

PROJECT REVIEW REPORT

This document tracks the findings raised in Verra's review of the project specified below. The VVB must address the findings before the project request can be considered by Verra for approval. The document will be made publicly available on the Verra Registry. Confidential information may be provided as separate attachments.

Review Type	Registration & verification
Project ID	2551
Project Name	Brazilian Amazon APD Grouped Project
Program(s)	VCS
Verification Period	02 August 2021 to 19 October 2021
Project Proponent	BRCARBON SERVIÇOS AMBIENTAIS LTDA
Methodology	VM0007 REDD+ Methodology Framework (REDD+ MF) v1.6
VVB	Earthood Services Private Limited
Assessment Criteria	VCS Version 4.3
Date of First Issue	28 July 2022
Review Conclusion	Closed
Date of Final Issue	November 10 2022

ASSESSMENT FINDINGS			
#	Description	Response	Status
1	Non-permanence risk tool is missing: Issue: The non-permanence risk report has not been submitted. Action required: The VVB must ensure that the project proponent has submitted a non-permanence risk report. Program rule: VCS Standard v4.3, Section 3.2.9	Round1: VVB Response: The PP has made the project non-permanence risk report available to the VVB. The VVB has made the project non-permanence risk report available to the standard. Verra Review: The VVB has submitted the non-permanence risk tool as an Appendix IV. However, the project proponent is required to prepare a non-permanence risk report, using the Non-Permanence Risk Report Template, in line with the non-permanence risk tool. Action required: The VVB must ensure that the project proponent has prepared and submitted a non-permanence risk report to the Verra registry. Background: The non-permanence risk report should both document the score for each risk factor and substantiate the given score with evidence and justification.	Closed

	Round 2: VVB Response: The PP has made the project non-permanence risk report, using the Non-Permanence Risk Report Template (short-form + risk report calculation tool), available to the VVB. The non-permanence risk report documented the score for each risk factor and substantiate the given score with evidence and justification The VVB ensure that the project proponent prepared and submitted a non-permanence risk report to the Verra registry in the follow link. Please check: Finding 01 Verra Review: The non-permanence risk report has been submitted to Verra. This finding is now closed, and no further response is required.
2 Annual ex-ante ERRs not estimated over the crediting period Issue: The project proponent has estimated annual ex-ante ERRs over a period of 10 years instead of the whole crediting period as required under Section 1.10 of the joint project description and monitoring report. Action required: 1. The VVB must ensure that the joint project description and monitoring report is updated with annual ex-ante ERRs estimated over the project's crediting period. 2. The VVB must assess the updated annual ex-ante ERRs over the project's crediting period in the validation report Program rule: VCS Standard v4.1, Section 3.4.1	Round1: VVB Response: Although the VCS JOINT PROJECT DESCRIPTION & MONITORING REPORT TEMPLATE v4.1 requires ERR estimates to be made for the entire project crediting period, the methodology VM0007 v1.6 requires that the project baseline estimate be established and fixed for a period of 10 years (VM0007 v1.6, section 3 - definitions) and that the baseline be reviewed every 10 years (VM0007 v1.6, requirement 6.9). Thus, understanding that EER estimates vary depending on the deforestation agents' behavior and drivers of deforestation and that the methodology determines a review cycle every 10 years, the VVB understands that it is not possible or necessary for the PP to present estimates of GHG emissions for the entire project crediting period in the PD, at the time of its validation. Verra Review: Closed

		The VVB is correct that the methodology requires ten years of estimates to be provided. This is sufficient to close the finding and no further response is required.	
3	Ex-post monitoring data included in the table of data to be monitored Issue: Section 5.2 of the joint project description and monitoring report includes ex-post values which should be included under Section 6.1 of joint project description and monitoring report. Action required: The VVB must ensure that the project proponent has not included ex-post monitoring values under Section 5.2 of the joint project description and monitoring report. Program rule: VCS Standard v4.1, Section 3.4.1, 3.4.3	Round1: VVB Response: Section 5.2 of the joint project description and monitoring report shows all data and parameters to be monitored during the project crediting period while section 6.1 of the joint project description and monitoring report shows all data and parameters monitored during the monitoring period, which can be different considering the grouped project scope at each monitoring period (i.e.: parameters $\Delta CP, SelLog, i, t$, CLG, i, t, $CEXT, z, i, t$, $LDFz, t$, $VEXT, z, i, t$, CLR, i, t, $\Delta CSKID, i, t$, $LSKID, i, t$, SK, i, $Cdest, i$, $\Delta CSOC_sk, i$, $Wskid$, were not monitored in this monitoring period because there was no forest management activity in any project activity instance under the grouped project. If there are any remaining question, the VVB asks Verra to be specific in regard to which parameter value is missing in section 6.1. Verra Review: This finding was raised in error. The finding is now closed and no further response is required.	Closed
4	Column for buffer pool not included in the net ERRs summary table Issue: The VVB has not included the buffer pool column in the net ERRs summary table in the verification report. Action required:	Round1: VVB Response: The VVB has included the buffer pool column in the ne ERR summary table in the verification report, section 5. See document here: Reviewed Validation & Verification Reports Verra Review:	Closed

	The VVB must include the buffer pool column in the net ERRs summary table in the verification report Program Rule: VCS Standard v4.1, Section 3.20.4 (1)	The VVB has included the buffer pool on the net GHG ERRs in the validation report and verification report. This finding is now closed, and no further response is required.	
5	Appendices and ER calculation sheet not submitted Issue: The project proponent has included a list of referred appendices used to support claims throughout the document in the Annex of the joint project description and monitoring report, but these have not been elaborated on or submitted as separate documents. Additionally, the ER calculation sheet mentioned was also not included, Action required: The VVB must ensure that the project proponent has submitted all the appendices and ER calculation sheet to Verra. Program rule: VCS Standard v4.1, Section 3.4.1 and 3.4.3	Round1: VVB Response: The VVB has made the complete project database including all referred appendices and the ER calculation sheet available to Verra. See complete database here: Brazilian Amazon GPD Project_final documentation_07102021 See ER calculation sheet here: Appendix VIII Calculus tables Verra Review: Appendices have been submitted. This finding is now closed, and no further response is required.	Closed
6	PD summary and MR summary in local language are missing Issue The project proponent did not provide a summary of the project description or monitoring report in local language. Action required The VVB is required to ensure the project proponent provides a summary of the project description or monitoring report in local language. Program rule: CCB Standards v3.1, Section G3.1	Round1: VVB Response: The PD summary and MR summary in local language were made available for Verra. Check the documents here: Finding 06 Verra Review: Summary reports of the project description and monitoring report have been submitted and reviewed. This finding is now is now closed and no further response is required.	Closed

7	Cover page of PD does not include start and end period. Issue The cover page of the CCB project description document only includes the project lifetime period, but the start and end dates are not included Action required: The VVB is required to ensure the project proponent includes the start and end period in the cover page Program rule: <i>CCB Project description template CCB v3.0</i> <i>CCB Monitoring report template CCB v3.0</i>	Round1: VVB Response: The cover page of the CCB project description document was reviewed accordingly. Check the document here: Reviewed PD & MR Verra Review: The cover page of the project description has been updated to include the project lifetime. This is sufficient to close the finding and no further response is required.	Closed
8	Implementation schedule covers only first year of activities Issue The implementation schedules included in sections 2.1.11 of the project description and monitoring report include only the first year of activities. No dates or milestones have been included for the remaining 29 years of the project's development. Action required The VVB is required to ensure the project proponent includes key dates and milestones in the implementation schedules of the project description and monitoring report. Program rule: <i>CCB Standards v3.1, Section G1.9</i>	Round1: VVB Response: The grouped project is scalable in nature. Thus, different PAIs will present different degrees of project activity implementation and different levels of net positive impact on climate, communities, and biodiversity. In addition, aspects inherent to the region or the traditional communities inserted in the project area and project zone, as well as the results of participatory workshops for project design, can influence the type of activities to be implemented in each new project geographic instance. The same reasoning applies to geographical instances validated and verified by virtue of the project's first audit, since the project activities to be implemented in a given year are defined in a specific way by virtue of the realization of the participatory workshop. In other words, activities are specifically defined, implemented, and monitored each year, within each benefit category defined in PD (digital inclusion, wildfire GHG emission reduction, forest cover maintenance, improved land management, training, employment, livelihoods, health, education, water, well-being, and biodiversity conservation).	Closed

On the other hand, it is possible to define a cyclical schedule where certain activity types are implemented in the project in a broad sense, thus, until the first quarter of each year, the PP will be focused on the prospect of new PAIs for inclusion in the grouped project, feasibility studies, and closing contracts with landowners; Until the second quarter of each year, the PP will be focused on socio-environmental, economic, cultural and productive diagnoses, participatory workshops for project design and free, prior and informed consent; until the third quarter of each year the PP will be focused on the Implementation of project activities according to the results of participatory workshops for project design, surveys about biodiversity, monitoring of deforestation and forest degradation, monitoring of burn scars, monitoring of social aspects, dissemination of the project redress and grievance mechanisms, dissemination of the public comment period and the auditor's role on the project verification while until the fourth quarter of each year, the PP will be focused on the public comment period, grouped project gap validation and verification audit against VCS and CCB standards, corrective actions taken towards the resolution of non-conformity reports raised by the auditor, Verra's accuracy review, issuance of VCUs verified against the VCS and CCB standards.

The PD was revised to address this issue. Check the reviewed document here: [Reviewed PD & MR](#)

Such changes were not made in the monitoring report, as the monitoring report refers to a past period of project implementation and not to a future period. Future monitoring reports will show activities implemented specifically during the monitored year, such as the present monitoring report, generated for the year 2021.

Verra Review: Section 2.1.11 of the project description was revised to provide more information on the implementation schedule. This finding is now closed and no further response is required.

9

The project's required skills are missing from PD and MR.

Issue

Section 2.4.2 of the project description and section 2.3.1 of the monitoring report do not include the skills required to implement the project.

Action Required

VVB must explain how it reached a positive conclusion about the project possessing the required technical skills to implement the project given that section 2.4.2 of the PD does not include the required skills for the development of the project.

Background:

Sections 2.4.2 of the project description and 2.3.1 of the monitoring report require the project list the skills necessary to implement the project and in Sections 2.4.3 and 2.3.2, demonstrate how the project staff have the necessary skills.

Program rule:

CCB Standards v3.1, Section G4.2

Round1:

VVB Response: The skills needed to implement the project are related to geoprocessing, biomass inventory, VCS standards and methodologies, CCB standards, carbon calculations and estimates of GHG emission reductions, relevant national policies, social engagement, socioeconomic, cultural and productive diagnoses, holding public workshops with communities, participatory monitoring, surveys and monitoring of biodiversity. As can be seen from the biosketches presented in the PD, the project proponent's technical staff has more than ten years of experience in AFOLU carbon project, including, methodological tools, the community engagement, biodiversity assessment, carbon measurement and monitoring.

Check the reviewed document here: [Reviewed PD & MR](#)

Verra Review: Section 2.4.1 of the project description has been updated. Section 2.3.1 of the monitoring report provides a description of the skills that the management team possesses but does not describe the skills necessary to implement the project. The finding remains open

Action Required:

The VVB must ensure the project proponent updates Section 2.3.1 of the monitoring report to include only the skills necessary to implement the project.

Round 2:

VVB Response: the PP has reviewed the monitoring report to describe the skills necessary to implement the project: "GIS, spatial modeling, forest inventory, biomass inventory, social engagement, sustainable development projects implementation, biodiversity surveys and assessment, land use change monitoring, biodiversity monitoring, social aspects monitoring."

The VVB ensure that the project proponent updates Section 2.3.1 of the monitoring report to include only the

Closed

		skills necessary to implement the project in accordance with the Section 2.4.2 of the project description. Please check: Reviewed PD & MR v1.4 See: CCB_VCS_Verification_Report_CCBv3.0_VCSv3.4_APD_CL EAN and 25OCT_CCB_VCS_Verification_Report_APD_TRACK CHANGES Verra review: Section 2.3.1 of the Monitoring report has been updated. Finding is now closed.	
10	No assurance is provided on financial health of the project Issue Section 2.4.5 of the CCB project description does not provide any assurance of financial health Action required The VVB is required to request a full version of the CCB project description that contains commercially sensitive information, explaining that Verra will not post or make this version public. The VVB is required to then perform an assessment of section 2.4.5 of the full version of the CCB project description and provide a conclusion on whether the project's financial health can ensure the adequate financial support over the project lifetime. If necessary, the VVB is also required to ensure the project proponent provides a commercially sensitive version of the project description to Verra. Program rule: <i>CCB Standards v3.1, Section G4.3</i>	Round1: VVB Response: The project proponent made documents proving the organization's financial health available to VVB and Verra. brCarbon is part of a business group with sufficient assets to fund the project activities implementation until the first carbon credits sale. After the first sale event, according to the financial projections presented, the PP must be able to pay for all project activities implementation according to the validated PD. Check the reviewed document here: Finding 10 Round 2: Verra Review: Section 3.2.26 of the validation report does not provide a conclusion. Action Required: The VVB is required to update section 3.2.36 of the validation report to include a conclusion regarding the financial health of the implementing organization. VVB Response: The VVB includes a description and provides a conclusion in section 3.2.36 of the validation report on the financial health of the implementing organization.	Closed.

		Please check: Reviewed Validation & Verification Reports See: 25OCT_CCB_VCS_Validation_Report_APD_ TRACK CHANGES and CCB_VCS_Validation_Report_CCBv3.0_VCSv3.4_APD_CLEAN. Verra review: Section 3.2.36 of the validation report have been reviewed. Finding is now closed.	
11	Measures to avoid corruption or other unethical behaviors are missing Issue Section 2.4.6 of the project description does not include the measures (i.e., policies or actions taken) taken by the project proponent to avoid corruption or other unethical behaviors. Action needed The VVB is required to ensure the project proponent includes the measures taken to ensure the avoidance of unethical behaviors. Program rule CCB Standards v3.1, Section G4.3	Round1: VVB Response: The PP has internal policies against unethical behavior. The appropriate measures in the event of unethical behavior on the part of the partners are provided for in the brCarbon quota holders' agreement, bylaws and code of conduct and imply the compulsory termination of the partner who has presented unethical behavior. Unethical measures taken by employees are also punishable by dismissal, which is characterized by the labor legislation in the country (article 482 of the consolidation of labor laws - LAW No. 13,467, OF JULY 13, 2017), being mere liberality of the contracting party. In this way, brCarbon addresses issues related to unethical behavior and meets the requirements of the CCB standard. The PD has been revised for clarity. Check revised documentation here: Reviewed PD & MR Verra Review: Section 2.4.6 of the Project description has been updated to clarify the actions or policies taken by the project proponent to avoid corruption. This finding is now closed and no further response is required.	Closed
12	Community impacts are not phrased as impacts Issue Several expected community impacts are included in section 4.2.1 of the project description, and community impacts in section	Round1: VVB Response: The PD and MR were revised to address this finding.	Closed

4.1.1 of the monitoring report are not phrased as impacts (i.e., health, water, education, Training and employment). Action required The VVB is required to ensure the project proponent rephrases the impacts in section 4.2.1 of the project description, and in section 4.1.1. of the monitoring report to ensure they are phrased as community impacts (e.g., Improved health, improved water quality/quantity, etc.). Program rule CCB Standard v3.1, Section CM4.1	See revised documentation here: Reviewed PD & MR Verra Review: Section 4.2.1 of the updated project description, and section 4.1.1 of the updated monitoring report now describe the project's impacts as impacts. The finding is now closed and no further response is required.
13 Indicators in the community monitoring plan don't align with the expected community impacts Issue Indicators in the community monitoring plan of the project description related to "Capacity building / training focused on encouraging collective work" are not related to any community impact included in section 4.2.1. Likewise, the community monitoring plan does not include indicators to assess the measures to mitigate risks associated to invaders and land grabbers, which is included in section 4.2.1. Action required The VVB is required to ensure the project proponent updates the community monitoring plan to align with the expected impacts or justify how it reached a positive conclusion on the community monitoring plan considering the misalignment between the plan and the expected community impacts.	Closed Round1: VVB Response: The expected community impacts as described in the PD section 4.2.1 were reviewed to reflect the indicator "Capacity building / training focused on encouraging collective work", as described in the PD section 4.4.1. The community monitoring plan as described in the PD section 4.4.1 was reviewed to reflect the expected impacts to land grabbers and recent invaders as described in the PD section 4.2.1. See revised documentation here: Reviewed PD & MR Verra Review: Verra has reviewed section 4.2.1 and 4.4.1 of the updated project description document. Finding is now closed.
14 Stakeholder group missing from interviews Issue Section 2.4 of the validation report doesn't include stakeholder group "Recent invaders, land grabbers of Porongaba", which is included in table 14 of the project description.	Closed Round1: VVB Response: Among the people interviewed during the audit process are Mr. Jackson Santos de Freitas and Mr. Clederson da Silva Marinho who has stablished in the project area for 4 and 2 years respectively, which qualify

	Action required The VVB is requested to provide an explanation as to how a reasonable level of assurance was reached on the expected community impacts when the stakeholder group on which there are potential risks involved was not interviewed as part of the validation process. Program rule CCB & VCS Validation report template CCB v3.0 VCS v3.4, section 3.4.2	them as recent invaders. This stakeholder class does apply to Porongaba alone. The PD has been revised for clarity. See revised documentation here: Reviewed PD & MR Verra Review: Verra has reviewed the updated project document. Finding is now closed.	
15	Conclusion in validation report is not aligned with instructions in validation report template Issue Section 3.4.6 of the validation report does not conclude whether the project will mitigate negative impacts to the community, as required in the instructions of the validation report template, but it states that the project is consistent with the CCB indicator”. Action required The VVB is required to include a conclusion in section 3.4.6 of the validation report on whether the project will mitigate negative impacts to the community. Program rule CCB & VCS Validation report template CCB v3.0 VCS v3.4, section 3.4.6.	Round1: VVB Response: As the project may increase the level of governance and dialog with government agencies responsible for control, which may increase the frequency of legal sanctions affecting land grabbers, there will be mitigation measure for traditional communities, focused on land regularization, where appropriate, to recognize the property rights of groups that traditionally exercise the right to own land. For other actors who are incurring in crimes of misappropriation of private property or environmental crimes, it will be up to the application of the law in force in the country. The VVB understands in this way that the project activities, as described in the validated PD, present mitigation measures appropriate to the context, by differentiating those who traditionally live in the territory, from those who are incurring in the practice of invasion. The validation report was reviewed for clarity. Check the document here: Reviewed Validation & Verification Reports Verra Review: Verra has reviewed section 3.4.6 of the updated validation report. Finding is now closed.	Closed
16	Project’s location in validation statement is inconsistent with the validation report and project description	Round1:	Closed

Issue	VVB Response: Validation and verification statement has been uploaded and is consistent with the one included in the project description and validation report.	
The project's location in the validation statement is different from the one included in the cover page of the validation report and project description	Check the document here: Reviewed Validation & Verification Reports	
Action required	Verra Review: Verra has reviewed updated validation statement. Finding is now closed.	
The VVB is required to review the address included in the validation statement and ensure it is consistent with the one included in the project description and validation report.		
17	Public government is referred to as a stakeholder in the MR, but it is not included as one in table 14 of the PD	Round1:
Issue	VVB Response: The PD was revised to include other stakeholders, such as public government, in table 14.	Closed
Section 2.2.7 of the monitoring report refers to public government as a stakeholder, but it is not included as one in table 14 of the PD.	Check the document here: Reviewed PD & MR	
Action required:	Verra Review: Table 14 of the updated project description has been reviewed. Finding is now closed.	
The VVB is required to ensure the PP shows consistency in the project documentation about the stakeholder and, either includes public government in table 14 of the PD or removes any mention of the public government as a stakeholder in section 2.2.7 and any other section.		
18	Risk about invaders and land grabbers is missing in the community impacts of the MR	Round1:
Issue	VVB Response: The monitoring report has been revised to include risk about invaders and land grabbers. No legal sanctions nor land title regularization processes were held during the project first monitoring period.	Closed
Section 4.1.1 of the monitoring report does not include the risk about invaders and land grabbers, which is included in section 4.2.1 of the project description.	As project implementation is ongoing, such actions have already taken place in the present time and will be reported in the second monitoring report.	
Action required		

	The VVB is required to ensure the project proponent includes the risk about invaders and land grabbers in section 4.1.1 of the monitoring report, and reports on any changes in well-being. Program rule <i>CCB Monitoring report template CCB v3.0. Section 4.1.1</i>	Verra Review: Section 4.1.1 of the updated monitoring report has been reviewed. Finding is now closed.	
19	No conclusion is provided on whether the assessment of the project's impacts is accurate Issue Section 4.5.1 of the verification report does not provide a conclusion as to whether the project's assessment of impacts on the communities is accurate. Action required The VVB is required to include in section 4.5.1 of the verification report a conclusion as to whether the project's assessment of impacts is accurate or not. Program rule <i>CCB & VCS Verification report template CCB V3.0 VCS v3.4</i>	Round1: VVB Response: The verification report was reviewed to address this issue. Check the document here: Reviewed Validation & Verification Reports Verra Review: Section 4.5.1 of the updated verification report has been reviewed. Finding is now closed.	Closed.
20	No description is provided of how local capacity, once built, won't be lost Issue Section 2.2.13 of the monitoring report does not provide a description as to how local capacity won't be lost through staff turnover. Action required The VVB is required to ensure the project proponent includes in section 2.2.13 of the monitoring report how local capacity won't be lost through staff turnover. Program rule	Round1: VVB Response: Training activity is performed in an annual basis in a way to avoid local capacity to be lost when there is staff turnover. The MR was reviewed for clarity. Check the document here: Reviewed PD & MR Verra Review: Section 2.2.13 of the updated monitoring report. Finding is now closed.	Closed.

CCB Monitoring report template CCB v3.0. Section 2.2.13.