



SOCIAL CARBON STANDARD VALIDATION REPORT


Final

“Agrocortex REDD Project”
In
Brazil


Report N° 2017-BQ-20-MD

Revision N° 2.0

SOCIAL CARBON STANDARD VALIDATION REPORT

Project Title: Agrocortex REDD Project	Country: Brazil	
Client: Agrocortex Madeiras do Acre Agroflorestal Ltda.	Client contact: Marcos Preto marcos.preto@agrocortex.com	
Report No.: 2017BQMD20	Revision: 2.0	Date of this report: 15/12/2017
Approved by (Final Report – DCI Director approval):  Laura SEVERINO		Date of approval: 15/12/2017
<p>RINA Services S.p.A. (RINA), commissioned by Agrocortex Madeiras do Acre Agroflorestal Ltda., has performed the validation of the SOCIALCARBON Report of the project activity “Agrocortex REDD Project” in Brazil, with regards to the relevant requirements of Social Carbon Standards.</p> <p>In conclusion, it is RINA’s opinion that the SOCIALCARBON Report for the project activity “Agrocortex REDD Project”, meets all relevant requirements established by the SOCIALCARBON Standard, SOCIALCARBON Methodology and it contains the identification of social economic and environmental impacts as well the presentation of the results obtained in accordance to the Social Carbon Standard indicators for “Indicators for REDD + SFMP Projects Version 1.2 of 05/07/2017”.</p>		

Work carried out by: C. BECK, Talita	<input checked="" type="checkbox"/> No distribution without permission from the Client or organizational unit responsible <input type="checkbox"/> Strictly confidential <input type="checkbox"/> Unrestricted distribution
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Work verified by (Final Report – CRT person responsible approval)  Laura SEVERINO	Keywords: Social Carbon Standard, Validation, Indicators
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Abbreviations

CAR	Corrective Action Request
CDM	Clean Development Mechanism
CER(s)	Certified Emission Reduction(s)
CL	Clarification Request
CRT	Coordination and Technical Control Staff
DCI	Certification Division of RINA Services Spa
DOE	Designated Operational Entity
EI	Ecologica Institute
EIA	Environmental Impact assessment
ER	Emission Reductions
GHG(s)	Greenhouse gas(es)
GWP	Global Warming Potential
IPCC	Intergovernmental Panel on Climate Change
IBAMA	Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis
MP	Monitoring Plan
MR	Monitoring Report
NGO	Non-Governmental Organization
NPO	Non-Profit Organization
ODA	Official Development Assistance
PDD	Project Design Document
PP(s)	Project Participant(s)
RINA	RINA Services Spa
SCM	Social Carbon Methodology
SCS	Social Carbon Standard
SFMP	Sustainable Forest Management Plan
VCS	Voluntary Carbon Standard
VER(s)	Verified Emission Reduction(s)



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Appendix A:

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1 INTRODUCTION

Agrocortex Madeiras do Acre Agroflorestal Ltda. has commissioned RINA to carry out the validation of the SCS Report for the project activity “Agrocortex REDD Project” in Brasil.

This report summarizes the findings of the validation of the project, performed on the basis of Social Carbon Methodology, as well as criteria established by the SCS Indicators for “REDD + SFMP”

1.1 Objective

The objective of the Validation is to have an independent evaluation of a specific project activity by a certifying entity against the requirements of the Social Carbon Standard and Social Carbon Standard indicators, on the basis of the SCS report. In particular, the social and environmental indicators are validated in order to confirm that the impacts arising from a carbon offset project for the six resources of the methodology (Social, Human, Financial, Natural, Biodiversity and Carbon), as documented, is sound and reasonable and meets the identified criteria. The Validation of the SCS report is as a complementary standard for co-benefits and it does not set its own criteria regarding the project type, location, and size, crediting period or baseline and monitoring methodologies; it covers only criteria of social and environmental impact of the project but not for emission reduction itself.

1.2 Scope

The validation scope is to review the SCS Report against the SCS Methodology and SCS Indicators.

Validation is not meant to provide any consultancy towards the project participants. However, stated requests for clarifications and/or corrective actions may have provided input for improvement of the project design.

2 METHODOLOGY

Validation was conducted using RINA procedures in line with the requirements specified in the latest version of the Social Carbon Standard, and applying standard auditing techniques.

The validation consisted of the following three phases:

- Document review;
- Follow-up actions;
- The resolution of outstanding issues and the issuance of the final validation report.

The following sections outline each step in more detail.

2.1 Document Review

The evidence obtained during the audit is to verify the accuracy of all information contained in the present project. The SCS Report /01/, in particular the applicability of the SCS methodology and the SCS indicators for “REDD + SFMP” were assessed as part of the validation.

The following table lists the documentation that was reviewed during the validation.

List the documentation provided by the project participants and used by RINA to verify/cross-check the information provided by the project participants.

/01/	Ecológica Assessoria Ltda.: SCS Report for project activity “Agrocortex REDD Project” in Brazil, version 01 of 09/06/2017, version 02 of 11/11/2017
/02/	Social Carbon Standard version 5 of July 2013
/03/	Guide for completing Social Carbon Reports – version 4 of September 2013
/04/	Indicators for REDD + SFMP Projects Version 1.2 of 05/07/2017
/05/	Sustainable Management Plan – Seringal Novo Macapá Farm (from the Portuguese Plano de Manejo Florestal Sustentado – Fazenda Seringal Novo Macapá) of 01/2010
/6/	http://www.ibama.gov.br/noticias/422-2017/1204-ibama-apresenta-modelos-de-uso-

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	sustentavel-do-mogno-e-do-pirarucu-a-comite-cientifico-da-uniao-europeia last accessed 31/10/2017.
/7/	Photos of invitation for a practical training in forest management techniques and low impact logging pinned up on Itaúba grocery store and being handed to other residents, as well as attendance lists TCS 22/04/2016 and TOA 26/05/2016
/8/	Agrocortex Assessment, Prevention, Monitoring and Mitigation of Social Impacts Plan (from the Portuguese Plano de Avaliação, Prevenção e Monitoramento e Mitigação de Impactos Sociais) Version 01/2016 dated 08/11/2016
/9/	Ecológica VCS Monitoring Report Agrocortex REED Project version 02 of 11/12/2017
/10/	First internal audit of the forest management 31/05-04/06/2016 Second internal audit of the forest management 17/07-30/07/2016
/11/	Casa da Floresta, September 2016: Monitoring of Fauna in Areas of Sustainable Forest Management – Seringal Novo Macapá Farm (from the Portuguese Monitoramento de Fauna em Áreas de Manejo Florestal Sustentável – Fazenda Seringal Novo Macapá)
/12/	Diagnóstico Socioambiental da População Residente no Entorno do Manejo Florestal Fazenda Seringal Novo Macapá – May 2015
/13/	Agrocortex Process of Families regularization inside Fazenda Seringal Novo Macapá 10/2015
/14/	Agrocortex Individually signed minutes of first meeting with local residents of the project area various date on 10/2015.
/15/	Rina VCS Validation Report of the Agrocortex REDD Project v2 12/12/2017
/16/	“SC_Agrocortex_Point0_v2.xls”, version 01 of 09/06/2017; version 02 of 11/11/2017
/17/	VCS VM0015: Methodology for Avoided Unplanned Deforestation, version 1.1 of 03/12/2012

2.2 Follow-up actions

On 20/06/2017 to 22/06/2017, RINA visited Fazenda Seringal Novo Macapá to perform interviews with the key informants aiming at obtaining information about the six resources of the SCS methodology and with the relevant stakeholders in the host country. Documentation and legal conformity are checked and interviews are made with the proponent and employees responsible for important activities in the company.

The key personnel interviewed and the main topics of the interviews are summarized in the table below.

	Date	Name and Role	Organization	Topic
/a/	20/06/2017	Edson do Amaral – Flona do Macaúã Environmental Analyst	ICMBio	Social and Environmental Sustainability
/b/	21/06/2017	Ana Beatriz de Melo – Forest Certification Technician	Agrocortex	Relationship Agrocortex and local Community and Indicators
/c/	21/06/2017	Edgar Cutar Junior – Forest Operations	Agrocortex	SFMP and monitoring of fauna
/d/	21/06/2017	Marcelo Haddad – Project Developer Consultant	Ecológica Assessoria Ltda.	Social Carbon Report
/e/	22/06/2017	Avila Dantas – Social Worker	Agrocortex	Relationship Agrocortex and local Community
/f/	22/06/2017	Antônio Raimundo Souza de Lima –	Domiciled at the area destined to	Relationship Agrocortex and local Community and

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		Resident of Local Community (Oriental)	local community next to the PA.	Indicators
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2.3 Resolution of outstanding issues

The objective of this phase of the validation is to resolve any outstanding issues which need to be clarified for RINA's positive conclusion on the project design.

To guarantee transparency a validation protocol has been customized for the project. The protocol shows in a transparent manner the requirements, means of validation and the results from validating the identified criteria. The completed validation protocol is enclosed in Appendix A to this report.

A corrective action request (CAR) is raised if one of the following occurs:

- The project participants have made mistakes that will influence the ability of the project activity to achieve real, measurable additional emission reductions.
- The SCS requirements have not been met.
- There is a risk that the sustainable indicators cannot be monitored.

A clarification request (CL) is raised if information is insufficient or not clear enough to determine whether the applicable SCS requirements have been met.

CARs and CLs identified are included in Appendix A of this report.

2.4 Internal quality control

All the revisions of the validation report before being submitted to the client were subjected to an independent internal technical review to confirm that all validation activities had been completed according to the pertinent RINA instructions.

The technical review was performed by a technical reviewer(s) qualified in accordance with RINA's qualification scheme for SCS validation and verification.

2.5 Validation team and the technical reviewer(s)

The validation team and the technical reviewers consist of the following personnel:

Role	Last Name	First Name	Country
SCS Team Leader / Validator	C. Beck	Talita	Brazil
Technical Reviewer	Principe Branco Saettoni	Geisa Maria	Brazil

3 VALIDATION FINDINGS

The findings of the validation related to the project, as described in the SCS Report /01/, are stated in the following sections.

3.1 Project design

Basic information	
Project name	Agrocortex REDD Project
Location	The SCS indicators will be applied in the Fazenda Seringal Novo Macapá and the leakage belt where the closest communities can be found in the states of Amazonas and Acre in Brazil. Location where indicators were applied (city/state/country)
Indicators	Indicators for REDD + SFMP Projects version 1.2
Year-Point of the project	Point Zero (0)
Project Developer	Agrocortex Madeiras do Acre Agroflorestal Ltda.

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Researcher	Larissa Tega da Fonseca and Marcelo Haddad
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The primary objective of the Agro cortex REDD Project is to avoid unplanned deforestation (AUD) of 186,369.66 ha in the Amazon Rain Forest through SFMP. The project area is located within a private property named “Fazenda Seringal Novo Macapá”, which is situated in the municipalities of Manoel Urbano, Pauini and Boca do Acre, in the States of Acre and Amazonas, South-western Amazon.

3.2 Methodology used for reduction/capture of GHGs

- The primary objective of the Agro cortex REDD Project is to avoid unplanned deforestation (AUD) of 186,369.66 ha in the Amazon Rain Forest through SFMP. The project area is located within a private property named “Fazenda Seringal Novo Macapá”, which is situated in the municipalities of Manoel Urbano, Pauini and Boca do Acre, in the States of Acre and Amazonas, South-western Amazon.
- The baseline and monitoring methodology used to calculate emissions reductions was VCS Methodology VM0015: Methodology for Avoided Unplanned Deforestation, version 1.1 of 03/12/2012 /17/.
- The total emissions reduced in the first monitoring period (from 01-July-2014 to 31-December-2016) are 770,839 tCO₂e and that tradable VCU are 655,074tCO₂e /1/.

3.3 SOCIALCARBON Indicators

3.3.1 SOCIALCARBON Method

- PP applies the “Indicators for REDD + SFMP Projects” /04/.

3.3.2 Social, economic and environmental impacts of the GHG emission reductions project.

- No EIA is necessary for a SFMP REDD Project, instead a Sustainable Management Plan is required by IBAMA.
- The document “Sustainable Management Plan – Seringal Novo Macapá Farm” of 01/2010 /5/ was prepared. The document describes the environmental impacts of the sustainable management plan as well as the mitigation and compensation measures. The plan was approved by IBAMA /6/.

3.3.3 Project indicators

3.3.3.1 Social Resources

Name of indicator	Women Inclusion
Description of Indicator	Evaluates initiatives implemented by the company to promote women inclusion in the community activities.
Assessment on current situation of the project	An interview was carried out with Agro cortex Forest Certification Technician. She informed that no women inclusion activities have been implemented yet as the company understands that the relationship with them must be started slowly as not to cause any suspicion of the intentions of the company towards the community (sustainable forest management training to community will be carried out first).

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Score obtained	1 (one)
Perspectives	There are currently no foreseen improvements.
Conclusion	Rina concluded that the information given and score applied by PP are accurate.

Name of indicator	Expansion of community activities
Description of Indicator	Evaluates whether the community activities implemented by the company extend to all affected communities.
Assessment on current situation of the project	<p>Agrocortex Forest Certification Technician provided some photos of the invitations for practical training in techniques of forest management and low impact logging which were handed to community or pinned up in strategic places in the communities, as well as attendance lists of the practical training courses /7/.</p> <p>Rina verified that the list of attendance showed that no one from the community participated in the courses offered by Agrocortex and therefore the training courses reach no communities.</p>
Score obtained	1 (one)
Perspectives	<p>As explained in the SC Report Point 0, part of the community does not understand the activities of the management plan. Because of this, the company aims to do a site visit to the sustainable management plan activities with the local community to show/explain the activities that occur and how it is beneficial to the region.</p> <p>Rina suggests that the benefits for the individuals, of knowing new skills like practical forest management techniques, not just to the community as a whole, be informed during the visit too.</p>
Conclusion	Rina verified that the list of attendance showed that no one from the community participated in the courses offered by Agrocortex despite being invited /7/. The conclusion is therefore that the training courses reach no communities yet and that score 1 given is accurate.

Name of indicator	Associations and Cooperatives
Description of Indicator	Evaluates whether communities residing in the project area are involved in associations or cooperatives.
Assessment on current situation of the project	<p>CAR2</p> <p>The Social and Environmental Diagnostic /12/ was checked there is an association although the PP informed this is not formalized yet. The SCR report and spreadsheet were corrected considering this scenario as score 2. CAR 2 was closed.</p>
Score obtained	2 (two)
Perspectives	There are currently no foreseen improvements.
Conclusion	Score 2 correctly given/accurate.

3.3.3.2 Human Resources

Name of indicator	Conflict management:
Description of Indicator	Evaluates the company's procedures to identify and deal with conflicts in the surrounding communities, as well as the actions that are being taken so that

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	they do not recur.
Assessment on current situation of the project	The Assessment, Prevention, Monitoring and Mitigation of Social Impacts Plan (from the Portuguese Plano de Avaliação, Prevenção e Monitoramento e Mitigação de Impactos Sociais) /8/ is the procedure in place to identify and deal with conflicts in the surrounding communities impacted by the Project. The procedure has a questionnaire to identify conflicts and procedures of what to do to deal with them once identified.
Score obtained	3 (three)
Perspectives	Agrocortex also aims to hire a full time professional to live in the project area and improve their communication with the local community. It is suggested that in the questionnaire about impacts to the community a question of whether there are “other impacts (lease specify)...” not listed be added.
Conclusion	Rina concludes that scored 3 is correct as the procedure presented and assessed meets requirements of score 3 in the Indicators for REDD + SFMP Projects Version 1.2 /4/.

Name of indicator	Public health
Description of Indicator	Evaluates the company’s actions to mitigate the impacts of its activities related to the public health of surrounding communities
Assessment on current situation of the project	According to the SC Report V01 /1/, according to the social impact studies, community members reported public health problems after the sustainable forest management plan activities, such as alcohol abuse, drug use, inadequate treatment of women and youth, among others. Agrocortex Forest Certification Technician informed that these are possible public health impacts of the project to surrounding communities but that they not necessarily happened. She also informed that no actions related to public health are being formulated yet.
Score obtained	1 (one)
Perspectives	There are currently no foreseen improvements.
Conclusion	Score 1 is accurate.

Name of indicator	Community education and training
Description of Indicator	Evaluates the relevance of education and training programs implemented as a project activity, including additional programs to the stakeholders and broader community.
Assessment on current situation of the project	Agrocortex Forest Certification Technician provided some photos of the invitations for practical training in techniques of forest management and low impact logging which were handed to community or pinned up in strategic places in the communities /7/. Score 3 of indicator 6 Community education and training in the Indicators for REDD + SFMP Projects Version 1.2 /4/ states: “The company offers an education / training activity in ONE of the following areas: - alternative income sources (e.g. collecting Brazil nuts) - education (e.g. literacy) - sustainable forest management”
Score obtained	3 (three)
Perspectives	There are currently no foreseen improvements.

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Conclusion	The information about training provided is accurate and attributed score in conformity with Indicators for REDD + SFMP Projects Version 1.2 /4/.
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The above table shall be repeated for each indicators included in the Human resources section.

3.3.3.3 Financial Resources

Name of indicator	Alternative income sources
Description of Indicator	Evaluates whether the project created alternative sources of income generation for the communities living within/surrounding the project area.
Assessment on current situation of the project	<p>According to the site visit carried out by Rina the project generates alternative income by directly employing at the SMF activities. The training offered is also an evidence of that /7/.</p> <p>Also during interview with Antônio Raimundo Souza de Lima – Resident of Local Community (Oriental), he informed that he already sold some of his production to Agro cortex. Agro cortex has a dinning area which provides breakfast and lunch for its workers during the day.</p> <p>CAR 3</p> <p>The SCR report and spreadsheet were corrected considering that there are two alternative income sources, scenario for score 3.</p> <p>CAR 3 is closed.</p>
Score obtained	3 (three)
Perspectives	The company aims to do a survey of alternative income sources for local communities.
Conclusion	Score 3 is correct/accurate as the project generates 2 alternative income sources.

Name of indicator	Carbon credit benefits
Description of Indicator	Evaluates whether proceeds from the sale of carbon credits was distributed to carbon project improvements or activities that benefit the local community.
Assessment on current situation of the project	The Social Carbon Report Year Point 0 (zero) was developed together with the 1st Monitoring Report /9/. Thus, the Agro cortex project has not generated carbon credit revenues up to the present moment.
Score obtained	1 (one)
Perspectives	There are currently no foreseen improvements.
Conclusion	As the Agro cortex Project has not generated carbon credits revenues yet, there could have been neither distribution of carbon credits benefits to carbon project improvements nor to the community. There are also no organized controls of the allocation of proceeds which confirms score 1 to indicator 8 of the SCR /1/ in compliance with the Indicators for REDD + SFMP Projects Version 1.2 /4/.

Name of indicator	Securing of funds
Description of Indicator	Evaluates the project proponent's participation in requests for proposals/ programs to secure funds. Also monitors whether project participants were successful, and whether the funds raised are creating activities for communities resident in/around the project area.
Assessment on	According to Agro cortex Forest Certification Technician the project

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current situation of the project	proponent does not take any action to secure funds.
Score obtained	1 (one)
Perspectives	There are currently no foreseen improvements.
Conclusion	Rina confirms that information provided and score given to indicator 9 of the SCR /1/ is in accordance with Indicators for REDD + SFMP Projects Version 1.2 /4/.

The above table shall be repeated for each indicators included in the financial resources section.

3.3.3.4 Natural Resources

Name of indicator	Land tenure
Description of Indicator	Evaluates the existence of conflicts due to land tenure, as well as whether actions are being taken to manage the issue.
Assessment on current situation of the project	<p>The SC Report v01 states that there are conflicts in the project area due to land tenure and Agrocortex is in the process to solving them.</p> <p>It also states that the company already has an agreement with some community members and is hiring a georeferencing company to demarcate the project area.</p> <p>During the interview to a resident of the Local Community Oriental, south of the Project Area, he informed that the land was passed on to him by his grandfather and that he had a legal land title.</p> <p>CL1 CL1 was closed see below in findings for the assessment.</p>
Score obtained	3 (three)
Perspectives	The company aims to hire a full time professional to live in the project area and improve their communication with the local community.
Conclusion	Agrocortex has submitted procedure for dealing with conflicts in the surrounding communities /13/ and that it is starting to carry on the procedures. Score accurate.

Name of indicator	Social and environmental investments
Description of Indicator	Evaluates the socio-environmental investments in the different areas: education; alternative income generation; environment; sport and infrastructure.
Assessment on current situation of the project	The company has social-environmental actions for education as shown by photos of the invitations for practical training in techniques of forest management and low impact logging which were handed to community or pinned up in strategic places in the communities, as well as attendance lists of the practical training courses /7/.
Score obtained	2 (two)
Perspectives	There are currently no foreseen improvements.
Conclusion	Rina found information given accurate and score was given according to Indicators for REDD + SFMP Projects Version 1.2 /4/.

Name of indicator	Quality control
Description of	Evaluates the quality control of the management plan operation.

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Indicator	
Assessment on current situation of the project	<p>Rina verified records of 2 audits, one carried out from 31/05 to 04/06/2016 which was the first internal audit of the FM and the other from 17/07 to 30/07/2016 which was the second audit of the FM /10/.</p> <p>The SC Report version 01 /1/ states that the internal audits are carried out monthly and since the visit by Rina was carried out from the 20th to the 22nd of June 2017, Rina concludes no audits were carried out for approximately 1 year. Therefore, there are quality control actions of the management plan operation in place, however failure exists.</p>
Score obtained	3 (three)
Perspectives	<p>The SC Report V01 /1/ states that the company aims to carry out weekly audits. CAR4 was raised to correct the perspective according to what has been informed during site visit.</p> <p>The perspective of this indicator was corrected in SCR v2 to “the company aims to conduct monthly audits with weekly quality controls”.</p> <p>CAR4 was closed.</p>
Conclusion	Since there are failures to the frequency of audits score 3 is correct according to Indicators for REDD + SFMP Projects Version 1.2 /4/.

The above table shall be repeated for each indicators included in the natural resources section.

3.3.3.5 Biodiversity/Technology Resources

Name of indicator	Non-timber forest products (NTFPs)
Description of Indicator	Evaluates the sustainable use of natural resources by communities in the project area for income generation.
Assessment on current situation of the project	During the interview to a resident of the Local Community Oriental, south of the Project Area, he informed that he fishes for subsistence in the Purus and São Paulo River which crosses the project area.
Score obtained	1 (one)
Perspectives	There are currently no foreseen improvements.
Conclusion	The information given in the SC Report that the NTFPs are only used for subsistence is correct and therefore the allocated score 1 is also correct and in accordance with Indicators for REDD + SFMP Projects Version 1.2 /4/.

Name of indicator	Biodiversity monitoring
Description of Indicator	Evaluates whether the company has actions to identify and monitor the local fauna and flora.
Assessment on current situation of the project	<p>Casa da Floresta, September 2016: Monitoring of Fauna in Areas of Sustainable Forest Management – Seringal Novo Macapá Farm /11/.</p> <p>During site visit Rina also saw monitoring of fauna being carried out again. Flora monitoring besides that of commercial logging was not evidenced.</p>
Score obtained	3 (three)
Perspectives	Carry out flora monitoring as well as fauna.
Conclusion	Information is accurate.

Name of indicator	Impact on remaining flora
Description of Indicator	Evaluates the company actions to monitor the impact on the remaining flora..

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Indicator	
Assessment on current situation of the project	In an interview with Agro cortex Forest Certification Technician and Forest Operations it was found that there is no monitoring of the impact on remaining flora being carried out.
Score obtained	1 (one)
Perspectives	There are currently no foreseen improvements.
Conclusion	Information is accurate and score appropriate according to Indicators for REDD + SFMP Projects Version 1.2 /4/.

The above table shall be repeated for each indicators included in the biodiversity/technology resources section.

3.3.3.6 Carbon Resources

Name of indicator	Buffer reduction
Description of Indicator	Measures the progression of the buffer in the current monitoring period compared to VCS PD and Monitoring Report.
Assessment on current situation of the project	There was no score given to this indicator in the SC Report version 01 /1/. CAR5 Ok score 2 applied as buffer remains the same as during Validation /15/. CAR5 is closed.
Score obtained	2 (two)
Perspectives	There are currently no foreseen improvements.
Conclusion	Score 2 is accurate as the buffer remains the same in SCR v2 /1/ and the validated /15/

Name of indicator	Stakeholder consultation
Description of Indicator	Evaluates the methodology used for the stakeholder consultation regarding the carbon project.
Assessment on current situation of the project	During the time period analyzed, the company did not conduct a stakeholder consultation regarding the carbon project. The stakeholder consultation was carried out while this audit was being done.
Score obtained	1 (one)
Perspectives	The company aims to do a stakeholder consultation regarding the carbon project in the project area in the next months.
Conclusion	The information is accurate and score appropriate according to Indicators for REDD + SFMP Projects Version 1.2 /4/.

Name of indicator	Project performance
Description of Indicator	Evaluates project performance in relation to verified emissions reductions. Project performance = Units verified in the Monitoring Report corresponding to the SCR period/ Estimate of emissions reductions in the VCS PD.
Assessment on current situation of the project	CAR6 The cooment "VCUs tradable units verified in the Monitoring Report: 655,074 Emission reductions estimate in the VCS PD: 689,805

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	Project performance: 94.9% The Project performance was very good. The 1st Monitoring Period generated 94.9% of the carbon credits predicted in the VCS PD.” CAR6 was closed.
Score obtained	5 (five)
Perspectives	There are currently no foreseen improvements. Result already good.
Conclusion	The calculated score is accurate as per evidences /9/ and /15/.

The above table shall be repeated for each indicators included in the carbon resources section.

3.3.4 Sustainability performance of the project

- Brief conclusion regarding general performance, noting and comparing the results obtained for all the resources.

The results of the project performance are summarized in the following table:

Resource	Critical	Satisfactory	Sustainable	Average Score	General Performance
Social	100%	0%	0%	1,33	Critical
Human	33,3%	66,7%	0%	2,33	Critical
Financial	66,7%	33,3%	0%	1,67	Critical
Natural	33,3%	66,7%	0%	2,67	Critical
Biodiversity	66,7%	33,3%	0%	1,67	Critical
Carbon	66,7%	0%	33,3%	2,67	Critical
Overall Assessment	61,12%	33,33%	5,55%	2,06	Critical

Critical: % of all the indicators that obtained scores 1 or 2

Satisfactory: % of all the indicators that obtained scores of 3 or 4

Sustainable: % of all the indicators that obtained scores of 5 or 6

Average Score: arithmetical average of the scores obtained for the resource

General performance: classification (critical, satisfactory, sustainable) of the average score obtained

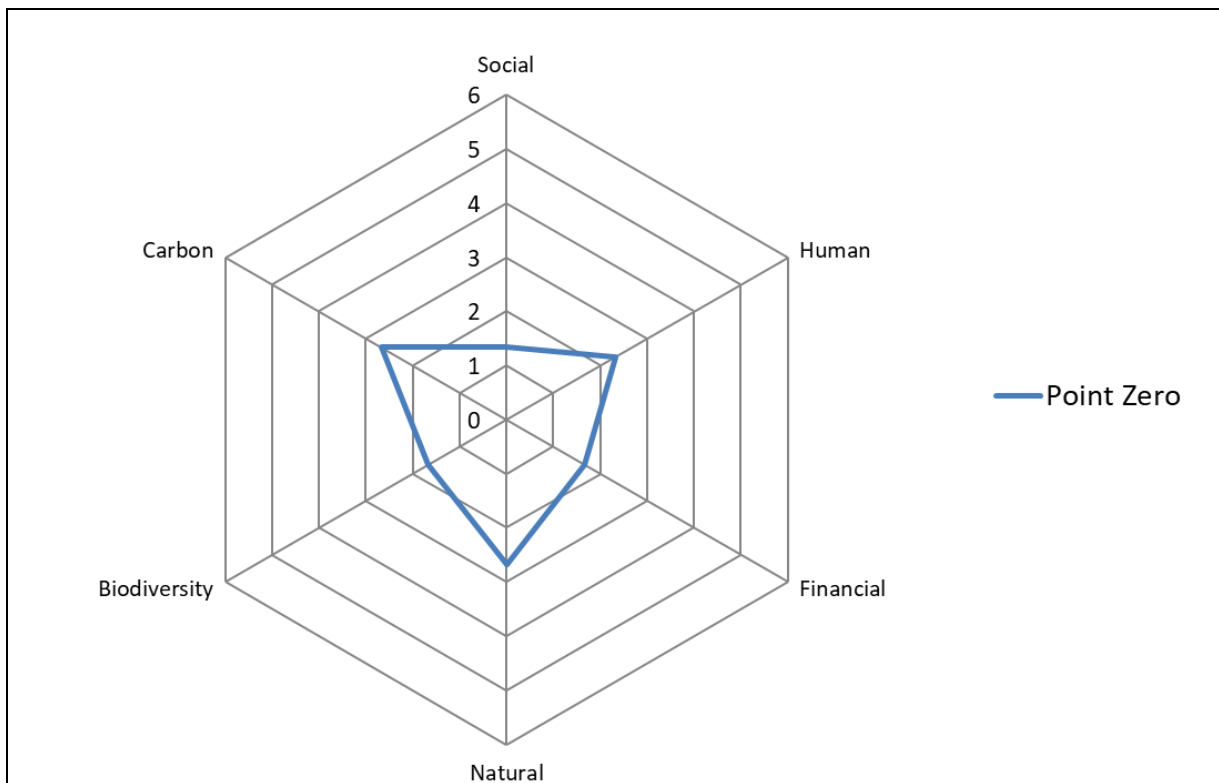
Overall assessment: values obtained taking into account the performance of all the indicators of the six resources.

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The graph below provides a summary of the performance of each indicator.

Carbon, Human and Natural Resources all score better than Social, Financial and Biodiversity indicators.

Fig.1 Summary of indicators scores.



Over all social and financial resources reflect the region and the sensitive issues that have to be approached by Agrocortex (a relatively new comer). NTFPs are not only a great potential source of income to be developed in the region, to alleviate financial constraints, but also to increase biodiversity scores (as agrobiodiversity is also part of biodiversity), but can also render food security and consolidation of trust.

Agrocortex has shown in this first assessment serious commitment in dealing with conflicts, and providing training in new skills for local community. Carbon resources show the most sustainable numbers surely benefiting from the Agrocortex REDD Project already with the first VCS verification carried out recently.

SOCIAL CARBON STANDARD VALIDATION REPORT

4 VALIDATION CONCLUSION

RINA Services Spa (RINA) has performed the SOCIALCARBON validation of the project activity “Agrocortex REDD Project” in Brazil, with regard to the relevant requirements for SOCIALCARBON STANDARD activities.

The SOCIAL CARBON Indicators for “REDD + SFMP” and the SOCIAL CARBON Methodology have been followed during the validation process of the project “Agrocortex REDD Project”, particularly the project is in accordance to the six SOCIALCARBON Resources of the methodology: Social, Human, Financial, Natural, Biodiversity and Carbon.

The conclusions of this report show that the Point Zero evaluation, as it was described in the project documentation and SOCIALCARBON Report is in line with all applicable criteria for the validation. All details of the Indicators are accurate and the calculation correct.

APPENDIX A

RESOLUTION OF CORRECTIVE ACTION REQUESTS AND CLARIFICATION REQUESTS

Corrective action and/ or clarification requests	Reference to Report Sections	Response by project participants	Validation Conclusion
<p>CAR 1</p> <p>Rina's report template requests the location where indicators were applied.</p> <p>During interviews it was informed that the indicators apply to all project area and communities in the leakage belt.</p> <p>In the SC Report /1/ prepared by Project Developer, indicator number 2, Expansion of Communities Activities, states that "According to the social impact studies, there are nine communities that are going to be affected by the project: SÃO SALVADOR, VILA SEDE DA FAZENDA, ITAÚBA, BOCA DO MACAPÁ, EXTREMA, SANTA PENHA, SÃO PAULO, BRAGANÇA AND BAIRRO EL SHADAI."</p> <p>Meanwhile the Sustainable Management Plan /5/ prepared by the PPs to IBAMA states: "The area of direct influence of the SFMP covers the residents of eleven localities situated at the margem of the Purus River and its efluentes: ORIENTAL, SANTA PENHA, SANTA RITA, SÃO SALVADOR, BOA VISTA, BRAGANÇA, ITAÚBA, IGARAPÉ SALVAÇÃO, EXTREMO PORTO BRASIL, MACAPÁ E NOVO MACAPÁ.</p> <p>Please make clear in the SC Report point 0, and subsecente ones, the community names and locations (with maps) where indicators are applied. Explain briefly how these communities were chosen (from SFMP ? If communities in that doc no include why? If more communities in than the ones in that document were included why?).</p>	3.3.3.1	<p>The Social and Environmental Diagnostic of the population living within a 3 km-radius from the Project Area, from May 2015, is the most updated data about the communities living nearby the project area. This report will be made available to the validation team.</p> <p>The Sustainable Forest Management Plan was developed in 2010, and did not focus on the community information. The main objective of this plan was to analyze the sustainable forest management economic activity within the Seringal Novo Macapá property, as long as guaranteeing the preservation of biodiversity, conservation of forest cover and improvement of regional quality of life. However, a site visit was not conducted to all communities and information was obtained from indirect sources.</p> <p>Thus, the diagnostic from 2015 is a more accurate and updated source to analyze the communities living nearby the project area.</p> <p>All communities' names and a map showing the location of each community was included in the SCR point zero.</p>	<p>The names and map of location of community were inserted in the SCR report according to the most recent Social and Environmental Diagnostic /1/ /12/.</p> <p>CAR 1 is closed.</p>

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<p>CAR 2 During site visit the project developer informed that the evidence of the absence of cooperatives and associations in the communities affected by the Agrocortex REDD Project (indicator 3) was the Social and Environmental Diagnostic of May 2015 (from the Portuguese Diagnóstico Socioambiental Maio de 2015). Please provide this evidence.</p>	<p>3.3.3.1</p>	<p>The Social and Environmental Diagnostic of the population living surrounding the Project Area, from May 2015, will be made available to the validation team. The comments of the indicator “3 – Associations and Cooperatives” were better described in the report. According to this report, there is an Association within the community, named “Associação dos Trabalhadores Rurais do Itaúba”. However, this entity has not been formalized yet because it does not have constitution nor registration in public agencies. Therefore, attempts to form associations have been informally made by the community. This scenario fits in the score 2 of this indicator. This was corrected in the report and spreadsheet.</p>	<p>The Social and Environmental Diagnostic /12/ was checked and the SCR report and spreadsheet were corrected considering this scenario as score 2. CAR2 is closed.</p>
<p>CAR3 The Social Carbon Report scored indicator 7. “Alternative income sources” with a score 2 (two). According to the Indicators for REDD + SFMP Projects Version 1.2 if the project generates two alternative income sources for the local communities the score is 3.</p>	<p>3.3.3.3</p>	<p>The indicator “alternative income sources” was corrected to score 3: there are two alternative income sources for local communities.</p>	<p>The SCR report and spreadsheet were corrected considering that there are two alternative income sources, scenario for score 3. CAR 3 is closed.</p>
<p>CAR4 Indicator 12 “Quality Control” of the SC Report version 01 /1/ states that the “Perspective” for that indicator is that the company aims to conduct weekly internal audits. Agrocortex informed during site visit that the Perspective is to carry the audits monthly with weekly quality controls.</p>	<p>3.3.3.4</p>	<p>The comment section of the indicator 12 “Quality Control” was better described. In addition, the Perspective of this indicator was corrected according to what Agrocortex informed during the site visit.</p>	<p>Perspective corrected in version 2 of the social carbon. CAR4 closed.</p>
<p>CAR5 No score was provided for indicator 16 “Buffer Reduction” in the SC Report version 01 /1/.</p>	<p>3.3.3.6</p>	<p>In the current monitoring period (1st MR) the buffer was 15%, which is the same non-permanence risk rating of the VCS PD. Thus, score 2 was applied to this indicator.</p>	<p>Ok score 2 applied as buffer remains the same as during Validation /15/. CAR5 is closed.</p>

Corrective action and/ or clarification requests	Reference to Report Sections	Response by project participants	Validation Conclusion
<p>CAR6 Please relationship “Units verified in the Monitoring Report corresponding to the SCR period/ Estimate of emissions reductions in the VCS PD” in the comment section of the SC Report for the Project Performance indicator.</p>	<p>3.3.3.6</p>	<p>The comparison between the units verified in the MR versus the emission reduction estimates in the VCS PD was included in the comment section of the indicator 18 “Project Performance”.</p>	<p>Coment added. CAR6 was closed.</p>
<p>CL 1 Please clearly explain what are the conflicts in the project area due to land tenure. Are they related to double registration of the land including between Agrocortex and the local residents? What is Agrocortex doing exactly to solve the conflicts as stated in the Social Carbon Report version 01? Provide objective evidence of such actions (i.e. documents, lists, maps, minutes of meetings) as well as of the fact that Agrocortex has reached an agreement over such conflicts with some of the community members. Also provide a list of the community members which no settlement has been reached within the area where the indicators apply and explain what are these disagreements. Clearly explain what is the role of the georeferencing company which Agrocortex will hire.</p>	<p>3.3.3.4</p>	<p>There are conflicts in the property area due to land tenure. Agrocortex has the legal title of the land, however some communities have been living in the area for many years. They have a land ownership document, which has no legal value. In order to solve this conflict due to land tenure, Agrocortex decided to donate the land where each family lives including 80% more forested areas, which will be the legal reserve of each property. Furthermore, Agrocortex will conduct all the procedures to legalize the land of each family. Agrocortex is hiring a georeferencing company to create boundaries’ maps of the property of each family, which is the first step to dismember the Agrocortex property area and donate the corresponding land to each family. Agrocortex started a dialogue to solve this land tenure conflict. Some meetings were held with some community members. Evidences will be made available to the validation team. The comment section of the indicator 10 “Land Tenure” was better described. In addition, the index of this indicator was corrected to score 3, which best reflects the current scenario of this indicator.</p>	<ol style="list-style-type: none"> 1) Conflicts clearly explained. 2) Agrocortex provided to Rina the company’s written procedure to deal with the conflict /13/ as well as evidence of actions already taken to solve them and of the fact that Agrocortex reached and age/14/. 3) The validation team came to the conclusion seeing the evidences that it is early to say that there will be no agreements. Some negotiation is going on about size of plots but in general it seems positive. Therefore early to ask list of community members that no settlement has been reached. 4) The procedure sent by Agrocortex /13/ already makes clear that the Georeferencing is for legal certification of the land with government agencies. <p>CL1 is closed.</p>



CERTIFICATO DI QUALIFICA PER GLI SCHEMI VOLONTARI*
QUALIFICATION CERTIFICATE FOR VOLUNTARY SCHEMES*

Si attesta che il sig./sig.ra:
 We declare that Mr/Mrs/Ms:

Talita Carvalho Beck

è qualificato come:
 Is qualified as:

**TEC, VAL, VER, TL
 LOCAL EXPERT**

per le seguenti aree tecniche:
 for the following technical areas:

AREE TECNICHE TECHNICAL AREAS	DESCRIZIONE DELL'AREA TECNICA TECHNICAL AREA DESCRIPTION	SCOPO SETTORIALE SECTORAL SCOPE
1.1	Thermal energy generation	1
1.2	Renewables	1
13.1	Soild waste and wastewater	13
14.1	Forestry	14

REVISIONE REVISION	DATA DATE	MOTIVAZIONI PER LA REVISIONE REASON FOR THE REVISION
0	19/07/2016	First issue with new template (this certificate is linked to CDM qualification)
1	14/06/2017	Update qualification in TA 14.1 and Local expert

Responsabile di schema
 Scheme Leader
 Laura Severino

*SCHEMI VOLONTARI/ VOLUNTARY SCHEMES: ACR American Carbon Registry, CCB The Climate, Community & Biodiversity Alliance, GS Gold Standard, JI Joint Implementation, SCS Social Carbon Standard, VCS Verified Carbon Standard.

TEC: Technical expert; VAL: Validator; VER: Verifier; TL: Team leader; FIN EXP: Financial Expert; ITRP: Independent technical reviewer

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UNFCCC	quali Entità Operative Designate (DOE), per condurre la Validazione e la Verifica di Progetti CDM as Designated Operational Entity (DOE) to carry out Validation and Verification of CDM Projects
VCSA	per condurre la Validazione e la Verifica di Progetti VCS to carry out Validation and Verification of VCS Projects
GS Foundation	per condurre la Validazione e la Verifica di Progetti GS to carry out Validation and Verification of GS Projects
Ecologica Institute	per condurre la Validazione e la Verifica di rapporti SCS to carry out Validation and Verification of SCS Reports
American Carbon Registry ACR	per condurre la Validazione e la Verifica di Progetti ACR to carry out Validation and Verification of ACR projects
The Climate, Community & Biodiversity Alliance CCB	per condurre la Validazione e la Verifica di Progetti co-benefit CCB to carry out Validation and Verification of co-benefit CCB projects



**CERTIFICATO DI QUALIFICA PER GLI SCHEMI VOLONTARI*
QUALIFICATION CERTIFICATE FOR VOLUNTARY SCHEMES***

Si attesta che il sig./sig.ra:
We declare that Mr/Ms/Mr:

Geisa Maria Principe Branco Saettoni

è qualificato come:
is qualified as:

TEC, VAL, VER, TL, ITRP

per le seguenti aree tecniche:
for the following technical areas:

AREE TECNICHE TECHNICAL AREAS	DESCRIZIONE DELL'AREA TECNICA TECHNICAL AREA DESCRIPTION	SCOPO SETTORIALE SECTORAL SCOPE
1.1	Thermal energy generation	1
1.2	Renewables	1
13.1	Solid waste and wastewater	13

REVISIONE REVISION	DATA DATE	MOTIVAZIONI PER LA REVISIONE REASON FOR THE REVISION
0	19/07/2015	First issue with new template (this certificate is linked to CDM qualification)

Responsabile di schema
Scheme Leader
Rita Valoroso

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TEC: Technical expert, VAL: Validator, VER: Verifier, TL: Team leader, FR EXP: Franco-Expert, ITRP: Independent technical review

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LEP/CCC	per condurre la Validazione e la Verifica di Progetti CDM to conduct the Validation and Verification of CDM Projects
VCSA	per condurre la Validazione e la Verifica di Progetti VCS to carry out Validation and Verification of VCS Projects
OI Foundation	per condurre la Validazione e la Verifica di Progetti OI to carry out Validation and Verification of OI Projects
Ecologic Institute	per condurre la Validazione e la Verifica di progetti SCS to carry out Validation and Verification of SCS Reports
American Carbon Registry ACR	per condurre la Validazione e la Verifica di Progetti ACR to carry out Validation and Verification of ACR projects
The Climate, Community & Biodiversity Alliance CCB	per condurre la Validazione e la Verifica di Progetti no-benefit CCB to carry out Validation and Verification of no-benefit CCB projects