

PROJECT REVIEW REPORT

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

<b>Project ID</b>	3814
<b>Project Name</b>	Chestnut Carbon Conservation Project
<b>Review Type</b>	Validation & Verification Approval
<b>Program(s)</b>	VCS Program
<b>Verification Period</b>	5 July 2022 - 31 January 2023
<b>Project Proponent</b>	Forest Carbon Works, PBC
<b>Methodology</b>	VM0003, Methodology for IFM through Extension of Rotation Age, v1.3
<b>VVB</b>	AENOR INTERNATIONAL S.A.U
<b>Assessment Criteria</b>	VCS Standard, v4.4
<b>Date of First Issue</b>	11 September 2023
<b>Date of Second Issue</b>	20 October 2023
<b>Date of Third Issue</b>	17 November 2023
<b>Review Conclusion</b>	Approved
<b>Date of Final Issue</b>	15 December 2023

FINDINGS

#	Finding Description	VVB Response	Status
1	<p><b>Inaccurate KML file</b></p>		
	<p><u>Issue</u> The KML file does not precisely delineate the project area polygon(s) where net emission reductions and removals occur, particularly the initial project activity instances.</p> <p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>1. The VVB must ensure that the project provides a KML that precisely delineates the project area polygon(s) where net emission reductions and removals occur, particularly the initial project activity instances.</li> <li>2. The VVB must ensure that the project area polygon under section 1.12 of the joint PD/MR is updated accordingly.</li> <li>3. The VVB must assess the updated KML file and update the joint validation/verification as needed.</li> </ol> <p><u>Program Rule(s)</u> VCS Standard, v4.4, Section 3.11.2 (3)</p>	<p><b>Round 1</b></p> <p><u>VVB Response</u></p> <p>1. Per VCS Standard, v4.4, Section 3.11.2 (3), a KML including all project activity instances where net emission reductions and removals occur must be provided. The previously provided KML outlined the geographic extent of the project area (contiguous United States and Southern Alaska). A new KML including only the project activity instances has been provided within Annex BT. A reference to this Annex has been added to section 1.12 of the joint PD/MR.</p> <p>2,3. AENOR had positively assessed the delimitation of the PAIs before the submission of the documentation for the registration, as it is visible in section 2.2 of the validation and verification report (Annex I and L). However, the PP submitted by mistake in Verra Registry the potential project area KML, instead of the current PAIs KML. For clarity, a new KML (Annex BT) has been provided to be available at Verra Registry. Mention to Annex BT (KML) has been included in this new version of the validation and verification report, however no further action is needed regarding the assessment of the evidence.</p>	<p>Closed</p>

		<p><u>Verra Response</u> A new KML file has been provided. However, this finding cannot be closed.</p> <p><u>Issue</u> The KML provided still does not precisely delineate the project area polygon(s) where net emission reductions and removals occur, particularly the initial project activity instances.</p> <p><b>Round 2</b></p> <p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>1. The VVB must ensure that the project provides a KML that precisely delineates the project area polygon(s) where net emission reductions and removals occur, particularly the initial project activity instances.</li> <li>2. The VVB must ensure that the project area polygon under section 1.12 of the joint PD/MR is updated accordingly.</li> </ol> <p><u>VVB Response:</u></p> <ol style="list-style-type: none"> <li>1. The KML has been reviewed and decided to be precisely delineating all eight initial project activity instances, seven located within Arkansas and one in Alabama, at which the net emission reductions and removals occur. If the “CCA_Projects” layer within the table of contents of the provided KML is expanded, all project activity instances within the project area are included and can be zoomed in on, representing the boundaries where net emission reductions and removals occur.</li> <li>2. The provided KML already precisely delineates the project area, thus no changes to the KML are required in response to this issue. As there have been no</li> </ol>	
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		<p>changes to the KML, updates to Section 1.12 of the PD/MR are not necessary. Validation and verification report require no changes for the same reason. Finally, the PP confirmed by email with Verra (email attached) that the kml previously submitted was correct and no additional actions were necessary.</p> <p><u>Verra Response</u> The KML provided is precisely delineating the project area polygon(s) where net emission reductions and removals occur. This finding is closed, and no further action is required.</p>	
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2 Clarification needed on stratification			
	<p><u>Issue</u> Information presented in the joint PD/MR is not clear whether stratification of the project area and/baseline scenario was carried out appropriately.</p> <p><u>Action Required</u> 1. The VVB must ensure that the project proponent update relevant sections of the joint PD/MR to clearly present <i>ex-ante</i> stratification of the project area and baseline scenario or justify the lack of stratification. For example, provide information on the number of strata and the parameters used to define the strata.  2. The VVB must ensure that the project proponent provides information on whether the stratification was updated <i>ex-post</i>, to account for any changes during this monitoring period.</p>	<p><b>Round 1</b></p> <p><u>VVB Response</u></p> <ol style="list-style-type: none"> <li>Per VM0003 Section 8.1, each PAI was stratified <i>ex-ante</i>. Using aerial imagery and field visits, each PAI was stratified using the criteria of age class, species composition and management system following VM0003 requirements. Due to the homogeneous nature of the forest types of 7 of 8 PAIs, 7 consist of 1 stratum each, and one PAI contains 2 strata, thus 9 strata exist in the project currently. Sections 5.1, 5.2, and 6.3 have added text reflecting this.</li> <li>Per VM0003 Section 9.3, <i>ex-post</i> re-stratification is allowed under certain circumstances. None of the listed events have occurred to date, thus no re-stratification of the project was required. Sections 6.3, 7.2, and 7.3 have added text reflecting this.</li> <li>The stratification process was reviewed during the process</li> </ol>	<p>Closed</p>

<p>3. The VVB must provide an assessment of the joint PD/MR and update the joint validation/verification report as needed.</p> <p><u>Program Rule(s)</u> VM0003, v1.3, Section 8.1 and 9.3.</p>	<p>of validation and verification: 1) revision of the calculations (Activity #7 in section 2.4 of the validation and verification report); 2) onsite by measuring plots in both identified strata (indicated in column 'stratum' in Activity #2 in section 2.4 of the validation and verification report. To clarify how the stratification process was assessed, sections 3.4.6 and 4.1 in validation and verification report have been completed.</p>	
	<p><u>Verra Response:</u> The joint PD/MR and joint VVR have been updated with information on the <i>ex-ante</i> stratification of the project area. However, this finding cannot be closed.</p> <p><u>Issue</u> The joint PD/MR and joint VVR state that the project area has been stratified by the age class, species, and management system. However, the strata presented in Section 5.1 and 6.3 of the joint PD/MR and Section 3.4.6 of the joint VVR, do not reflect a stratification by age class and the management system.</p> <p><u>Action required.</u></p> <ol style="list-style-type: none"> <li>1. The VVB must ensure that the strata adjusted to clearly reflect the variations in the management system and age class.</li> <li>2. The VVB must ensure that the ERRs calculations are revised to reflect the stratification from action item 1 above.</li> </ol> <p><u>Background</u> Per VM0003, stratification by management system is important so that all areas to be clear cut or patch cut within a given year or within the years between monitoring events comprise a stratum, with further division where differences exist in site index, species and/or age class.</p> <p><b>Round 2</b></p>	

		<p><u>VVB Response:</u></p> <ol style="list-style-type: none"> <li>1. The project documentation has been updated to more clearly articulate two forms of stratification employed by the project according to VM0003, specifically in Section 5 of the PD/MR. VM0003 Sections 9.3 and 8.1 define two different types of stratification which are now distinctly presented as management stratification and measurement stratification, respectively. Measurement stratification is stratification for the purposes of increasing measurement precision of carbon stock per VM0003 Section 9.3. Management stratification is a further division of the measurement strata where differences in site index, species and/or age class exist per VM0003 Section 8.1.</li> </ol> <p>The project proponent had already implemented dual stratification in the project, but the distinction between measurement and management strata was not clearly presented in the PD/MR. Detail has now been added to Section 5 of the PD/MR to clarify the existence of both measurement and management stratification employed by the project. Additionally, two tables, one describing each measurement strata and another describing each management strata have also been included in section 5. The clarification was also added in sections 3.4.6 of the validation and verification report.</p> <p>Where Annex references refer to “stratum” or “strata,” the project proponent is referring to measurement strata.</p> <ol style="list-style-type: none"> <li>2. ERR estimates were not revised because of this issue. The Project Proponent had already implemented both types of stratification, now presented as management and measurement strata, thus meeting requirements of both</li> </ol>	
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		<p>sections 8.1 and 9.3 of the VM0003 methodology, respectively. No change in stratification has occurred, thus ERR calculations remain unchanged.</p> <p><u>Verra Response:</u> A distinction between measurement and management strata has now been presented in the PD/MR to show the stratification by management system, site index, species, and age class. However, this finding cannot be closed.</p> <p><b>Round 3:</b></p> <p><u>Issue:</u> It is unclear how the calculations carried out at the management strata level were aggregated into the relevant measurement stratum.</p> <p><u>Action Required:</u> The VVB must ensure that the project proponent provides the disaggregated data at the management strata level for Verra to review how the aggregated data presented in the ERR spreadsheet have been generated.</p> <p><u>VVB Response:</u> To clarify the relationship between management and measurement strata, a new column has been added to the management strata table in Section 5 of the PD/MR that identifies the relevant measurement strata for each management strata.</p> <p>Clarifications regarding how management strata were aggregated into the relevant measurement strata in the baseline scenario has been added to Section 7.2 of the PD/MR. Additional statements clarifying aggregation steps for the project scenario have been</p>	
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		<p>added to Section 7.3 of the PD/MR. VVR was updated accordingly in section 3.4.6, although ERR estimates had no changes due to this clarification. All the Annexes mentioned are attached in the mail in response to this PRR in order Verra can verify how the aggregated data presented in the ERR spreadsheets have been generated.</p> <p><u>Verra Response:</u></p> <p>Clarity has been provided on how the aggregated data presented in the ERR spreadsheet has been generated. This finding is closed, and no further action is required.</p>	
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3 Clarification needed on the project activity			
	<p><u>Issue</u></p> <ol style="list-style-type: none"> <li>Section 1.4.1 of the joint PD/MR does not clarify the harvesting technique used in the baseline and project scenarios.</li> <li>Section 1.11 of the joint PD/MR does not clarify how the harvest time has been shifted/rotations have been extended.</li> <li>Under Section 1.11 of the joint PD/MR, it is unclear which silvicultural treatments will be utilized to accelerate the recruitment of trees.</li> </ol> <p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>The VVB must ensure the project proponent updates Section 1.4.1 of the joint PD/MR to specify the harvesting technique used in the baseline and project scenarios.</li> <li>The VVB must ensure the project proponent explains whether the harvesting activity meets or exceeds the VCS definition. If so, the long-term average shall be applied.</li> </ol>	<p><b>Round 1</b></p> <p><u>VVB Response</u></p> <ol style="list-style-type: none"> <li>Per VM0003 Section 4, forest management in both baseline and project scenarios involves harvesting techniques such as clear cuts, patch cuts, continuous thinning, or group selection practices. Language has been added to section 1.4.1 of the PD/MR specifying the harvesting techniques used in the baseline and project scenarios.</li> <li>Per VM0003 Section 4, forest management in both baseline and project scenarios involves harvesting techniques such as clear cuts, patch cuts, continuous thinning, or group selection practices. Additional text has been added into section 1.11 of the PD/MR specifying how harvesting within the project scenario will not meet nor exceed the VCS definition for <i>Harvesting activity</i>. This is further described in the Chestnut Conserve Harvest Policy document now included in Annex BU.</li> <li>Per VM0003 Section 4, forest management in both</li> </ol>	<p>Closed</p>

<p>3. The VVB must ensure that Section 1.11 of the joint PD/MR is updated to describe how the harvest time has been shifted and the silvicultural treatments to be implemented.</p> <p>4. The VVB must provide an assessment of the joint PD/MR and update the joint validation/verification report as needed.</p> <p><u>Program Rule(s)</u> VM0003, v1.3, Section 4 (1)</p>	<p>baseline and project scenarios involves harvesting techniques such as clear cuts, patch cuts, continuous thinning, or group selection practices. Section 1.11 of the PD/MR now contains language detailing how harvest time has been shifted by the project activity (compared to the baseline scenario) and what silvicultural treatments will be implemented.</p> <p>4. Clarification on harvesting techniques and the silvicultural system, along with the means of verification, has been included in section 3.1.2 of the validation and verification report, as well as a clarification regarding the non-applicability of an age of rotation under the project scenario. On the other hand, a justification for the non-application of the LTA has been included in section 3.4.6. and 4.1 of the validation and verification report.</p>	
	<p><u>Verra Response</u> The joint PD/MR has been updated with information on the harvesting technique used in the baseline and project scenarios. However, this finding cannot be closed.</p> <p><u>Issue:</u></p> <ol style="list-style-type: none"> <li>1. Per Section 3.1.2 of the joint VVR, the rotation age in the baseline is unknown. Additionally, the age to which harvesting is extended in the project scenario has not been specified in the joint PD/MR. It is unclear how the VVB has determined that the project is extending the rotation age without information on the age at which trees are cut in the baseline scenario.</li> <li>2. It is unclear how the project proponent identified the trees at risk of harvesting in the baseline scenario if the age at which trees are cut is unknown.</li> </ol>	

		<p><u>Action required.</u></p> <ol style="list-style-type: none"> <li>1. The VVB must describe how they determined the project has extended the rotation age without information on the age at which trees are cut in the baseline scenario.</li> <li>2. The VVB must ensure that the project proponent provides evidence to demonstrate that the trees included in the project activity were at risk of harvesting in the baseline scenario, considering that no information is provided in the joint PD/MR on the age at which the trees would have been harvested.</li> <li>3. The VVB must ensure that the ERR estimates are revised to reflect the clarifications resulting from action items 1 and 3 above.</li> </ol> <p><b>Round 2</b></p> <p><u>VVB Response:</u></p> <p>The VVB has determined that the project is extending the rotation age because information on the age at which trees are cut in the baseline scenario is presented in section 3.4 and now additionally in section 5 of the PD/MR.</p> <ol style="list-style-type: none"> <li>1. The baseline scenario uses common silvicultural practices and rotation ages for the location in which each PAI resides. Rotation ages used within the baseline scenario were determined through consultation with local, practicing foresters, documented in the forester attestation. A listing of the baseline rotation ages applied for each management stratum (modeling unit) is now included in the management strata table in section 5 of the PD/MR. Baseline rotation ages of each management strata were confirmed by referencing FVS files provided with the baseline model and forester attestation.</li> </ol>	
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		<p>2. The age at which the trees would have been harvested in the baseline scenario is now documented in the Management strata table in section 5 of the PD/MR. Evidence corroborating that the trees included in the project activity were at risk of harvesting in the baseline scenario is provided via the forester attestation in Annex BD.</p> <p>3. The baseline scenario and model have not been changed in any way due to this clarification and the additions to the PD/MR described above. As such, ERR estimates were not revised due to this clarification. This description is included in section 3.4 of the validation and verification report.</p> <p><u>Verra Response</u> While the age to which harvesting is extended in the project scenario has now been specified in the joint PD/MR and the VVB has provided clarification on how it determined that the project is extending the rotation. This finding cannot be closed.</p> <p><b>Round 3:</b> <u>Issue:</u> Per the table in Section 5 of the joint PD/MR, some management strata have trees younger than the baseline rotation age e.g., strata 7,11,12, 13, 14, 15,16,17, 18, 19, 20, 21. It is unclear whether the ERRs in the trees younger than the baseline rotation age have only been accounted for beginning from the year they were to be harvested in the baseline scenario (e.g., if tree #1 has a planned cut in year 10, the ERRs in tree #1 can be accounted for beginning in year 10).</p> <p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>1. The VVB must ensure that the project proponent provides evidence to demonstrate ERRs in the trees younger than the</li> </ol>	
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		<p>baseline rotation age have only been accounted for beginning from the year they were to be harvested in the baseline scenario.</p> <p>2. The VVB must ensure that the ERRs estimates are revised to reflect the changes from action item 1.</p> <p><u>VVB Response:</u></p> <p>1. Dominate age class reported in the Management strata table in Section 5 represents the most frequent or common age class. Each management strata may contain trees younger than or older than the dominate age class. While the predominante age class may be less than the baseline rotation age for some management strata (ex. Management strata 11), all age classes present at project initiation are subject to harvest in the baseline scenario. Per baseline management system CLR-1, management strata are subject to a first thinning at age 15 in the baseline (Annex BD). For example, management strata 11 would be immediately eligible for the first CLR-1 thin at age 15 as it has a dominante age class of 10-20 years. Clarification to this effect have been added to Section 5 of the PD/MIR.</p> <p>Further, following VM0003 Equation 3, ERRs are only generated where baseline emissions exceed project emissions. The baseline scenario includes removals from the growth in young stands until the time they are harvested in the baseline scenario. Model results from both the project and baseline have been provided in Annex AZ. All the Annexes mentioned are attached in the mail in response to this PRR. Besides this clarification, no other changes are needed in the documents or the calculations.</p>	
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		<p>2. The baseline scenario and model have not been changed due to this clarification and thus ERR estimates do not require revision.</p> <p><u>Verra Response:</u> Clarity has been provided on how the trees younger than the baseline rotation age have been accounted for in the ERR estimates. This finding is closed, and no further action is required.</p>	
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4 Insufficient evidence to demonstrate model selection assessment			
	<p><u>Issue</u> Information provided in Section 3.4.6 of the joint validation/verification report is insufficient to demonstrate that the VVB appropriately assessed the model used (Forest Vegetation Simulator by US Forest Service).</p> <p><u>Action Required</u> 1. The VVB must update Section 3.4.6 of the joint validation and verification report to describe the steps taken to assess the selection and use of the Forest Vegetation Simulator by US Forest Service model.  2. The VVB must describe how it validated, against objective evidence, the accuracy of the model inputs and outputs (relevant assumption, data, and parameters) applied by the model.</p> <p><u>Program Rule(s)</u> <i>VCS Joint Validation and Verification Report, v4.2, Section 3.4.6; VM0003, v1.3, Section 8.3</i></p>	<p><b>Round 1</b></p> <p><u>VVB Response</u> 1, 2. Section 3.4.6 in VVR was updated to include the steps taken to assess the selection and use of the FVS and the accuracy of the model inputs and outputs (finding 6 folder).</p> <p><u>Verra Response</u> Section 3.4.6 of the joint validation/verification report has been updated to demonstrate that the VVB has appropriately assessed the model used (Forest Vegetation Simulator by US Forest Service). However, this finding remains open until finding #2 and #3 are closed.</p> <p><u>VVB Response</u> Since response to findings #2 and #3 above do not imply changes in the calculations that require a new review, no further action would be needed.</p> <p><u>Verra Response</u> This finding remains open until finding #2 and #3 are closed.</p>	<p>Closed</p>

		<p><u>VVB Response</u> The ERR calculations have not been changed due to this clarification and thus ERR estimates do not require revision. Please, see response in findings #2 and #3 to close this finding.</p> <p><u>Verra Response:</u> Findings #2 and #3 are now closed. This finding is closed, and no further action is required.</p>	
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5 Missing information on interviews by the VVB			
	<p><u>Issue</u> In Section 2.3 of the joint validation/verification report, the information provided shows that not all the stakeholders listed in Section 2.2 joint PD/MR were interviewed, e.g., local people.</p> <p><u>Action Required</u> The VVB must under section 2.3 of the validation/verification report justify how the sample's representativeness is guaranteed without consideration of all stakeholder groups e.g., local communities.</p> <p><u>Program Rule(s)</u> <i>Joint VCS Validation &amp; Verification Report, v4.2, Section 2.3</i></p>	<p><b>Round 1</b></p> <p><u>VVB Response</u> As indicated in 3.3.2 and 3.3.5, a sample of 25% of the stakeholders was contacted by mail by the VVB, according to the stakeholder list in Annex AK. However, this was mistakenly not indicated in section 2.3 of the validation and verification report. 25% (16) of the stakeholders comprised: National NGOs (2), local NGOs (5), Local Governments (2), Federal Governments with local office (2), University (2), local Landowners (3); considering that some stakeholders may belong to more than one group. Their identification is not indicated in the validation and verification report to preserve your privacy and confidentiality. In any case, no comments of any kind were obtained by the VVB.</p> <p>It is important to clarify that the PP identified the stakeholders that could potentially be affected in the future at a time of project expansion, but today, with the PAIs that have been included, they may not yet be represented for consultations if at the moment they have no relation to the project and are not affected. On the other hand, AENOR confirmed that given the nature of the project (private properties with private management, where the project activity will be</p>	Closed

		<p>passive -non-intervention- and that does not request any specific permission from the Government, in a context of current PAIs dispersed in a vastly agricultural-cattle ranching landscape) the number of stakeholders is limited. For example, in practice, for the current PAIs, no local policy makers, groups of women or minorities, or third parties with any rights over the project properties that have or potentially could have any affectation by the project have been identified; and this, according to the onsite visit and rest of the interviews is consistent. The list of stakeholders is expected to be constantly updated.</p> <p>Section 2.3 in the validation and verification report was updated to reflect this fact.</p>	
		<p><u>Verra Response:</u> Section 2.3 of the validation/verification has been updated to indicate the stakeholder groups interviewed. This finding is closed, and no further action is required.</p>	

6 Inconsistent reporting of the leakage deduction factor			
	<p><u>Issue</u> The leakage deduction factor is inconsistently reported in the joint PD/MR, for example, in Section 5.3 and 7.4 of the joint PD/MR.</p> <p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>1. The VVB must ensure that the project proponent correctly and consistently reports the leakage deduction factor throughout the joint PD/MR</li> <li>2. The VVB must provide an assessment of the joint PD/MR and update the joint validation/verification report as needed.</li> </ol> <p><u>Program Rule(s)</u></p>	<p><b>Round 1</b></p> <p><u>VVB Response</u></p> <ol style="list-style-type: none"> <li>1. Per the VM0003 Methodology v1.3 Section 8.6.1, “The leakage factor (LF<sub>ME</sub>) is determined by considering where in the country logging will be increased as a result of the decreased supply of timber caused by the project.” The leakage deduction factor is currently being consistently reported as 0.2 throughout the PD/MIR, including in Sections 5.3 and 7.4. Clarification regarding the calculation process, how this value was determined, and the deductions applied to each PAI were added to PD/MIR Section 5.3.</li> <li>2. The validation and verification report already indicated the process of calculation, and it was consistent for ex ante and ex post values (0.2). However, PD/MR section 5.3 was rephrased</li> </ol>	<p>Closed</p>

<p><i>Joint VCS Project Description &amp; Monitoring Report, v4.2,</i></p>	<p>to avoid confusion, since the indication of the 3 possible default values depending on the relation amongst <math>PML_{FT}</math> and <math>PMP_i</math>. No other changes proceeded in the validation and verification report.</p>	
	<p><u>Verra Response</u> The project documents have been updated to consistently report the leakage deduction factor. However, this finding cannot be closed.</p>	
	<p><b>Round 2</b></p>	
	<p><u>Issue:</u> Verra cannot adequately review the steps taken to calculate leakage without the Annex AL.</p> <p><u>Action item:</u> The VVB must submit Annex AL to Verra to enable efficient review of the leakage calculations.</p> <p><u>VVB Response:</u> Per the PD/MR template Section 4.3, the project proponent must “[i]nclude all relevant equations and explain and justify all relevant methodological choices.” Annex AL has been provided to Verra (attached in the PRR response email), which contains all relevant equations and steps taken to apply the leakage deduction factor to reduction and removal accounting. This satisfies the requirement by providing the requested information necessary to confirm correct application of the leakage deduction factor.</p> <p><u>Verra Response</u> While the Annex AL has now been submitted to Verra. This finding cannot be closed.</p>	

		<p><b>Round 2:</b></p> <p><u>Issue:</u> The ERRs spreadsheet contains random values of <math>PM_{LFT}</math> and <math>PMP_i</math> without formula and data sources to further explain how the reported values were generated.</p> <p><u>Action Required</u> The VVB must ensure that the ERR spreadsheet includes formulas plus data sources used to generate reported <math>PM_{LFT}</math> and <math>PMP_i</math> values.</p> <p><u>VVB Response:</u> <math>PM_{LFT}</math> and <math>PMP_i</math> are applied, but not calculated, within the ERR spreadsheet (Annex AL). They are calculated within the “Chestnut Conserve TL v2.18.xlsx”, which can be found in Annex BE. All formulas and data sources used to calculate <math>PM_{LFT}</math> and <math>PMP_i</math> can be found within Annex BE, specifically the “PMP” worksheet. The values for <math>PM_{LFT}</math> and <math>PMP_i</math> are subsequently copied to Annex AL and market effects leakage is calculated in Annex AL. This resolves the issue by providing the requested information necessary to confirm the source and calculation of reported <math>PM_{LFT}</math> and <math>PMP_i</math> values. All the Annexes mentioned are attached in the mail in response to this PRR. Besides this clarification, no other changes are needed in the documents or the calculations.</p> <p><u>Verra Response</u> The ERR spreadsheet includes formulas plus data sources used to generate reported <math>PM_{LFT}</math> and <math>PMP_i</math> values have been provided. This finding is closed, and no further action is required.</p>	
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7 Clarification needed on the total baseline and project calculations		
<p><u>Issue</u> It is not clear why they are negatives in the baseline emissions or removals in Table 18 of the joint PD/MR</p> <p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>1. The VVB must ensure that the project proponent provides clarification as to why they are negatives in the baseline emissions or removals in Table 18 of the joint PD/MR</li> <li>2. The VVB must provide an assessment of the joint PD/MR and update the joint validation/verification report as needed.</li> </ol> <p><u>Program Rule(s)</u> <i>Joint VCS Project Description &amp; Monitoring Report, v4.2, Section 7.5.</i></p>	<p><b>Round 1</b></p> <p><u>VVB Response</u> Using VM0003 v1.3 Equations 1, 2, 3, 4, and 5, <math>\Delta C_{BSL}</math>, the baseline net greenhouse gas removals by sinks (t CO<sub>2</sub>e) was calculated for the project. It was confirmed by the PP and VVB that the values for <math>\Delta C_{BSL,tree}</math>, <math>\Delta C_{BSL,WP}</math>, and <math>\Delta C_{BSL,DW}</math> each had negative changes to the carbon stock in the baseline scenario, leading to <math>\Delta C_{BSL}</math> being negative. This leads to the negative values in baseline emissions that are shown in Table 18, as it also happens for ex ante values in table 14. Since there is justification based in the formulae, no changes were made in the PD/MR and validation and verification report in this regard.</p>	Closed
	<p><u>Verra Response</u> (Pending) The justification provided is sufficient to close this finding. No further action is required.</p>	

8 The grievance redress procedure does not follow the VCS Standard requirements		
<p><u>Issue</u> The project's grievance redress procedure described in Section 2.5 of the joint PD/MR does not reflect the three stages set out by Section 3.18.19 of the VCS Standard.</p> <p><u>Action Required</u></p> <ol style="list-style-type: none"> <li>1. The VVB must ensure the project's grievance redress procedure follows the VCS Standard requirements.</li> <li>2. The VVB must assess the project's grievance procedure and update the VR as needed.</li> </ol>	<p><b>Round 1</b></p> <p><u>VVB Response</u> 1. Section 3.18.19 of the VCS Standard v4.4 requires three specific stages within the grievance redress procedures, and section 2.5 of the joint PD/MR has been updated to reflect these three stages. The project's grievance redress procedures have also been updated on the public-facing website (<a href="https://forestcarbonworks.org/grievance-procedure">https://forestcarbonworks.org/grievance-procedure</a>) to include these three stages. 2. The VVB assessed positively the updated of the description of the grievance's mechanism in section 2.5 of the PD/MR and</p>	Closed

	<p><u>Program Rule(s)</u> VCS Standard v4.4, Section 3.18.19</p>	<p>PP website, since now it complies with 3.18.19 of the VCS Standard v4.4; and updated section 3.3.5 in VVR accordingly.</p>	
		<p><u>Verra Response</u> (Pending) Section 2.5 of the joint PD/MR has been updated and the VVB has provided an assessment of the same. No further action is required.</p>	