO ₂ e)	The Verification Team confirmed that the validated parameter value was applied during this monitoring period and that the baseline period has not expired. The validated value of this parameter for the monitoring period is 1,273,923,84 tCO ₂ e.	This parameter was derived from the validated baseline as described in the PDD.	Not applicable.
Δ CP,DefPA,i,t (tCO ₂ e)	The Verification Team confirmed that this parameter was appropriately calculated in-line with the VM0007 methodology and procedures described in the PDD. The calculated value of this parameter for the monitoring period is 1.372.2 tCO ₂ e.	This parameter was calculated in- line with the validated PDD and VM0007 methodology.	Not applicable.
GHGP-E,i,t (tCO ₂ -e)	The Verification Team confirmed that this parameter was appropriately calculated in-line with the VM0007 methodology and procedures described in the PDD. The calculated value of this parameter for the monitoring period is 79.9 tCO ₂ e.	This parameter was calculated in- line with the validated PDD and VM0007 methodology.	Not applicable.
Δ CLK-AS,planned (tCO ₂ -e)	The Verification Team confirmed that this parameter was appropriately calculated in-line with the VM0007 methodology and procedures described in the PDD. The calculated value of this parameter for the monitoring period is 0 tCO ₂ e	This parameter was calculated inline with the validated PDD and VM0007 methodology.	Not applicable.

Parameter /Data Unit	Accuracy of GHG emission reductions and removals	Whether methods and formulae set out in the PD have been followed	Appropriateness of default values
NER _{REDD+ERROR}	The Verification Team confirmed that the validated parameter value was applied during this monitoring period and that the baseline period has not expired. The validated value of this parameter for the 2-year monitoring period is 3.7%.	This parameter was derived from the validated baseline as described in the PDD.	Not applicable.

The verification team confirms that the emission reductions, including accuracy of spreadsheet formulae, conversions and aggregations, are consistent in the use of the data and parameters. To quantify current carbon stocks in the project area, the project proponent used the procedure defined in the VM0007 REDD+ Methodology Framework (REDD+MF), v1.6. The steps to calculate emission reduction are detailed in section 3.2 of the CCB-VCS-PD and the results derived from the validated project design document are listed in section 3.2 of the CCB-VCS-MR. The verification team assessed the emission reduction calculation spreadsheet /8/, GIS data /9-18/, and remote sensing analysis /19/ to confirm compliance with the methodology and correctness of the calculations.

Therefore, the audit team confirmed the methods and formulae set out in the PD for calculating baseline emissions, project emissions, and leakage. The total end of the monitoring period carbon stocks in all project activities for all relevant pools resulting from carbon stock changes were correctly quantified. Where ranges of parameters or other types of formulaic uncertainty existed, appropriately conservative values were used in data analysis.

In conclusion, in the opinion of AENOR, the quantification methods for GHG emission reductions and removals have been performed correctly and in accordance with the validated PD and VM0007 methodology.

4.4.2 Quality of Evidence to Determine GHG Emission Reductions and Removals

During this verification, the audit team assessed if the evidence provided by the project was sufficient in both quantity and quality to support the determination of GHG emission removals reported by the project. Throughout the verification, the project demonstrated taking a conservative approach and took all measures appropriate to ensure the reliability of evidence provided.

The threshold for materiality with respect to the aggregate of errors, omissions and misrepresentations relative to the total reported GHG emission reductions and/or removals was met for this project as defined in the Verification Sampling Plan. Materiality is a concept that errors, omissions and misrepresentations could affect the GHG reduction assertion and influence the intended users (ISO 14064-3:2006). As defined by VCS Version 4.4, the materiality will be 1% for this project.

The evidence provided to determine emission reductions reported in the MR included values, notations, units, and sources. This evidence has been cross-checked with supplied emission reduction calculation spreadsheets /8/. The procedure for data recording, transfer and final storage was also verified and found to be in compliance with the monitoring plan outlined in the PD. The verification team confirmed through

the following cross-checks that adequate monitoring mechanisms are in place where the required parameters need to be monitored.

AENOR's verification team assessed the knowledge of field teams about procedures for measuring, the frequency of measurements and the quality of metering equipment including maintenance/calibration requirements. They showed to the VVB the process of carbon and biodiversity monitoring through the onsite visit. In these explanations, the teams showed how they performed the different monitoring activities, where they are performed, the material used and the way in which they store the data. The audit team was provided access to the project's series of monitoring worksheets where monitoring data is compiled for quantification and reporting. These tools ensure accurate information flow for monitoring efforts. Section 3.1.3 of the MR provides additional detail on project data management methods and structure.

Interviews with project proponents and inspection of data and results demonstrated that the project proponents possess all the competencies required for reporting of GHG emissions reductions in an accurate way. Data presented to the audit team was clear and coherent and processing steps could be traced to the corresponding sections of the methodology and monitoring plan with transparency. The audit team could confirm that the monitoring plan provides means for internal data review and quality control, and the data presented by the project proponent included the results of these internal assessments.

According to section 3.2.2 of the MR, an accuracy assessment was conducted using high-resolution imagery to ensure that the LULC classification map produced for this monitoring period met the accuracy thresholds of VM0007. The PP implemented a stratified random sampling in order to generate 200 reference points (100 for forest and 100 for the non-forest class) in the area of interest. The audit team assessed these points and confirmed they were correctly identified as forest or non-forest and checked for accuracy, both by review of satellite imagery, the LULC classification report /19/ and on-the-ground checks during the site visit. According to the MR, the accuracy achieved was 91%, and the audit team crosschecked this value with the LULC and accuracy files /9/. Section 3.2.2 of the MR includes a Map of the deforestation over the project strata in the current monitoring period (Figure 3.1a) and in the different monitoring periods in the project area (Figure 3.1b), which were checked on the ground by the audit team to confirm its consistency with the reality, verifying the deforested areas during the current monitoring period.

Therefore, AENOR deems that the evidence provided by the project was sufficient in both quantity and quality to support the determination of GHG emission removals reported by the project.

4.4.3 Non-Permanence Risk Analysis

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

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

Internal risks:

Project Management			
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating	VVB Assessment
a)	No species have been planted as part of the project activity.	0	GHG credits are not based on planted species. It is a REDD+ project, and the audit team visited the project area.
b)	While encroachment has not been detected on the property or revealed through participatory rural appraisals done as part of the community surveys, encroachment by local farmers is an issue in some parts of the Chaco. Encroachment is unlikely to be an issue for the initial project area in the future because the only access to the initial project area is off of a private road which has guard houses on each end of the road. As such there is no ongoing enforcement needed to prevent encroachment by outside actors on any part of the Project Area. Encroachment by outside actors is not anticipated as the Project Areas are in a sparsely populated region and property lines are well marked and respected. Regardless of the encroachment risk, the project will conduct patrols along the project boundaries and throughout the project area. The mere presence of patrols and infrastructure can deter potential encroachment by outside actors.	0	Forest guards have been employed by the project to perform ongoing patrols of illegal forest use. The VVB reviewed the Standard Operating Procedures /48-51/ and performed several interviews with different workers who were in charge of the patrolling activities. The PP also showed the patrolling activities during the VVB onsite visit.
c)	The local management team includes an operations manager and a forester which are both from the region and have extensive experience managing rural lands in the Chaco.	0	Management team includes individuals with significant experience in all skills necessary to successfully undertake project activities. AENOR has reviewed the CV /20-25/ of the staff as well as other projects performed by them.
d)	The management team maintains an office at Estancia Santa Rosanna Carmelo Peralta, Paraguay. An operations manager and forester are based at this location	0	AENOR has confirmed the location of this office and deems that the information is correct.

	which is within a day drive to all project sites.		
e)	The management team includes individuals with significant experience in AFOLU project design and implementation, carbon accounting and reporting under the VCS Program, including James Eaton who has over 10 years' experience designing, implementing, and operating VCS AFOLU projects.	-2	The audit team confirmed the management team includes individuals with significant experience in AFOLU project design and implementation, carbon accounting and reporting under the VCS Program. AENOR has reviewed the CV /20-25/ of the staff as well as other projects performed by them.
f)	Mitigation: As of August 2023, an adaptive management plan has not been put in place.	0	N/A.
Total Project Management (PM) [as applicable, (a + b + c + d + e + f)] Total may be less than zero.		-2	

In AENOR's opinion, total project management risk rating (-2) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool: VCS V4.0 and the short form V.1.2.

Financial Viability			
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating	VVB Assessment
a-d)	Project cash flow breakeven point is 4 years or less from the current risk assessment.	0	AENOR has reviewed the Budget and Cashflow breakeven /45/, and after the analysis, AENOR deems that the calculation has been done properly.
e-h)	The Project has secured 100% of funding needed to cover the total cash out before the project reaches breakeven.	0	AENOR has reviewed the audited financial statements /47/ and deems that this information is correct.
i)	The Project has 100% of financial resources available before the project reaches breakeven.	-2	AENOR has reviewed the audited financial statements /47/ and deems that this information is correct.
Total Financial Viability (FV) [as applicable, ((a, b, c or d) + (e, f, g or h) + i)] Total may not be less than zero.		0	

In accordance with provided evidence, the project has secured the funding needed to cover the total cash out required before the project reaches breakeven. It was verified against cash flow and supporting evidence of incomes and costs. Then, in AENOR's opinion, total financial viability risk rating (0) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool: VCS v4.0.

Opportunity Cost			
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating	VVB Assessment
a-f)	NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity	-2	AENOR has reviewed the and Opportunity Cost Analysis /46/ and deems that the calculation has been done properly.
g)	The Project Proponent is not a nonprofit organization.	0	Not applicable: the PP is not a non-profit organization.
h)	All project instances are protected by a legally binding contract which protect the Project Areas' carbon stocks for 30 years, the length of the crediting period.	-2	AENOR has reviewed the agreement between Quadriz and the landowner /41/ and confirmed this information.
i)	Not applicable.	0	N/A.
Total Opportunity Cost (OC) [as applicable, (a, b, c, d, e or f) + (g + h or i)] Total may be less than 0.		-4	

Then, in AENOR's opinion, total opportunity cost risk rating (-4) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.0.

Project Longevity		VVB Assessment	
a)	Not applicable.	0	N/A.
b)	All project instances are protected by a legally binding contract which ensures the project areas stay forested for 30 years, the length of the crediting period.	15	AENOR has reviewed the agreement between Quadriz and the landowner /41/ and confirmed this information.
Total Project Longevity (PL) May not be less than zero		15	

In AENOR's opinion, Total Project Longevity (15) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.0.

Internal Risk	
Total Internal Risk (PM + FV + OC + PL) Total may not be less than zero.	9

Therefore, **total internal risk** is calculated as the sum of (PM + FV + OC + PL), totalling 9 (according to the NPR tool the total may not be less than zero).

External Risks:

Land Tenure and Resource Access/Impacts			
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating	VVB Assessment
a-b)	Ownership and resource access/use rights are held by different entities. The Project Area is under clear private title to the landowners. These landowners have a legally-binding contract with Quadriz. Quadriz is assigned the carbon rights as described in the PD.	2	AENOR has reviewed the property title /44/ and the agreement between Quadriz and the landowner /41/ to confirm this information.
c)	No dispute over landownership or land tenure exists for any part of the project area.	0	N/A.
d)	No dispute over access/use rights exists for any part of the project area.	0	N/A.
e)	This is not a WRC project.	0	N/A.
f)	All project instances are protected by a legally binding contract which protect the Project Areas' carbon stocks for 30 years, thus protecting the credited carbon stocks over the length of the 30-year project crediting period.	-2	AENOR has reviewed the agreement between Quadriz and the landowner /41/ and confirmed this information.
g)	There are no disputes over land tenure, ownership or access/use rights.	0	N/A.
Total Land Tenure (LT) [as applicable, ((a or b) + c + d + e + f + g)] Total may not be less than zero.		0	

The ownership and resources access are given by the land title /44/ and agreement between Quadriz and the landowner /41/. No disputes or conflicts were identified during the on-site visit. Therefore, in AENOR's opinion, total land tenure (0) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.0.

Community Engagement			
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating	VVB Assessment
a-b)	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 maybe reliant on the initial Project Area.	0	The audit team confirmed this during the onsite visit, further substantiating it with interviews with the Maria Auxiliadora Community.
c)	Not applicable.	0	N/A.
Total Community Engagement (CE) [where applicable, (a + b + c)]		0	
Total may be less than zero.			

Then, in AENOR's opinion, total community engagement (0) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.0.

Political Risk			
Risk Factor	Risk Factor and/or Mitigation Description	Risk Rating	VVB Assessment
a)	Not applicable.	0	N/A.
b)	Paraguay's governance score (calculated as -0.37 per the World Bank's Worldwide Governance Indicators) is between -0.79 and -0.32	4	AENOR has reviewed the World Bank's Worldwide Governance Indicators and confirms that the information provided is true.
c-e)	Not applicable.	0	N/A.
f)	The country has an established Designated National Authority (DNA), Secretaria del Ambiente (SEAM), under the CDM. This DNA is now likely MADES. Paraguay also has at least one registered CDM Afforestation/Reforestation project (i.e.,	-2	AENOR confirmed this information through the interview with MADES, and the review of the websites of the UN-REDD Programme and World Bank's

	Reforestation of croplands and grasslands in low-income communities of Paraguari Department, Paraguay), registered in September 2009. Further, Paraguay is a member of the UN-REDD Programme, ¹ and a member of the World Bank's Forest Carbon Partnership Facility. ²		Forest Carbon Partnership Facility.
Total Political (PC) [as applicable ((a, b, c, d or e) + f)]	2		
Total may not be less than zero.			

The verification team confirms the governance score against the World Bank platform³: (; the average indicator was calculated for the last 5 years.

Then, in AENOR's opinion, total political risk (2) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.0.

External Risk	
Total External Risk (LT + CE + PC)	2
Total may not be less than zero.	

Therefore, **total external risk** is calculated as the sum of (LT + CE + PC), totalling 2. (According to the NPR tool the total may not be less than zero).

Natural Risks:

Fire Risk		VVB Assessment
Evidence	While anthropogenic and natural fires do occur in the region, they are primarily found in palm forest. These fires primarily affect herbaceous and shrubby vegetation while leaving larger trees relatively unaffected in this fire prone ecosystem. While illegal and discouraged by forestry officials and forestry law, fire is occasionally used to clear land in the grouped project region. For the above reasons, the likelihood of a fire in the Project Area has been assessed to occur less than every 10 years. Should a fire occur, it is likely to have an insignificant effect on carbon stock (loss of less than 5%), with full stock recovery expected to occur in less than 10 years.	The audit team confirmed the fire significance and likelihood through the interviews with MADES and INFONA. The audit team confirmed during the site visit the existence of fire breaks near roads and a fire management plan /49/.

¹ UN-REDD Programme, "Partner Countries," Available: <https://www.un-redd.org/partner-countries>

² Forest Carbon Partnership Facility, "Paraguay," Available: <https://www.forestcarbonpartnership.org/country/Paraguay>

³ World Bank, Available: <http://info.worldbank.org/governance/wgi/Home/Reports>

	Mitigation practices include project lands incorporating fire breaks near roads and having a fire management plan. These breaks are maintained as part of the project activity. Further, project staff have a proven history of effectively eliminating fire from the area.	The audit team also confirmed the proven history of effectively eliminating fire from the area by the project staff through observing fire marks on the surrounding properties, while the project instance remained untouched by the fire.
Significance	Insignificant (less than 5% loss of carbon stocks) or transient (full recovery of lost carbon stocks expected within 10 years of any event)	
Likelihood	Less than every 10 years	
Score (LS)	2	
Mitigation	0.25	

Pest and Disease Risk		VVB Assessment
Evidence	The diverse tropical forests of the Project Area are not known to be subject to catastrophic disturbance by insect pests or forest diseases. Forest pests and diseases as a source of risk are more relevant in temperate forests or plantations, with low species diversity and consequently susceptible to extensive damage due to pest and disease outbreaks, which tend to be concentrated on single host species. Further, there is no history of catastrophic forest disturbance due to forest pests or diseases in the region. Due to the fact there are no pest species that lead to full forest replacement currently in Paraguay, pest and disease in the project region are unlikely to affect more than 5% of the carbon stocks in the project area, hence the significance has been assessed as insignificant.	The audit team confirmed the pest significance and likelihood through the interviews with MADES and INFONA. The risk was further substantiated during the onsite visit, as no sign of pest or diseases was found on the project instance.
Significance	Insignificant	
Likelihood	Every 50 to less than 100 years	
Score (LS)	0	
Mitigation	0	

Extreme Weather Risk		VVB Assessment
Evidence	Extreme weather risks affecting the Project Area include blowdown due to strong winds, rain induced flooding and erosion, and drought. A local forester who has worked in Paraguay's Chaco region for over ten years has confirmed that he does not know of any instances of blowdown affecting forests on a wide scale (Fabrizio Radice Gorostiaga, pers. comm.). As such, the likelihood of an extreme wind event is thought to be in the range of once in every 100 years or more which corresponds to a score of zero risk. Further, as the land is largely flat, erosion is unlikely to be a problem as there is not enough slope to move the water quickly in the Project Area. While the return interval of gully erosion is not known, there is likely to be no loss of carbon stocks due to erosion. Forest in the Chaco are generally both flood and drought resistant and have evolved to deal with seasonal flooding and an extended dry season for part of the year. Neither flooding nor drought is likely to lead to a reduction in carbon stocks. The drought return interval is likely every 10-25 years. Extreme weather events are not expected to lead to a loss in carbon stocks if their likelihood is so infrequent the risk to stocks is zero.	The audit team confirmed the extreme weather significance and likelihood through the interviews with MADES and INFONA. The risk was further substantiated during the onsite visit, as no sign of damages by wind or floods was found on the project instance.
Significance	No loss	
Likelihood	Every 10 to less than 25 years	
Score (LS)	0	
Mitigation	0	

Geologic Risk		VVB Assessment
Evidence	Geologic risks including volcanoes, earthquakes, and landslides are not found in the project region due to the geologic history and topography of the land. The significance of geologic risk is estimated as minor with infrequent	The audit team confirmed the geological risk' significance and likelihood through the interviews with MADES and INFONA.

	likelihood estimated as once every 100 years or more.	The risk was further substantiated during the onsite visit, as no sign of geological activity was found on the project instance.
Significance	Minor	
Likelihood	One every 100 years or more	
Score (LS)	0	
Mitigation	0	

The total natural risk is then calculated:

Score for each natural risk applicable to the project (Determined by (LS × M))	
Fire (F)	0.5
Pest and Disease Outbreaks (PD)	0
Extreme Weather (W)	0
Geological Risk (G)	0
Total Natural Risk (as applicable, F + PD + W + G + ON)	0.5

Then, in AENOR's opinion, total natural risk (0.5) is properly justified and in accordance with the AFOLU Non-Permanence Risk Tool, v4.0.

Therefore, overall non-permanence risk rating and buffer determination are calculated as follows:

Risk Category	Rating
Internal Risk	9
External Risk	2
Natural Risk	0.5
Overall Risk Rating (a + b + c)	12

AENOR has checked that information provided in the Non-Permanence Risk Report is consistent with documents of support provided. AENOR deems that information provided is reliable and appropriate, thus, the overall risk rating is credible and realistic. Then, non-permanence risk deduction to be applied for the project is 12%.

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

The audit team reviewed Section 3.1.4 of the MR and Section 3.3.4 of the PD that describe how the current climate monitoring plan and results of monitoring undertaken in accordance with the monitoring plan are disseminated. The climate monitoring plan and its results, in addition to being incorporated in the PD and MR, were also incorporated into the Spanish and English Summary Documents. The audit team confirmed that these Summary Documents were shared with stakeholders, including local communities, and were made physically available at Quadriz's Asuncion and Estancia Santa Rosanna offices.

A document signed by Hermenegildo Vera, leader of the María Auxiliadora community, certifies the receipt of the Summary Documents /28/. Further, the audit team assessed Quadriz's website to confirm that weblinks to the project documents were publicly distributed during the CCBS Public Comment Period and are available. Therefore, the audit team is reasonably assured that the results of community monitoring were disseminated in accordance with the validated PD.

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

Not applicable - The Project does not seek to be validated nor verified to the Gold Level for climate change adaptation benefits.

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

Not applicable - The Project does not seek to be validated nor verified to the Gold Level for climate change adaptation benefits.

4.5 Community

4.5.1 Community Impacts (CM2.1)

The audit team reviewed the community impacts presented in Section 4.1.1 of the MR, assessing them with the impacts and methods identified in the PD. The audit team determined the methodology presented in the MR for measuring and monitoring impacts of the project on the identified community, Maria Auxiliadora, is based on theory of change presented in the validated PD. The audit team reviewed information provided in the MR, supplemental materials provided by the project, interviews with project representatives, community leaders, and community members to assess the general quality and accuracy of the impact assessment.

The audit team determined the project uses appropriate methodologies to estimate impacts on communities resulting from planned project activities. Section 4.1.1 of the MR appropriately identifies the impacts, type of benefits/cost/risk, and associated change in well-being for all community groups. Through review of the MR, supporting documentation, and through results of interviews with project staff and community members of Maria Auxiliadora, the audit team determined the three expected community impacts regarding access to health services, employment and educational opportunities, identified in the PD are still predicted for this initial monitoring period, based on the fact that the Chaco Med program and Visitor Center have not yet been implemented and no community members from Maria Auxiliadora have been yet employed by the project. Nonetheless, progress on implementation of these three identified community benefits have been made, as corroborated in Section 4.2 of this report, with the development of an estimated budget for the

conditioning of an aircraft for the Chaco Med program, with an anticipated start date of Q3 2024, and the restoration and equipment of the infrastructure of the visitor center, as substantiated during the onsite visit. Although not related to Chaco Med, one direct health-related community impact that was provided in 2022 was land preparation for vegetable gardens and the delivery of vegetable garden seeds, as substantiated on the visit to the Maria Auxiliadora community.

The audit team determined the additional impact included in the MR not specifically identified in the PD, related to benefits to the Maria Auxiliadora community through prevention of deforestation of the project area, is appropriately described as an indirect benefit. The audit team determined through results of interviews with community members of Maria Auxiliadora that the community recognized the negative impacts on taguá populations (a Chacoan peccary species relied on for subsistence hunting by the community) when forest habitats contiguous to their communal lands are cleared and converted to other use.

Through interviews with the project biodiversity consultant and project monitoring staff and through review of supporting documentation, the audit team substantiated that preventing deforestation of the project area would be expected to result in positive, indirect impacts to the Maria Auxiliadora community through maintaining suitable habitat for species the community relies on for subsistence hunting. While the community does not hunt in the project area, they may benefit due to the spillover effect as in the with-project scenario, wildlife is provided a safe refuge within the project area and then such wildlife “spills over” to their lands, where the community could undertake subsistence hunting. This information was backed by the perception expressed by the Maria Auxiliadora community during the site interviews.

The PP identified one potential negative community impact, which is the possible displacement of subsistence hunting and/or poaching to areas outside the project area. The audit team deems this inclusion as conservative, as hunting is not allowed in the project area and this displacement was not reported to the PP nor was it observed by the audit team.

The audit team determined that site visit interviews and observations, paired with additional clarification and supplemental documentation from the project, provided reasonable assurance that the changes in well-being presented for the impacts identified were generally aligned with documentable or community-acknowledged progress being made for the participating and identified community. Site visit observations and interviews did not identify any additional unplanned impacts not identified in the MR and PD. Overall, the audit team determined through review of project and supplemental documentation, additional clarification from the project, and site visit interviews and observations that the assessment of impacts during this monitoring period is accurate.

4.5.2 Negative Community Impact Mitigation (CM2.2)

The audit team reviewed Section 4.2.2 of the PD and Section 4.1.2 of the MR, in which the PP identified one potential negative community impact, which is the possible displacement of subsistence hunting and/or poaching to areas outside the project area. To mitigate this, the PP is currently seeking to add additional project instances to the Project in order to both expand the conservation measures and the on-the-ground monitoring measures. The audit team was able to substantiate that the PP engages continuously with other stakeholders to identify if and where such possible displacement of subsistence hunting is taking place as part of their ongoing communication process.

No more expected negative community impacts were identified, as there are no communities living within the project area nor reliant on the project area for their livelihoods (i.e., communities do not collect fuelwood or use the area to hunt), as evidenced through stakeholder interviews and the review of the Participatory Rural Assessment /37-40/. Consequently, the PD and MR do not identify any other necessary mitigation actions, as there are no further expected negative impacts. Through the interviews with the Maria Auxiliadora community carried out during the onsite visit, the audit team did not identify any negative community impacts affecting their community. As there are no additional identified negative impacts, the audit team determined that the mitigation actions were implemented in accordance with the PD.

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

Section 4.1.3 of the MR states that all community groups identified received net-positive impacts from implementation of project activities during this verification period. During the site visit, the audit team interviewed the community leader and members of the Maria Auxiliadora community to assess the positive and negative benefits that the project has had on the community during this monitoring period. The community stated that the project did not suppose any cost or risk to them, as substantiated with the Participatory Rural Assessment /37-40/, and that project staff helped them to have access to food and seeds for their crops.

As determined in Section 4.5.1 of this report, the Maria Auxiliadora community has experienced positive indirect benefits during the monitoring period and there are no identified negative impacts. Therefore, the audit team determined that, overall, the net impact on community groups is positive.

4.5.4 Protection of High Conservation Values (CM2.4)

The audit 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 against the reported impacts in Section 4.1.4 of the MR and found them to be consistent. The PD identifies a single community-related HCV, which is the Chaco forest habitat on the roughly 30,000 hectares of indigenous community lands shared by the Maria Auxiliadora community. Through site visit interviews with Maria Auxiliadora community leaders and community members, the audit team found no evidence that this identified community-related HCV was negatively affected by the project. This claim was substantiated by the Degradation Surveys /32-36/, the Participatory Rural Assessments /37-40/, and by the review of satellite imagery to determine the extent of deforestation within the Project Area, along with independent assessments on the previous verification of the Project against the Verified Carbon Standard and the Climate, Community & Biodiversity Standards.

The audit team determined that project activities associated with preventing conversion of the Chaco forest habitats to pasture on the project area helps protect the HCV attributes for contiguous Chaco forest habitats on the Maria Auxiliadora community. Therefore, the audit team is reasonably assured that no HCVs have been negatively affected by the project.

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

The audit team reviewed Section 4.3.1 and Appendix 1 of the PD that identify potential positive and negative impacts the project activities could cause on the well-being of other stakeholders, and their mitigation measures if appropriate. The PD identifies one general potential negative impact on other stakeholders, which is that land values could go up or down because of this conservation project. The PD also identifies

potential negative impacts for other stakeholders of increased competition for partners and financing resulting from project implementation.

Through site visit interviews with project staff, interviews with representatives of selected other stakeholders, such as MADES, and a review of supporting documentation, the audit team found no evidence of a negative impact on other stakeholders and it is reasonably assured that the project engaged with other stakeholders during the monitoring period, which is the primary mitigation action described in the PD in the case of unlikely negative impacts resulting from project implementation. Therefore, the audit team is reasonably assured that the project activities are not resulting in negative impacts on other stakeholders.

In the opinion of AENOR, based on the absence of negative impacts to other stakeholders during the monitoring period and the generally defined positive impacts of forest protection of the project area had on other stakeholders, the net impacts of project activities on the well-being are positive.

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

The audit team reviewed the community monitoring plan provided in Section 4.3.1 of the MR and supporting documents against Section 4.4.1 of the PD. The PD describes four community surveys that will be implemented and used as the community monitoring plan: a Participatory Rural Assessment (PRA), a Degradation Survey, a visitor center survey, and a Chaco Med survey. The MR identifies that two of the community monitoring surveys, the Participatory Rural Assessment (PRA) /37-40/ and degradation survey /32-36/, have already been developed and implemented. The other two community surveys have not been developed, as they related to specific project activities still in the development phase (the visitor center and Chaco Med).

The audit team assessed that the dates, frequency and sampling methods used are in accordance with the validated PD. The validated PD states that the PRA and degradation surveys will be administered every 2 years. MR Section 4.4.1 states that the degradation survey was administered in March of 2021, and the PRA was administered in August of 2021, as confirmed by the provided evidence. These were the first surveys administered, and the 2-year period for reassessment did not occur during the current monitoring period (2022).

As the Degradation Surveys and the Participatory Rural Assessments were not administered during the 2022 monitoring period, the PP used a notebook to register their six visits to the Maria Auxiliadora community, to monitor and substantiate community impacts and the benefits delivered. The audit team could further substantiate community impacts and benefits during the monitoring period by reviewing evidences such as photographs of the seed boxes being delivered to the community and of land preparation for the gardens /53-56/, a receipt of the seed donation signed by the leader of the María Auxiliadora community /57/ and the Food Security Program document /58/, which details the desired seed species requested by each family, with their corresponding signs.

The audit team assessed these impacts and benefits in Section 4.5.1 and could confirm during the site visit to the Maria Auxiliadora community the ongoing communication between the PP and the community, which ensures that the PP correctly identifies any impact or desired benefit to the community. Access to documentation of these records was provided to the VVB and they were considered accurate and correct.

Through interviews with the María Auxiliadora community, review of monitoring results and supporting documentation, interviews with project staff, and additional clarification from the project, the audit team is

reasonably assured that the community monitoring plan, specifically the dates, frequency, and sampling methods, has been implemented as described in the validated PD.

The audit team reviewed the validated PD, which identified that to monitor the community HCV (the Chaco Forest), the project will monitor forest canopy cover using satellite imagery. The audit team reviewed the deforestation analysis conducted by the project and determined the analysis to be accurate. The results of this analysis are elaborated on and described in Section 4.4.1 of this report. Additionally, the project has developed a biodiversity monitoring plan to specifically monitor medium-to-large mammals in the project area. Through a review of monitoring results, supporting documentation, and interviews with project staff charged with implementing the biodiversity monitoring plan, further described in Section 4.6.11 of this report, the audit team is reasonably assured that the project has implemented the monitoring plan for community HCVs in line with the validated PD.

The audit team determined through review of the validated monitoring plan, additional clarification from the Project Proponent, and results of the monitoring plan supported by site visit interviews with project staff, that with the reasonable exception for monitoring of two community benefits not yet implemented during the monitoring period, the community monitoring plan was carried out in accordance with the validated PD.

4.5.7 Community Monitoring Plan Dissemination (CM4.3)

The audit team reviewed Section 4.5.7 of the MR and Section 4.4.2 of the PD that describe how the current community monitoring plan and results of monitoring undertaken in accordance with the monitoring plan are disseminated. The community monitoring plan and its results, in addition to being incorporated in the PD and MR, were also incorporated into the Spanish and English Summary Documents. The audit team confirmed that these Summary Documents were shared with stakeholders, including local communities, and were made physically available at Quadriz's Asuncion and Estancia Santa Rosanna offices.

A document signed by Hermenegildo Vera, leader of the María Auxiliadora community, certifies the receipt of the Summary Documents /28/, and further information of community monitoring were proved through the PRAs /37-40/. Further, the audit team assessed Quadriz's website to confirm that weblinks to the project documents were publicly distributed during the CCBS Public Comment Period and are available. Therefore, the audit team is reasonably assured that the results of community monitoring were disseminated in accordance with the validated PD.

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

Not applicable - The Project does not seek to be validated nor verified to the Gold Level for exceptional community benefits.

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

Not applicable - The Project does not seek to be validated nor verified to the Gold Level for exceptional community benefits.

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

Not applicable - The Project does not seek to be validated nor verified to the Gold Level for exceptional community benefits.

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

Not applicable - The Project does not seek to be validated nor verified to the Gold Level for exceptional community benefits.

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

Not applicable - The Project does not seek to be validated nor verified to the Gold Level for exceptional community benefits.

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

Not applicable - The Project does not seek to be validated nor verified to the Gold Level for exceptional community benefits.

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

Not applicable - The Project does not seek to be validated nor verified to the Gold Level for exceptional community benefits.

4.6 Biodiversity**4.6.1 Biodiversity Changes (B2.1)**

The audit team reviewed Section 5.1.1 of the MR against Section 5.2.1 of the PD, that provides a description of expected changes to biodiversity under the with-project scenario. Additionally, Section 5.2.1 of the PD identifies 2 biodiversity elements that are expected to change because of the project activity. The first change identified is tree canopy cover and availability of Chaco Forest habitat. The MR states that the conservation of tree canopy cover and availability of Chaco Forest is an actual, positive, and direct change in biodiversity as a result of project activities. The second change identified is the population of endemic, threatened and endangered species and that under the project scenario, the population of these species will be greater as a result of forest conservation in the project area. The MR states that this is an actual, positive, and direct change that occurred as a result of project activities, forest conservation.

The project uses remote sensing analyses to determine the amount of avoided deforestation (measured against the baseline) that has occurred in the project area for the current monitoring period. The audit team reviewed these analyses through a set of independent data checks and found no discrepancies in the projects reported results and their own independent analysis. Through site visit interviews with project staff and direct observations made moving throughout the project area, the audit team found no evidence to contradict the results of the monitored data related to deforestation. In addition to the monitoring of canopy cover in the project area via remote sensing analyses, the project monitors the presence of endemic, threatened and endangered species using wildlife cameras. During the site visit, the audit team observed wildlife cameras throughout the project area and checked their location matches the GPS coordinates provided on the monitoring data. The project staff collected data from these remaining cameras as the heavy rains of previous months prevented them to do so before. Furthermore, the audit team could spot one individual of jaguar, one armadillo through direct observation, and reviewed the photos collected from the camera traps with the project staff, recollecting photos of different individuals of jaguar, giant armadillo, and ocelot, among other species.

In conclusion, the verification team confirmed the accuracy and appropriateness of the monitored data that supports the reported changes in biodiversity in the project area and project zone. The verification team confirmed the project has adequately justified the changes in biodiversity as a result of project activities. Therefore, AENOR is reasonably assured the project's assessment of changes in biodiversity resulting from project activities in the project zone during the monitoring period is accurate.

4.6.2 Mitigation Actions (B2.3)

The audit 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, and therefore no mitigation actions are necessary. The audit team reviewed Section 5.1.2 of the MR in accordance with the PD, which described four measures needed to maintain biodiversity HCV attributes, which were assessed to confirm their implementation.

Through site visit interviews and review of supporting documentation, the audit team is reasonably assured the project still maintains a legal contract with the landowner /41-42/ that prevents the selling and ultimate deforestation of the project area. Furthermore, the audit team confirmed that deforestation did not occur during this monitoring period as discussed in other sections of this report. Through site visit interviews with project staff, the audit team is reasonably assured that although no project instances have been added during this monitoring period, the project has begun to reach out to other landowners in the validated grouped project area with the intention of adding additional project instances over time.

As discussed in Section 4.6.1 of this report, the verification team is reasonably assured the project has implemented the monitoring of medium-to-large mammals using wildlife cameras. Through site visit interviews with project staff, specifically the forest guards, observations of signage placed at strategic points throughout the project area (primarily at the main entrance points), and a review of supporting documentation, the audit team is reasonably assured the project is appropriately monitoring forest canopy cover and illegal hunting.

Therefore, AENOR concludes that the project has taken the appropriate measures needed to maintain biodiversity HCV attributes in accordance with the project's validated PD.

4.6.3 Net Positive Biodiversity Impacts (B2.2)

During the verification, the audit conducted interviews with project staff and technical experts such as Andrea Weiler, reviewed supporting documentation such as the Biodiversity Monitoring report /52/, including remote sensing analyses designed to quantify the amount of avoided deforestation that occurred during the monitoring period, and collected observational data during the site visit. The audit team provides additional information on the evidence collected through these evidence-gathering activities in Sections 4.6.1, 4.6.2, and 4.4.1. After a review of the evidence collected during the verification and Section 5.1.3 of the MR against Section 5.2.3 of the PD, the audit team is reasonably assured the project activities result in a net positive impact on biodiversity.

4.6.4 High Conservation Values Protected (B2.4)

The audit team reviewed Section 5.1.2 of the PD that identifies two HCVs: Tree canopy cover and availability of Chaco Forest Habitat; and populations of endemic, threatened and endangered species. As described in the validated PD, the core project activity is forest conservation through the avoidance of

planned deforestation for livestock ranching. Section 5.2.4 of the PD identifies additional activities that are needed to ensure the protection of the HCVs identified in Section 5.1.2 of the PD, including monitoring of deforestation via remote sensing analyses and via on-the-ground guards, to not allow hunting in the project area, monitor illegal hunting, and monitoring of the abundance and diversity of medium-to- large mammals.

As previously discussed, and elaborated on in earlier sections of this report, the audit team confirmed the project is actively monitoring deforestation in the project area via remote sensing analyses, and preventing it through access control, vigilance, and patrolling. Through site visit interviews with project staff, including the forest guards, a review of supporting documentation, and observational evidence collected during the site visit (signage posted at different entrance points to the project area stating that no hunting is allowed within the project area, and a review of photos captured via game cameras located throughout the project area), the audit team is reasonably assured that the project continues to implement the necessary activities outlined in the validated PD to protect HCVs.

As the audit team confirmed that the project continues to protect the forest of the project area and has implemented additional project activities as described in the validated PD to protect HCVs, it is reasonably assured that no high conservation values were negatively affected by the project during the monitoring period.

4.6.5 Invasive Species (B2.5)

The audit team reviewed the MR and determined the statements in the MR are consistent with the statements made in the PD that the project does not use non-native species in the Project Area or Project Zone and that the project will not result in introduction of known invasive species. During the site visit, the audit team conducted interviews with project staff, collected observational evidence and found no evidence that the project has introduced invasive species into any area affected by the project. Furthermore, during the review of the remote sensing analyses conducted by the project to monitor and quantify deforestation in the project scenario, the audit team found no evidence of afforestation, which could potentially use invasive species. In conclusion, the audit team is reasonably assured that the project has not introduced invasive species into the project area.

Section 5.1.5 of the MR states that a single invasive species, feral pig, was documented at the initial project instance during the monitoring period. The audit team noted the MR identifies measures implemented for planning how to address the presence of this invasive species at the initial project instance. The audit team determined through review of monitoring data and interviews with project staff that the feral pig population has not demonstrated an increase during the monitoring period due to implemented project activities. The audit team further determined with control measures being considered for feral pig, reasonable expectations would be provided that the population of this invasive species would not be expected to increase as a result of project activities.

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

The verification team reviewed Section 5.1.6 of the MR and Section 5.2.7 of the PD. The PD states that the project will not use any non-native species in the project area or project zone, which agrees with Section 5.1.6 MR that states the project has not used non-native species in the project area or project zone. During the site visit, the audit team conducted interviews with project staff, collected observational evidence and found no evidence that the project is using non-native species in the project area or in its project activities.

In conclusion, the audit team is reasonably assured the project is not using non-native species, and thus there is no potential to harm the region's environment.

4.6.7 GMO Exclusion (B2.7)

PD Section 5.2.8 states the project will not use any GMOs to generate ERs (Emission Reductions) or removals, and this statement agrees with Section 5.1.7 of the MR. During the site visit, the audit team found no evidence that GMOs were used to generate GHG ERs or removals, and thus the audit team is reasonably assured that no GMOs have been used to generate GHG ERs or removals.

4.6.8 Inputs Justification (B2.8)

PD Section 5.2.9 states the project does not anticipate using any inputs, and this statement agrees with Section 5.1.8 of the MR. During the site visit, the audit team found no evidence that the project used inputs during the monitoring period, and thus the audit team is reasonably assured that no inputs have been used.

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

Section 5.2.1 of the MR states that the PP identified one potential offsite biodiversity impact, which is the possible displacement of subsistence hunting and/or poaching to areas outside the project area. The audit team deems this inclusion as conservative, as hunting is not allowed in the project area (as assessed in Section 4.3.13 of this report) and this displacement was not reported to the PP nor was it observed by the audit team. To mitigate this, the PP is currently seeking to add additional project instances to the Project in order to both expand the conservation measures and the on-the-ground monitoring measures. The audit team was able to substantiate that the PP engages continuously with other stakeholders to identify if and where such possible displacement of subsistence hunting is taking place as part of their ongoing communication process.

By site visit observations in the surrounding region and adjacent properties to the project area, and through interviews with the community, the audit team did not identify any actual negative offsite biodiversity impacts. As no further negative impacts were anticipated or observed, no mitigation measures were identified as warranted.

4.6.10 Net Offsite Biodiversity Benefits (B3.3)

Section 5.2.2 of the MR describes several offsite biodiversity benefits, consistent with those identified in Section 5.3.2 of the PD, including 4,544 hectares of avoided deforestation and the preservation of habitat for a wide-range of species. As documented in Section 4.6.9 of this report, the one possible negative offsite biodiversity impact could possibly be the displacement of subsistence hunting and/or poaching to areas outside the project area. The audit team substantiated that this impact is likely low or non-existent, as there was not substantial poaching at the Project in the past, as evidenced by the project's biodiversity impact monitoring plan and site interview with the María Auxiliadora community. Thus, when compared to the Project's large-scale avoided deforestation and the conservation of important wildlife habitat, the net result of the project on biodiversity is positive.

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

The audit team reviewed the summary results of the biodiversity monitoring presented in Section 5.3.1 of the MR and compared the dates, frequencies and sampling methods reported to those identified in the Section 5.4.1 of the PD. The audit team substantiated through review of project and supplemental documents, as the Biodiversity Monitoring report /52/, and site visit interviews (project staff and Andrea Weiler) and observations, that the biodiversity monitoring conducted during this verification period was in accordance with the PD.

The audit team confirmed the location of remaining camera traps onsite, checking their location matches the GPS coordinates following the monitoring protocol. The frequency of monitoring was confirmed to be every five years and, as such, the first study using wildlife cameras concluded in May 2022, and final reports were delivered in July 2022. The audit team reviewed sampling methods described in the report and confirmed that were in accordance with the validated PD. The total sampling effort comprised of 3,329 trap-nights.

As results of the monitoring, 66,423 photographs were obtained, of which 11,958 photographs corresponded to fauna and 6,581 photographs to medium and large mammals. Of these, a total of 3,082 records met the criteria to be considered independent. Of the 31 probable species to be recorded in the study area, based on literature and previous monitoring in nearby sites, 27 species were recorded through the photo-trapping methodology (26 native and 1 exotic), belonging to 14 families and 7 orders of mammals. Indirectly (i.e., a carcass) one species (*Lontra longicaudis*) was recorded that was not captured through the camera traps, thus adding 28 species of medium and large mammals for the study area during the June 2021 to May 2022 time period.

The audit team reviewed the monitoring conducted for identified HCVs and compared the results to the HCV monitoring measures documented in the PD, corroborating that HCV monitoring was conducted in line with the validated project design and that these measures were effective in maintaining and enhancing all identified HCVs related to community well-being.

The project has been validated to Gold Level for exceptional biodiversity benefits and, as such, the monitoring results must include additional identified indicators. The audit team reviewed the monitoring results described in the Biodiversity Monitoring report /52/ and determined the population trends and threats to identified trigger species were carried out in accordance with the validated project description, meeting the criteria for Gold Level exceptional biodiversity benefits. Gold Level exceptional biodiversity benefits are assessed in greater detail in Sections 4.6.12 and 4.6.13 of this report.

Therefore, through review of project and supplemental documentation, additional clarification, and evidence provided in site visit interviews and observations, the audit team determined the biodiversity monitoring plan was carried out in accordance with the validated PD.

4.6.12 Biodiversity Monitoring Plan Dissemination (B4.3)

The audit team reviewed Section 5.3.1 of the MR and Section 5.4.2 of the PD that describe how the current biodiversity monitoring plan and results of monitoring undertaken in accordance with the monitoring plan are disseminated. The biodiversity monitoring plan and its results, in addition to being incorporated in the PD and MR, were also incorporated into the Spanish and English Summary Documents. The audit team

confirmed that these Summary Documents were shared with stakeholders, including local communities, and were made physically available at Quadriz's Asuncion and Estancia Santa Rosanna offices.

A document signed by Hermenegildo Vera, leader of the María Auxiliadora community, certifies the receipt of the Summary Documents /28/. Further, the audit team assessed Quadriz's website to confirm that weblinks to the project documents were publicly distributed during the CCBS Public Comment Period and are available. Therefore, the audit team is reasonably assured that the results of community monitoring were disseminated in accordance with the validated PD.

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

The audit team reviewed Section 5.5.2 of the PD that describes the population trends of the following trigger species: giant anteater (*Myrmecophaga tridactyla*), lowland tapir (*Tapirus terrestris*), giant armadillo (*Priodontes maximus*), white-lipped peccary (*Tayassu pecari*), and jaguar (*Panthera onca*). The audit team reviewed actions identified in the MR taken by the project to maintain or enhance the populations of the identified trigger species and to reduce threats against these trigger species against the actions identified in the PD, as needed.

The audit team determined through site visit observations and interviews with the project biodiversity consultant, Andrea Weiler, and project biodiversity monitoring staff, that the actions identified in the PD were implemented during the monitoring period. Site visit observations, stakeholder interviews and supplemental documentation provided by the project substantiated that the project maintained the legal contract with the landowner of the project area /41-43/, the project prevented deforestation of the project area, and the project has hired forest guards to prevent illegal timber harvesting and hunting. Documentation that each of the five trigger species was present during the monitoring period is assessed by the audit team in Section 4.6.14 of this verification report.

Therefore, the audit team determined reasonable evidence was provided to substantiate actions taken during the monitoring period resulted in reduced threats to the identified trigger species and that the project activities associated with preventing deforestation and preventing hunting in the initial project instance are measures that maintained populations of the trigger species during the monitoring period.

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

The audit team verified the measures taken by the project during the monitoring period to maintain or enhance the populations of trigger species, as described in Section 4.6.13 of this verification report. The audit team reviewed the results of monitoring for the trigger species for the monitoring period. The audit team determined through review of the Biodiversity Monitoring report /52/, review of photographs collected by the camera traps, and through interviews with project staff monitoring biodiversity, that reasonable evidence has been provided to substantiate each of the trigger species was documented in the project area for the initial project instance during the monitoring period. The audit team determined the population status presented are reasonably substantiated by the monitoring data and population analyses provided.

Therefore, the audit team determined that the documented occurrences and population estimates derived for the trigger species for the monitoring period provide assurance that activities carried out by the forest guards to prevent illegal timber harvesting and hunting during the monitoring period were effective at maintaining the population status of each trigger species in the project zone.

4.7 Additional Project Implementation Information

The project has not presented additional project implementation information. This section is not applicable.

4.8 Additional Project Impact Information

The project has not presented additional project implementation information. This section is not applicable.

5 VERIFICATION CONCLUSION

AENOR has verified that the project is in compliance with the verification criteria of Verified Carbon Standard version 4.4 and the CCB Standards Third Edition without qualifications or limitations. The project has been implemented in accordance with the validated project description. The verification of the ex-post emissions of the “Corazón Verde del Chaco Project” has been conducted by AENOR in accordance with ISO 14064-3:2019.

AENOR is able to issue a positive verification opinion for the 1,272,472 tones CO₂e of verified emissions reductions, as reported in the Monitoring Report version 2.0 dated on 07-August-2023.

The verification assessment covered the monitoring period from 01 January 2022 – 31 December 2022 and verified that calculated emission reductions were achieved during the monitoring period with a reasonable level of assurance. The overall risk rating was 12%. Therefore, the total number of credits to be deposited in the buffer account is 152,706 VCUs and the total VCUs to be issued are 1,119,766.

It is not applicable any conclusion about adaptive activities and resilience for this project. Likewise, AENOR confirms the project benefits on community and biodiversity for the current monitoring period as described in the Monitoring Report version 2.0. In opinion of the AENOR verification team, the project is achieving their community and biodiversity objectives with net impact benefits and have achieved gold level status for biodiversity criteria, in compliance with CCB Standards v.3.1.

Verification/monitoring period: 01 January 2022 – 31 December 2022

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

Year	Baseline emissions or removals (tCO ₂ e)	Project emissions or removals (tCO ₂ e)	Leakage emissions (tCO ₂ e)	Net GHG emission reductions or removals (tCO ₂ e)
2022	1,273,924	1,452	0	1,272,472
Total	1,273,924	1,452	0	1,272,472

NER's, buffer credit allocation, and VCUs generated during the 2022 monitoring period:

Year	Net Emissions Reductions (tCO ₂ e)	Buffer credits (tCO ₂ e)	Verified Carbon Units (tCO ₂ e)
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2022	12%	152,706	1,119,766
Total	12%	152,706	1,119,766

Overall non-permanence risk rating: 12%

VCUs buffer to be deposited: 152,706 tCO₂e.

Total VCUs to be issued: 1,119,766 tCO₂e.

Date: 02 September 2024



Lead Auditor

Adrián Vidal



Lead Auditor

Daniel Bermejo

APPENDIX I: LIST OF EVIDENCE

General documentation (current monitoring period)	
1	Corazon Verde 2022 MR Report 2024.06.18_clean_versionpdf
2	Corazon Verde del Chaco Project 2022 Summary Document 2023.03.23 (English).docx
3	Corazon Verde del Chaco Project 2022 Summary Document 2023.03.23 (English).pdf
General documentation (previous monitoring period)	
4	CorazC3n Verde del Chaco Project PD 2023.02.28.pdf
5	21045.00 Corazon Verde del Chaco VCS_CCB_Val_Report_V2_20230302[71].pdf
6	21045.00 Corazon Verde Del Chaco Verification Report_V2_20230601.pdf
Non-permanence risk report	
6	Corazon Verde 2022 NPRR 2024.05.08 clean version.pdf
7	Corazon Verde 2022 NPRR 2024.05.08 clean version.docx
Calculations	
8	Corazon Verde 2022 MR 2024.06.13
GIS	
9	Stratified sampling-2023.shp
10	Clasificacion_2023-01-11 mmu4900.shp
11	PastDefor_Corazon Verde_2020_2021.shp
12	Current_classification_clipped_by_PA_2023.shp
13	Union_pastDefor_w_CurrentDefor.shp
14	Step5_Intersected_w_Strata.shp
15	Deforestation_2021_to_2022.shp
16	Atenil1Boundary_2021.01.20.shp
17	CorazonVerde_PA_Strata_2022.02.16.shp
18	monitoring_CVC_2023.mxd
19	Atenil - Clasificacion de cobertura - Joel Mercado - 2023 feb.docx
CVs	
20	CV - Alberto Esquivel.pdf
21	CV - Feliciano Cabañas.pdf
22	CV - Florencia Arano.pdf
23	CV - Gabriela Viñales.pdf
24	CV - JAVIER RODAS.pdf
25	CV - JOEL MERCADO.pdf
Guard Service Contracts	
26	ContractGuardServices_Los Guardianes.pdf
27	CONTRATO NUEVO_Guardias de Seguridad.pdf
Stakeholder consultations	
28	Constancia de Entrega_SummaryDocument_Abril2023_Nota Firmada Maria Auxilidaora.pdf
29	Factura Quadriz 2021_Radio PaiPuku.jpeg
30	Quadriz's Public Annoucement of Public Comment Period.pdf
31	María Auxiliadora Request.jpg
Degradation Surveys	
32	1 Hermenegildo Vera - Lider Maria Auxiliadora.pdf

33	1 Juan González - San Isidro.pdf
34	2 Paulo Cantero - Maria Auxiliadora.pdf
35	3 Adolfo Machuca - Maria Auxiliadora.pdf
36	Aggregated Degradation Surveys (March 2021).xlsx
Participatory Rural Assessments (PRAs)	
37	Consolidated PRAs.xlsx
38	Quadriz Encuesta 1.pdf
39	Quadriz Encuesta 2.pdf
40	Quadriz Encuesta 3.pdf
Land Title, Contract and Addendum	
41	Acuerdo para créditos por VCUs ATENIL-QUADRIZ.pdf
42	Adenda N1_ATENIL QUADRIZ_Marzo2023_Firmada.pdf
43	ATENIL -Título de Propiedad.pdf
44	Contrato de Locacion Atenil Quadriz (inscripto en DGRP).PDF
Financial Documents	
45	Annual Cashflow Quadriz.pdf
46	Landowner's Opportunity Cost Analysis 2023.08.02.xlsx
47	Estados Financieros Auditados 2022 - Quadriz Paraguay SA.pdf
SOPs and Policies	
48	Investancia_Quadriz_HSE_Manual_2020.pdf
49	Plan de prevención y control de incendios_Proyecto Corazon Verde del Chaco_final.pdf
50	MANUAL DE OPERACIONES_Araucanos_Ago2023.pdf
51	Manual de procedimientos_Guardias_Quadriz.pdf
Biodiversity	
52	Informe_final_QUADRIZ_Rev.NIB (Final).pdf
Community Benefits and Impacts	
53	Box of seeds.jpeg
54	Box of seeds_Name of daughter of the leader.jpeg
55	Distribution of seeds in the community.jpeg
56	Land preparation in the community.jpeg
57	Donacion de Semillas_Seguridad Alimentaria_Oct2022_Nota Firmada Maria Auxiliadora.pdf
58	MariaAuxiliadora_Octubre2022_SeguridadAlimentaria.pdf

APPENDIX II: FINDINGS

CORRECTIVE ACTION REQUEST (CARS)

CAR ID	01	Date: 21/07/2023
CAR description		
The MR does not comply with the template on the following points: 1. Section 2.1.1. must not exceed one page. 2. Appendix 1: delete the table if not used.		
Project Proponent's Response		Date: 27/07/2023
For #1: The text for Section 2.1.1 has now been condensed to one page. Please note, the text for Section 2.1.1 goes onto the second page due to the space taken up by the headings "2: General," and "2.1: Project Description." For #2: The table has now been deleted from Appendix 1.		
Documentation provided by the project proponent		
Updated 2022 Monitoring Report		
VVB's evaluation		Date: 10/08/2023
1. VVB has verified the correct modification from the PP on section 2.1.1 of the MR. 2. PP has corrected properly the typo detected. Therefore, CAR 01 is closed.		

CAR ID	02	Date: 21/07/2023
CAR description		
Regarding biodiversity monitoring: 1. Section 5.3.1 must be updated with the retrieval of the camera trap in June 2023, and the final results report. 2. Related sections, such as Section 1.1 (Wildlife Cameras Deployed category and Biodiversity Conservation category, if applicable) and Section 5.1.4, must be updated. 3. Section 5.1.1. lacks information about the results from the camera traps monitoring. 4. Provide reports of wildlife cameras study as evidence.		
Project Proponent's Response		Date: 02/08/2023
For #1: Section 5.3.1 has been slightly updated. Section 5.3.1, subsection "June 2021-May 2022 Monitoring Results," provides information about the final results. Please note, the camera traps were retrieved in May 2022. For #2: Both Section 1.1. (the Wildlife Cameras Deployed and Biodiversity Conservation subsections) and Section 5.1.4 have been updated to include some of the vulnerable, threatened and endangered species photographed with the wildlife cameras. For #3: Section 5.1.1, specifically the table labeled "Population of endemic, threatened and endangered species," has been updated. For #4: The final report for the initial biodiversity impact monitoring plan using wildlife cameras has been provided. The final report is entitled, "Informe_final_QUADRIZ_Rev.NIB (Final)."		
Documentation provided by the project proponent		
Updated 2022 Monitoring Report; the final biodiversity impact monitoring plan entitled, "Informe_final_QUADRIZ_Rev.NIB (Final)"		
VVB's evaluation		Date: 10/08/2023
1. Quadriz staff retrieved a camera trap in the latest VVB site visit. MR must be updated with the retrieval of the camera trap in June 2023, and the final results report. 2. VVB has verified the correct modifications from the PP on sections 1.1. and 5.1.4 of the MR. 3. Section 5.1.1. has been updated with the results from the camera traps monitoring. 4. After reviewing the evidence provided by the PP, AENOR can confirm the validation of the evidence requested. 5. Therefore, CAR 02 is not closed.		
Project Proponent's Response		Date: 30/08/2023
For #1: A total of two cameras were left in the field after the conclusion of the first biodiversity monitoring plan. These two remaining cameras were used for communication purposes (i.e., to secure pictures for websites, blogs, press releases, etc.) and not for monitoring purposes. This said, the final results report is the one previously provided to the VVB and there is no other updated report. A footnote has been added to the 2022 Monitoring Report to clarify this matter.		

Documentation provided by the project proponent	
Updated 2022 Monitoring Report (dated August 30, 2023)	
VVB's evaluation	Date: 01/09/2023
A clarification has been added in the MR and deemed correct. Therefore, CAR 02 is closed.	

CAR ID	03	Date: 21/07/2023
CAR description		
Some dates must be updated, as the verification of this monitoring period already started. 1. Section 2.3.1 (ok) and 4.3.2 (ok) must be updated with the actual dates for the public comment period. 2. Sections 2.3.1, 2.3.2 and 4.3.2. must be updated with the actual dates for the delivery of finalized summary documents to the Maria Auxiliadora community. 3. Section 2.3.5 must be updated to include whether local radio announcements were made for the 2022 verification.		
Project Proponent's Response		Date: 02/08/2023
For #1: Sections 2.3.1 and 4.3.2 were updated with the actual dates for the Project's public comment period. For #2: Sections 2.3.1, 2.3.2, and 4.3.2 have been updated with the actual dates (April 10, 2023) for the delivery of the finalized summary documents. An acknowledgement letter has also been provided to the VVB. For #3: Section 2.3.5 has been updated to specify that local radio announcements were not made in 2023 for the 2022 verification.		
Documentation provided by the project proponent		
Updated 2022 Monitoring Report; PDF of Quadriz's public comment period announcement; Acknowledgement letter entitled, "Finding 1_Constancia de Entrega_SummaryDocument_Abril2023_Nota Firmada Maria Auxilidaora;" A payment receipt for the November 2021 radio announcement, entitled "Factura Quadriz 2021_Radio PaiPuku."		
VVB's evaluation		Date: 10/08/2023
1. PP has modified Section 2.3.1 and 4.3.2 of the MR according to the actual dates for the public comments period. PP has provided the evidence requested. 2. PP has updated Section 2.3.1, 2.3.2 and 4.3.2 of the MR according to the actual dates for the delivery of the finalized summary documents. PP has provided the evidence requested. 3. VVB has verified the correct modification from the PP on section 2.3.5 of the MR. Therefore, CAR 03 is closed.		

CAR ID	04	Date: 21/07/2023
CAR description		
Section 2.4.6: Financial documents required to assess the NPRR are not included as commercially sensitive information that has been excluded from the project description.		
Project Proponent's Response		Date: 27/07/2023
Section 2.4.6 has now been updated.		
Documentation provided by the project proponent		
Updated 2022 Monitoring Report		
VVB's evaluation		Date: 10/08/2023
MR has been successfully modified and the requested information has been added. Therefore, CAR 04 is closed.		

CAR ID	05	Date: 21/07/2023
CAR description		
NPRR: 1. Project Management: update f) to state that there is no adaptive management plan in place (as it is not needed since mitigation measure e) is in place). 2. Political Risk: Include in the text the reference of the World Bank index data used for Paraguay's average governance score.		
Project Proponent's Response		Date: 27/07/2023
For #1: (f) within the Internal Risk's Project Management section has now been updated. For #2: The External Risk's Political Risk section has now been updated.		
Documentation provided by the project proponent		
Updated 2022 Non-Permanence Risk Report		
VVB's evaluation		Date: 01/09/2023
1. PP has corrected the section mentioned in the finding properly. 2. VVB has verified the correct modification from the PP in the indicated section of the NPRR. Therefore, CAR 05 is closed.		

CLARIFICATIONS (CLS)

CL ID	01	Date: 21/07/2023
CL description		
Further documents are needed as evidence: 1. Section 2.3.4. Provide documents related to the Degradation Survey and the Participatory Rural Assessment. 2. Section 2.3.13. Provide the Standard Operating Procedures (SOP) document. 3. Section 2.3.16: Provide HSE Policy and Procedures manual. 4. Section 2.4.4. Provide the audited financial statements. 5. Section 2.5.1. Provide land title by ATENIL and agreement between ATENIL and the project proponents (Letter of Agreement for Verified Carbon Unit Credits). 6. Section 2.5.4. Provide the Fire Prevention and Control Plan as evidence. 7. NPRR: Provide CVs of local and management teams as evidence. 8. NPRR: Provide financial analysis documents, that include cash flow and secured funding, as evidence to assess the financial viability risk factor. 9. NPRR: Provide financial analysis documents, that include NPV from the most profitable alternative land use, as evidence to assess the opportunity cost risk factor.		
Project proponent's response		Date: 02/08/2023
For #1 through #9, all of the requested documents have been provided to the VVB in the DropBox subfolder entitled, "Updated Supporting Evidence" For #1: The raw and aggregated data for the Degradation Surveys and the Participatory Rural Assessments have been provided. For #2: Section 2.3.13 has been updated with the following text: "The initial guard was trained by local Quadriz management and the original plan called for a Standard Operating Procedures (SOP) document to be developed by Quadriz. This SOP was to provide guidance for what the guards should do, for instance, if they see deforestation, illegal logging, poaching, or in-migration. However, Quadriz ended up hiring a guard service called "Los Guardianes" which provides all necessary training." For #3: Quadriz is currently updating the HSE Policy and Procedures manual with a team of specialist consultants. Provided is the most current HSE manual, entitled "Investancia_Quadriz_HSE_Manual_2020." For #4: Quadriz's confidential 2022 audited financial statements, entitled "Estados Financieros Auditados 2022 - Quadriz Paraguay SA," has been provided. For #5: The land title, the letter of agreement, the location contract, and the addendum to the letter of agreement have been provided within the subfolder, "Title, Contract and Addendum with ATENIL," in the folder "Updated Supporting Evidence." For #6: The Fire Prevention and Control Plan, entitled "Plan de prevención y control de incendios_Proyecto Corazon Verde del Chaco_final," has been provided. For #7: The CVs for Feliciano Cabañas Villalba, Florencia Arano, Javier Maria Rodas Ramirez, Elvio Joel Mercado Vera, Alberto Esquivel Mattos, and Maria Gabriela Viñales Bogado have been provided within the subfolder, "CVs," in the folder "Updated Supporting Evidence." Further, Marcel van Heesewijk, Christian Nielsen, and James Eaton's CVs can be found via LinkedIn.		

For #8: A financial analysis, entitled “Annual Cashflow Quadriz,” along with Quadriz’s confidential 2022 audited financial statements, entitled “Estados Financieros Auditados 2022 - Quadriz Paraguay SA,” have been provided.

For #9: The NPV from project activities is expected to be between 20% and up to 50% more profitable than the most profitable alternative land use activity. The associated calculations in the 2022 Monitoring Report and the 2022 Non-Permanence Risk Report have been updated. Further, the analysis entitled, “Landowner’s Opportunity Cost Analysis 2023.08.02,” has been provided.

Documentation provided by the project proponent

All previously mentioned documentation can be found in the DropBox subfolder entitled, “Updated Supporting Evidence.”

VVB’s evaluation

Date: 10/08/2023

1. PP has clarified the finding satisfactorily. The evidence provided is correct.
2. Section 2.3.13 has been correctly updated by PP but the evidence requested (Standard Operating Procedures) has not been providing.
3. The evidence provided clarifies the finding properly.
4. After reviewing the documentation provided by the PP, AENOR can confirm the validation of the evidence requested.
5. The evidences have been provided and deemed correct.
6. The finding has been clarified by the supporting evidence.
7. PP has provided the evidence properly.
8. The evidences have been provided and deemed correct.
9. Clarified according to the calculations of NPRR.

Therefore, CL 01 is not closed.

Project Proponent’s Response

Date: 30/08/2023

Quadriz’s draft SOP for guards has now been provided to the VVB, along with the SOP from Araucanos S.A. (i.e., the new guard service).

Documentation provided by the project proponent

Quadriz’s draft SOP for guards, entitled “Manual de procedimientos_Guardias_Quadriz” and the SOP from Araucanos S.A., entitled, “MANUAL DE OPERACIONES_Araucanos_Ago2023”

VVB’s evaluation

Date: 01/09/2023

The evidence requested have been provided and deemed correct.

Therefore, CL 01 is closed.

CL ID	02	Date: 21/07/2023
CL description		
Section 2.3.16. Chikungunya is not included as one of the main tropical diseases in the Gran Chaco.		
Project proponent's response		Date: 27/07/2023
Chikungunya has now been added to Section 2.3.16 as one of the main tropical diseases in the Gran Chaco.		
Documentation provided by the project proponent		
Updated 2022 Monitoring Report		
VVB's evaluation		Date: 10/08/2023
VVB has verified the correct modifications from the PP on section 2.3.16. of the MR. Therefore, CL 02 is closed.		

CL ID	03	Date: 21/07/2023
CL description		
Please provide evidence of agreement with the subcontractor "LOS GUARDIANES GRUPO ELITE S.A.", that evidence mechanisms for the project proponent to ensure this subcontractor complies with worker's rights and pays the salaries in a timely manner.		
Project proponent's response		Date: 02/08/2023
The current agreement with Los Guardianes, entitled "ContractGuardServices_Los Guardianes," has been provided within the subfolder, "Guard Service Contracts," in the folder "Updated Supporting Evidence." Quadriz also checked that the guards are in the national insurance (Instituto de Previsión Social) and that they are being paid. Further, Quadriz is intending to change service providers in September 2023 and for that, a draft contract entitled, "CONTRATO NUEVO_Guardias de Seguridad," has been provided within the subfolder "Guard Service Contracts," in the folder "Updated Supporting Evidence."		
Documentation provided by the project proponent		
Guard Service Contracts		
VVB's evaluation		Date: 10/08/2023
After reviewing all the documentation provided by the PP, AENOR can confirm the validation of the evidence requested. Therefore, CL 03 is closed.		

APPENDIX III: ATTENDANCE LISTS

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AENOR

Confía

PROJECT: CORAZO'N VERDE DEL CHACO

LOCATION: CENTRO DE VISITANTES / MARIA AUXILIADORA

MEETING TOPIC:

DATE: 28/06/23

ATTENDANCE LIST

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